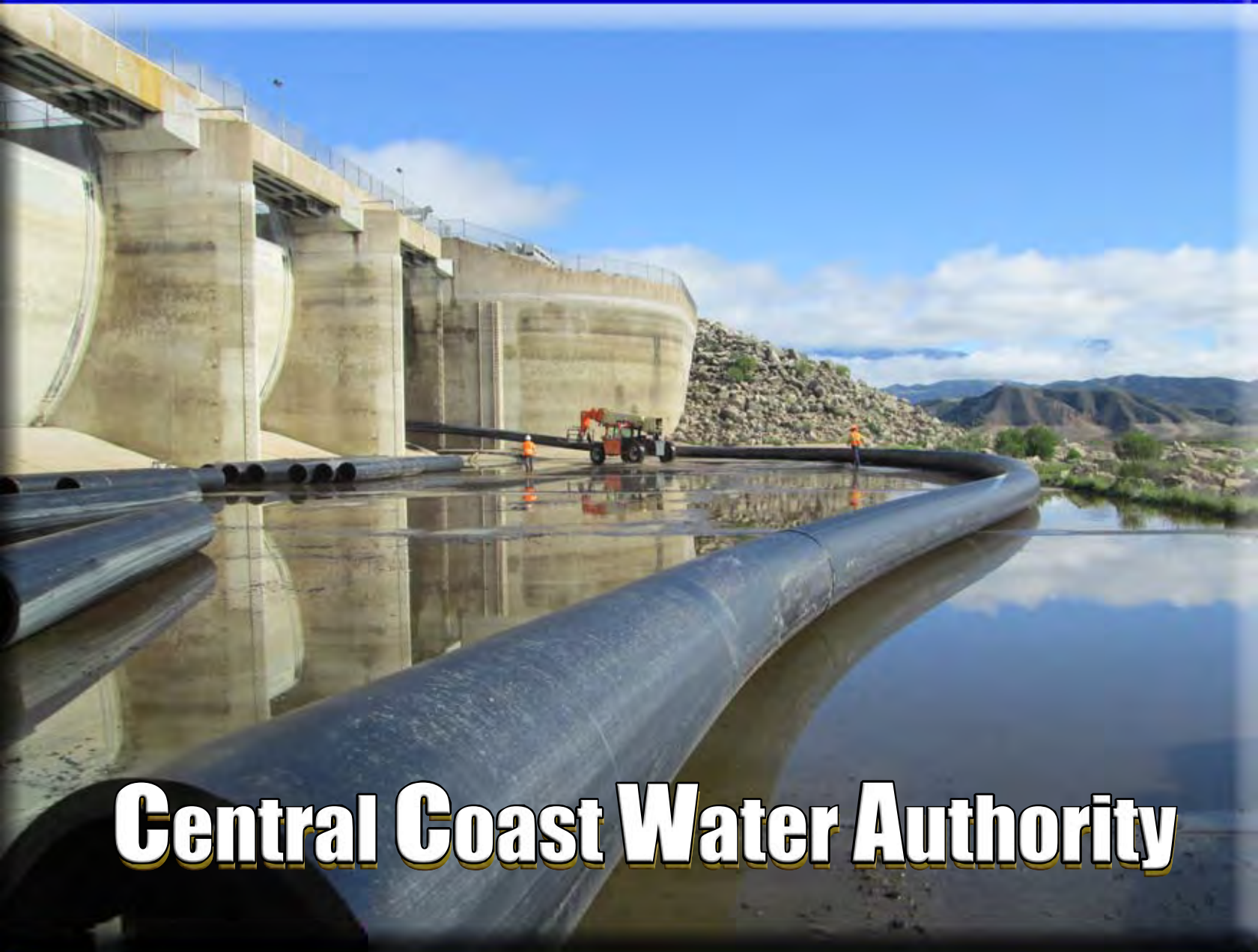


FY 2017-18 BUDGET



Central Coast Water Authority

A California Joint Powers Authority



Central Coast Water Authority

A CALIFORNIA JOINT POWERS AUTHORITY

Fiscal Year

2019/1: Budget

Central Coast Water Authority

Mission:

To provide San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water.

Objectives:

- Treat and deliver water through the Coastal Aqueduct to San Luis Obispo and Santa Barbara Counties.
- Minimize environmental impacts and protect the environment during operation of our facilities.
- Cost effectively operate and maintain our facilities.
- Ensure our water supply meets or exceeds health and safety standards.
- Work with the Department of Water Resources and other state, federal and local agencies to achieve our mutual objectives.
- Assist project participants in their efforts to reduce groundwater overdraft.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Coast Water Authority
California**

For the Fiscal Year Beginning

July 1, 2016

Jeffrey R. Emswiler

Executive Director

Central Coast Water Authority
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Fiscal Year 2017/18 Budget

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*Bypass Piping at Bradbury Dam
2017 vs 2016*

Budget Foreword

The Budget Foreword section of the FY 2017/18 Budget contains the Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

Highlights

General Information

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

Operational Information

• Polonio Pass Water Treatment Plant capacity	50 million gallons per day
• Authority Pipeline (in miles)	42
• Coastal Branch Phase II Pipeline (in miles)	101
• Number of water storage tanks	7
• Number of turnouts	10
• Number of full-time equivalent Positions	30.25

Central Coast Water Authority
Reader's Guide
Fiscal Year 2017/18 Budget

The organization and presentation of the Central Coast Water Authority's fiscal year budget is designed to satisfy the needs of citizens, ratepayers, public officials and Authority employees. It is organized and structured to meet external and internal managerial needs. As a comprehensive management and balanced financial plan, this document describes the programs, services and resources being provided by the Authority as well as policies and long-term financial plans.

The Authority's budget is divided into the following seven (7) major sections with sub-sections included in each major section:

- I. **BUDGET FOREWORD** An introductory section that contains the budget transmittal letter; narrative discussion on the financial policies, goals and objectives of the Authority; and narrative discussion on the budget process.
- II. **BUDGET SUMMARY** A past, present and future overview of the Authority's budget and financial plans.
- III. **REVENUES AND SOURCES OF CASH** Narrative, graphs and spreadsheets describing the Authority's revenue and other sources of cash for the past and present fiscal year and revenue projections.
- IV. **DEPARTMENT OF WATER RESOURCES (DWR)** Narrative, graphs and spreadsheets describing the DWR charges which are paid by the member agencies and other project participants of the Authority.
- V. **OPERATING EXPENSES** The operating expense section of the budget is comprised of the Administration, Water Treatment Plant, and Distribution Departments and includes narrative discussion on the operating expenses for each department as well as graphs and spreadsheets.
- VI. **TEN YEAR FINANCIAL PLAN** The ten year financial plan section of the budget provides the ten year pro forma projections for each project participant.
- VII. **APPENDIX** The appendix includes a glossary of terms, acronyms and other items relevant to the Authority's budget.

To aid the reader in finding specific information quickly, a Table of Contents is provided at the beginning of this document.



April 27, 2017

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Submitted herewith is the Fiscal Year (FY) 2017/18 Budget for the Central Coast Water Authority. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. As CCWA's policy makers, you play a critical role in making decisions regarding the direction the organization will take in FY 2017/18.

The basic purpose of the budgetary process is to determine CCWA activities and projects to be undertaken and to identify resources and revenues available to fund them. In addition, the budget is more than just a financial document. The budget represents a process through which CCWA pursues for the ensuing year are established.

Financial control is the traditional function of a budget. This comprehensive budget also contains a vast amount of additional information including manpower requirements, equipment needs, and programs and services being provided. This level of detail provides you an opportunity to identify all the resources needed to accomplish CCWA's goals and objectives.

The budget also serves as a guide for policy implementation, making it a thorough and valuable document.

For nineteen consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2017/18 Budget for consideration of the GFOA budget award.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2016/17:

Water Deliveries

Total deliveries during FY 2016/17 by CCWA to the Santa Barbara and San Luis Obispo County project participants are estimated to be 35,172 acre-feet compared to the actual FY 2015/16 deliveries of 18,928 acre-feet. The graph on the following page shows water deliveries for the last ten fiscal years.

Jack Boysen
Chairman

Richard Shaikewitz
Vice Chairman

Ray 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

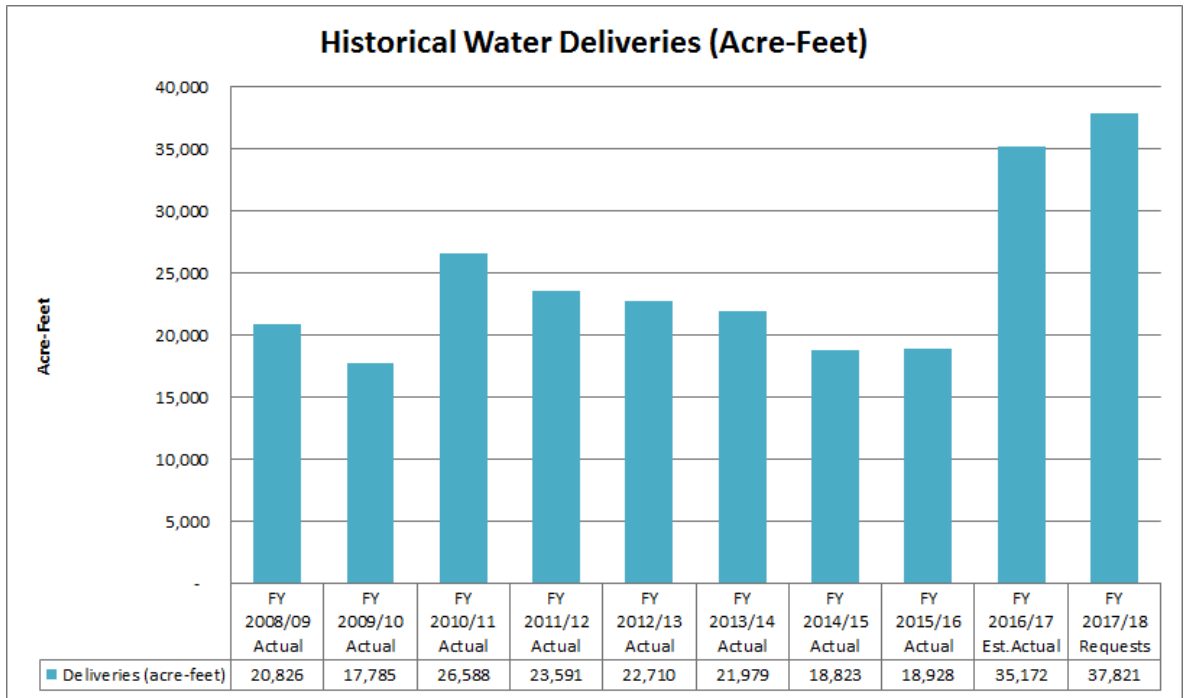
Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company



CCWA Supplemental Water Purchase Program

In response to the continued ongoing drought in California, the CCWA Board of Directors has authorized the development of a Supplemental Water Purchase Program (SWPP) for those CCWA project participants that needed additional water supplies to help meet their demand not being met with other water supplies beginning in calendar year 2014 and extending through calendar year 2017.

In total, over the course of four years, CCWA has acquired a total of just over 27,000 acre-feet of water under the SWPP at a total cost of approximately \$12 million, or roughly \$443 per acre-foot.

Below is a summary of the total water purchased under the SWPP for calendar years 2014 through 2016.

Project Participant	Water Purchased 2014-2016 (AF)	Cost of Purchased Water
City of Santa Barbara	11,278	\$ 5,618,891
La Cumbre Mutual Water Co	150	95,748
Montecito Water District	9,743	3,720,505
Carpinteria Valley Water District	1,000	250,187
Goleta Water District	4,000	1,626,046
Santa Ynez ID#1 (Solvang)	978	716,520
Total:	27,148	\$ 12,027,897

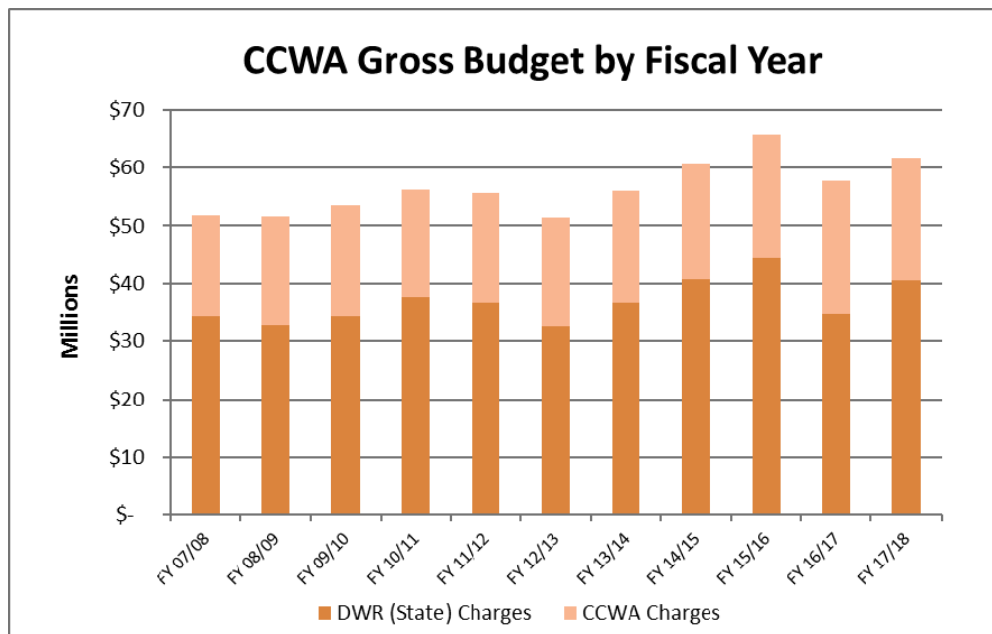
Sources	(AF/Year)
Antelope Valley East Kern WD	19,600
Mojave Water Agency	1,000
Vandenberg Air Force Base	1,659
Castaic Lake Water Agency	1,500
Biggs/West Gridley	2,390
Dudley Ridge Return	860
Other/CCWA Admin Costs	139
TOTAL:	27,148

CCWA Credits

Actual CCWA operating expenses for FY 2016/17 are anticipated to be approximately \$1.3 million less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2017/18.

CCWA Budget History

The following graph shows the CCWA gross budget (total budget excluding CCWA credits and prepayments) broken down between CCWA costs and DWR costs from FY 2007/08 to FY 2017/18.



Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2016/17 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2015/16 Comprehensive Annual Financial Report.

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2017 and 2018, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 37,773 and 37,732 acre-feet, respectively.

Department of Water Resources Activities and Related Costs

During FY 2017/18, CCWA staff will continue to work through the State Water Contractor (SWC) board and committees that interact with the Department of Water Resources (DWR) which impact CCWA and the California water agencies as a whole. There are many significant issues on which DWR and the SWC are working which have water supply, operational, and fiscal impacts on CCWA. Some of these activities could

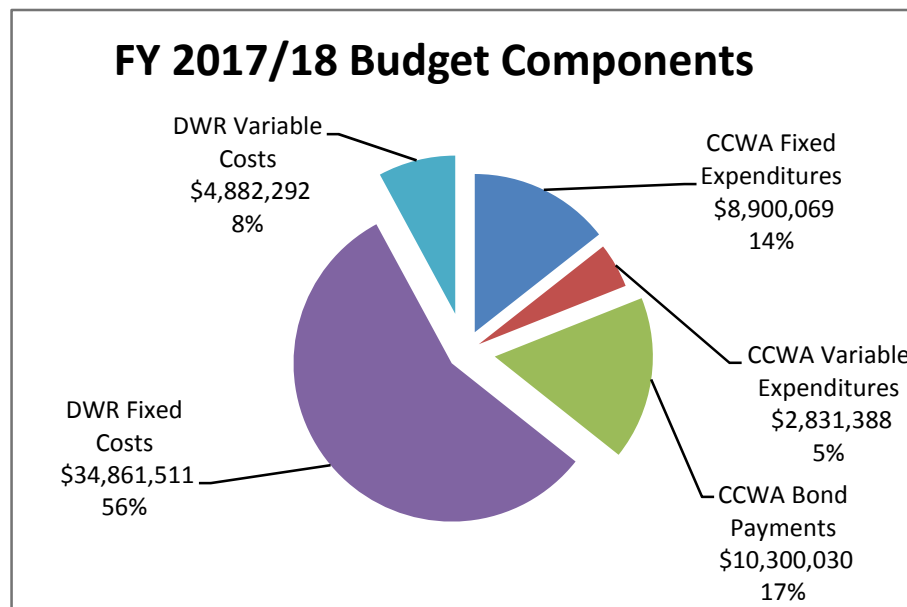
potentially have a significant fiscal impact to CCWA in the current and future years. Therefore, staff will place a high priority on working through the various available venues to minimize the fiscal impacts to CCWA and ensure that we continue to meet our goal of providing reliable, high quality supplemental water.

California Drought

While almost all of California received substantial rainfall this past year, we continue to feel the effects of the historic drought and the impacts will continue to be felt for the foreseeable future. For example, many of the CCWA project participants utilized their groundwater resources to help them meet demands during the drought. Therefore, it is anticipated they will need to allow their groundwater resources to recover and may therefore be more dependent on State water in the years ahead. As such, we anticipate there will be a continued need to ensure State water deliveries are maximized the greatest extent possible to meet the ongoing needs of our project participants.

FY 2017/18 BUDGET SUMMARY

The FY 2017/18 budget calls for total project participant payments of \$61.4 million compared to the FY 2016/17 budget of \$57.3 million, a \$4.1 million increase. These amounts include \$0.4 million in CCWA credits for FY 2017/18 and \$0.4 million for FY 2016/17. The following graph shows the breakout of the various cost components in the CCWA FY 2017/18 Budget:



The following table compares the FY 2017/18 Budget and the FY 2016/17 Budget:

Budget Item	Final FY 2016/17 Budget	Final FY 2017/18 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses - Fixed	\$ 6,815,580	\$ 6,994,222	\$ 178,642
CCWA Operating Expenses - Variable	3,942,033	2,831,388	(1,110,645)
Revenue Bond Debt Service Payments	11,481,752	10,300,030	(1,181,722)
Capital Improvement Projects	752,048	1,154,853	402,805
Total CCWA Expenses:	22,991,413	21,280,493	(1,710,920)
Pass-Through Expenses			
DWR Fixed Costs	32,271,328	34,861,511	2,590,183
DWR Variable Costs	1,860,417	4,882,292	3,021,875
Warren Act and Trust Fund Payments	598,753	750,994	152,241
Total Pass-Through Expenses:	34,730,498	40,494,796	5,764,299
Subtotal Gross Budget:	57,721,910	61,775,289	4,053,379
CCWA Credits	(418,781)	(418,358)	423
TOTAL:	\$ 57,303,129	\$ 61,356,931	\$ 4,053,802

CCWA Operating Expense Budget

The FY 2017/18 CCWA operating expense budget total is \$9.8 million, which is \$0.9 million less than the FY 2016/17 operating expense budget, an 8.66% decrease.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2017/18 and FY 2016/17.

	Final FY 2016/17 Budget	Final FY 2017/18 Budget	Increase	Percentage Change
Fixed O&M	\$ 6,815,580	\$ 6,994,222	\$ 178,642	2.62%
Variable O&M	3,942,033	2,831,388	(1,110,645)	-28.17%
Total:	\$ 10,757,612	\$ 9,825,610	\$ (932,003)	-8.66%

The following is a list of the major highlights of the operating expense budget. Additional highlights and detailed explanations are available in the departmental sections of the budget.

Personnel Expenses

Personnel expenses are increasing by about \$57,000 which includes the following changes from the prior year:

- The FY 2017/18 Budget includes the \$114,686 salary pool amount for employee salary increases representing a decrease of \$19,817 over the FY 2016/17 budgeted amount of \$134,500. The salary pool percentage for FY 2017/18 is a flat 4% of salaries.

On April 27, 2017, the Board of Directors approved that beginning FY 2017/18 CCWA's Salary Pool calculation be changed from being comprised of a 3% merit component plus the change in the consumer price index, to being based solely on either a flat 4% of salaries, or the actual change in the consumer price index, whichever is higher. This percentage is then applied to the current salaries as of July 1st to create the salary pool for the current fiscal year budget. The newly approved salary pool formula will be automatically included in the budget each year to provide a pool of money for the Executive Director to award salary increases to employees based entirely on performance.

The FY 2017/18 total salaries and wages budget for all departments is held to an increase of only \$43,573 compared to the prior fiscal year budget due to certain employees remaining stalled at the top of their salary range, combined with hiring a Deputy Controller at starting salary of \$35,000 below the position of Finance Director approved last fiscal year. In addition, a new Engineering Technician and WTP Maintenance Technician were hired at lesser starting salaries when compared to the prior employees in those positions.

- PERS retirement expenses are increasing by about \$38,000 due to the change in the employer and employee contribution rate for the FY 2017/18 to 23.048% as compared to the prior year amount of 22.071%. Beginning with FY 2017/18, CCWA employees will be paying 50% of the increase in the "normal" PERS employer contribution.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by about \$32,000 due to the following realignment of employee benefits: 1) Effective January 1, 2018, the CCWA cafeteria plan allowance will be based on the lowest cost plan available to all CCWA employees, instead of the mid-range PPO in 2017; 2) Beginning with calendar year 2018, CCWA employees will pay 50% of the increase in the cost of dependent portion of healthcare premiums. The 2017 health insurance premiums increased by 4.49%, as opposed to the budgeted increase of 5% for calendar year 2017. The Budget also includes an estimated 5% increase in the new lower cost plan health insurance premiums effective January 1, 2018.
- The FY 2017/18 Budget includes \$52,325 for deposit into the Retiree Benefit Trust Program which represents a \$5,825 increase in the estimated FY 2017/18 amount over the FY 2016/17 budgeted amount of \$46,500 for the annually required contribution for the CCWA retiree medical benefit, and the estimated additional contribution for a vested portion of the retiree only premiums, based on employees who are at least 62 years of age and who retire from CCWA having completed at least 10 years of service.

Supplies and Equipment

Supplies and equipment are decreasing by about \$560,000 due entirely to the decreased cost of chemicals needed due to increased flows in the California Aqueduct resulting in better water quality. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality, which has improved over the drought related water conditions seen in the preceding fiscal years.

Monitoring Expenses

Monitoring expenses are decreasing by about \$7,000 for lab supplies and lab testing due to an estimated reduction in drought related water quality monitoring that occurred last fiscal year.

Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$11,000 because of an increase in equipment and building repairs and maintenance.

Professional Services

Professional Services are increasing by a total of about \$15,000 for the following reasons: An increase of \$11,000 in engineering services for office remodeling, and a \$31,000 increase in professional services largely due to hiring a public relations firm for the DWR Contract Extension, and CalWater Fix, plus about \$33,000 for additional accounting services primarily for auditing the DWR Statement of Charges. These increase are partially offset by a \$60,000 decrease in need for additional legal services.

Utilities

Utility expenses are decreasing by about \$534,000 primarily due to a decrease in the estimated cost of electricity, which is offset by an increase in requested water deliveries to Lake Cachuma of 5,226 AF compared to the prior fiscal year.

CCWA Capital Improvement Projects

The FY 2017/18 Budget includes \$1,154,853 for capital improvements, a \$402,805 increase over the prior year amount. All capital improvement projects are funded on a current basis from project participant assessments.

Please refer to the “*Capital Improvements*” section of this FY 2017/18 Budget for additional information on the budgeted capital improvement projects.

CCWA 2016A Revenue Bond Debt Service

On June 28, 2016, the Authority issued Series 2016A refunding revenue bonds in the amount of \$45,470,000 which refunded the Authority’s \$59,645,000 outstanding aggregate principal amount of Refunding Revenue Bonds (State Water Project Regional Facilities), Series 2006A. The 2016A revenue bonds were issued to realize the benefits of lower interest rates, which were issued at a true interest cost of 1.355% compared to the 4.24% true interest costs of the 2006A bonds. This transaction will reduce the Authority’s debt service payments by \$1.1 million per year through the final maturity of the bonds in 2021.

CCWA 2016A revenue bond debt service for FY 2017/18 totals \$10.3 million, which is \$1.2 less than the prior year amount.

Warren Act and Trust Fund Payments

The FY 2017/18 Budget includes \$750,994 for Warren Act and Trust Fund MOU payments based on \$58 per acre foot for 12,948 acre feet of water to be delivered to Lake Cachuma.

CCWA Credits

The FY 2017/18 budget includes the following credits:

CCWA O&M Credits	\$	357,833
O&M Reserve Fund Interest Income		9,226
Rate Coverage Reserve Fund Interest		49,123
Prepayments and Other Credits		2,176
	\$	<u>418,358</u>

DWR Charges

The FY 2017/18 DWR fixed charges total \$34.9 million, which is \$2.6 million more than the FY 2016/17 Budget. The DWR variable charges total \$4.9 million, which is \$3.0 million more than the prior year amount.

Please refer to the DWR section of the budget for a detailed discussion on the DWR charges.

CONCLUSION

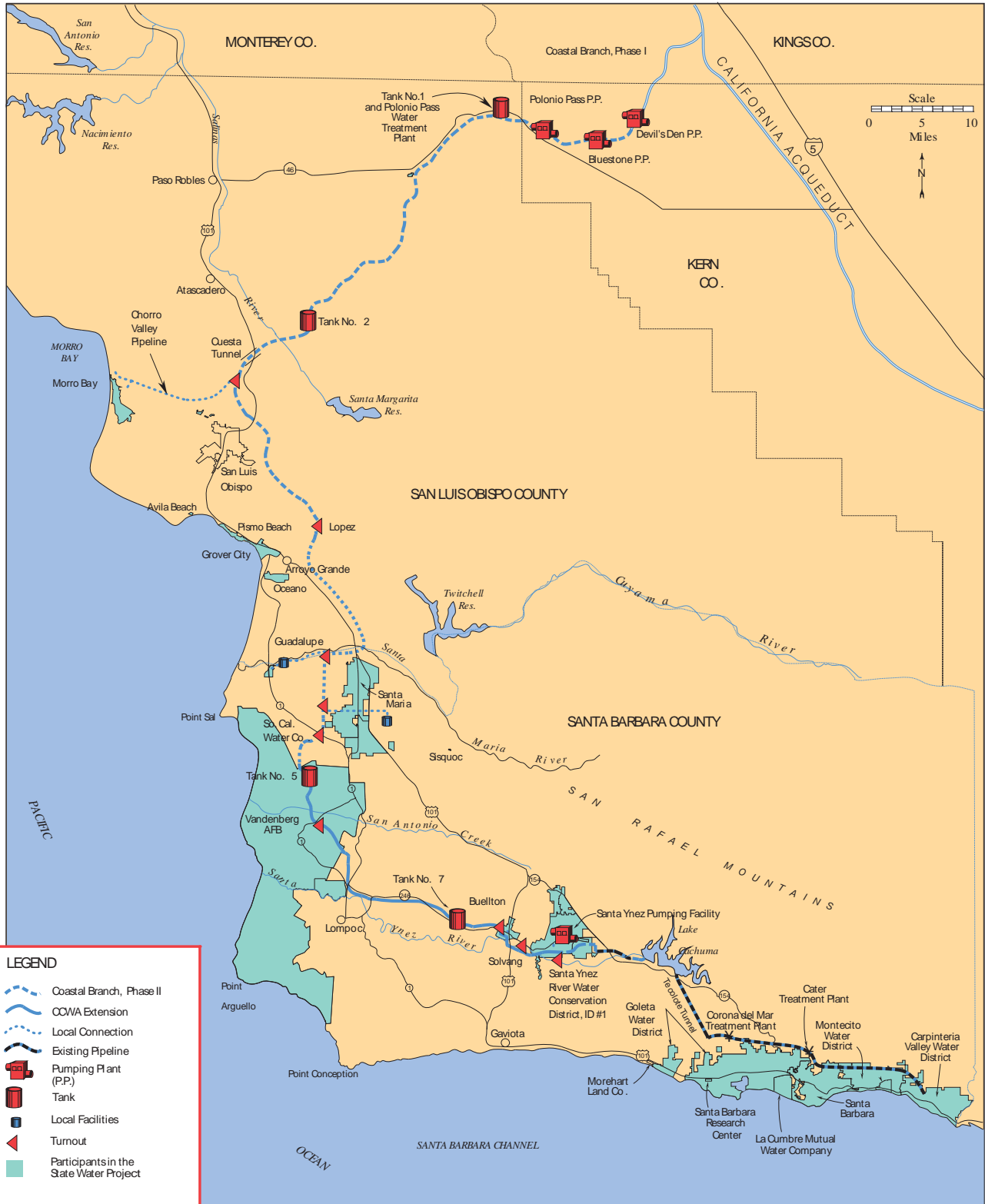
We are proud of the many accomplishments achieved during the past year through the combined efforts of CCWA staff and project participants. We look forward to successfully overcoming the challenges of the upcoming year.

Sincerely,



Ray Stokes
Executive Director

Project Map



Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2017/18 Budget

The Authority is a public entity duly organized and existing under a Joint Exercise of Powers Agreement – Central Coast Water Authority, dated as of August 1, 1991, by and among nine public agencies in Santa Barbara County, two of which have subsequently merged. The members entered into the Agreement to exercise their common power to acquire, construct, operate and maintain works and facilities for the development and use of water resources and water rights including without limitation, works and facilities to divert, store, pump, treat and deliver water for beneficial uses. In particular, the members expressed their desire to create the Authority to finance, develop, operate, and maintain the Authority’s facilities for their mutual benefit and to act on behalf of the members with respect to the Department of Water Resources (DWR) facilities. The Authority currently has a staff of 28 full-time and 3 part-time employees.

The Authority is presently composed of eight members, all of which are public agencies: the Cities of Buellton, Guadalupe, Santa Barbara and Santa Maria, Carpinteria Valley Water District, Goleta Water District, Montecito Water District and Santa Ynez River Water Conservation District, Improvement District No. 1 (in which the City of Solvang is located). (A founding member of the Authority, the Summerland Water District, was merged into the Montecito Water District.) In addition, the Authority has an Associate Member, the La Cumbre Mutual Water Company. Each member appoints a representative to the Authority’s Board of Directors. San Luis Obispo County Flood Control and Water Conservation District (SLOFCWCD and/or San Luis Obispo Water Purchasers) has expressed an interest in joining the Authority. However, any decision to do so must be approved by the unanimous vote of the present members.

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2017/18 Budget

Board of Directors Voting Percentages

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

CCWA Committees

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

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

Santa Barbara County Project Participants

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

Central Coast Water Authority
 Organization Overview, Structure and Staffing
 Fiscal Year 2017/18 Budget

Santa Barbara County Project Participant Table A Amounts

<u>Agency</u>	<u>Table A ⁽¹⁾</u>
City of Buellton	578
Carpinteria Valley Water District	2,000
Goleta Water District	4,500
City of Guadalupe	550
La Cumbre Mutual Water Company	1,000
Montecito Water District	3,000
Morehart Land Company	200
City of Santa Barbara	3,000
Raytheon Systems Company (SBRC)	50
City of Santa Maria	16,200
Santa Ynez River W.C.D., ID #1	2,000
Golden State Water (SCWC)	500
Vandenberg Air Force Base	<u>5,500</u>
TOTAL	39,078

(1) In acre-feet per year. The amounts do not include the Authority's 3,908 acre-feet per year "drought buffer" entitlement and 2,500 acre-feet per year additional entitlement which has been acquired by Goleta Water District.

San Luis Obispo County Water Purchasers

Each San Luis Obispo County water purchaser is a water purveyor or user located in San Luis Obispo County which obtained contractual rights from San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) to receive water from the State Water Project.

San Luis Obispo County Project Participant Table A Amounts

<u>Agency</u>	<u>Table A</u>
Avila Beach Community Services District	100
Avila Valley Mutual Water Co., Inc.	20
California Men's Colony (State)	400
County of SLO C.S.A. No. 16, I.D. #1	100
County of SLO (Op. Center & Reg. Park)	425
City of Morro Bay	1,313
Oceano Community Services District	750
City of Pismo Beach	1,240
San Luis Coastal Unified School District	7
San Miguelito Mutual Water Company	275
SLO Co. Comm. Coll. District (Cuesta College)	<u>200</u>
TOTAL	4,830

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2017/18 Budget

Water Supply Agreements

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority in order to provide for the development, financing, construction, operation and maintenance of the Authority's facilities and to designate the Authority to act on behalf of the Santa Barbara County project participants with respect to the DWR facilities. The purpose of the Water Supply Agreements is to assist in carrying out the purposes of the Authority with respect to the Authority project by (1) requiring the Authority to sell, and the Santa Barbara County project participants to buy, a specified amount of project allotment from the Authority, and (2) assigning the Santa Barbara County project participants' Table A rights in the State Water Project to the Authority.

Local Water Treatment Agreements

Each San Luis Obispo County water purchaser has entered into a Local Water Treatment Agreement with SLOCFCWCD and SLOCFCWCD has entered into the Master Water Treatment Agreement with the Authority to cause the Authority to provide for the development, financing, construction, operation and maintenance of the Authority's facilities. The purpose of the Local Water Treatment Agreements is to provide the terms and conditions of the treatment of the San Luis Obispo County water purchaser's water to be delivered from the State Water Project and to provide for the financing of certain local improvements.

State Water Project

The State Water Project is one of the largest water supply projects undertaken in the history of water development. It encompasses a complex of reservoirs, pumping plants, power plants, canals, and tunnels owned and operated by the DWR. State water, which primarily originates north of the Sacramento-San Joaquin Delta, is transported from the Delta to serve water contractors in the San Francisco Bay area, the San Joaquin Valley, and Southern California. All of the initially planned 642-mile aqueduct and pipeline system is operational with the last 100 miles of the Coastal Branch Phase II substantially completed and placed into operation in August 1997.

DWR has previously completed what is known as the Coastal Branch Phase I, which branches off the California Aqueduct in the southwestern corner of Kings County near Interstate 5. The Coastal Branch Phase I is a 15-mile canal that ends near Devils Den in northwestern Kern County.

The Coastal Branch Phase II pipeline, which was constructed by DWR between 1995 and 1997 to supply State water to San Luis Obispo and Santa Barbara Counties, runs from the Coastal Branch Phase I terminus over the coastal

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2017/18 Budget

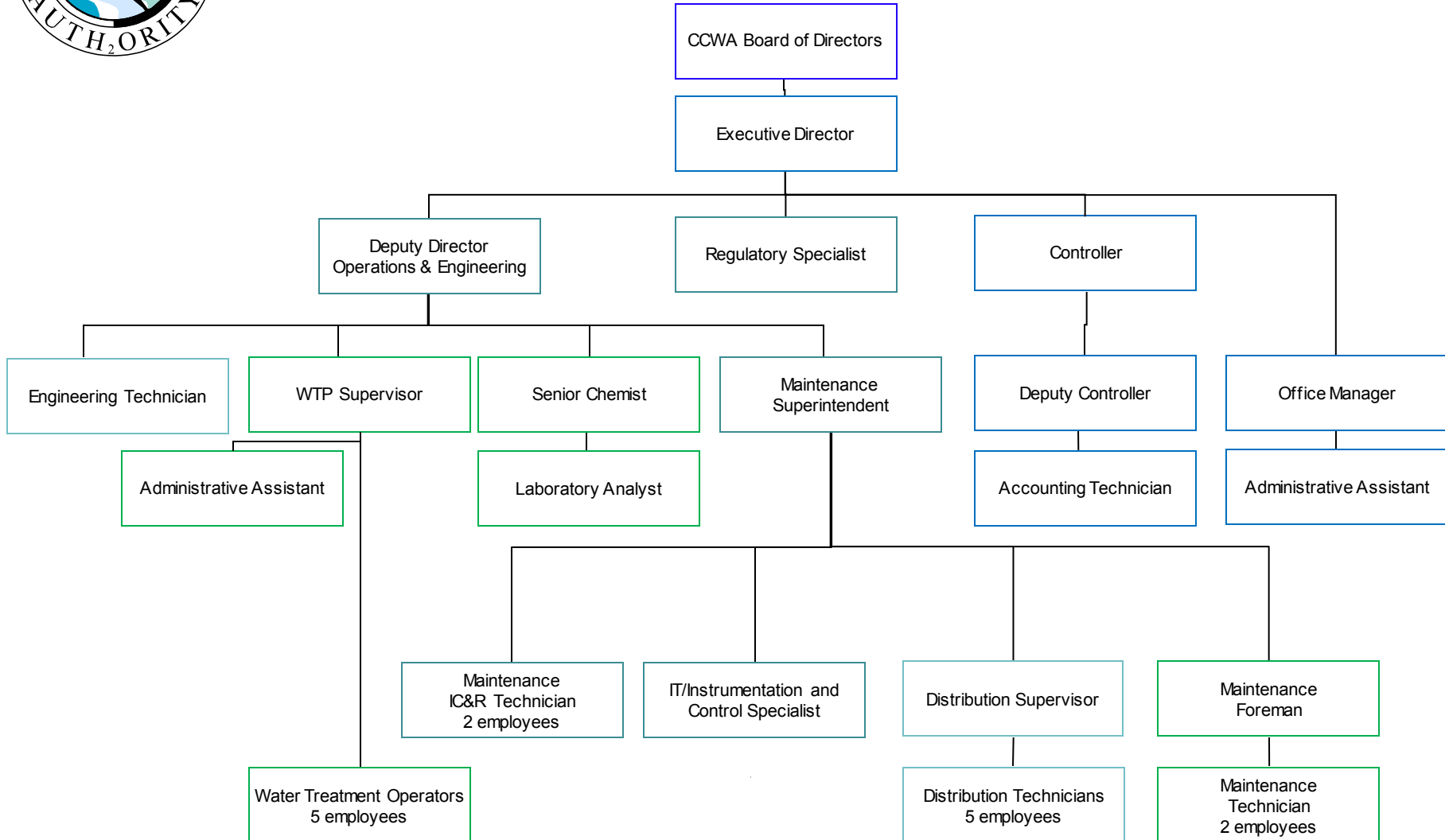
mountains to and through the County of San Luis Obispo to a terminus in northern Santa Barbara County. Its largest diameter is 57 inches between the Devils Den Pumping Plant and Tank 1 and its smallest diameter is 42 inches along the southerly-most 48 miles.

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

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



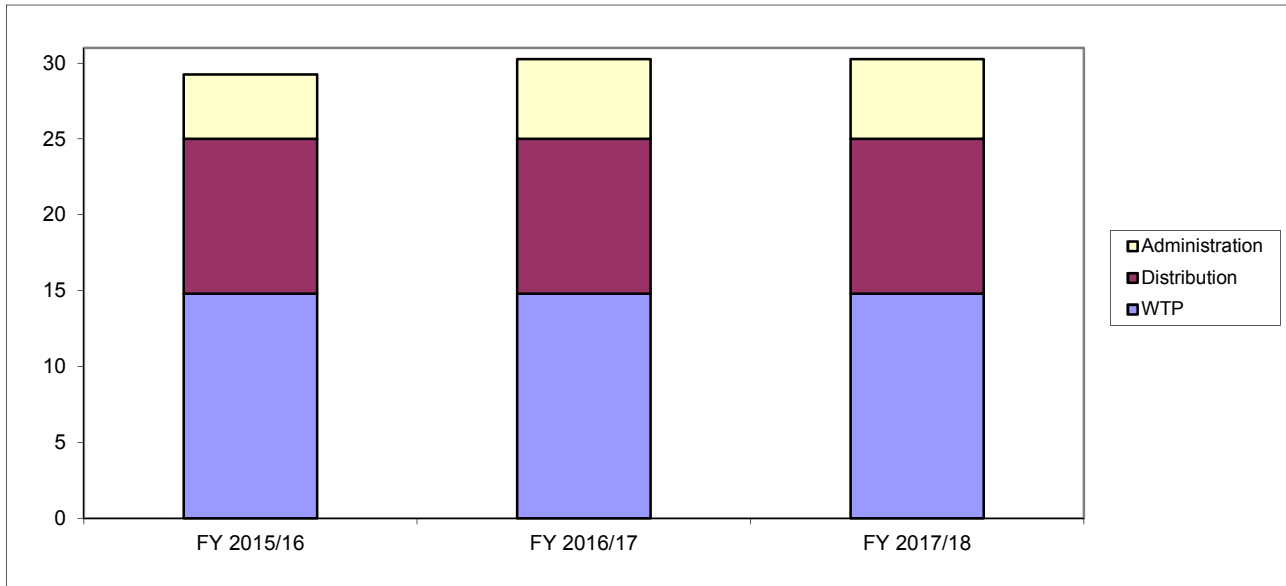
Central Coast Water Authority Organization Chart FY 2017/18



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2017/18 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Authorized FY 2015/16	Number Authorized FY 2016/17	Number Requested FY 2017/18	Change Over FY 2015/16	Change Over FY 2016/17
Executive Director	1.00	1.00	1.00	-	-
Deputy Director of Operations	1.00	1.00	1.00	-	-
Finance Director ⁽¹⁾	-	1.00	-	-	(1.00)
Safety & Environmental Specialist ⁽²⁾	1.00	1.00	1.00	-	-
Controller	1.00	1.00	1.00	-	-
Deputy Controller ⁽¹⁾	-	-	1.00	1.00	1.00
Office Manager	1.00	1.00	1.00	-	-
Administrative Assistant ⁽³⁾	1.50	1.50	1.50	-	-
Accounting Technician	0.75	0.75	0.75	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Manager	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	2.00	2.00	2.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	29.25	30.25	30.25	1.00	-

- (1) On September 22, 2016 the Finance Director position was changed to Deputy Controller.
 (2) Regulatory Specialist title was changed to Safety & Environmental Specialist
 (3) Secretary II title was changed to Administrative Assistant.



Central Coast Water Authority
Budget Process
Fiscal Year 2017/18 Budget

Fiscal Year Budget

The Authority's fiscal year budget is one of the most important documents prepared by the Authority. Through the process of planning and preparing the budget, the Authority is given the opportunity to reassess its plans and goals for the coming and future years. The process also provides direction for management and staff.

In December of each year, the Authority's staff prepares a list of goals and objectives by department and general area of responsibility. The annual goals and objectives are reviewed by the Executive Director and refined as appropriate. The goals are then presented to the Board of Directors at the regular January Board meeting.

Ten Year Financial Plan

The Ten Year Financial Plan is prepared to provide the project participants pro forma projections of the Authority's expenditures and includes projections for both the CCWA and DWR portions of the budget. DWR provides projections for each of these years for both the fixed and variable costs, and the CCWA expenses are generally projected with a 3% inflation factor to all operating expenses.

The Ten Year Financial Plan is prepared only as an informational tool and is not formally adopted by the Board of Directors. The financial plan is presented to the Operating Committee and is used by the member agencies and other project participants for their planning and long-term budgeting purposes.

The various components of the budget are compiled, including "pass-through" charges from the Department of Water Resources (DWR) and Warren Act charges paid to the U.S. Bureau of Reclamation (*see the Revenues and Sources of Cash section for a description of Warren Act Charges*). While these expenditures are not considered expenses for the Authority, the charges are collected by the Authority and paid to the respective agencies; therefore, they are included in the budget.

The requested budget is prepared recognizing the Board approved organization-wide and departmental goals. All Authority goals must be funded within the budget to allow each goal to be accomplished. Stated another way, there are no unfunded mandates.

Committee Review of the Budget

The initial review of the budget is presented to the Finance and Operating Committees each March. Each of these Committees provides input to staff regarding the requested budget. As required by California's Brown Act and

Central Coast Water Authority
Budget Process
Fiscal Year 2017/18 Budget

Public Records Act, both meetings are posted at least 72 hours, and typically one week, in advance of the meetings inviting the public to attend and provide input regarding the proposed budget.

Board Adoption of the Fiscal Year Budget

Initial review of the preliminary budget by the Board of Directors occurs during its March regular meeting. The Board reviews the proposed budget and makes changes as it deems appropriate. After staff amends the budget reflecting the Board's direction, the amended budget is then resubmitted to the Board for final review and adoption. This process may continue until staff and the Board have reached a budget suitable for Board approval. Approval of the final budget typically occurs at the regular April Board meeting. The budget is approved by motion and majority vote of the Board. All of these meetings are posted for public participation.

Budget Amendment Process

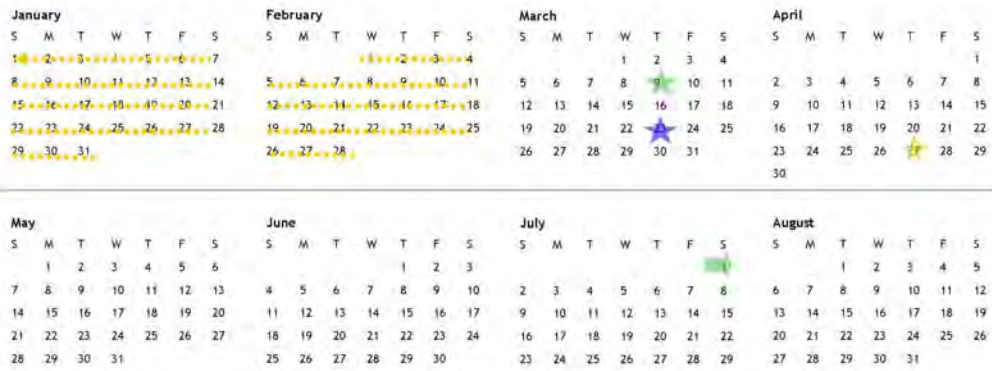
The budget may only be amended during the year by Board action. This process involves requests by staff to the Board for additional funding. The Board considers the requests of staff at regularly scheduled meetings and approves or rejects the requests by motion and majority vote.

CCWA Financial Schedule FY 2017/18

The Financial Schedule on the following page provides a graphical overview of the major financial milestones that occur for the budget preparation and the corresponding revenue and expenditure cycles.

Central Coast Water Authority
Budget Process
Fiscal Year 2017/18 Budget

**CCWA Budget Planning Schedule
FY 2017/18 Budget**



- Receive DWR Statement of Charges (for following calendar year)
- Prepare Draft Budget
- Submit Preliminary Budget to Operating Committee
- Submit Preliminary Budget to Finance Committee
- Submit Preliminary Budget to Board of Directors
- Board Approval of Final Budget
- Beginning of 2017/18 Budget Expenditure Cycle

- July 1, 2016
- November 1, 2016 - February 26, 2017
- March 9, 2017
- March 9, 2017
- March 23, 2017
- April 27, 2017
- July 1, 2017

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2017/18 Budget

Budget Reporting

For budgetary reporting purposes, the Central Coast Water Authority uses the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred. Non-cash expense items such as depreciation expense for fixed assets and accrued compensated absences are excluded from the budget.

The Authority operates under one fund for budgetary purposes. However, the Authority’s various departments and budget preparation are segregated into sub-sections as follows:

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II
Santa Ynez I
Santa Ynez II

DWR Reaches

Reach 33B
Reach 34
Reach 35
Reach 37
Reach 38

For further information on the various cost centers within the Distribution Department subsection, please see the discussion of financial reaches in the section titled “Distribution Department.”

Financial Statement Reporting

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2017/18 Budget

The Fiscal Year 2017/18 Budget document has been prepared after analyzing, evaluating, and justifying both the financial and non-financial objectives and goals of the Authority for the current year and beyond. The Authority's budget is a comprehensive document which enables the Board of Directors and Authority staff to evaluate the Authority's past and future.

The Authority's management believes that a successful budget should contain the following ingredients for it to be useful to the individuals using the information:

1. **Worthy Purpose** There should be clear goals for the budget. The goals and objectives of the Authority should dictate the Authority's budget.
2. **Participative Ownership** Budget ownership and the motivation to make it work will only occur when there is significant decision making involvement at the levels of implementation.
3. **Reporting System** A good budgeting system must be fully integrated with the Authority's reporting (i.e., accounting) system. That is, the accounting system and the budgeting system should be consistent in account classifications and methods of accounting for data, time periods, etc. Ease of understanding is enhanced when the budgeted data and the accounting system mirror each other.
4. **Support of Management** In any well-organized budgeting system, support from top management is essential for the system to be effective. By being involved in establishing the budget concepts and procedures as well as reviewing budget variations, the Board will lend support to the rest of the Authority and create acceptance and promote effective use of the budgeting system by all.

BUDGET POLICIES

- The primary budgetary objective is to provide the highest possible level of service to the Authority's project participants without impairing the Authority's sound financial condition. Continual efforts will be made to improve productivity, lower costs, and enhance services.
- The Authority will endeavor to keep current expenditures less than current revenues. Current expenditures are defined as operating expenses, debt payment, and capital improvement expenditures. The Authority will strive to operate within the approved budgetary amounts to avoid subsequent billings to the member agencies and other project participants for over-expenditures.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2017/18 Budget

- The Authority will maintain a budgetary control system to ensure adherence to the budget and will prepare regular reports comparing actual revenues and expenditures/expenses to budgeted amounts.
- Laws and policies limiting revenue sources and expenditures must be explicitly addressed in the budget process.
- No Unfunded Mandates The Board of Directors will not establish a goal or policy without also providing the necessary funding to accomplish those goals or policies.
- Budget Change Policy The adopted budget may only be changed by Board action. Budget change requests may be made by staff to the Board of Directors at a regularly scheduled Board meeting. The Board will then consider the requests based on staff's recommendations and approve or deny the requests by a majority vote.
- Bond Coverage Policy The project participants have covenanted to collect sufficient revenues to maintain net revenues of 125% of all State water payments made to the Central Coast Water Authority. Net revenues are defined as gross revenues minus operating expenses and excluding depreciation. The Authority's staff will assist project participants in guaranteeing compliance with this covenant.
- Reconciliation of Charges The Authority will endeavor to reconcile differences between actual expenditures incurred and amounts billed to the member agencies and other project participants in a timely manner. Under-expenditures in the budget will be returned to project participants as credits in subsequent billings.
- Investment Income Allocation The Authority will endeavor to provide timely allocation of investment income to the member agencies and other project participants for payments covering 2006 revenue bond debt service and DWR charges.
- DWR Charges and Credits The Authority will endeavor to provide sufficient information to the member agencies and other project participants regarding the DWR charges to enable them to gain a full understanding of the charges. Additionally, the Authority will provide credits given by DWR on the next available billing sent to the project participants.
- Ten Year Financial Plan In conjunction with preparation of the fiscal year budget, the Authority will also prepare and make available a ten year financial plan which provides estimates of the total State water costs for the ten-year period.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2017/18 Budget

- Distribution Department Financial Reach Allocation Percentages The Authority will amend the Distribution Department financial reach allocation percentages for fixed O&M costs based on the actual costs incurred by financial reach. These percentages will be based on the actual percentages from the Yearend Budget Report two years prior to the current budget year.
- Spare Parts Inventory The Authority will track the purchase of spare parts inventory greater than \$2,000 and allocate costs to the appropriate financial reach when the spare parts are actually used at a specific location or financial reach.
- Appropriated Contingency No expenditure will be made from the Appropriated Contingency account without prior approval from the Board of Directors.
- Staff Salary Pool Policy The overall salary pool will consist of two separate pools: (1) a pool for all employees excluding the Executive Director and Deputy Director, and (2) a pool – i.e., proposed salary treatment – for the Executive Director and Deputy Director.

The Authority will calculate the salary pool percentage which shall be either 4% of the actual regular salaries budget or the actual change in the Los Angeles-Riverside-Orange, CA Consumer Price Index for All Urban Consumers, whichever is higher.

The employee pool will be calculated by multiplying the resulting salary pool percentage by the actual annual salaries for all employees at the time the budget is prepared based on full staffing (excluding the Executive Director and Deputy Director). The Executive Director and Deputy Director's pool will be calculated by multiplying the resulting salary pool percentage by his or her actual annual salary at the time the budget is prepared. The two pools are then added together to determine the overall salary pool for budget purposes.

The CCWA Board of Directors shall administer the Executive Director and Deputy Director's pay treatment separate from the employee salary pool and the Executive Director shall administer the pay treatment (i.e., the employee pool) for all other CCWA employees.

- Employee Benefits Funding Benchmark The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2017/18 Budget

preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability, and life insurance as a proportion of the full-time regular wages budget for the fiscal year.

- Budget Transfer Policy If CCWA staff determine funds are available in an Operations and Maintenance or Project account, staff may transfer available funds to other accounts and/or projects which were not anticipated in the CCWA Board adopted budget with the approval of the Finance Committee Chairperson, or alternatively, the CCWA Board Chairperson. Transfer of funds for projects and/or one-time expenditures cannot exceed \$10,000. Staff will prepare a summary of the Budget Fund Transfers which will include the source and destination of the funds, financial reaches impacted and justification for the transfer. A summary of the approved transfers will be included on the CCWA Board Consent Calendar as part of the next regularly scheduled Board meeting.
- Self-Funded Dental/Vision Plan Annual Limits and Premium Amounts The CCWA self-funded Dental/Vision plan annual limit on total expenditures for each covered employee and the corresponding premium amount will increase at the beginning of each plan year by the December to December percentage change of the Los Angeles/Riverside All Urban Consumers, Consumers Price Index.

CAPITAL IMPROVEMENTS POLICY

- Long-Range CIP Plan The Authority will identify long-range capital projects and capital improvements of all types which will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.
- CIP Paid from Current Revenues When appropriate, capital improvements will be paid through current revenue sources rather than financing capital projects over a period of time.

DEBT POLICY

- Debt Financing The Authority will use debt financing when it is judged to be appropriate based on the long-term capital needs of the Authority and the Authority's ability to repay the indebtedness has been evaluated in light of all sources and uses of cash.
- Long-Term Debt The Authority will only incur long-term debt for the financing of capital improvements that are not expected to recur and are long-lived. Conversely, if the capital requirements are recurring, of relative

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2017/18 Budget

small scale, or are for short-lived improvements, the cost of these improvements should be paid from current revenues.

RESERVE POLICY

- The Authority will maintain an Operations and Maintenance Reserve Fund in the amount of \$2 million. Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities.

INVESTMENT POLICY

- The Authority will operate its idle cash investments under the prudent person rule which states: "...in investing...property for the benefit of another, a trustee shall exercise judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs...."
- The criteria for selecting investments and the order of priority:
 - (1) Safety, which refers to the potential loss of principal, interest or a combination of the two.
 - (2) Liquidity, which refers to the ability to "cash-in" at any moment in time with a minimal chance of losing some portion of principal or interest.
 - (3) Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

- Monthly Budget Reports The Authority's Controller will produce monthly budget reports covering the activity for the current period.
- Independent Audit The Authority will employ an independent accounting firm to perform an annual audit of the Authority's financial statements, and make the audit available to all required and interested parties.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2017/18 Budget

- Budget Preparation The Authority will prepare an annual budget document that provides a basic understanding of the Authority's planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for customer input prior to final adoption of the budget.
- Accounting System The accounting system will maintain records on a basis consistent with accepted standards for local government accounting. The Authority will strive to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association.
- Budget Awards The Authority will annually submit its budget to the Government Finance Officers' Association for consideration of the Distinguished Budget Presentation Award.



Removing ABB Flow Element during February 2017 Shutdown of Santa Ynez Pumping Plant

Budget Summary

The Budget Summary section of the FY 2017/18 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document as well as cost per acre-foot amounts based on the FY 2017/18 Budget.

Highlights

Budget Summary

• FY 2017/18 Gross Budget	\$ 61,775,289
• FY 2016/17 Gross Budget	<u>\$ 57,721,910</u>
Increase:	\$ 4,053,379
• FY 2017/18 CCWA Credits	\$ 418,358
• FY 2016/17 CCWA Credits	<u>\$ 418,781</u>
Increase:	\$ 423
• FY 2017/18 Net Budget (After CCWA Credits)	\$ 61,356,931
• FY 2016/17 Net Budget (After CCWA Credits)	<u>\$ 57,303,129</u>
Increase:	\$ 4,053,802

Significant Budget Changes

- DWR Fixed cost increase of \$2.6 million due to an under collection by DWR in the Transportation Minimum OMP&R costs for prior years
- DWR Variable cost increase of \$3.0 million due to an increase in actual deliveries in the prior calendar year as compared to requested deliveries creating an undercharge in the prior year DWR Variable OMP&R.
- Revenue Bond Debt Service payments are reduced by \$1.2 million because of lower interest rates achieved through the refinancing the 2006A Revenue Bond
- CCWA Fixed O&M Expense budget increase of \$178,642
- CCWA Variable O&M Expense budget decrease of \$1,110,645
- CCWA capital improvement projects budget increase of \$402,805
- Warren Act and Trust Fund budget increase of \$152,241

Central Coast Water Authority
Budget Summary
Fiscal Year 2017/18 Budget

	FY 2016/17			FY 2017/18 Budget	Change from FY 2016/17 Budget	Change from FY 2016/17 Est. Actual
	FY 2015/16 Actual	FY 2016/17 Budget	Estimated Actual			
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
SOURCES OF CASH						
CCWA Operating Expenses ⁽¹⁾	7,972,568	10,757,612	10,757,612	9,825,610	(932,003)	(932,003)
Debt Service Payments	11,493,045	11,481,752	11,481,752	10,300,030	(1,181,722)	(1,181,722)
Capital Improvement Projects	730,066	752,048	752,048	1,154,853	402,805	402,805
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	137,800	-	150,000	-	-	(150,000)
CCWA Credits	-	(418,781)	(418,781)	(418,358)	423	423
Subtotal Revenues	20,333,478	22,572,632	22,722,632	20,862,135	(1,710,497)	(1,860,497)
<u>Pass-Through Expenses</u>						
DWR Fixed Costs	37,685,932	32,271,328	32,256,996	34,861,511	2,590,183	2,604,514
DWR Variable Costs	4,939,190	1,860,417	3,643,828	4,882,292	3,021,875	1,238,464
Warren Act Charges	832,999	598,753	393,940	750,994	152,241	357,054
Subtotal Pass-Through Expenses	43,458,121	34,730,498	36,294,764	40,494,796	5,764,299	4,200,033
TOTAL SOURCES OF CASH	63,791,600	57,303,129	59,017,395	61,356,931	4,053,802	2,339,536
USES OF CASH						
<u>CCWA Operating Expenses</u>						
Personnel	4,239,631	4,801,491	4,534,174	4,858,221	56,729	324,047
Office Expenses	17,770	19,700	20,351	20,500	800	149
Supplies and Equipment	1,266,204	2,485,483	1,569,853	1,926,747	(558,736)	356,894
Monitoring Expenses	85,766	113,784	93,888	107,144	(6,640)	13,256
Repairs and Maintenance	240,752	255,022	231,464	266,380	11,358	34,916
Professional Services	237,244	377,735	103,518	392,580	14,845	289,061
General and Administrative	216,113	271,169	231,128	267,836	(3,333)	36,708
Utilities	659,009	1,793,036	1,227,580	1,259,193	(533,843)	31,613
Other Expenses	888,785	640,193	444,620	727,010	86,818	282,391
Total Operating Expenses	7,851,273	10,757,612	8,456,576	9,825,610	(932,003)	1,369,034
<u>Other Expenditures</u>						
Warren Act Charges	832,999	598,753	393,940	750,994	152,241	357,054
Capital Improvement Projects ⁽¹⁾	629,440	752,048	752,048	1,154,853	402,805	402,805
CCWA Credits	-	(418,781)	(418,781)	(418,358)	423	423
2016 Revenue Bond Debt Service	11,493,045	11,481,752	11,481,752	10,300,030	(1,181,722)	(1,181,722)
Unexpended O&M Assessments	359,721	-	2,451,036	-	-	-
Total Other Expenditures	13,315,204	12,413,772	14,659,995	11,787,519	(626,253)	(421,440)
Total CCWA Expenditures	21,166,477	23,171,385	23,116,571	21,613,128	(1,558,256)	947,593
<u>DWR Charges</u>						
Fixed DWR Charges	37,685,932	32,271,328	32,256,996	34,861,511	2,590,183	2,604,514
Variable DWR Charges	4,939,190	1,860,417	3,643,828	4,882,292	3,021,875	1,238,464
Total DWR Charges	42,625,123	34,131,745	35,900,824	39,743,803	5,612,058	3,842,979
TOTAL USES OF CASH	63,791,600	57,303,129	59,017,395	61,356,931	4,053,802	4,790,572
Ending Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	-
Non-Annual Recurring Balance	-	-	-	-		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ -	\$ -	\$ -	\$ -		

(1) Includes carryover revenues from the prior year.

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2017/18 Budget

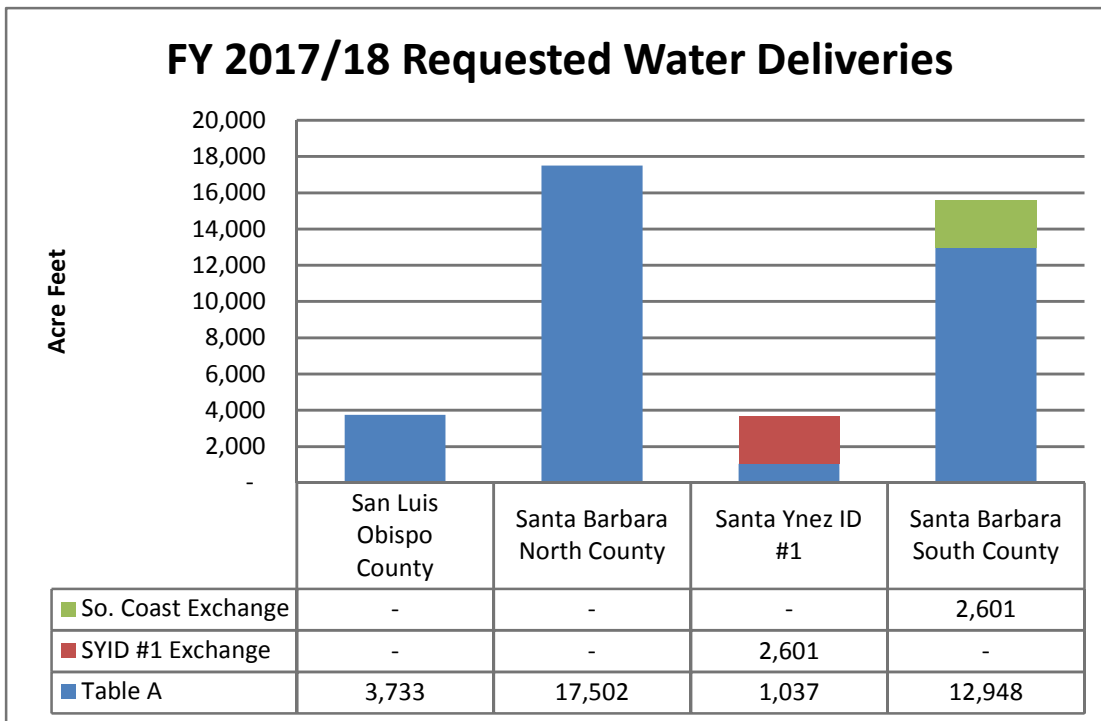
Project Participant	Unadjusted	Unadjusted	Exchange	Exchange	Regional	Regional	Adjusted	Warren Act	2016A			Non-Annual	CCWA	Total
	Fixed CCWA	Variable CCWA	Agreement	Agreement	WTP	WTP			Revenue	Bond Debt	Subtotal			
	Operating	Operating	Cap. & Fixed	Variable	Allocation	Allocation	Charge	Charges	Service	FY 2017/18	Expenses	Amount Due	CCWA	
	Expense ⁽¹⁾	Expense								CCWA				
Guadalupe	86,612	20,149	-	-	\$32,601	-	\$139,362	-	146,736	\$286,098	-	\$10,397	\$ 296,495	
Santa Maria	2,509,833	596,767	-	-	\$961,502	-	4,068,102	-	4,068,102	-	-	(71,642)	3,996,460	
Golden State Water	81,583	22,135	-	-	\$31,088	-	134,805	-	134,805	-	-	(5,291)	129,515	
Vandenberg AFB	964,703	120,361	-	-	\$295,196	-	1,380,259	-	1,380,259	-	-	-	1,380,259	
Buellton	129,474	28,673	-	-	\$37,109	-	195,257	-	259,953	455,210	-	(8,003)	447,207	
Santa Ynez (Solvang)	315,399	59,623	-	-	\$90,687	-	465,710	-	798,316	1,264,026	-	(17,216)	1,246,810	
Santa Ynez	112,863	50,227	413,495	125,971	\$207,580	-	910,137	-	299,810	1,209,947	-	(423,779)	786,168	
Goleta	1,118,301	585,995	(148,858)	(45,350)	\$240,822	(\$775,016)	975,894	249,602	2,516,143	3,741,638	-	58,518	3,800,157	
Morehart Land	49,702	5,528	-	-	\$9,881	(\$33,928)	31,183	2,552	115,547	149,282	-	(922)	148,360	
La Cumbre	248,511	132,952	-	-	\$64,830	(\$210,244)	236,049	61,380	553,175	850,605	-	2,101	852,706	
Raytheon	12,426	6,742	-	-	\$3,255	(\$10,549)	11,874	3,113	24,189	39,175	-	(189)	38,987	
Santa Barbara	745,534	383,837	(99,239)	(30,233)	\$159,548	(\$514,046)	645,402	163,250	1,546,752	2,355,403	-	30,355	2,385,759	
Montecito	745,534	390,244	(99,239)	(30,233)	\$160,487	(\$516,516)	650,277	166,208	1,817,864	2,634,349	-	(8,434)	2,625,916	
Carpinteria	497,023	247,349	(66,159)	(20,155)	\$105,115	(\$339,403)	423,768	104,889	1,039,347	1,568,004	-	18,964	1,586,968	
Shandon	17,784	4,843	-	-	-	-	22,628	-	11,675	34,302	-	-	34,302	
Chorro Valley	245,211	106,315	-	-	-	-	351,526	-	930,037	1,281,562	-	8,427	1,289,989	
Lopez	268,582	69,648	-	-	-	-	338,230	-	240,488	578,718	-	(11,645)	567,072	
TOTAL:	8,149,075	\$2,831,388	0	(0)	\$2,399,701	(\$2,399,701)	\$10,980,463	\$750,994	\$10,300,030	\$22,031,486	\$	(418,358)	\$21,613,128	

(1) Includes capital improvement projects.

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES						TOTAL DWR and CCWA
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable	DWR Interest Income	Total DWR Charges	
Guadalupe	\$ 271,064	\$ -	\$ -	\$ 103,995	\$ 24,931	\$ 42,854	\$ 442,844	\$ -	\$ 75,105	\$ 75,105	\$ (601)	\$ 517,347	\$ 813,842
Santa Maria	7,983,253	681,027	-	3,044,846	737,350	1,262,236	13,708,711	-	1,764,667	1,764,667	(65,477)	15,407,901	19,404,361
Golden State Water	246,410	21,019	-	94,329	22,857	38,958	423,574	-	43,669	43,669	(745)	466,498	596,013
Vandenberg AFB	2,710,391	231,213	379,137	1,136,696	250,365	428,537	5,136,338	-	345,462	345,462	-	5,481,801	6,862,060
Buellton	284,852	24,298	39,844	108,773	26,224	45,050	529,042	-	25,821	25,821	(1,936)	552,926	1,000,133
Santa Ynez (Solvang)	732,183	63,058	103,401	273,479	66,013	106,707	1,344,841	-	105,797	105,797	(5,194)	1,445,443	2,692,253
Santa Ynez	253,397	21,019	34,467	103,073	24,941	48,667	485,563	-	116,348	116,348	(2,513)	599,398	1,385,566
Goleta	2,215,764	189,174	310,203	827,224	202,374	350,621	4,095,361	-	835,088	835,088	(16,527)	4,913,922	8,714,079
Morehart Land	98,552	8,408	13,787	36,962	9,239	15,583	182,531	-	-	-	(646)	181,884	330,244
La Cumbre	492,821	42,039	68,934	188,816	45,476	77,916	916,001	-	136,995	136,995	(4,781)	1,048,215	1,900,921
Raytheon	24,653	2,102	3,447	10,164	2,190	3,896	46,451	-	1,197	1,197	(166)	47,482	86,469
Santa Barbara	1,478,400	126,116	206,802	564,192	136,670	233,747	2,745,927	-	679,058	679,058	(12,917)	3,412,068	5,797,827
Montecito	1,478,400	126,116	206,802	564,192	136,670	233,747	2,745,927	-	508,259	508,259	(13,746)	3,240,441	5,866,356
Carpinteria	985,580	84,077	137,868	375,781	89,733	155,832	1,828,871	-	244,826	244,826	(9,608)	2,064,089	3,651,058
Goleta 2500 AF	28,685	-	-	126,066	32,581	177,054	364,386	-	-	-	-	364,386	364,386
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	34,302
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,289,989
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	567,072
TOTAL:	\$ 19,284,405	\$ 1,619,666	1,504,690	\$ 7,558,589	\$ 1,807,613	\$ 3,221,405	\$ 34,996,369	\$ -	\$ 4,882,292	\$ 4,882,292	\$ (134,859)	\$ 39,743,803	\$ 61,356,931

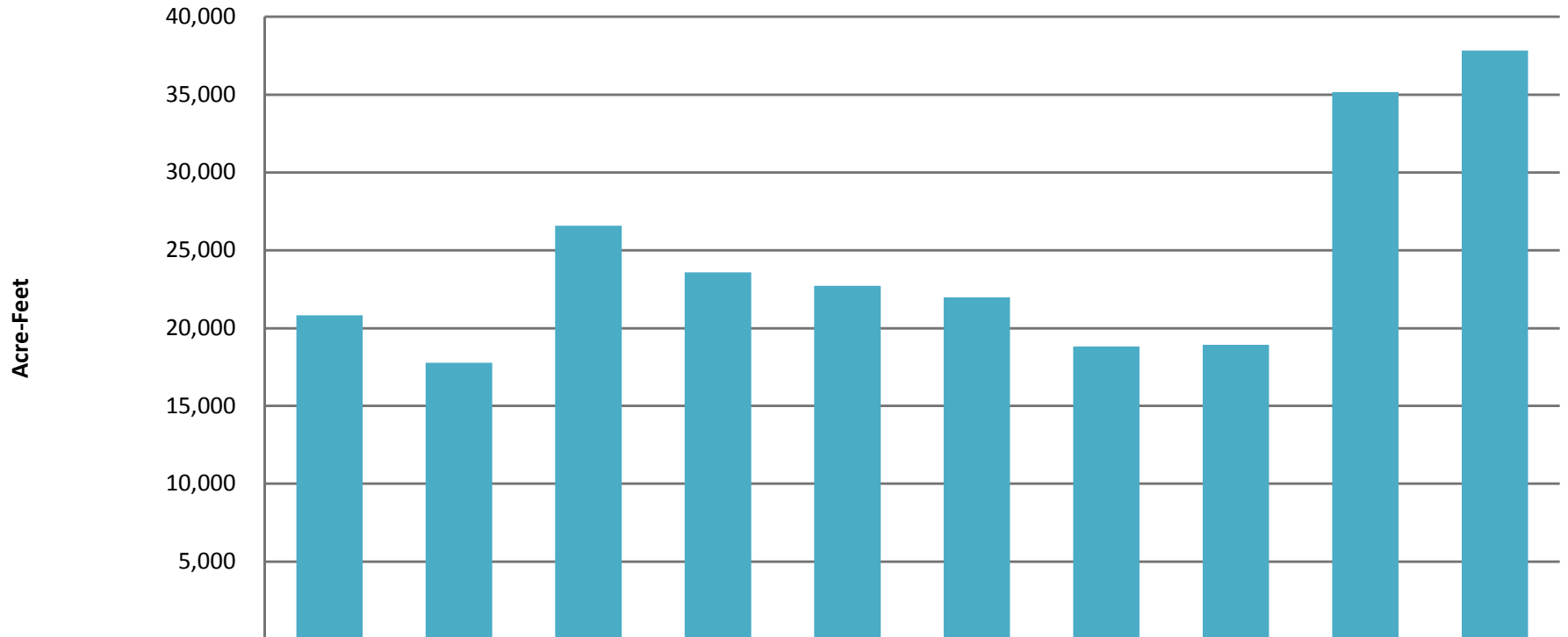
Central Coast Water Authority
FY 2017/18 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	100	-	100
Lopez	1,438	-	1,438
Chorro Valley	2,195	-	2,195
Guadalupe	416	-	416
Santa Maria	12,321	-	12,321
Golden State Water	457	-	457
VAFB	2,485	-	2,485
Buellton	592	-	592
Solvang	1,231	-	1,231
Santa Ynez	1,037	2,601	3,638
Goleta	5,240	(936)	4,303
Morehart	44	-	44
La Cumbre	1,058	-	1,058
Raytheon	54	-	54
Santa Barbara	3,439	(624)	2,815
Montecito	3,490	(624)	2,866
Carpinteria	2,225	(416)	1,808
TOTAL:	37,821	-	37,821



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

Historical Water Deliveries (Acre-Feet)



	FY 2008/09 Actual	FY 2009/10 Actual	FY 2010/11 Actual	FY 2011/12 Actual	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Est. Actual	FY 2017/18 Requests
■ Deliveries (acre-feet)	20,826	17,785	26,588	23,591	22,710	21,979	18,823	18,928	35,172	37,821

Central Coast Water Authority
 Cost Per Acre-Foot Analysis
 Fiscal Year 2017/18 Budget

To calculate the cost per acre-foot of water to the CCWA project participants, one must distinguish between the various “cost-types” and the various “water-types.”

Cost-Types

The two cost-types are fixed and variable costs.

Fixed costs include all CCWA and DWR costs which do not vary with the quantity of water delivered to the project participant, and generally, include CCWA fixed operations and maintenance costs, CCWA revenue bond payments and DWR fixed costs.

Variable costs include all CCWA and DWR costs which are only incurred if the project participant takes water deliveries. These include power (electrical) costs to pump the water and chemical costs to treat the water.

Water-Types

When discussing the cost per acre-foot, there are generally three (3) different “types” of water delivered by CCWA.

FY 2017/18 Table A Fixed Cost Per Acre-Foot

As described above, this includes all costs which do not vary with the quantity of water delivered to the project participant.

Project Participant	Table A Amount	Fixed Cost Per Acre-Foot	
		Fixed Costs Excluding CCWA Credits	Fixed Cost Per Acre-Foot
Guadalupe	550	\$ 700,324	\$ 1,273.32
Santa Maria	16,200	16,894,240	1,042.85
Golden State Water Co.	500	526,979	1,053.96
VAFB	5,500	6,352,614	1,155.02
Buellton	578	942,843	1,631.22
Santa Ynez (Solvang)	1,500	2,522,411	1,681.61
Santa Ynez ⁽¹⁾	500	1,044,268	1,852.59
Goleta	4,500	7,402,860	1,645.08
Morehart	200	327,031	1,635.16
La Cumbre	1,000	1,660,229	1,660.23
Raytheon	50	80,288	1,605.76
Santa Barbara	3,000	4,815,425	1,605.14
Montecito	3,000	5,088,448	1,696.15
Carpinteria	2,000	3,211,990	1,605.99
TOTAL:	39,078	\$ 51,569,951	

Central Coast Water Authority
Cost Per Acre-Foot Analysis
Fiscal Year 2017/18 Budget

Fixed Cost Per Acre-Foot Difference Between Project Participants

As the above shows, there are significant differences between the fixed cost per acre-foot for each of the project participants. Explanations for these differences include:

Bond Financing vs Capital Deposits The City of Santa Maria, Golden State Water Company, and Vandenberg Air Force Base all contributed cash for their respective share of the construction costs of the CCWA facilities. As such, their fixed cost per acre-foot is lower because they are not paying the CCWA revenue bond payments.

Location Along the CCWA Pipeline As a general rule, a project participant only pays to get the water to their location, which includes capital facilities necessary to deliver the water to each project participant. Therefore, a project participant which is further upstream of the pipeline will have less capital costs than a project participant located further downstream.

Revenue Bond Capitalized Interest Elections During construction of the CCWA project facilities, all financing participants were able to elect to pay for their share of the revenue bond interest expense beyond the initial three years, with revenue bond proceeds, up to a total of five years (also referred to as “capitalized interest” elections). Certain financing participants elected longer capitalized interest elections which increase their total borrowing costs and therefore, they have a higher fixed cost per acre-foot.

Customized Revenue Bond Repayment Elections In order to offset the near-term higher costs of State water during the first ten (10) years of revenue bond repayments, all financing participants were given the option of electing customized revenue bond repayment elections consisting of gradually increasing debt service payments over the first ten years and then level debt service payments afterwards; decreased debt service payments for the first ten years and then a large step-up for the remaining term or level debt service for the entire revenue bond repayment term. Those financing participants that elected customized (i.e., escalating or step-up) repayment elections have higher debt service payments which is reflected in their higher fixed cost per acre-foot.

Financing of Local Facilities When the CCWA revenue bonds were issued to finance construction of the CCWA project facilities, certain financing participants requested that CCWA also finance certain local facilities to be constructed by individual project participants. Those financing participants that elected to finance their local facilities with the CCWA revenue bonds have higher revenue bond debt service payments which are reflected in their higher fixed cost per acre-foot.

Central Coast Water Authority
 Cost Per Acre-Foot Analysis
 Fiscal Year 2017/18 Budget

FY 2017/18 Table A Variable Cost Per Acre-Foot

This represents the variable costs for all water deliveries excluding exchange water deliveries to the South Coast project participants. Generally, these amounts include the CCWA power and chemical costs, adjustments for the variable Regional Water Treatment Plant Allocation (retreatment charge and credits), DWR variable costs and Warren Act and Trust Fund payments for Table A deliveries into Lake Cachuma for the South Coast project participants (please refer to the Water Treatment Plant section of this Budget for additional information on the Regional Water Treatment Plant Allocation).

Project Participant	Table A Amount	FY 2017/18 Requested Deliveries			Variable Cost Per Acre-Foot TABLE A DELIVERIES							Table A Variable Cost/AF
		Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA WTP Variable	CCWA SYPF Variable	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
Guadalupe	550	416	-	416	\$ 20,149		\$ 7,653		\$ 51,973		\$ 79,776	\$ 191.77
Santa Maria	16,200	12,321	-	12,321	596,767		226,679		1,539,331		2,362,777	191.77
Golden State Water Co.	500	457	-	457	22,135		8,408		57,096		87,638	191.77
VAFB	5,500	2,485	-	2,485	120,361		45,718		310,465		476,544	191.77
Buellton	578	592	-	592	28,673		10,891		73,962		113,527	191.77
Santa Ynez (Solvang)	1,500	1,231	-	1,231	59,623		22,648		153,796		236,067	191.77
Santa Ynez ⁽¹⁾	500	1,037	2,601	3,638	50,227		66,928		129,558		246,713	191.77
Goleta	4,500	5,240	(936)	4,303	253,788	332,206	79,174	(208,439)	654,635	249,602	1,360,967	278.53
Morehart	200	44	-	44	2,131	3,397	810	(2,131)	5,497	2,552	12,255	278.53
La Cumbre	1,000	1,058	-	1,058	51,258	81,694	19,470	(51,258)	132,217	61,380	294,762	278.53
Raytheon	50	54	-	54	2,599	4,143	987	(2,599)	6,705	3,113	14,947	278.53
Santa Barbara	3,000	3,439	(624)	2,815	166,561	217,277	51,783	(136,328)	429,635	163,250	892,178	278.53
Montecito	3,000	3,490	(624)	2,866	169,031	221,214	52,722	(138,798)	436,007	166,208	906,383	278.53
Carpinteria	2,000	2,225	(416)	1,808	107,747	139,602	33,271	(87,591)	277,928	104,889	575,845	278.53
TOTAL:	39,078	34,088	-	34,088	\$ 1,651,050	\$ 999,532	\$ 627,144	\$ (627,144)	\$ 4,258,803	\$ 750,994	\$ 7,660,378	

(1) Santa Ynez fixed cost amounts exclude the fixed and capital exchange agreement modifications, which are shown under the Exchange Agreement cost per acre-foot analysis. Also adjusted for the retreatment allocation charge to the exchange deliveries.

Central Coast Water Authority
 Cost Per Acre-Foot Analysis
 Fiscal Year 2017/18 Budget

FY 2017/18 Exchange Variable Cost Per Acre-Foot

This represents the cost per acre-foot for water exchanged between the Santa Ynez River Water Conservation District, ID#1 (Santa Ynez, ID#1) and the South Coast exchange participants *[please refer to the Water Treatment Plant section of this Budget for additional information on the Santa Ynez Exchange Agreement]*. These costs include the CCWA variable costs paid by Santa Ynez, ID#1, the Polonio Pass Water Treatment Plant fixed and capital amounts paid by Santa Ynez, ID#1 to the South Coast project participants, and the DWR variable costs paid by the South Coast exchange participants.

Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES						
Project Participant	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe						
Santa Maria						
Golden State Water Co.						
VAFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	2,601	\$ 125,971	\$ 413,495	\$ -	\$ 539,467	\$ 207.42
Goleta	(936)			116,977	116,977	124.94
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(624)			77,985	77,985	124.94
Montecito	(624)			77,985	77,985	124.94
Carpinteria	(416)			51,990	51,990	124.94
TOTAL:	-	\$ 125,971	\$ 413,495	\$ 324,937	\$ 864,403	

Year-End Reconciliation and Adjustments to Cost Per Acre-Foot Amounts

At the close of each fiscal year all costs are reconciled or “trued-up” to the fiscal year budget and actual billings to the project participants. This reconciliation process results in adjustments to all cost components. Additionally, the amounts included in the CCWA budget for DWR variable costs, generally exclude certain credits that are returned on an annual basis. Therefore, when the DWR variable costs are trued-up, the total cost per acre-foot generally decreases when compared to the calculated amount in the budget.



Crew performing vault assessment at AVAR

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2017/18 Budget includes information on the Authority's revenues, pass-through receipts and a narrative explanation on the Authority's billing procedures and cash management.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2017/18 Budget

The Authority's Revenue budget is comprised of payments made by member agencies and other project participants for Authority operating expenses, debt service on the Authority's revenue bonds, and investment income. Additionally, there are other payments made by the project participants that are treated as pass-through expenses. These pass-through expenses represent payments for the Department of Water Resources and Warren Act charges paid to the U.S. Bureau of Reclamation; they are not considered revenues for the Authority. These payments are collected by the Authority and paid directly to the two agencies by the Authority.

Assumptions for Revenue Projections

Since the Authority is a "pass-through" organization, ***all revenues are equal to the expenditures included in the budget.*** As such, there is no difference between the revenue estimates and the expenditures because the revenues are equal to the expenditures.

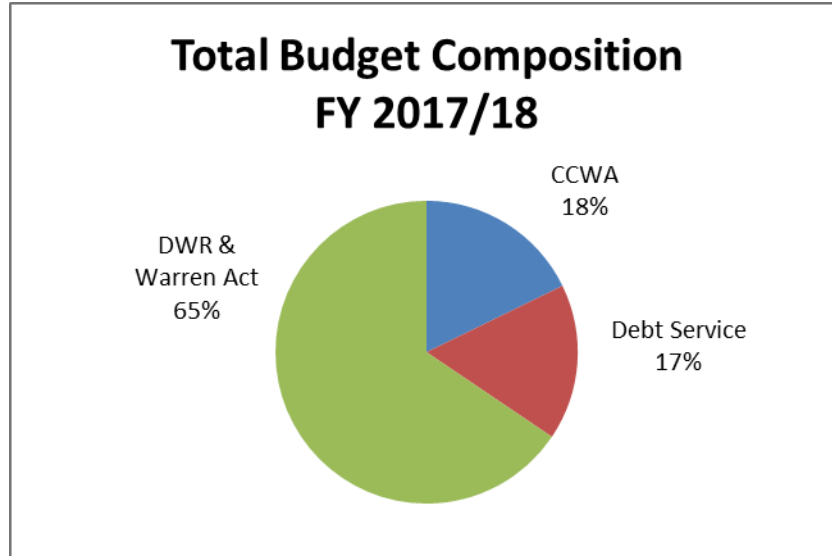
Revenues and Other Sources of Cash

Revenues	FY 2015/16 Actual	FY 2016/17 Estimated Actual	FY 2017/18 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 7,972,568	\$ 10,757,612	\$ 9,825,610
Debt Service Payments	11,493,045	11,481,752	10,300,030
Capital Improvement Projects (CIP)	730,066	752,048	1,154,853
Investment Income	137,800	150,000	-
Subtotal Revenues	20,333,478	23,141,413	21,280,493
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	37,731,232	32,256,996	34,996,369
DWR Variable Costs	4,939,190	3,643,828	4,882,292
DWR Account Interest	(45,300)	-	(134,859)
Warren Act Charges ⁽¹⁾	832,999	393,940	750,994
Subtotal Pass Through Expenses	43,458,121	36,294,764	40,494,796
Gross Budget Before Credits	63,791,600	59,436,176	61,775,289
Credits and Prepayments	-	(418,781)	(418,358)
TOTAL SOURCES OF CASH	\$ 63,791,600	\$ 59,017,395	\$ 61,356,931

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2017/18 Budget

Revenues and Other Sources of Cash



FY 2016/17 Actual Cash Receipts

The actual cash receipts for FY 2016/17 are anticipated to be less than the actual expenditures for the year because of credits given to the project participants for (1) unexpended operating expense assessments for FY 2015/16, (2) interest income for FY 2015/16, and (3) differences between the DWR actual fixed payments and the budgeted fixed payments.

CCWA Operating Expense Revenues

The Authority's operating expense revenues are billed directly to project participants in accordance with their Water Supply Agreements. After the total operating expense budget has been determined, it is adjusted based on the "Santa Ynez Exchange Agreement" modifications (*see the Water Treatment Plant section of this document for further information on the Exchange Agreement*). These Exchange Agreement modifications decrease the electrical costs at the Santa Ynez Pumping Facility. This modified amount is billed to the affected member agencies.

The amounts billed to the member agencies and other Santa Barbara County project participants are further adjusted for the "WTP Regional Allocation" (*see the Water Treatment Plant section of this document for further information on the WTP Regional Allocation*). The WTP Regional Allocation does not adjust the total revenues received by the Authority, but it does affect the amount of the payments by the various member agencies and other project participants.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2017/18 Budget

The following table shows the Authority’s operating expense budget and capital improvement projects modified as a result of the Regional Water Treatment Plant modifications and the Santa Ynez Exchange Agreement resulting in the net operating expense revenues to the Authority.

**TOTAL CCWA FY 2017/18 OPERATING EXPENSES
AND CAPITAL IMPROVEMENT PROJECTS**

Project Participant	CCWA	CCWA	Regional	Regional	Exchange	Exchange	Adjusted
	Fixed	Variable	Regional	WTP	Agreement	Agreement	CCWA
	Operating	Operating	WTP	Allocation	Adjustment	Adjustment	Operating
	Expenses	Expenses	Allocation	Credit	Cap. and Fixed	Variable	Expenses
Guadalupe	\$ 86,612	\$ 20,149	\$ 32,601	\$ -	\$ -	\$ -	\$ 139,362
Santa Maria	2,509,833	596,767	961,502	-	-	-	4,068,102
Golden State Water Co.	81,583	22,135	31,088	-	-	-	134,805
Vandenberg AFB	964,703	120,361	295,196	-	-	-	1,380,259
Buellton	129,474	28,673	37,109	-	-	-	195,257
Santa Ynez (Solvang)	315,399	59,623	90,687	-	-	-	465,710
Santa Ynez	112,863	50,227	207,580	-	413,495	125,971	910,137
Goleta	1,118,301	585,995	240,822	(775,016)	(148,858)	(45,350)	975,894
Morehart Land	49,702	5,528	9,881	(33,928)	-	-	31,183
La Cumbre	248,511	132,952	64,830	(210,244)	-	-	236,049
Raytheon	12,426	6,742	3,255	(10,549)	-	-	11,874
Santa Barbara	745,534	383,837	159,548	(514,046)	(99,239)	(30,233)	645,402
Montecito	745,534	390,244	160,487	(516,516)	(99,239)	(30,233)	650,277
Carpinteria	497,023	247,349	105,115	(339,403)	(66,159)	(20,155)	423,768
Shandon	17,784	4,843	-	-	-	-	22,628
Chorro Valley	245,211	106,315	-	-	-	-	351,526
Lopez	268,582	69,648	-	-	-	-	338,230
TOTAL:	\$8,149,075	\$2,831,388	\$2,399,701	(\$2,399,701)	\$ -	\$ -	\$ 10,980,463

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2017/18, are **\$10,980,463**.

Please refer to the “*Operating Expenses*” section of this budget for additional information regarding the Operating Expense reimbursement payments from the CCWA project participants.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2017/18 Budget

Debt Service Payments

The debt service payments on the 2016 Revenue Bonds issued by the Authority are paid entirely by the financing participants based on their proportional share of the project capital costs. Payments by the financing participants for debt service are treated as revenue by the Authority.

For FY 2017/18, total net revenue for debt service payments will be \$9,308,506 or about \$1.2 million less than the FY 2016/17 revenues, due to refinancing of the 2006A Revenue Bonds. The following table shows each financing participant's share of the debt service. Please refer to the "CCWA Bond Debt" section of this budget for additional information regarding the debt payments from the CCWA financing participants.

Financing Participant	FY 2017/18 Debt Service Payments ⁽¹⁾	Local Project Debt Service Payments ⁽²⁾	FY 2017/18 Net Debt Service Revenue
Avila Beach	\$ 11,791	\$ (2,267)	\$ 9,524
California Men's Colony	103,136	(50,640)	52,496
County of SLO	109,866	(54,004)	55,862
Cuesta College	51,572	(25,323)	26,249
Morro Bay	665,463	(387,372)	278,091
Oceano	86,211	(15,445)	70,766
Pismo Beach	142,486	(25,501)	116,984
Shandon	11,675	(1,825)	9,850
Guadalupe	146,736	(65,859)	80,876
Buellton	259,953	(10,720)	249,233
Santa Ynez (Solvang)	798,316	(28,595)	769,721
Santa Ynez	299,810	(12,671)	287,139
Goleta	2,516,143	(162,797)	2,353,346
Morehart Land	115,547	(750)	114,797
La Cumbre	553,175	(3,748)	549,427
Raytheon	24,189	(990)	23,199
Santa Barbara	1,546,752	(35,540)	1,511,212
Montecito	1,817,864	(56,540)	1,761,325
Carpinteria	1,039,347	(50,940)	988,407
TOTAL:	\$ 10,300,030	\$ (991,524)	\$ 9,308,506
(1) 2016A revenue bond principal and interest, minus FY 2016/17 debt service account interest income credits plus bond trustee fees.			
(2) Payments from project participants for local facilities financed with CCWA revenue bonds.			

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2017/18 Budget

FY 2017/18 CCWA Credits

The following table shows a summary of the FY 2017/18 credits for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years.

Project Participant	CCWA O&M Credits	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits (Due)
Guadalupe	(\$11,550)	\$151	\$ 1,002		(\$10,397)
Santa Maria	40,342	4,451	26,849		71,642
Golden State Water Co.	5,153	137	-		5,291
Vandenberg AFB	-	-	-		-
Buellton	6,369	159	1,476		8,003
Santa Ynez (Solvang)	13,549	412	3,254		17,216
Santa Ynez	421,190	137	2,452		423,779
Goleta	(59,755)	1,236	-		(58,518)
Morehart Land	(906)	55	-	1,773	922
La Cumbre	(4,476)	275	2,100		(2,101)
Raytheon	(228)	14	-	403	189
Santa Barbara	(31,179)	824	-		(30,355)
Montecito	-	824	7,609		8,434
Carpinteria	(23,895)	550	4,381		(18,964)
Shandon					-
Oceano CSD					-
Avila Beach CSD					-
Pismo Beach					-
Avila Valley Water Co.					-
San Miguelito Water Co.					-
San Luis School					-
Chorro Valley	(8,427)				(8,427)
Lopez	11,645				11,645
TOTAL:	\$357,833	\$9,226	\$49,123	\$2,176	\$418,358

Investment Income and Cash Management

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

The Authority's Treasurer is responsible for the investment of all Authority funds within the parameters of the Board adopted investment policy.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2017/18 Budget

Bank Account Cash Balances

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

Debt Service Payments

Payments made by the financing participants for debt service payments on the 2016 Revenue Bonds are held in a separate account and invested in accordance with the Authority's investment policy with investment maturities corresponding to the debt service payment dates. Investment income within this account is allocated to the financing participants based on the proportional amount initially paid.

Investment Income

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

DWR Payment Investments

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

CCWA Operating Expense Revenue

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

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Pass-Through Expenses

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

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

Warren Act Charges

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

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

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2017/18.

Project Participant	Total FY 2017/18 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	4,303	\$ 249,602
Morehart Land Co.	44	2,552
LaCumbre	1,058	61,380
Raytheon	54	3,113
Santa Barbara	2,815	163,250
Montecito	2,866	166,208
Carpinteria	1,808	104,889
TOTAL:	12,948	\$ 750,994

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The following table represents the Fiscal Year 2017/18 DWR and Warren Act charges to be collected and paid by the Authority (see the *Department of Water Resources* section of this document for further information on the DWR charges).

Project Participant	FY 2017/18 DWR Fixed Charges	FY 2017/18 DWR Variable Charges	FY 2017/18 Interest Income	FY 2017/18 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$442,844	\$75,105	(\$601)	\$ -	\$517,347
Santa Maria	13,708,711	1,764,667	(65,477)	-	15,407,901
Golden State Water Co.	423,574	43,669	(745)	-	466,498
Vandenberg AFB	5,136,338	345,462	-	-	5,481,801
Buellton	529,042	25,821	(1,936)	-	552,926
Santa Ynez (Solvang)	1,344,841	105,797	(5,194)	-	1,445,443
Santa Ynez	485,563	116,348	(2,513)	-	599,398
Goleta	4,459,747	835,088	(16,527)	249,602	5,527,910
Morehart Land	182,531	-	(646)	2,552	184,436
LaCumbre	916,001	136,995	(4,781)	61,380	1,109,595
Raytheon	46,451	1,197	(166)	3,113	50,595
Santa Barbara	2,745,927	679,058	(12,917)	163,250	3,575,318
Montecito	2,745,927	508,259	(13,746)	166,208	3,406,649
Carpinteria	1,828,871	244,826	(9,608)	104,889	2,168,979
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$34,996,369	\$4,882,292	(\$134,859)	\$750,994	\$40,494,796
(1) Adjusted for Santa Ynez Exchange Agreement modifications.					

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Authority Billing Procedures

All expenses of the Authority including operating expenses, debt service payments, capital purchases, and pass-through expenses are paid by the Authority's project participants.

The Water Supply Agreements provide guidelines to be followed when billing the Santa Barbara County project participants for the Authority charges. The Master Water Treatment Agreement, the Agreements for Construction, Operation and Maintenance of the Chorro Valley, Lopez and Shandon Turnouts, and the Agreement for Coastal Branch Operations and Maintenance provide the guidelines to be followed when billing the San Luis Obispo County project participants for the Authority charges.

The agreements stipulate that the Fixed Authority and DWR costs will be billed to the project participants once a year and be due and payable on June 1st of each year. The Variable charges, which are based on the requested deliveries by each project participant, are billed three months in advance on a quarterly basis.

The project participants are billed for the Authority expenses based on the Board adopted fiscal year budget. Additionally, the fixed portion of the DWR charges is billed based on the most recent calendar year Statement of Charges and DWR projections.

DWR prepares its Statement of Charges on a calendar year basis. The DWR State Water Project Analysis Office (SWPAO) also supplies the Authority with projected estimates of the following calendar year charges. The current calendar year Statement of Charges and the SWPAO estimated charges are used to calculate the amount payable by the project participants for the budgeted fiscal year.

At the close of each fiscal year, a reconciliation is prepared comparing the actual expenditures for the Authority to the amount billed to the project participants. Under-expenditures in the budget including investment income are refunded to each project participant based on the actual results for the year. Over-expenditures are charged to each participant based on the actual results for the year.

Water Delivery Requests and Variable O&M Cost Invoices

Water Delivery Requests from Project Participants

In October of each year, DWR requests that each State water project contractor (SWPC) submit delivery requests for a five-year period on a calendar year basis commencing with the next calendar year. These requests are based on the following:

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There are basically two “tracks” that a SWPC can take with regard to delivery requests to DWR.

- (1) The “seller’s track”, which means that any SWPC water that is available to that contractor above their requested amount will be made available for sale through one of the DWR “turnback pools.” The turnback pools are a pool of unused water available by individual SWPC for sale to all SWPC and allocated in proportion to the Table A amount for each contractor requesting to buy the Turnback Pool water. The price received for water sold in Turnback pool A is one-half of the delta water rate (about \$34/AF for 2017) and one-quarter the delta water rate (about \$17/ for 2018) for Turnback pool B.
- (2) The “storer’s track”, which means the individual contractor wishes to store its unused current year water allocated by DWR in San Luis Reservoir to be used in the next calendar year.

For the past several years, CCWA has been on the storer’s track, which means that CCWA requests delivery of all water that is available to CCWA based on the total Table A amount of all the CCWA project participants times the current year allocation percentage from DWR. Any amounts not used by individual CCWA project participants are then “carried over” in San Luis Reservoir into the next calendar year to be used that year. Generally, this water carried over from the prior year is used first before any of the current Table A water is used, as there is a risk that if San Luis Reservoir fills and spills, the water carried over from the prior year is lost.

SWPC cannot be on both the seller’s and storer’s tracks; it must be one or the other. As such, CCWA as a whole has selected to be on the storer’s track and individual project participants cannot elect to be on the seller’s track, except for the ability to sell water within CCWA.

CCWA project participants DO NOT pay variable costs based on water available to them in that particular year. Rather, the payment of variable costs for water is based on delivery requests based on estimated actual demand (discussed below).

Variable O&M Cost Billings to Project Participants

Pursuant to the Water Supply Agreements with each project participant, all CCWA costs are paid in advance of when the actual costs will be incurred. Fixed costs are paid annually on June 1st of each year for the ensuing fiscal year which begins on July 1st. Variable costs are paid quarterly, one quarter in advance of the quarter for which the costs are intended.

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The basis for the billings to the CCWA project participants is the annual fiscal year budget. The basis for the variable billings is requests from the project participants **based on their estimated demand for the year.** The idea is that project participants should provide delivery requests based on their estimated demand and then CCWA will attempt to meet that demand through the combination of various water sources that are available including, the current DWR Table A allocation, carryover water, dry year water purchase programs, purchases from other CCWA project participants, turnback pool purchases, etc.

The quarterly variable O&M costs are based on the requested water deliveries from each project participant. ***NOTE: The requested water deliveries may be, and many times are, different from the amount of water that is available to the project participant from DWR discussed above.*** For example, a project participant may have water available based on the current DWR Table A allocation percentage and/or carryover water from the prior year, but not have the need, or demand for that water. Conversely, the amount of water currently available from the DWR current year allocation may not be sufficient to meet the estimated demand (discussed above), but other sources may be available to meet that demand.

The DWR variable costs and CCWA variable O&M costs (electrical and chemicals cost) are “trued-up” with each quarterly invoice. This means that each quarter, the actual costs incurred based on the actual water deliveries for the prior quarter are reconciled so that any difference, either positive or negative is adjusted on the current quarter’s invoice. Therefore, the DWR variable costs and CCWA variable O&M costs are constantly reconciled for differences between the requested water deliveries in the annual budget and the actual water delivered.

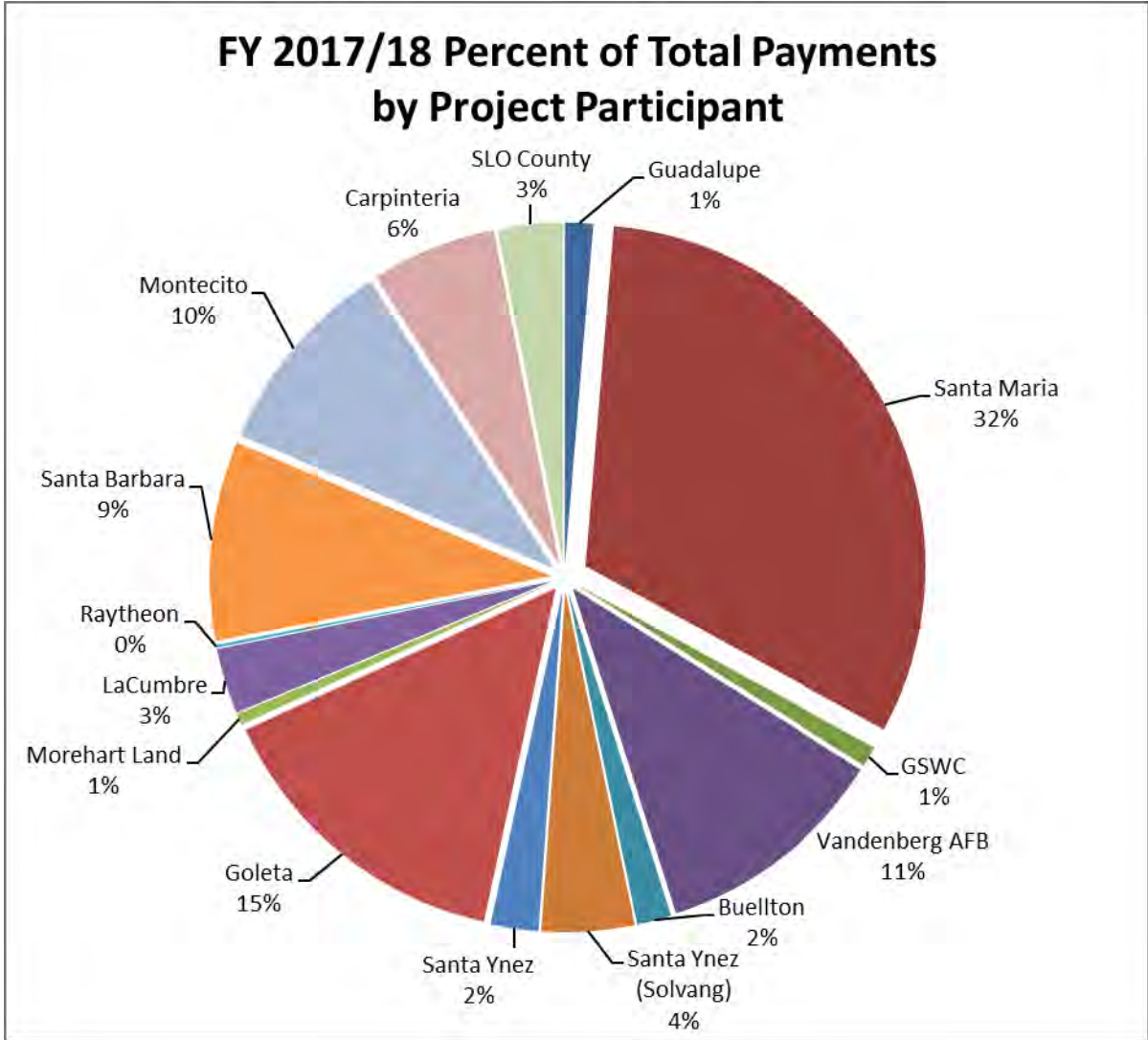
At the end of each fiscal year, a true-up and reconciliation of the entire fiscal year budget is performed. This reconciliation calculates the difference between the amounts billed to each project participant based on the budget and the actual costs incurred for the year. The result, either a credit or additional amount due, is provided or collected, usually in October of each year on the October 1st variable billing.

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The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2017/18 for each project participant.

Project Participant	FY 2017/18 Operating Expenses ⁽¹⁾	FY 2017/18 Debt Service Payments	FY 2017/18 DWR Costs	FY 2017/18 Warren Act Charges ⁽²⁾	FY 2017/18 CCWA Credits	FY 2017/18 Total Payments
Guadalupe	\$139,362	\$ 146,736	\$517,347	\$ -	\$ 10,397	\$813,842
Santa Maria	4,068,102	-	15,407,901	-	(71,642)	19,404,361
Golden State Water Co.	134,805	-	466,498	-	(5,291)	596,013
Vandenberg AFB	1,380,259	-	5,481,801	-	-	6,862,060
Buellton	195,257	259,953	552,926	-	(8,003)	1,000,133
Santa Ynez (Solvang)	465,710	798,316	1,445,443	-	(17,216)	2,692,253
Santa Ynez	910,137	299,810	599,398	-	(423,779)	1,385,566
Goleta	975,894	2,516,143	5,278,308	249,602	58,518	9,078,465
Morehart Land	31,183	115,547	181,884	2,552	(922)	330,244
La Cumbre	236,049	553,175	1,048,215	61,380	2,101	1,900,921
Raytheon	11,874	24,189	47,482	3,113	(189)	86,469
Santa Barbara	645,402	1,546,752	3,412,068	163,250	30,355	5,797,827
Montecito	650,277	1,817,864	3,240,441	166,208	(8,434)	5,866,356
Carpinteria	423,768	1,039,347	2,064,089	104,889	18,964	3,651,058
Shandon	22,628	11,675	N/A	-	-	34,302
Chorro Valley	351,526	930,037	N/A	-	8,427	1,289,989
Lopez	338,230	240,488	N/A	-	(11,645)	567,072
TOTAL:	\$10,980,463	\$10,300,030	\$39,743,803	\$750,994	\$ (418,358)	\$61,356,931
(1) Adjusted for Santa Ynez Exchange Agreement Modifications and Regional WTP Treatment Allocation.						
(2) Adjusted for Santa Ynez Exchange Agreement Modifications.						

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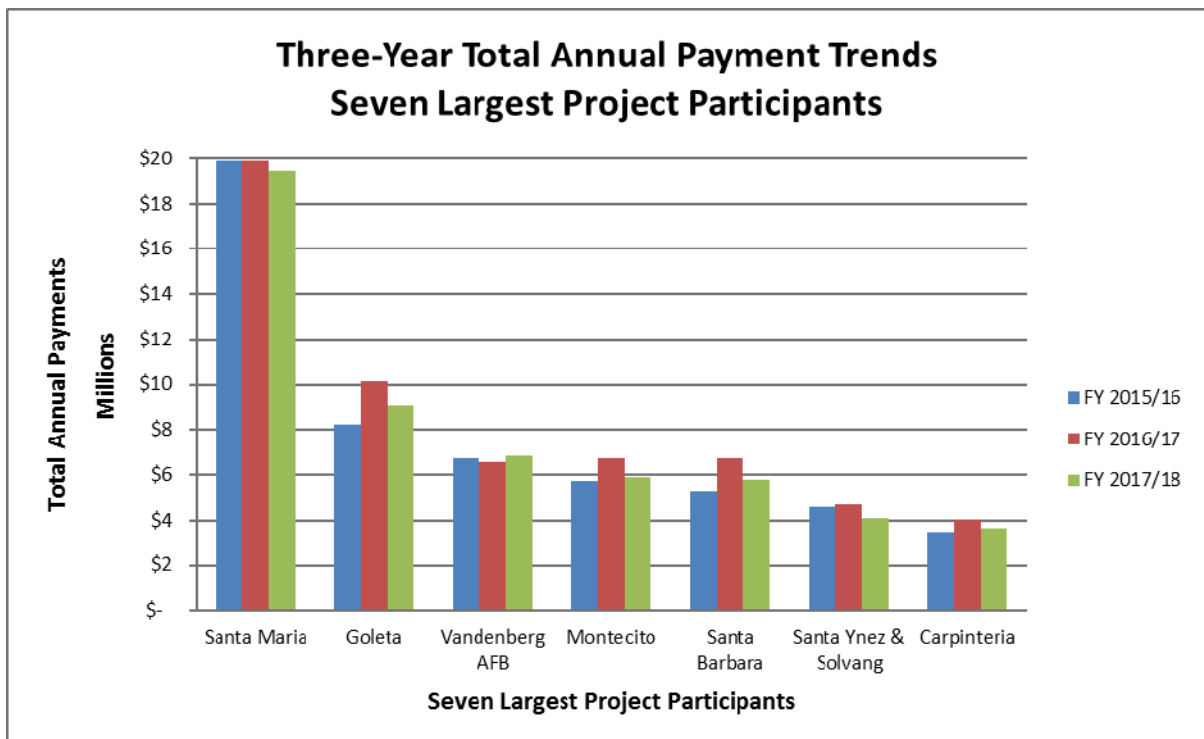
Central Coast Water Authority
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The following table shows the three-year trend in total payments due for each project participant and the corresponding increase or (decrease).

Three-Year Total Payments History by Project Participant

Project Participant	Total Payments FY 2015/16	Total Payments FY 2016/17	Total Payments FY 2017/18	Change FY 2015/16 to FY 2016/17	Change FY 2016/17 to FY 2017/18
Guadalupe	\$ 737,342	\$ 748,672	\$813,842	\$ 11,330	\$65,170
Santa Maria	19,874,909	19,880,935	19,404,361	6,026	(476,574)
Golden State Water Co.	613,878	547,277	596,013	(66,601)	48,736
Vandenberg AFB	6,736,103	6,553,062	6,862,060	(183,041)	308,998
Buellton	1,060,264	1,075,811	1,000,133	15,547	(75,678)
Santa Ynez (Solvang)	2,936,311	2,979,459	2,692,253	43,148	(287,206)
Santa Ynez	1,690,299	1,731,905	1,385,566	41,606	(346,339)
Goleta	8,239,113	10,115,326	9,078,465	1,876,213	(1,036,861)
Morehart Land	364,059	345,634	330,244	(18,425)	(15,390)
La Cumbre	1,879,462	2,105,125	1,900,921	225,663	(204,204)
Raytheon	95,237	89,813	86,469	(5,424)	(3,344)
Santa Barbara	5,254,522	6,713,580	5,797,827	1,459,058	(915,753)
Montecito	5,696,476	6,704,114	5,866,356	1,007,638	(837,758)
Carpinteria	3,434,509	4,028,222	3,651,058	593,713	(377,164)
Shandon	21,601	21,623	34,302	22	12,679
Chorro Valley	1,300,587	1,362,297	1,289,989	61,710	(72,308)
Lopez	570,041	560,327	567,072	(9,714)	6,745
TOTAL:	\$60,504,714	\$ 65,563,182	\$61,356,931	\$ 5,058,468	(\$4,206,251)

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





Installation of emergency generator at Tank 7 location

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2017/18 Budget provides information on the Authority's payments to DWR. This section includes information on the allocation of the fixed and variable DWR costs and other information regarding the FY 2017/18 DWR charges.

Highlights

Total FY 2017/18 DWR Charges **\$ 39,743,803**

- DWR Fixed Charges \$ 34,996,369
- DWR Variable Charges \$ 4,882,292
- Interest credits \$ (134,859)

Fixed Charge Highlights

- Total fixed charge increase over FY 2016/17 of \$2,670,989.
- DWR Fixed cost increase of \$2.8 million due to an under collection by DWR in the Transportation Minimum OMP&R costs for prior years, along with a combined decrease of \$0.2 million in all other fixed cost components.

Variable Charge Highlights

- DWR Variable cost increase of \$3.0 million over FY 2016/17 due to an increase in actual deliveries in the prior calendar year as compared to requested deliveries creating an undercharge in the prior year DWR Variable OMP&R.
- Estimated Variable OMP&R unit rate for 2017: \$124.00; 2018: \$125.00

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

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

DWR Billing Procedures

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

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

Summary of FY 2017/18 DWR Charges

The DWR charges for the first half of FY 2017/18 are based on the 2017 Statement of Charges. The DWR charges for the second half of FY 2017/18 are based on forecasts prepared by the DWR State Water Project Analysis Office. DWR transportation capital charges starting in 1998 are based on a Coastal Branch Phase II project cost of approximately \$481 million. Coastal Branch Extension capital charges are based on the allocation share of debt service principal and interest payments from the various DWR revenue bond debt issues allocated to repay the capital costs of the Coastal Branch Phase II.

The fixed DWR charges are allocated to the various project participants based on their State water Table A allocation. The variable DWR charges are allocated in proportion to the project participant requested deliveries. San Luis Obispo County pays DWR directly for its DWR costs. The table on page 74 shows fixed and variable DWR costs for each project participant.

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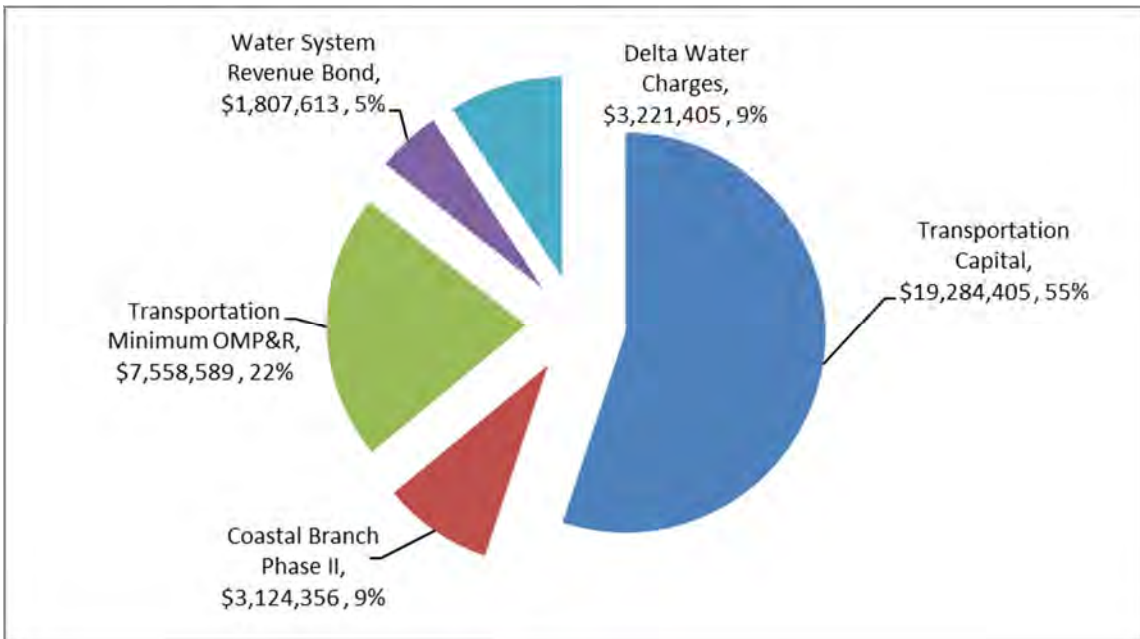
The following table provides a comparison of the FY 2015/16 through the FY 2017/18 DWR charges.

DWR Fixed and Variable Cost Comparison					
Cost Component	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Est. Actual ⁽¹⁾	FY 2017/18 Budget	FY 2017/18 Budget to FY 2016/17 Budget Increase (Decrease)
Transportation Capital	\$ 18,789,609	\$ 19,407,865	\$ 19,049,148	\$ 19,284,405	\$ (123,460)
Coastal Branch Phase II	3,509,212	3,240,423	3,421,582	3,124,356	(116,067)
Transportation Minimum OMP&R	6,689,814	4,726,321	5,001,967	7,558,589	2,832,268
Water System Revenue Bond	1,727,495	1,649,465	1,730,200	1,807,613	158,148
Delta Water Charges	2,848,478	3,301,306	3,054,099	3,221,405	(79,901)
Subtotal Fixed DWR Charges	33,564,608	32,325,380	32,256,996	34,996,369	2,670,989
Off-Aqueduct Charges	105,931	32,133	16,888	-	(32,133)
Variable OMP&R	1,810,945	1,828,284	3,626,940	4,882,292	3,054,008
Subtotal Variable DWR Charges	1,916,876	1,860,417	3,643,828	4,882,292	3,021,875
DWR Account Investment Income	(2,927)	(54,052)	-	(134,859)	(80,807)
Total DWR Charges	\$ 35,478,557	\$ 34,131,745	\$ 35,900,824	\$ 39,743,803	\$ 5,612,058

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

DWR FIXED COSTS

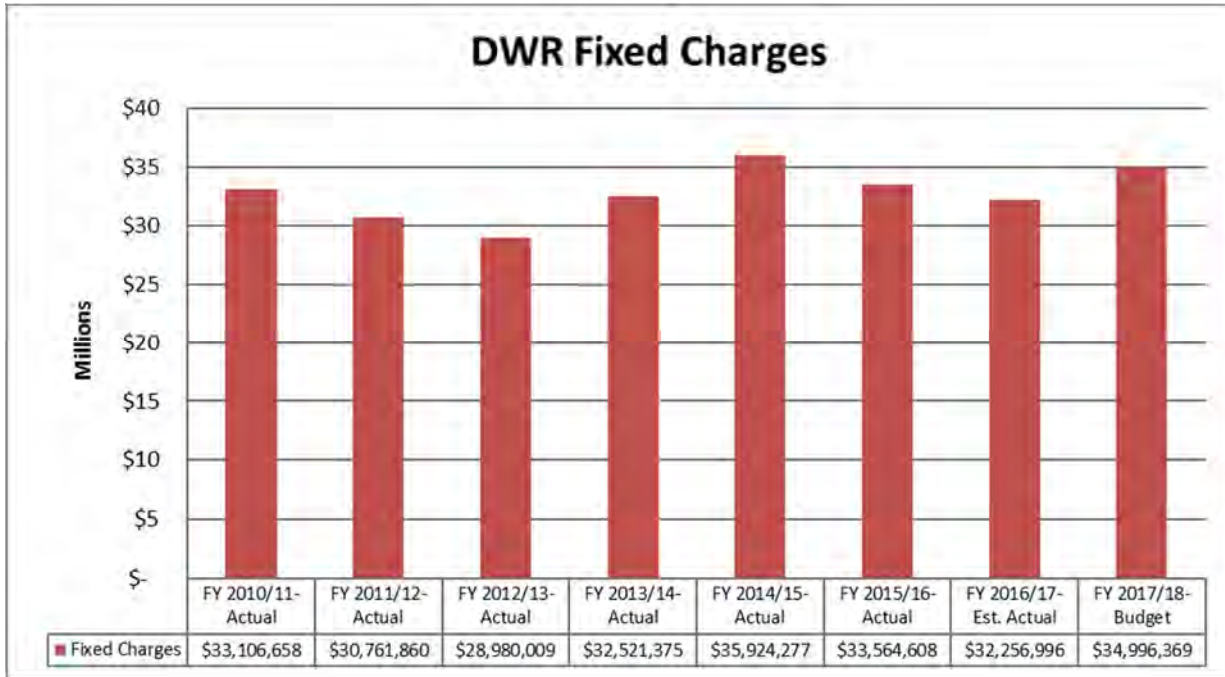
The DWR fixed costs are comprised of the following cost components:



The FY 2017/18 DWR fixed charges total \$34,996,369, which is \$2,670,989 higher than the FY 2016/17 Budget. The reasons for the cost component variances are described later in this section.

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The following graph shows the eight-year trend in the DWR fixed costs.



Transportation Capital

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

The following table shows the allocation of the FY 2017/18 Transportation Capital charges to each of the CCWA project participants:

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TRANSPORTATION CAPITAL CHARGES

Project Participant	Table A	Percentage	Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Rate Management Funds Credit	Prior Year DWR Credits for Overpayments ⁽²⁾	FY 2016/17 Amount Due (Credit)	FY 2017/18 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 321,770	\$ (37)	\$ (39,897)	\$ (10,797)	\$ 24	\$ 271,064
Santa Maria	16,200	41.46%	9,477,590	(1,077)	(1,175,157)	(318,012)	(91)	7,983,253
Golden State Water Co.	500	1.28%	292,518	(33)	(36,270)	(9,815)	11	246,410
VAFB	5,500	14.07%	3,217,700	(366)	(398,973)	(107,967)	(4)	2,710,391
Buellton	578	1.48%	338,151	(38)	(41,928)	(11,346)	14	284,852
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	869,400	(100)	(108,059)	(29,172)	114	732,183
Santa Ynez ⁽³⁾	500	1.28%	300,673	(33)	(37,022)	(10,089)	(132)	253,397
Goleta	4,500	11.52%	2,632,664	(299)	(326,433)	(88,337)	(1,831)	2,215,764
Morehart	200	0.51%	117,007	(13)	(14,508)	(3,926)	(8)	98,552
La Cumbre	1,000	2.56%	585,036	(66)	(72,541)	(19,630)	22	492,821
Raytheon	50	0.13%	29,252	(3)	(3,627)	(982)	13	24,653
Santa Barbara	3,000	7.68%	1,755,109	(199)	(217,622)	(58,891)	3	1,478,400
Montecito	3,000	7.68%	1,755,109	(199)	(217,622)	(58,891)	3	1,478,400
Carpinteria	2,000	5.12%	1,170,073	(133)	(145,081)	(39,261)	(18)	985,580
Subtotal:	39,078	100.00%	\$ 22,862,053	\$ (2,598)	\$ (2,834,741)	\$ (767,116)	\$ (1,879)	\$ 19,255,720
Goleta Additional Table A	2,500	5.50%	32,382	-	(2,610)	(1,087)	-	28,685
CCWA Drought Buffer	3,908	-	-	-	-	-	-	-
TOTAL:	45,486		\$ 22,894,435	\$ (2,598)	\$ (2,837,351)	\$ (768,203)	\$ (1,879)	\$ 19,284,405

(1) Reach 36 was deleted during project design. DWR Reaches to the end of Coastal Branch Phase II consist of Reaches 1 to 35. The Coastal Branch extension consists of Reaches 37 and 38.
(2) Credits for prior year(s) overpayments amortized by DWR through the year 2035.
(3) Adjusted for transfer of the Solvang 150 acre foot drought buffer Table A to Santa Ynez.

The FY 2017/18 Transportation capital charges are decreasing by \$123,460 due to the following:

Transportation Capital Budget-to-Budget Changes			
	FY 2016/17	FY 2017/18	Change
Calculated Component	\$ 22,855,114	\$ 22,894,435	\$ 39,321
Rate Management Credits	(2,837,351)	(2,837,351)	-
Prior Year amount due	161,287	(1,879)	(163,166)
Prior Year Overcollection Credit	(769,300)	(768,203)	1,097
Other Adjustments	(1,885)	(2,598)	(713)
Total:	\$ 19,407,865	\$ 19,284,405	\$ (123,460)

Rate Management Credits

One provision of the contract between CCWA and the Department of Water Resources provides for the reduction of capital charges based on excess revenues collected by DWR due to differences between collections from the State Water Project Contractors and the actual amounts paid for capital related charges. These credits are referred to as “rate management credits” and are allocated to each Contractor in proportion to their total repayment of capital charges to DWR. As such, CCWA receives a large portion of the annual rate management credits (currently about 9.00%) because our facilities were constructed in the 1990’s while most other Contractor’s facilities were constructed in the 1960’s so that CCWA’s capital repayments to DWR are quite high when compared to other Contractors.

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Each year, DWR prepares a financial analysis to determine the revenues that are available to pay rate management credits. Pursuant to the Contract, the maximum amount of rate management credits in any one year does not exceed \$40.5 million to all Contractors. There are a number of factors that can impact the revenues available to pay rate management credits, and therefore, the actual credits provided by DWR have been somewhat volatile as can be seen in the following graph showing the actual historical calendar year rate management credits provided by DWR.



It is anticipated that the revenues available for rate management credits in the future will be substantially more stable and therefore not subject to the volatility as has been the case in the past. For 2014 and beyond, CCWA is projecting DWR will continue to have revenues to pay full rate management credits each year of approximately \$3.2 million.

Coastal Branch Extension-Transportation Capital Reach 37 and 38

This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. CCWA is solely responsible for repayment of the debt service on these bonds to DWR. The charges are allocated according to DWR's actual construction costs for the project with 51.84% allocated to Reach 37 and 48.16% allocated to Reach 38.

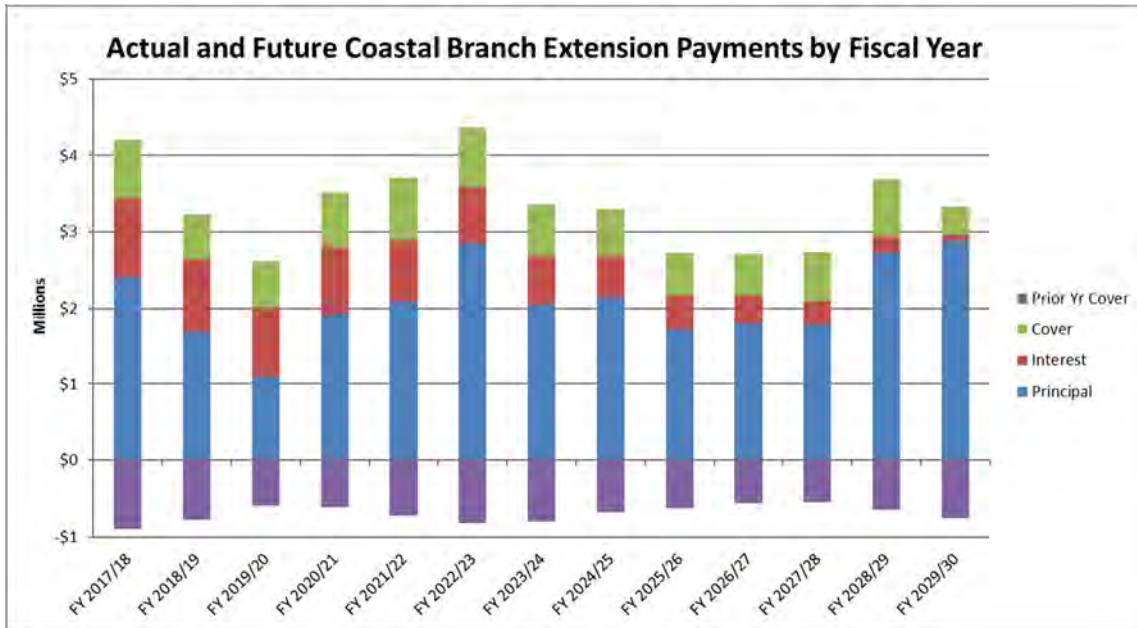
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Coastal Branch Extension debt service payments for FY 2017/18 total \$3,124,356, which is \$116,067 lower than the prior year amount due to the following:

Coastal Branch Extension Debt Service			
	FY 2016/17	FY 2017/18	Change
Principal Payments	\$ 2,518,121	\$ 2,400,429	\$ (117,692)
Interest Payments	1,116,933	1,036,447	(80,486)
Bond Cover	894,052	769,170	(124,882)
Rate Management Credits	(183,274)	(183,274)	-
Return of Prior Year Cover	(919,887)	(894,052)	25,835
Prior year amount due (credit)	(185,522)	(4,363)	181,159
Total:	\$ 3,240,423	\$ 3,124,356	\$ (116,067)

Principal, Interest and Bond Cover Changes

Over the years, DWR has refinanced some of the original bonds used to finance these facilities and the resulting debt service repayment fluctuates significantly between years as can be seen in the following graph.



In addition to the revenue bond principal and interest, DWR also collects bond cover or an additional 25% of revenue bond payments as an additional security for the bond holders. DWR holds one year of bond cover and then returns the prior year bond cover payments as credits.

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Coastal Branch Extension Bond Allocation

CCWA is challenging DWR's allocation of revenue bond debt service payments to CCWA for the Coastal Branch Extension. Total construction and finance related costs were around \$35 million for the project, but DWR is allocating approximately \$46 million in revenue bond principal payments to CCWA. Recently, DWR agreed that the allocation of additional bonds above the construction costs is incorrect and that the bonds should be reallocated to the general water system for the State Water Project away from the Coastal Branch Extension.

DWR still has not finalized the corrections to the Coastal Branch Extension debt service schedules for the over allocation of revenue bonds above the construction costs. The corrections, once implemented, will reduce the total debt service costs for the Coastal Branch Extension facilities.

The following tables show the allocation of the DWR Coastal Branch Extension debt service amounts for FY 2017/18.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	<i>Reach 37</i>				
	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 37 Transp. Costs
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	916,806	(234,829)	681,978
Golden State Water Co.	500	1.30%	28,296	(7,248)	21,049
VAFB	5,500	14.28%	311,261	(79,726)	231,536
Buellton	578	1.50%	32,711	(8,378)	24,332
Santa Ynez (Solvang)	1,500	3.89%	84,889	(21,743)	63,146
Santa Ynez	500	1.30%	28,296	(7,248)	21,049
Goleta	4,500	11.68%	254,668	(65,230)	189,438
Morehart	200	0.52%	11,319	(2,899)	8,419
La Cumbre	1,000	2.60%	56,593	(14,496)	42,097
Raytheon	50	0.13%	2,830	(725)	2,105
Santa Barbara	3,000	7.79%	169,779	(43,487)	126,292
Montecito	3,000	7.79%	169,779	(43,487)	126,292
Carpinteria	2,000	5.19%	113,186	(28,991)	84,195
Total:	38,528	100.00%	2,180,414	(558,486)	\$ 1,621,928

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Project Participant	Reach 38					FY 2016/17	FY 2017/18
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	(Credits) Due	Transportation Capital Charges
Guadalupe	-	0.00%	-	-	\$ -	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	(985)	680,993
Golden State Water Co.	-	0.00%	-	-	-	(42)	21,007
VAFB	5,500	25.20%	510,398	(130,732)	379,666	(830)	610,372
Buellton	578	2.65%	53,638	(13,739)	39,899	(103)	64,128
Santa Ynez (Solvang)	1,500	6.87%	139,200	(35,654)	103,545	(222)	166,469
Santa Ynez	500	2.29%	46,400	(11,885)	34,515	(59)	55,505
Goleta	4,500	20.62%	417,599	(106,963)	310,636	(713)	499,361
Morehart	200	0.92%	18,560	(4,754)	13,806	(33)	22,193
La Cumbre	1,000	4.58%	92,800	(23,769)	69,030	(164)	110,964
Raytheon	50	0.23%	4,640	(1,188)	3,452	3	5,560
Santa Barbara	3,000	13.74%	278,399	(71,308)	207,091	(444)	332,938
Montecito	3,000	13.74%	278,399	(71,308)	207,091	(444)	332,938
Carpinteria	2,000	9.16%	185,599	(47,539)	138,060	(327)	221,928
Total:	21,828	100.00%	2,025,632	(518,840)	\$ 1,506,791	\$ (4,363)	\$ 3,124,356

(1) Includes credits for the return of bond cover of \$894,052, Rate Management Funds Credits of \$183,274 and Permanent Table A Transfer Credits of \$2,891.

Transportation Minimum OMP&R

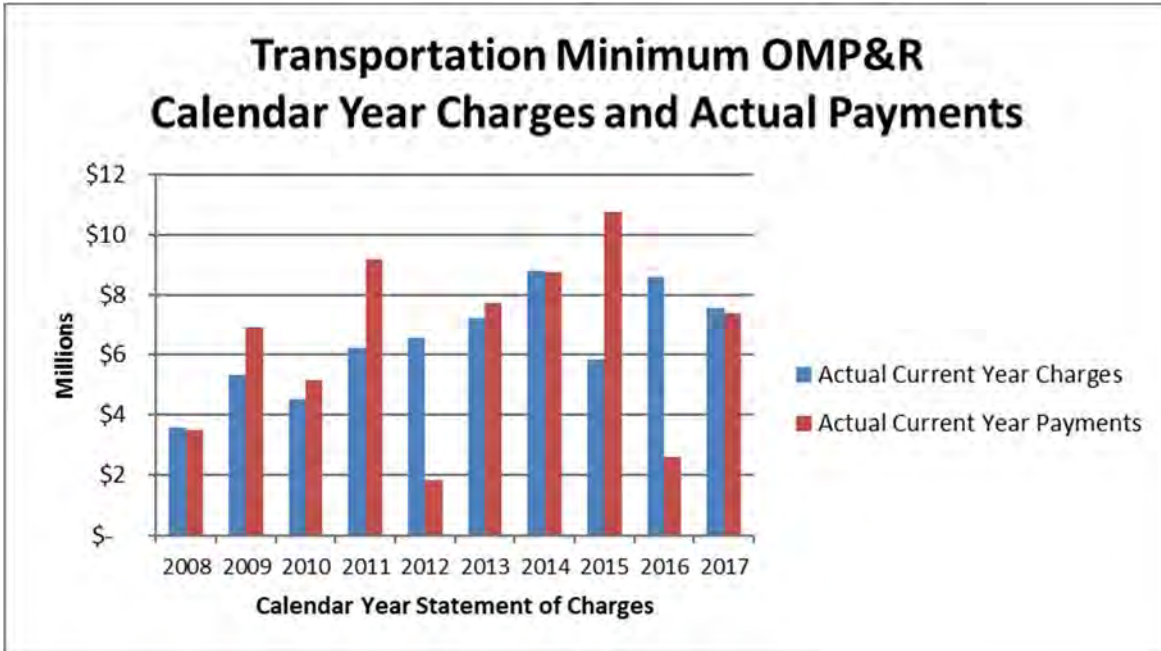
Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally do not depend on or vary with the quantities of water delivered to CCWA.

For FY 2017/18, total Transportation Minimum OMP&R charges are \$7,558,589, which is \$2,832,268 more than the prior year amount due to the following:

Transportation Minimum OMP&R			
	FY 2016/17	FY 2017/18	Change
Calculated Component	\$ 7,614,718	\$ 8,504,839	\$ 890,121
Prior Year (Over)/Under Collection	(1,971,589)	(302,443)	1,669,147
Prior Year Amount Due (Credit)	(916,808)	(643,808)	273,000
Total:	\$ 4,726,321	\$ 7,558,589	\$ 2,832,268

DWR estimates the calendar year charges for each Contractor and then reconciles or “true’s-up” the actual charges incurred in the following year(s) resulting in either an over or under-payment of charges. The following graph shows the actual charges by calendar year and the actual payments from CCWA in that year, with the difference being either the over or under-collection.

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Bay Delta Conservation Plan Supplemental Funding Agreement

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

Subsequent to expenditure of the initial \$140 million, DWR determined it needed an additional \$100 million to complete the initial work, of which CCWA’s share is \$651,495.

The City of Santa Maria agreed to pay the BDCP costs for the City of Santa Barbara, Carpinteria Valley Water District, Montecito Water District and the Goleta Valley Water District.

In total, CCWA has paid \$1,443,725 for the BDCP/DHCCP costs, as shown in the following table by calendar year.

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Calendar Year	BDCP Costs paid by CCWA
2008	\$ 38,233
2009	311,342
2010	379,630
2011	57,651
2012	267,916
2013	340,984
2014	47,969
Total:	<u>\$ 1,443,725</u>

The following table shows the allocation of the FY 2017/18 Transportation Minimum OMP&R charges to each of the CCWA project participants.

TRANSPORTATION MINIMUM OMP&R

Project Participant	Table A	Percentage	Calculated Component FY 2017/18	Prior Year(s) Undercollections	FY 2016/17 Amount Due (Credit)	FY 2017/18 Transportation Minimum OMP&R
Guadalupe	550	1.41%	\$ 117,861	\$ (4,191)	\$ (9,674)	\$ 103,995
Santa Maria	16,200	41.46%	3,471,540	(123,452)	(303,242)	3,044,846
Golden State Water Co.	500	1.28%	107,146	(3,810)	(9,007)	94,329
VAFB	5,500	14.07%	1,178,609	(41,913)	-	1,136,696
Buellton	578	1.48%	123,861	(4,405)	(10,683)	108,773
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	311,430	(11,075)	(26,876)	273,479
Santa Ynez ⁽¹⁾	500	1.28%	117,155	(4,166)	(9,916)	103,073
Goleta	4,500	11.52%	964,317	(34,292)	(102,800)	827,224
Morehart	200	0.51%	42,859	(1,524)	(4,372)	36,962
La Cumbre	1,000	2.56%	214,293	(7,621)	(17,856)	188,816
Raytheon	50	0.13%	10,715	(381)	(170)	10,164
Santa Barbara	3,000	7.68%	642,878	(22,862)	(55,824)	564,192
Montecito	3,000	7.68%	642,878	(22,862)	(55,824)	564,192
Carpinteria	2,000	5.12%	428,585	(15,241)	(37,563)	375,781
Subtotal:	39,078	100.00%	\$ 8,374,125	\$ (297,794)	\$ (643,808)	\$ 7,432,523
Goleta Additional Table A	2,500	-	130,714	(4,648)	-	\$ 126,066
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 8,504,839	\$ (302,443)	\$ (643,808)	\$ 7,558,589

(1) Adjusted for the transfer of 150 acre feet drought buffer Table A from Solvang to Santa Ynez.

Water System Revenue Bond Surcharge

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2017/18, the WSRB is \$158,148 higher than the prior year amount.

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

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WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover ⁽²⁾	FY 2016/17 WSRB (Credits) Due	FY 2017/18 WSRB Charges
Guadalupe	550	1.41%	\$ 43,503	\$ (18,363)	\$ (209)	\$ 24,931
Santa Maria	16,200	41.46%	1,281,362	(540,879)	(3,134)	737,350
Golden State Water Co.	500	1.28%	39,548	(16,694)	3	22,857
VAFB	5,500	14.07%	435,030	(183,632)	(1,034)	250,365
Buellton	578	1.48%	45,718	(19,298)	(195)	26,224
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	114,671	(48,404)	(254)	66,013
Santa Ynez ⁽¹⁾	500	1.28%	43,522	(18,371)	(210)	24,941
Goleta	4,500	11.52%	355,934	(150,244)	(3,315)	202,374
Morehart	200	0.51%	15,819	(6,678)	97	9,239
La Cumbre	1,000	2.56%	79,096	(33,388)	(233)	45,476
Raytheon	50	0.13%	3,955	(1,669)	(96)	2,190
Santa Barbara	3,000	7.68%	237,289	(100,163)	(457)	136,670
Montecito	3,000	7.68%	237,289	(100,163)	(457)	136,670
Carpinteria	2,000	5.12%	158,193	(66,775)	(1,684)	89,733
Subtotal	39,078	100.00%	\$ 3,090,931	\$ (1,304,720)	\$ (11,179)	\$ 1,775,032
Goleta Additional Table A	2,500	-	\$ 56,381	(23,800)	\$	32,581
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 3,147,312	\$ (1,328,520)	\$ (11,179)	\$ 1,807,613

(1) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
 (2) WSRB return of bond cover for July 2016 and January 2017 payments.

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Delta Water Charge

The Delta Water Charge is a unit charge applied to each acre-foot of State water Table A amount net of Table A reductions (see “Table A Reductions” in the section discussing “Other DWR Charges and Credits”). The unit charge covers repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities with appropriate interest, by the end of the State water contract repayment period in 2035.

No Table A reductions are assumed for FY 2017/18.

The FY 2017/18 Delta Water Charge totals \$3,221,405, which is \$79,901 lower than the prior year amount for the following reasons.

Delta Water Charge			
	FY 2016/17	FY 2017/18	Change
Rate per acre-foot	\$ 74.02	\$ 73.88	\$ (0.14)
Delta Water Charge	3,366,885	3,360,349	(6,536)
Rate Management Credits	(138,944)	(138,944)	-
Replacement Deposits	-	-	-
Prior year amount due (credit)	73,365	-	(73,365)
Total:	\$ 3,301,306	\$ 3,221,405	\$ (79,901)

As the table above shows, the FY 2017/18 rate per acre-foot totals \$73.88, which is \$0.14/AF lower than the prior year amount.

The FY 2017/18 rate includes an estimated \$10.00/AF increase for calendar year 2018 for potential other conservation and delta related facilities (\$5.00/AF on a fiscal year basis).

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

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The following table shows the allocation of the FY 2017/18 Delta Water Charge to each of the CCWA project participants.

DELTA WATER CHARGE

Project Participant	Table A		Gross Delta Water Charges	Replacement Accounting System Deposits	Rate Management Funds Credit	FY 2016/17 (Credits) Amount Due	FY 2017/18 Delta Water Charges
	Including Drought Buffer	Percentage					
Guadalupe	605	1.41%	\$ 44,695	\$ -	(1,842)	\$ -	\$ 42,854
Santa Maria	17,820	41.46%	1,316,480	-	(54,244)	-	1,262,236
Golden State Water Co.	550	1.28%	40,632	-	(1,674)	-	38,958
VAFB	6,050	14.07%	446,953	-	(18,416)	-	428,537
Buellton	636	1.48%	46,985	-	(1,936)	-	45,050
Santa Ynez (Solvang)	1,500	3.49%	110,815	-	(4,108)	-	106,707
Santa Ynez	700	1.63%	51,714	-	(3,047)	-	48,667
Goleta	4,950	11.52%	365,689	-	(15,068)	-	350,621
Morehart	220	0.51%	16,253	-	(670)	-	15,583
La Cumbre	1,100	2.56%	81,264	-	(3,348)	-	77,916
Raytheon	55	0.13%	4,063	-	(167)	-	3,896
Santa Barbara	3,300	7.68%	243,793	-	(10,045)	-	233,747
Montecito	3,300	7.68%	243,793	-	(10,045)	-	233,747
Carpinteria	2,200	5.12%	162,528	-	(6,697)	-	155,832
Subtotal	42,986	100.00%	\$ 3,175,658	\$ -	\$ (131,307)	\$ -	\$ 3,044,351
Goleta Additional Table A	2,500	5.50%	\$ 184,691	\$ -	(7,637)	-	\$ 177,054
TOTAL:	45,486		\$ 3,360,349	\$ -	\$ (138,944)	\$ -	\$ 3,221,405

2017 COST PER AF:	\$ 68.8766
Increase for 2018 SOC per AF /2	\$ 5.0000
Estimated rate for FY 2017/18	\$ 73.8766

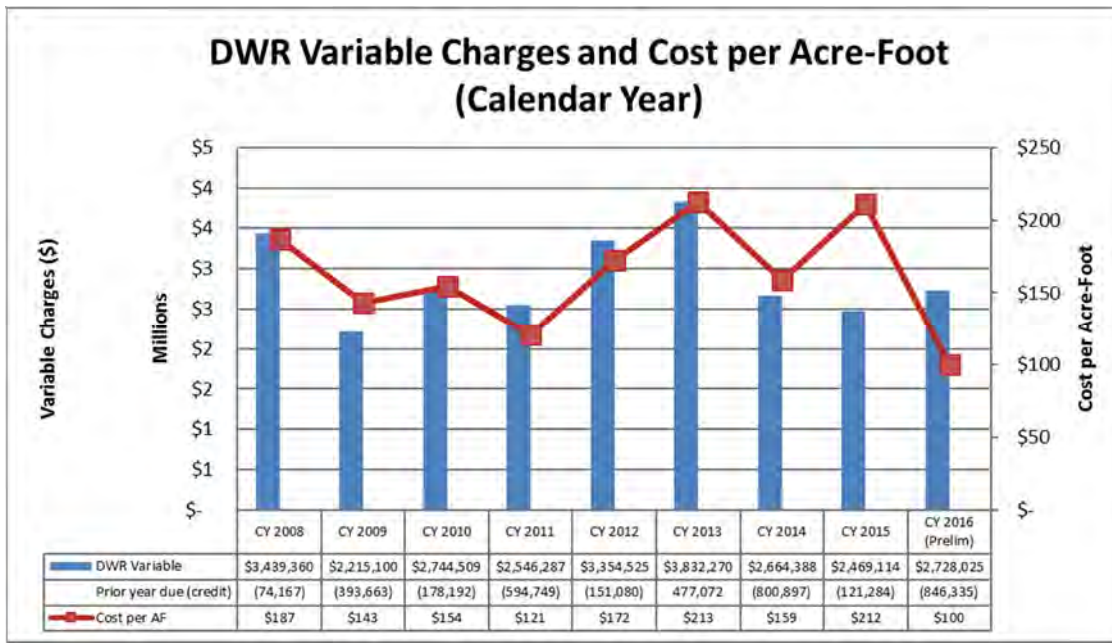
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DWR VARIABLE COSTS

The DWR variable charges are comprised of the following two cost components:

- Off-Aqueduct Charge
- Variable OMP&R

The following graph shows the nine-year history of the actual and estimated DWR variable costs, adjustment of variable cost component for prior year transportation and cost per acre-foot for each calendar year.



The DWR variable charges for FY 2017/18 total \$4,882,292, which is \$3,021,875 higher than the budgeted FY 2016/17 variable payments.

Off-Aqueduct Charges

Off-aqueduct charges are the bond debt service, bond cover, reserve, and operations and maintenance expenses allocated to power facilities not located on the State water aqueduct.

For FY 2017/18, there are no budgeted off-aqueduct charges because of available credits, which is \$32,133 lower than the prior year budget.

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The following table shows the allocation of off-aqueduct charges for FY 2017/18.

Project Participant	July 2017 to December 2017				January 2018 to June 2018				FY 2016/17	TOTAL
	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2017 Off-Aqueduct ^(1 & 2)	Half-Year 2016 Charges	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2018 Off-Aqueduct ⁽³⁾	Half-Year 2016 Charges	(Credits) Charges ⁽⁴⁾	FY 2017/18 Off-Aqueduct
	Guadalupe	198	1.15%	\$ 295	\$ 148	218	1.29%	\$ 492	\$ 246	\$ (4,596)
Santa Maria	6,447	37.49%	9,618	4,809	5,874	34.78%	13,258	6,629	(110,329)	-
Golden State Water Co.	192	1.12%	286	143	265	1.57%	598	299	(8,538)	-
VAFB	1,286	7.48%	1,919	959	1,199	7.10%	2,706	1,353	(63,559)	-
Buellton	311	1.81%	464	232	281	1.66%	634	317	(8,866)	-
Santa Ynez (Solvang) ⁽⁵⁾	676	3.93%	1,009	504	555	3.29%	1,253	626	(6,195)	-
Santa Ynez ⁽⁶⁾	602	3.50%	898	449	435	2.58%	982	491	(8,327)	-
Goleta	2,526	14.69%	3,768	1,884	2,714	16.07%	6,126	3,063	(21,434)	-
Morehart	27	0.16%	40	20	17	0.10%	38	19	(1,262)	-
La Cumbre	519	3.02%	774	387	539	3.19%	1,218	609	(6,547)	-
Raytheon	33	0.19%	49	24	21	0.12%	47	23	(1,455)	-
Santa Barbara	1,630	9.48%	2,432	1,216	1,808	10.71%	4,082	2,041	(27,000)	-
Montecito	1,681	9.78%	2,509	1,254	1,808	10.71%	4,082	2,041	(22,116)	-
Carpinteria	1,069	6.21%	1,594	797	1,156	6.84%	2,609	1,305	(9,645)	-
	17,197	100.00%	\$ 25,656	\$ 12,828	16,891	100.00%	\$ 38,125	\$ 19,063	\$ (299,871)	\$ -

- (1) Off-aqueduct charges are billed to the project participants based on requested deliveries. South coast deliveries include exchange deliveries with Santa Ynez ID#1.
 (2) Source: DWR invoice dated July 1, 2016 for Calendar Year 2017 Statement of Charges.
 (3) Source: Attachment #3, July 1, 2016 DWR Invoice for calendar year 2017.
 (4) Credits for reconciliation of 2016 off-aqueduct charges, return of bond cover and SMIF interest.
 (5) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
 (6) Pursuant to the Exchange Agreement, Santa Ynez only pays Off-Aqueduct charges on its Table A deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Off-Aqueduct charges for exchange water they accept.

Variable OMP&R Charges

Variable OMP&R costs basically represent power costs to pump the water and represent costs that are based on and vary with the amount of State water deliveries.

For FY 2017/18, the variable OMP&R charges total \$4,882,292 which is \$3,054,008 more than the prior year amount. The budget is based on estimated water deliveries of 34,088 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2017/18 is estimated to be \$124/AF and \$125/AF for the second half of the fiscal year.

The following table shows the allocation of the FY 2017/18 variable OMP&R costs.

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VARIABLE OMP&R CHARGES

Project Participant	July 1, 2017 to Dec 31, 2017 ⁽¹⁾			\$124/AF ⁽²⁾	Jan 1, 2018 to June 30, 2018 ⁽³⁾			\$125/AF ⁽⁴⁾		TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2017 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2018 Var OMP&R	FY 2016/17 (Credits) Due ⁽⁵⁾	FY 2017/18 Var. OMP&R
Guadalupe	198	-	198	\$ 24,552	218	-	218	\$ 27,250	\$ 23,303	\$ 75,105
Santa Maria	6,447	-	6,447	799,428	5,874	-	5,874	734,250	230,989	1,764,667
Golden State Water Co.	192	-	192	23,808	265	-	265	33,125	(13,264)	43,669
VAFB	1,286	-	1,286	159,464	1,199	-	1,199	149,875	36,123	345,462
Buellton	311	-	311	38,564	281	-	281	35,125	(47,868)	25,821
Santa Ynez (Solvang)	676	-	676	83,824	555	-	555	69,375	(47,402)	105,797
Santa Ynez ⁽⁶⁾	602	1,589	2,191	74,648	435	1,011	1,446	54,375	(12,675)	116,348
Goleta	2,526	(572)	1,954	313,189	2,714	(364)	2,350	339,257	182,641	835,088
Morehart	27	-	27	3,348	17	-	17	2,125	(18,221)	-
La Cumbre	519	-	519	64,334	539	-	539	67,432	5,228	136,995
Raytheon	33	-	33	4,072	21	-	21	2,603	(5,478)	1,197
Santa Barbara	1,630	(381)	1,249	202,179	1,808	(243)	1,566	226,047	250,832	679,058
Montecito	1,681	(381)	1,300	208,503	1,808	(243)	1,566	226,047	73,709	508,259
Carpinteria	1,069	(254)	814	132,513	1,156	(162)	994	144,489	(32,176)	244,826
Total	17,197	-	17,197	\$ 2,132,428	16,891	-	16,891	\$ 2,111,375	\$ 625,741	\$ 4,882,292

(1) 2017 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.

(2) Source: July 1, 2016 Statement of Charges for calendar year 2017.

(3) 2017 Requested Deliveries based on a 100% delivery allocation.

(4) Source: Estimate of invoice rate for 2018.

(5) Credit or amount due for FY 2016/17 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.

(6) Pursuant to the Exchange Agreement, Santa Ynez only pays Variable OMP&R charges on its entitlement deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Variable OMP&R charges for exchange water they accept.

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Other DWR Charges and Credits

Table A Entitlement Reductions These reductions are the result of elections by certain project participants to temporarily decrease their Table A allocation. This election eliminates the Delta Water Charge associated with the amount of State water Table A that has been reduced. No Table A reductions are assumed for calendar years 2017 or 2018.

Turnback Pool Sales This represents elections by project participants to “turnback” a portion of their State water in a given year. The initial amount of the turnback water, designated as Pool A, must be submitted for sale by February 15 of each year. The water is then sold by DWR to other State water contractors by March 1. The sellers receive half the Delta Water Rate for each acre-foot of water sold in Pool A. Any water that is not sold in Pool A is placed in Pool B for possible sale, unless the sellers indicate otherwise.

The second “pool” of water to be sold, designated as Pool B, must be submitted for sale by March 15 of each year, and is sold by DWR by April 1. The sellers receive one-fourth of the Delta Water Rate for each acre-foot sold in Pool B. Any water that is not sold in Pool B to other State water contractors or purchased by DWR is sold by DWR to the highest bidder.

CCWA Turnback Pool

In January 1998, the Authority implemented an internal turnback pool program similar to the DWR program. The Authority’s pool is utilized during those years when (1) less than 100% of State water allocation is available and (2) filling the Authority’s project participant delivery requests is only possible by acquiring unused Table A amounts from other project participants.

Any water that is not sold in the Authority’s turnback pool is sold in the DWR turnback pool. The price for water sold in the Authority’s turnback pool is the same as that sold in the DWR pool.

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Fiscal Year 2017/18 Budget

Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES			DWR Account Interest	Total DWR Charges
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable		
Guadalupe	\$ 271,064	\$ -	\$ -	\$ 103,995	\$ 24,931	\$ 42,854	\$ 442,844	\$ -	\$ 75,105	\$ 75,105	\$ (601)	\$ 517,347
Santa Maria	7,983,253	681,027	-	3,044,846	737,350	1,262,236	13,708,711	-	1,764,667	1,764,667	(65,477)	15,407,901
Golden State Water Co.	246,410	21,019	-	94,329	22,857	38,958	423,574	-	43,669	43,669	(745)	466,498
Vandenberg AFB	2,710,391	231,213	379,137	1,136,696	250,365	428,537	5,136,338	-	345,462	345,462	-	5,481,801
Buellton	284,852	24,298	39,844	108,773	26,224	45,050	529,042	-	25,821	25,821	(1,936)	552,926
Santa Ynez (Solvang)	732,183	63,058	103,401	273,479	66,013	106,707	1,344,841	-	105,797	105,797	(5,194)	1,445,443
Santa Ynez	253,397	21,019	34,467	103,073	24,941	48,667	485,563	-	116,348	116,348	(2,513)	599,398
Goleta	2,215,764	189,174	310,203	827,224	202,374	350,621	4,095,361	-	835,088	835,088	(16,527)	4,913,922
Morehart Land	98,552	8,408	13,787	36,962	9,239	15,583	182,531	-	-	-	(646)	181,884
La Cumbre	492,821	42,039	68,934	188,816	45,476	77,916	916,001	-	136,995	136,995	(4,781)	1,048,215
Raytheon	24,653	2,102	3,447	10,164	2,190	3,896	46,451	-	1,197	1,197	(166)	47,482
Santa Barbara	1,478,400	126,116	206,802	564,192	136,670	233,747	2,745,927	-	679,058	679,058	(12,917)	3,412,068
Montecito	1,478,400	126,116	206,802	564,192	136,670	233,747	2,745,927	-	508,259	508,259	(13,746)	3,240,441
Carpinteria	985,580	84,077	137,868	375,781	89,733	155,832	1,828,871	-	244,826	244,826	(9,608)	2,064,089
Goleta 2500 AF	28,685	-	-	126,066	32,581	177,054	364,386	-	-	-	-	364,386
Total	\$ 19,284,405	\$ 1,619,666	\$ 1,504,690	\$ 7,558,589	\$ 1,807,613	\$ 3,221,405	\$ 34,996,369	\$ -	\$ 4,882,292	\$ 4,882,292	\$ (134,859)	\$ 39,743,803



Right of Way Mowing Spring 2017

Operating Expenses

The Operating Expenses section of the FY 2017/18 Budget contains a summary of the consolidated department operating expenses and allocation of the Authority's operating expenses to its project participants.

Highlights

Summary Information

- **Total FY 2017/18 Operating Expenses \$ 9,825,610**
- Fixed expense increase \$ 178,642
- Variable expense decrease \$ 1,110,645
- Decrease over FY 2015/16 Budget \$ (932,003)
- Percentage decrease 18.66%

Significant Operating Expense Changes

- Includes a salary pool for FY 2017/18 of \$114,686, equivalent to a 4.0% increase.
- Variable electric costs are estimated to be \$538,229 less than the FY 2016/17 budget, a decrease of (33.14%).
- Chemical costs budgeted at \$42.99 an acre-foot (excluding Santa Ynez Pumping facility chemical costs), a 24.70% decrease from FY 2016/17 chemical budget
- Budgeted employee benefits percentage for FY 2017/18: 45.61%

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2017/18 Budget

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

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

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

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

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

Operating Expense Budget and Exchange Agreement Modifications

The Operating Expense Budget presented in this document represents the anticipated expenses to operate the Authority for Fiscal Year 2017/18. These expenses are billed to the project participants based on the individual Water Supply Agreements for each agency (*see the Revenues and Sources of Cash section of this document for further information on billings*).

When the anticipated expenses for the fiscal year have been determined, certain adjustments are made to the budget based on the "Santa Ynez Exchange Agreement" (*see the "Water Treatment Plant" section of this document for further information about the Santa Ynez Exchange Agreement*). These adjustments reduce the variable costs (chemicals and electrical) in the budget based on the provisions of the Exchange Agreement. The project participants are billed for the Authority's operating expenses budget based on the adjusted expenses which include the Exchange Agreement modifications. These adjustments are not reflected in the Operating Expense departmental budgets that follow.

Central Coast Water Authority Operating Expense Overview Fiscal Year 2017/18 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2017/18 budget are as follows:

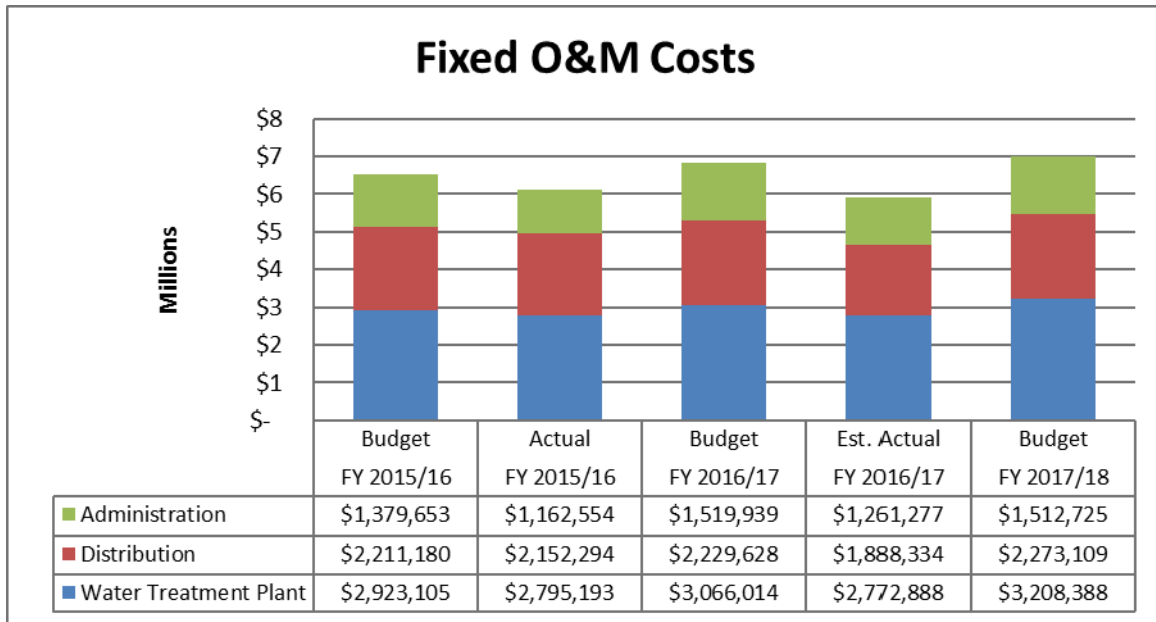
- Increase in Warren Act and Trust Fund charges of \$152,241 (Warren Act and Trust Fund charges are not included in the Operating Expense budget and are treated as a pass-through expense).

Fixed and Variable Operating Expenses

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

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

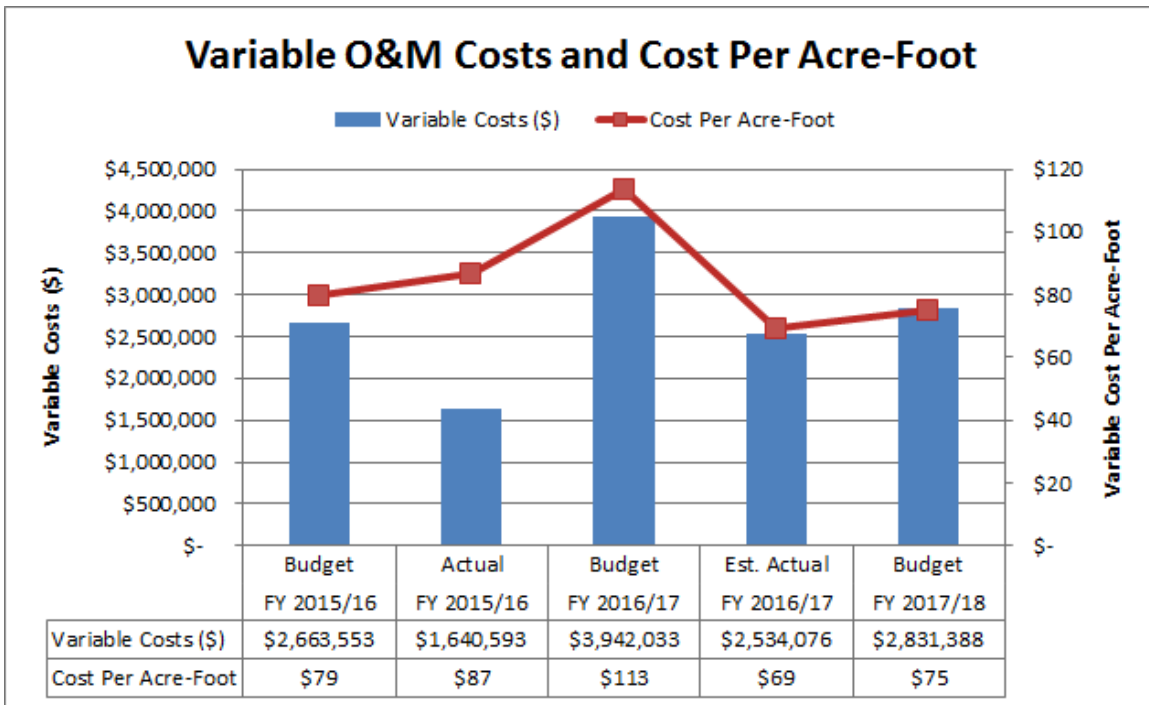
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority
 Operating Expense Overview
 Fiscal Year 2017/18 Budget

Variable O&M Costs refer to all costs that vary with the amount of water processed. These costs include all chemical and electrical costs for the Water Treatment Plant and Distribution Departments.

The following chart shows the variable O&M costs compared to the requested and actual variable cost per acre-foot for the same period.



The Fiscal Year 2017/18 Consolidated Departmental Operating Expense Budget totals \$9,825,610 which is \$932,003 lower than the Fiscal Year 2016/17 Budget, an 8.66% decrease. Explanations for the various changes within the budget are discussed below and are also included in the various departmental sections of this Budget document.

Personnel Expenses

Personnel expenses are increasing by about \$57,000 which includes the following changes from the prior year:

- The FY 2017/18 Budget includes the \$114,686 salary pool amount for employee salary increases representing a decrease of \$19,817 over the FY 2016/17 budgeted amount of \$134,500. The salary pool percentage for FY 2017/18 is a flat 4% of salaries.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2017/18 Budget

On April 27, 2017, the Board of Directors approved that beginning FY 2017/18 CCWA's Salary Pool calculation be changed from being comprised of a 3% merit component plus the change in the consumer price index, to being based solely on either a flat 4% of salaries, or the actual change in the consumer price index, whichever is higher. This percentage is then applied to the current salaries as of July 1st to create the salary pool for the current fiscal year budget. The newly approved salary pool formula will be automatically included in the budget each year to provide a pool of money for the Executive Director to award salary increases to employees based entirely on performance.

The FY 2017/18 total salaries and wages budget for all departments is held to an increase of only \$43,573 compared to the prior fiscal year budget due to certain employees remaining stalled at the top of their salary range, combined with hiring a Deputy Controller at starting salary of \$35,000 below the position of Finance Director approved last fiscal year. In addition, a new Engineering Technician and WTP Maintenance Technician were hired at lesser starting salaries when compared to the prior employees in those positions.

- PERS retirement expenses are increasing by about \$38,000 due to the change in the employer and employee contribution rate for the FY 2017/18 to 23.048% as compared to the prior year amount of 22.071%. Beginning with FY 2017/18, CCWA employees will be paying 50% of the increase in the "normal" PERS employer contribution.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by about \$32,000 due to the following realignment of employee benefits: 1) Effective January 1, 2018, the CCWA cafeteria plan allowance will be based on the lowest cost plan available to all CCWA employees, instead of the mid-range PPO in 2017; 2) Beginning with calendar year 2018, CCWA employees will pay 50% of the increase in the cost of dependent portion of healthcare premiums. The 2017 health insurance premiums increased by 4.49%, as opposed to the budgeted increase of 5% for calendar year 2017. The Budget also includes an estimated 5% increase in the new lower cost plan health insurance premiums effective January 1, 2018.
- The FY 2017/18 Budget includes \$52,325 for deposit into the Retiree Benefit Trust Program which represents a \$5,825 increase in the estimated FY 2017/18 amount over the FY 2016/17 budgeted amount of \$46,500 for the annually required contribution for the CCWA retiree medical benefit, and the estimated additional contribution for a vested portion of the retiree only premiums, based on employees who are at least 62 years of age and who retire from CCWA having completed at least 10 years of service.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2017/18 Budget

Supplies and Equipment

Supplies and equipment are decreasing by about \$560,000 due entirely to the decreased cost of chemicals needed due to increased flows in the California Aqueduct resulting in better water quality. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality, which has improved over the drought related water conditions seen in the preceding fiscal years.

Monitoring Expenses

Monitoring expenses are decreasing by about \$7,000 for lab supplies and lab testing due to an estimated reduction in drought related water quality monitoring that occurred last fiscal year.

Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$11,000 because of an increase in equipment and building repairs and maintenance.

Professional Services

Professional Services are increasing by a total of about \$15,000 for the following reasons: An increase of \$11,000 in engineering services for office remodeling, and a \$31,000 increase in professional services largely due to hiring a public relations firm for the DWR Contract Extension, and CalWater Fix, plus about \$33,000 for additional accounting services primarily for auditing the DWR Statement of Charges. These increase are partially offset by a \$60,000 decrease in need for additional legal services.

Utilities

Utility expenses are decreasing by about \$534,000 primarily due to a decrease in the estimated cost of electricity, which is offset by an increase in requested water deliveries to Lake Cachuma of 5,226 AF compared to the prior fiscal year.

Approximately 49% of the operating expense budget represents personnel expenses. This is followed by 20% for supplies and equipment, and 13% for utilities and the balance is comprised of other expenses.

The chart on page 83 provides a detailed breakdown of the components of the FY 2017/18 budget.

Central Coast Water Authority
 Operating Expense Overview
 Fiscal Year 2017/18 Budget

CCWA Employee Benefits Percentage

In December 2003, the CCWA Board of Directors established the following Budget policy, with regard to employer paid employee benefits:

Employee Benefits Funding Benchmark: The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability and life insurance as a proportion of the full-time wages budget for the fiscal year.

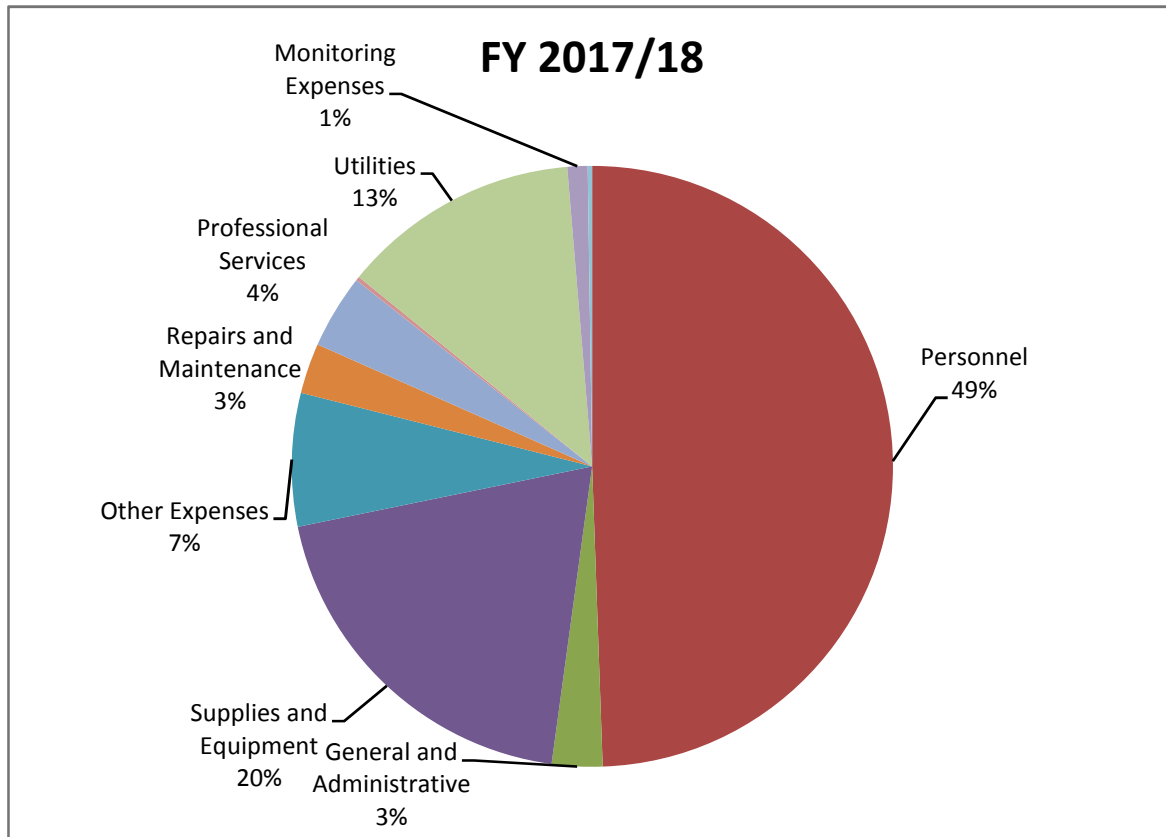
The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2015/16 through 2017/18.

	FY 2015/16	FY 2016/17	FY 2017/18
	Actual	Est. Actual ⁽¹⁾	Budget ⁽¹⁾
Total Regular Salaries	\$ 2,738,959	\$ 2,749,143	\$ 2,981,836
<u>Benefits</u>			
PERS Retirement ⁽¹⁾	592,629	626,153	686,898
Health Insurance	495,301	530,244	512,314
Cafeteria Plan Benefits	21,800	26,455	57,347
Dental/Vision Plan	54,933	59,325	75,253
Long-Term Disability	13,271	13,604	15,145
Life Insurance	11,115	11,219	13,196
Total Benefits:	\$ 1,189,048	\$ 1,267,000	\$ 1,360,154
Employee Benefits Percentage	43.41%	46.09%	45.61%

(1) The PERS Retirement for FY 2016/17 and FY 2017/18 in the above benefit percentage calculations does not include the additional \$125,000 payment towards CCWA's unfunded accrued liability which was included in the operating expense sections of the budget.

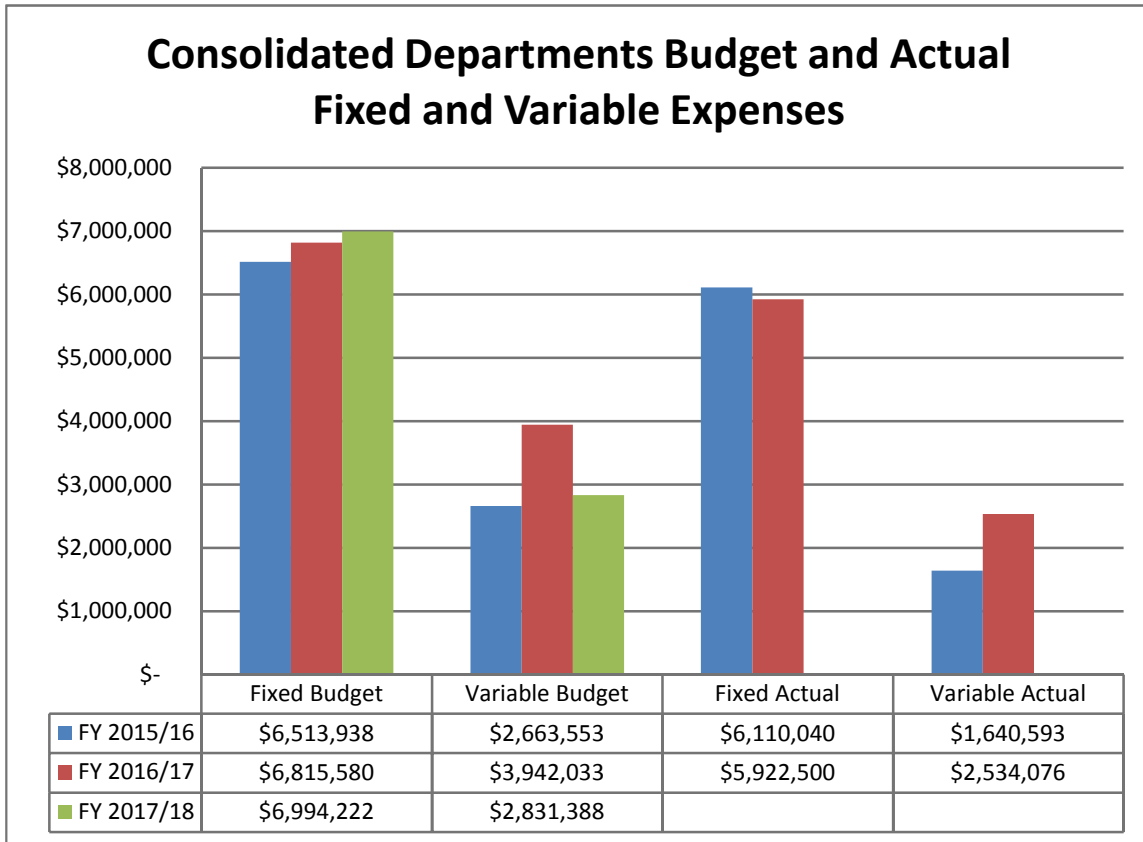
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2017/18 Budget

Item	FY 2017/18 Budget
Personnel	\$ 4,858,221
Office Expenses	20,500
Supplies and Equipment	1,926,747
Monitoring Expenses	107,144
Repairs and Maintenance	266,380
Professional Services	392,580
General and Administrative	267,836
Utilities	1,259,193
Other Expenses	702,533
Turnouts	24,478
TOTAL:	\$ 9,825,610



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2017/18 Budget

Item	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget
Personnel	\$ 4,299,632	\$ 4,213,465	\$ 4,801,491	\$ 4,534,174	\$ 4,858,221
Office Expenses	19,150	17,770	19,700	20,351	20,500
Supplies and Equipment	1,712,687	1,266,204	2,485,483	1,569,853	1,926,747
Monitoring Expenses	100,391	85,766	113,784	93,888	107,144
Repairs and Maintenance	255,306	240,752	255,022	231,464	266,380
Professional Services	491,335	237,244	377,735	103,518	392,580
General and Administrative	246,099	216,113	271,169	231,128	267,836
Utilities	1,286,695	658,526	1,793,036	1,227,580	1,259,193
Other Expenses	729,470	700,801	618,451	439,243	702,533
Turnouts	36,725	113,992	21,742	5,377	24,478
Total:	\$ 9,177,490	\$ 7,750,633	\$ 10,757,612	\$ 8,456,576	\$ 9,825,610



Central Coast Water Authority
Consolidated Department Operating Expenses
Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 2,733,028	\$ 2,689,062	\$ 2,938,263	\$ 2,749,143	\$ 2,981,836	\$ 43,573	1.48%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	132,773	130,372	135,789	146,467	139,163	3,373	2.48%
5000.40	Standby Pay	53,927	51,195	55,190	51,373	55,768	578	1.05%
5000.50	Shift Differential Pay	17,161	15,799	17,594	16,920	18,226	633	3.60%
5100.10	PERS Retirement	589,036	577,154	773,783	751,153	811,898	38,115	4.93%
5100.15	Medicare Taxes	42,945	41,727	45,920	42,320	47,159	1,239	2.70%
5100.20	Health Insurance	469,490	476,398	582,646	530,244	512,314	(70,333)	-12.07%
5100.25	Workers' Compensation	100,408	57,222	64,961	48,030	59,880	(5,081)	-7.82%
5100.30	Vehicle Expenses	9,000	9,000	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	43,920	44,151	46,500	46,425	52,325	5,825	12.53%
5100.40	Cafeteria Plan Benefits	24,857	21,800	20,090	26,455	57,347	37,257	185.45%
5100.45	Dental/Vision Plan	48,613	54,933	73,806	59,325	75,253	1,447	1.96%
5100.50	Long-Term Disability	13,341	12,785	14,934	13,604	15,145	212	1.42%
5100.55	Life Insurance	11,422	10,693	13,306	11,219	13,196	(109)	-0.82%
5100.60	Employee Physicals	900	325	900	970	900	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	6,560	957	6,560	4,207	6,560	-	0.00%
5100.65	Employee Education Reimbursement	2,250	105	2,250	-	2,250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	19,787	-	27,318	-	-	N/A
Total Personnel Expenses:		4,299,632	4,213,465	4,801,491	4,534,174	4,858,221	56,729	1.18%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	9,700	10,375	9,700	8,743	10,000	300	3.09%
5200.30	Misc. Office Expenses	9,450	7,395	10,000	11,608	10,500	500	5.00%
Total Office Expenses:		19,150	17,770	19,700	20,351	20,500	800	4.06%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	14,772	15,906	15,210	14,530	15,660	450	2.96%
5500.15	Minor Tools and Equipment	10,000	9,412	10,000	4,074	10,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,500	186	1,500	60	1,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,543,465	1,135,876	2,317,823	1,463,954	1,745,407	(572,417)	-24.70%
5500.35	Maintenance Supplies/Hardware	26,000	25,233	26,000	18,877	30,400	4,400	16.92%
5500.40	Safety Supplies	12,000	11,208	12,000	7,763	14,000	2,000	16.67%
5500.45	Fuel and Lubricants	91,450	66,584	91,450	57,324	98,280	6,830	7.47%
5500.50	Seed/Erosion Control Supplies	13,000	1,584	11,000	3,272	11,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	215	500	-	500	-	0.00%
Total Supplies and Equipment:		1,712,687	1,266,204	2,485,483	1,569,853	1,926,747	(558,736)	-22.48%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	62,236	54,188	65,969	55,154	66,559	590	0.89%
5600.20	Lab Tools and Equipment	1,720	972	11,380	14,493	11,520	140	1.23%
5600.30	Lab Testing	36,435	30,607	36,435	24,240	29,065	(7,370)	-20.23%
Total Monitoring Expenses:		100,391	85,766	113,784	93,888	107,144	(6,640)	-5.84%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	163,000	164,508	163,000	163,757	167,000	4,000	2.45%
5700.20	Vehicle Repairs and Maintenance	20,000	10,515	17,500	11,006	17,500	-	0.00%
5700.30	Building Maintenance	60,246	54,498	61,602	47,319	68,360	6,758	10.97%
5700.40	Landscape Maintenance	12,060	11,230	12,920	9,382	13,520	600	4.64%
Total Repairs and Maintenance:		255,306	240,752	255,022	231,464	266,380	11,358	4.45%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	159,975	84,453	140,775	28,821	171,775	31,000	22.02%
5400.20	Legal Services	250,000	85,105	160,000	32,539	100,000	(60,000)	-37.50%
5400.30	Engineering Services	15,000	1,500	10,500	-	21,500	11,000	104.76%
5400.40	Permits	25,800	25,774	22,900	14,225	22,900	-	0.00%
5400.50	Non-Contractual Services	4,260	2,619	4,260	1,479	4,260	-	0.00%
5400.60	Accounting Services	36,300	37,793	39,300	26,454	72,145	32,845	83.57%
Total Professional Services:		491,335	237,244	377,735	103,518	392,580	14,845	3.93%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meetings and Travel	48,500	47,226	59,000	50,926	62,000	3,000	5.08%
5300.20	Mileage Reimbursement	1,650	205	1,650	-	1,650	-	0.00%
5300.30	Dues and Memberships	163,049	150,326	151,619	153,377	166,536	14,917	9.84%
5300.40	Publications	2,500	2,281	3,000	1,645	3,250	250	8.33%
5300.50	Training	16,000	4,687	17,500	7,238	18,750	1,250	7.14%
5300.60	Advertising	2,000	1,085	25,000	6,229	4,750	(20,250)	-81.00%
5300.70	Printing and Binding	3,500	929	3,500	1,600	2,000	(1,500)	-42.86%
5300.80	Postage	8,900	9,375	9,900	10,114	8,900	(1,000)	-10.10%
Total General and Administrative:		246,099	216,113	271,169	231,128	267,836	(3,333)	-1.23%
<u>UTILITIES</u>								
5800.20	Natural Gas	8,190	7,114	8,190	6,465	8,770	580	7.08%
5800.30	Electric-Fixed	131,627	124,094	132,825	129,678	135,387	2,561	1.93%
5800.35	Electric-Variable	1,120,088	504,717	1,624,210	1,070,122	1,085,981	(538,229)	-33.14%
5800.40	Water	3,200	2,607	3,200	3,479	4,420	1,220	38.13%
5800.50	Telephone	14,006	11,305	15,026	9,690	15,026	-	0.00%
5800.60	Waste Disposal	9,585	8,689	9,585	8,145	9,609	24	0.25%
Total Utilities:		1,286,695	658,526	1,793,036	1,227,580	1,259,193	(533,843)	-29.77%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	139,308	133,387	140,212	131,757	144,787	4,576	3.26%
5900.30	Non-Capitalized Projects	235,893	307,915	91,509	95,301	150,108	58,599	64.04%
5900.40	Equipment Rental	33,540	37,113	38,540	25,784	42,040	3,500	9.08%
5900.50	Non-Capitalized Equipment	14,500	8,906	14,500	13,977	22,500	8,000	55.17%
5900.60	Computer Expenses	179,225	175,447	200,478	172,423	206,436	5,958	2.97%
5900.70	Appropriated Contingency	127,004	38,034	133,213	-	136,662	3,449	2.59%
Total Other Expenses:		729,470	700,801	618,451	439,243	702,533	84,082	13.60%
Turnout Expenses		36,725	113,992	21,742	5,377	24,478	2,736	12.58%
TOTAL OPERATING EXPENSES		\$ 9,177,490	\$ 7,750,633	\$ 10,757,612	\$ 8,456,576	\$ 9,825,610	\$ (932,003)	-8.66%

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2017/18 Budget

Project Participant	<u>Administration Department</u>			<u>Water Treatment Plant Department Fixed Costs</u>					Total Fixed WTP Costs	Turnout Costs
	Table A	Percentage	Administration Expenses	Table A	Percentage	WTP Fixed	WTP Fixed and Capital Retirement	Exchange Fixed and Capital Adjustments		
Shandon	-	-	\$ -	100	0.23%	\$ 8,877	-	-	8,877	\$ 7,645
Chorro Valley	-	-	-	2,338	5.32%	207,536	-	-	207,536	8,150
Lopez	-	-	-	2,392	5.45%	212,330	-	-	212,330	12,722
Guadalupe	550	1.41%	23,037	550	1.25%	48,822	24,948	-	73,769	2,395
Santa Maria	16,200	41.46%	678,533	16,200	36.90%	1,438,020	734,823	-	2,172,843	2,522
Golden State Water Co.	500	1.28%	20,942	500	1.14%	44,383	22,680	-	67,063	4,197
VAFB	5,500	14.07%	230,366	5,500	12.53%	488,217	249,477	-	737,694	12,206
Buellton	578	1.48%	24,209	578	1.32%	51,307	26,218	-	77,525	12,537
Santa Ynez (Solvang)	1,500	3.84%	62,827	1,500	3.42%	133,150	68,039	-	201,189	11,929
Santa Ynez	500	1.28%	20,942	500	1.14%	44,383	140,652	413,495	598,531	11,706
Goleta	4,500	11.52%	188,481	4,500	10.25%	399,450	(404,930)	(148,858)	(154,338)	-
Morehart Land	200	0.51%	8,377	200	0.46%	17,753	(22,725)	-	(4,972)	-
La Cumbre	1,000	2.56%	41,885	1,000	2.28%	88,767	(113,626)	-	(24,860)	-
Raytheon (SBRC)	50	0.13%	2,094	50	0.11%	4,438	(5,681)	-	(1,243)	-
Santa Barbara	3,000	7.68%	125,654	3,000	6.83%	266,300	(269,953)	(99,239)	(102,892)	-
Montecito	3,000	7.68%	125,654	3,000	6.83%	266,300	(269,953)	(99,239)	(102,892)	-
Carpinteria	2,000	5.12%	83,769	2,000	4.55%	177,533	(179,969)	(66,159)	(68,595)	-
TOTAL:	39,078	100.00%	\$ 1,636,772	43,908	100.00%	\$ 3,897,566	\$ -	-	\$ 3,897,566	\$ 86,008

Project Participant	<u>Distribution Department Fixed Costs</u>									Total Fixed Distribution Costs	Total Fixed Operating & CIP Costs
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II			
Shandon	1,263	-	-	-	-	-	-	-	-	1,263	17,784
Chorro Valley	29,525	-	-	-	-	-	-	-	-	29,525	245,211
Lopez	30,207	13,324	-	-	-	-	-	-	-	43,531	268,582
Guadalupe	6,945	3,064	2,350	-	-	-	-	-	-	12,359	111,560
Santa Maria	204,576	90,239	69,221	26,721	-	-	-	-	-	390,758	3,244,656
Golden State Water Co.	6,314	2,785	2,136	825	-	-	-	-	-	12,060	104,263
VAFB	69,455	30,637	23,501	9,072	24,962	76,287	-	-	-	233,914	1,214,180
Buellton	7,299	3,220	2,470	953	2,623	8,017	16,838	-	-	41,421	155,692
Santa Ynez (Solvang)	18,942	8,355	6,409	2,474	6,808	20,806	43,698	-	-	107,493	383,438
Santa Ynez	6,314	2,785	2,136	825	2,269	6,935	14,566	-	-	35,831	667,010
Goleta	56,827	25,066	19,228	7,422	20,424	62,417	131,095	207,890	-	530,370	564,513
Morehart Land	2,526	1,114	855	330	908	2,774	5,826	9,240	-	23,572	26,977
La Cumbre	12,628	5,570	4,273	1,649	4,539	13,870	29,132	46,198	-	117,860	134,885
Raytheon (SBRC)	631	279	214	82	227	694	1,457	2,310	-	5,893	6,744
Santa Barbara	37,885	16,711	12,819	4,948	13,616	41,611	87,397	138,593	-	353,580	376,342
Montecito	37,885	16,711	12,819	4,948	13,616	41,611	87,397	138,593	-	353,580	376,342
Carpinteria	25,256	11,141	8,546	3,299	9,077	27,741	58,265	92,396	-	235,720	250,895
TOTAL:	554,478	231,002	166,977	63,549	99,069	302,763	475,672	635,219	-	2,528,729	\$ 8,149,075

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2017/18 Budget

Project Participant	Distribution Department Variable Costs	Water Treatment Plant Variable Costs				Total WTP Variable Costs	Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING & CIP COSTS	Summary of Total Costs	
	Santa Ynez II	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments						
Shandon	\$ -	\$ 4,843			\$ 4,843	\$ 4,843	\$ 22,628	Fixed O&M Costs		
Chorro Valley	-	106,315			106,315	106,315	351,526	Administration	\$ 1,512,725	
Lopez	-	69,648			69,648	69,648	338,230	Water Treatment Plant	3,208,388	
Guadalupe	-	20,149	7,653		27,802	27,802	139,362	Distribution	2,273,109	
Santa Maria	-	596,767	226,679		823,446	823,446	4,068,102	Total Fixed O&M Costs	6,994,222	
Golden State Water Co.	-	22,135	8,408		30,543	30,543	134,805	Variable O&M Costs		
VAFB	-	120,361	45,718		166,079	166,079	1,380,259	Water Treatment Plant	1,831,856	
Buellton	-	28,673	10,891		39,565	39,565	195,257	Distribution	999,532	
Santa Ynez (Solvang)	-	59,623	22,648		82,271	82,271	465,710	Total Variable O&M Costs	2,831,388	
Santa Ynez	-	50,227	66,928	125,971	243,126	243,126	910,137	Capital Improvement Projects	1,154,853	
Goleta	332,206	253,788	(129,264)	(45,350)	79,174	411,381	975,894	Total O&M and CIP Costs:		
Morehart Land	3,397	2,131	(1,322)	-	810	4,206	31,183	\$ 10,980,463		
La Cumbre	81,694	51,258	(31,788)	-	19,470	101,164	236,049			
S.B. Research	4,143	2,599	(1,612)	-	987	5,130	11,874			
Santa Barbara	217,277	166,561	(84,544)	(30,233)	51,783	269,060	645,402			
Montecito	221,214	169,031	(86,076)	(30,233)	52,722	273,935	650,277			
Carpinteria	139,602	107,747	(54,320)	(20,155)	33,271	172,873	423,768			
TOTAL:	\$ 999,532	\$ 1,831,856	\$ 0	-	1,831,856	2,831,388	\$ 10,980,463			



CCWA Past and Current Executive Directors, William Brennan (2002-2012) Ray Stokes (2012 – current) and Dan Masnada (1992-2002)

Administration Department

The Administration Department is comprised of the Executive Director, Accounting and Finance, Engineering and support staff. The department is responsible for administration of the Authority and provides support to the Board of Directors, various Authority committees, and operations and maintenance departments of the Authority.

Highlights

Department Information

- | | |
|----------------------------------|-------------------------------|
| • Number of employees | 5.25 |
| • Number of Board members | 8 |
| • Number of Authority Committees | 3 |
| • Board of Directors meetings | Fourth Thursday of each month |
| • Operating Committee meetings | Second Thursday, quarterly |
| • Finance Committee meetings | Fourth Thursday, quarterly |
| • Other Committee meetings | As needed |

Budget Information

- | | |
|---------------------------------------|--------------|
| • Total FY 2017/18 O&M Budget | \$ 1,512,725 |
| • O&M Budget decrease over FY 2016/17 | \$ (7,214) |
| • Percentage decrease over FY 2016/17 | 0.(+%) |

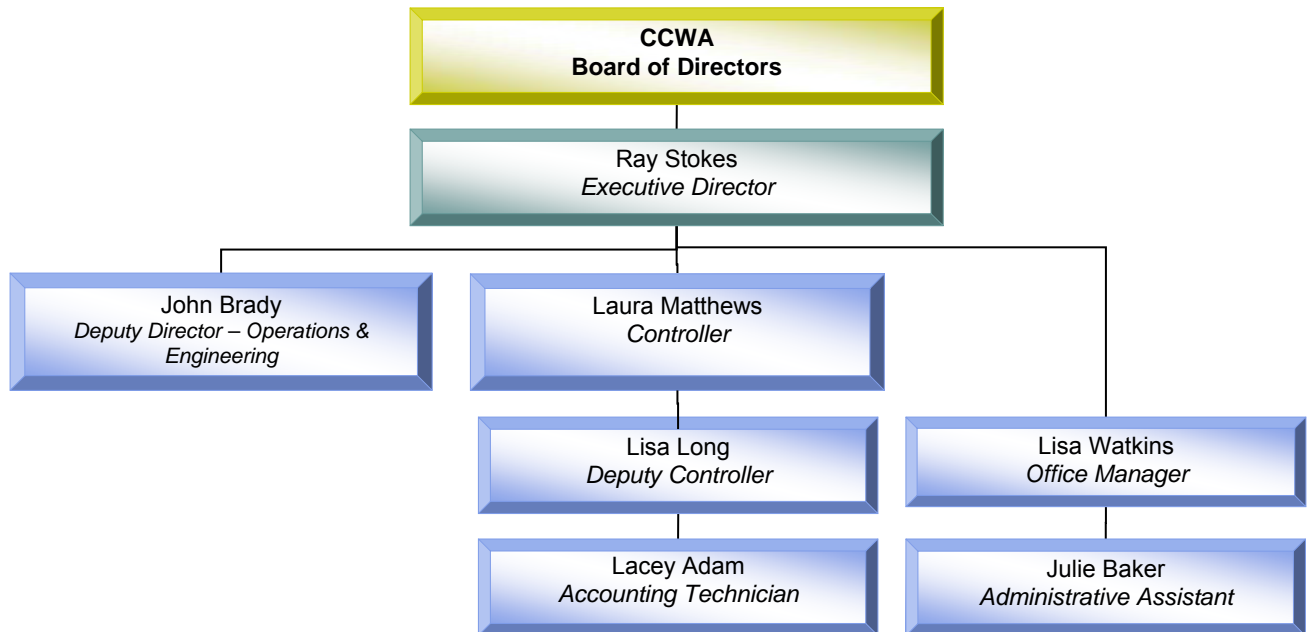
Significant Goals for FY 2017/18

- Obtain approval from DWR and Santa Barbara County for assignment of the State Water Project Contract to CCWA.
- Reacquire the 12,214 AF of Santa Barbara County suspended Table A water
- Actively participate in negotiations regarding a State Water Project contract amendment to provide for enhanced water management provisions and possible cost and water allocations associated with the Bay Delta Conservation Plan.
- Explore groundwater banking opportunities both outside Santa Barbara County (short-term) and within Santa Barbara County (long-term).
- Obtain approval and execution of the recently negotiated State Water Project Contract extension and amendment.
- Analyze the potential benefits of the Bay Delta Conservation Plan and the twin tunnels project to determine a CCWA position on the proposed project.
- Develop a formal long-term capital improvements program including development of a CCWA facilities assessment program.

Central Coast Water Authority
Administration Department
Fiscal Year 2017/18 Budget

The Administration Department is comprised of the Executive Director, Deputy Director of Operations and Engineering, Controller, Deputy Controller, Office Manager and support staff. The department is responsible for administration of the Authority and provides support to the (1) Board of Directors and various Authority committees and (2) operations and maintenance departments of the Authority.

The Authority's Administration Department has three main functions: Executive, which provides oversight and management of the Authority; Finance/Treasury, which is the central fiscal control and accounting agency of the Authority and which invests all cash balances of the Authority; and Administrative Services, which coordinates and administers the employee benefits program and the Authority's auto, property and liability insurances.



EXECUTIVE DIRECTOR

The Executive Director is the chief executive officer and administrative head of the Authority, with the responsibility for planning, organizing, staffing, coordinating, budgeting, and directing the administrative activities and operations of the Authority. The Executive Director is appointed by and serves at the pleasure of the Authority Board of Directors. The Executive Director appoints the supervisors of all departments and is responsible for implementation of policies established by the Board of Directors.

The Executive Director is responsible for providing and exercising overall supervision and disciplinary control over the necessary administrative and operating staff to carry out official Board policies. The Executive Director is responsible for the execution of contracts and other documents on behalf of the Authority to the extent provided by the Board of Directors. The Executive Director serves as the Treasurer for the Authority.

Central Coast Water Authority
Administration Department
Fiscal Year 2017/18 Budget

DEPUTY DIRECTOR – Operations and Engineering

The Deputy Director of Operations and Engineering serves as the operations officer for the Authority and is responsible for all operational and engineering related activities, including planning and directing the operations and maintenance of the water treatment plant, laboratory, distribution system and network system. In addition, the Deputy Director of Operations and Engineering is responsible for all engineering work and oversees project management related to CCWA's distribution pipeline, water treatment plant, and ancillary facilities.

The Deputy Director of Operations and Engineering is charged with the responsibility for construction contract administration and management, and provides technical oversight to the operations and maintenance departments, including evaluating, designing, and implementing operational and capital improvements for the Authority. Additional secondary duties include oversight of professional consultants and detailed analysis and design for engineering work performed in-house.

CONTROLLER

The Controller manages the finance department's daily finance/accounting activities including payrolls and audits, preparation of the operating and capital budgets, preparation of the comprehensive annual financial reports, debt management, risk management, and cash management. The Controller provides oversight of the employee benefits program for the Authority.

DEPUTY CONTROLLER

The Deputy Controller assists the Controller in planning, organizing, directing, coordinating and performing accounting and fiscal activities of CCWA, including preparation of the monthly financial and investment reports for the Board of Directors, and preparation of the CCWA fiscal year budget and long term budget plans. The Deputy Controller also monitors the general ledger and supervises staff in areas such as accounting and payroll.

OFFICE MANAGER

The Authority's Office Manager administers the employee benefits program, which includes health insurance, life insurance, dental and vision insurance, deferred compensation, Section 125 cafeteria plan, and the Public Employees' Retirement System (PERS). The Office Manager maintains vendor risk management related to auto, property and liability insurances. Additionally, the Office Manager serves as Secretary to the Board of Directors.

Central Coast Water Authority
Administration Department
Fiscal Year 2017/18 Budget

ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW

The Administration Department expenses are treated as fixed expenses for purposes of billing to the project participants. All project participants pay the Administration Department expenses based primarily on their proportional share of Table A amounts.

The Administration Department operating expense budget for FY 2017/18 is decreasing by about \$7,000 or 0.47% when compared to the FY 2016/17 Budget. The total FY 2017/18 budget is \$1,512,725 compared to the FY 2016/17 budget of \$1,519,939. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are decreasing by approximately \$23,000 due to the following:

- The FY 2017/18 Administration Department Budget includes a \$28,000 salary pool for employee salary increases which represents a decrease of \$5,000 (in FY 2017/18 salary pool amount over the FY 2016/17 budgeted amount of \$22,912. The salary pool percentage for FY 2017/18 is a flat 4% of salaries.

On April 27, 2017, the Board of Directors approved that beginning FY 2017/18 CCWA's Salary Pool calculation be changed from being comprised of a 3% merit component plus the change in the consumer price index, to being based solely on either a flat 4% of salaries, or the actual change in the consumer price index, whichever is higher. This is then applied to the current salaries as of July 1st to create the salary pool for the current fiscal year budget. The newly approved salary pool formula will be automatically included in the budget each year to provide a pool of money for the Executive Director to award salary increases to employees based solely on performance.

The FY 2017/18 total salaries and wages budget for the Administration Department decreased by \$13,469 when compared to the prior fiscal year budget due to certain employees remaining stalled at the top of their salary range, combined with hiring a Deputy Controller at starting salary of \$35,000 below the position of Finance Director approved last fiscal year.

- PERS retirement expenses are increasing by about \$2,000 due to the change in the employer and employee contribution rate for the FY 2017/18 to 23.048% as compared to the prior year amount of 22.071%, partially offset by the lower starting salary of the Deputy Director as compared to the Finance Director salary in FY 2016/17. Beginning with FY 2017/18, CCWA employees will be paying 50% of the increase in the "normal" PERS employer contribution.

Central Coast Water Authority
Administration Department
Fiscal Year 2017/18 Budget

- Health insurance expenses and cafeteria plan benefit expenses combined are decreasing by about \$15,000 due to the following realignment of employee benefits: 1) Effective January 1, 2018, the CCWA cafeteria plan allowance will be based on the lowest cost plan available to all CCWA employees, instead of the mid-range PPO in 2017; 2) Beginning with calendar year 2018, CCWA employees will pay 50% of the increase in the cost of dependent portion of healthcare premiums. The 2017 health insurance premiums increased by 4.49%, as opposed to the budgeted increase of 5% for calendar year 2017. The Budget also includes an estimated 5% increase in the new lower cost plan health insurance premiums effective January 1, 2018.
- The FY 2017/18 Budget includes \$12,229 for deposit into the Retiree Benefit Trust Program which represents a \$3,604 increase in the estimated FY 2017/18 amount over the FY 2016/17 budgeted amount of \$8,625 for the annually required contribution for the CCWA retiree medical benefit, and the estimated additional contribution for a vested portion of the retiree only premiums, based on employees who are at least 62 years of age and who retire from CCWA having completed at least 10 years of service.

Professional/Legal Services Professional Services are increasing by about \$23,000 for professional services needed for public relations work regarding CalWater Fix and the State Water Contract Extension, additional accounting services for the audit of the DWR Statement of Charges, partially offset by a \$60,000 decrease in estimated costs for necessary legal services.

General and Administrative General and administrative expenses are decreasing in total by \$7,400 due to the increase in State Water Project Contractors Authority membership dues, which is partially offset by a reduction of \$20,000 in expenses for advertising which was budgeted last FY for recruitment of a Finance Director.

Central Coast Water Authority
Administration Department
Fiscal Year 2017/18 Budget

The following table is a summary of the FY 2017/18 Administration Non-Capitalized Projects:

Non-Capitalized Projects					
Project Description	Financial Reach	Total Project Cost ⁽¹⁾	WTP	DIST	ADM
Mini Mac and Intermapper Software	ALL/WTP/ADM	7,938	2,646	2,646	2,646
TOTAL:		\$ 7,938	\$2,646	\$2,646	\$2,646

(1) Excludes CCWA labor and overhead costs.

Description:	Mini Mac and Intermapper Software
Department:	DIST/WTP/ADMIN
Expanded Description	This equipment will allow CCWA staff to troubleshoot the CCWA network more effectively. The CCWA network includes over 25 fiber optic cable switches along the length of the 142 mile pipeline that transmits data for security, operations and administrative functions. To ensure that CCWA instrumentation staff can properly troubleshoot this system in the event of a failure, a network monitoring device and associated software is required. The mini Mac will track all communications through the fiber optic cable network and the Intermapper software facilitate analysis of the tracked data. This project will procure one mini Mac and Intermapper Software.
Estimated Charge - Materials	\$7,000
Sales Tax (8.00%)	\$ 560
Contingency (5%)	\$ 378
Subtotal without CCWA Labor	\$7,938
CCWA Labor	\$1,867
Total Cost	\$9,805
Operating Budget Impact:	Through providing Instrumentation staff the tools to perform accurate troubleshooting, the need to retain specialized consultants to assist in resolving a communications failure in the CCWA network is avoided. In addition, these tools will facilitate a deeper level of understanding of the CCWA network by staff, which will drive future design decision and operations protocols. This will lead to a more effective and efficient network operation.

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 2017/18 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2015/16	Number Auth. FY 2016/17	Number Requested FY 2017/18	Change Over FY 2015/16	Change Over FY 2016/17
Executive Director ⁽¹⁾	0.50	0.50	0.50	-	-
Deputy Director of Operations ⁽¹⁾	0.25	0.25	0.25	-	-
Finance Director ⁽²⁾	-	1.00	-	-	(1.00)
Controller	1.00	1.00	1.00	-	-
Deputy Controller ⁽²⁾	-	-	1.00	1.00	1.00
Office Manager	1.00	1.00	1.00	-	-
Accounting Technician	0.75	0.75	0.75	-	-
Administrative Assistant ⁽³⁾	0.75	0.75	0.75	-	-
TOTAL:	4.25	5.25	5.25	1.00	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position ⁽⁴⁾ Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2016/17 Total Annual Salary	Allocation to Admin Department
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 246,797	\$ 123,399
Deputy Director of Operations ⁽¹⁾	1	N/A	N/A	N/A	\$ 172,635	\$ 43,159
Controller	1	43	\$ 9,296	\$ 11,341	\$ 121,223	\$ 121,223
Deputy Controller ⁽²⁾	1	33	\$ 7,500	\$ 9,150	\$ 94,994	\$ 94,994
Office Manager	1	31	\$ 7,185	\$ 8,766	\$ 87,618	\$ 87,618
Accounting Technician	1	12	\$ 4,778	\$ 5,830	\$ 50,112	\$ 50,112
Administrative Assistant ⁽³⁾	1	11	\$ 4,677	\$ 5,706	\$ 51,452	\$ 51,452
FY 2017/18 Salary Pool						\$ 22,878
TOTAL:						\$ 594,835

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

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

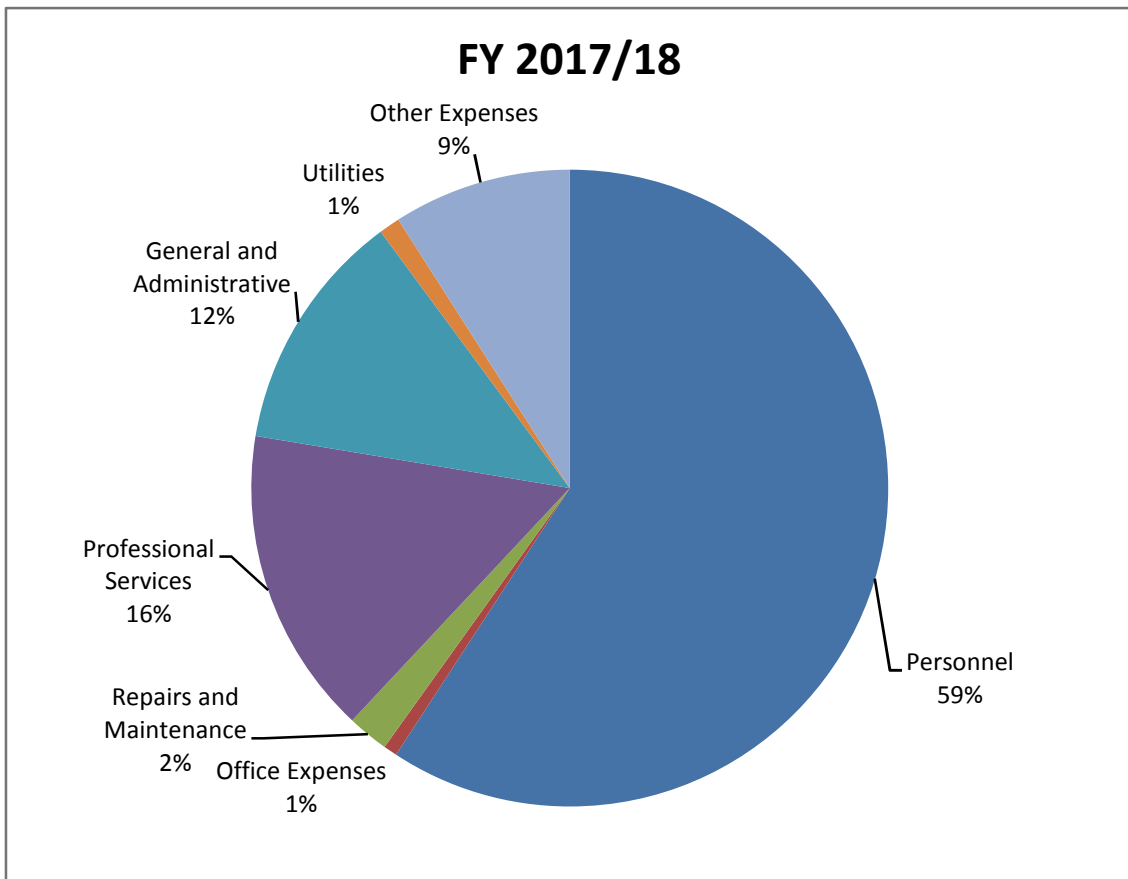
(2) On September 22, 2016 the Finance Director position was changed to Deputy Controller.

(3) The Secretary II job title was changed to Administrative Assistant, with no change in position classification.

(4) Based on the approved recommendations from the 2016 Compensation Study, the total number of position classification ranges were increased from 30 to 60, and the percentage between ranges was decreased from approximately 5.0% to 2.17%.

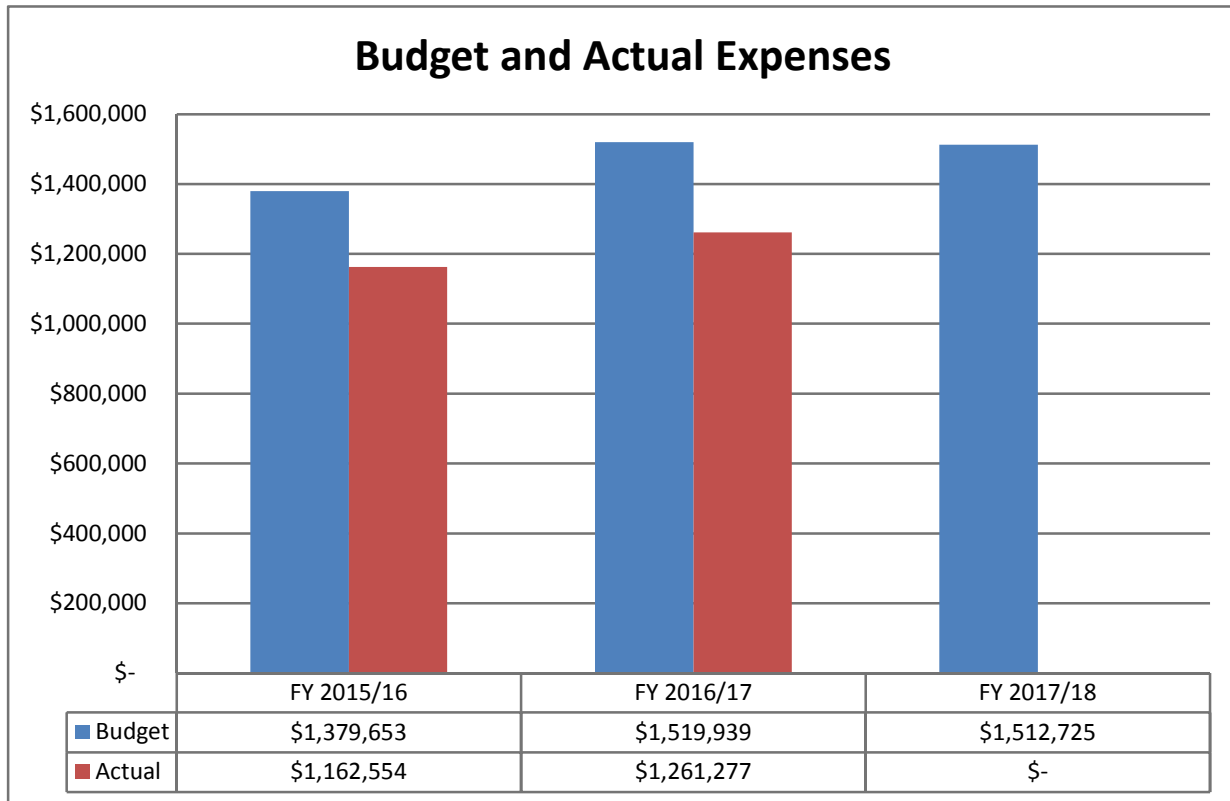
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2017/18 Budget

Item	FY 2017/18 Budget
Personnel	\$ 895,394
Office Expenses	10,500
Repairs and Maintenance	31,695
Professional Services	236,448
General and Administrative	185,636
Utilities	16,243
Other Expenses	136,809
TOTAL:	<u><u>\$ 1,512,725</u></u>



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2017/18 Budget

Item	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget
Personnel	\$ 664,149	\$ 698,963	\$ 918,756	\$ 871,959	\$ 895,394
Office Expenses	10,500	9,872	10,500	10,836	10,500
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	30,195	26,661	31,095	24,299	31,695
Professional Services	333,000	155,609	213,603	63,991	236,448
General and Administration	181,599	156,609	193,019	170,121	185,636
Utilities	14,954	13,216	15,684	13,853	16,243
Other Expenses	145,255	101,623	137,282	106,218	136,809
TOTAL:	\$ 1,379,653	\$ 1,162,554	\$ 1,519,939	\$ 1,261,277	\$ 1,512,725



Central Coast Water Authority
Administration Department Operating Expenses
Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 457,027	\$ 472,792	\$ 608,304	\$ 571,028	\$ 594,835	\$ (13,469)	-2.21%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	5,000	3,627	5,000	3,534	5,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	98,501	107,460	160,195	155,983	161,962	1,767	1.10%
5100.15	Medicare Taxes	6,825	8,355	9,060	9,061	8,967	(93)	-1.03%
5100.20	Health Insurance	56,178	62,114	84,752	65,660	62,798	(21,954)	-25.90%
5100.25	Workers' Compensation	4,348	3,001	3,588	3,268	3,177	(411)	-11.46%
5100.30	Vehicle Expenses	9,000	9,000	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	6,954	8,557	8,625	8,625	12,229	3,604	41.79%
5100.40	Cafeteria Plan Benefits	8,677	10,695	11,517	15,517	18,545	7,028	61.02%
5100.45	Dental/Vision Plan	6,511	8,867	11,686	13,229	11,915	229	1.96%
5100.50	Long-Term Disability	2,111	1,884	3,163	2,466	3,093	(70)	-2.21%
5100.55	Life Insurance	1,487	1,365	2,335	1,918	2,344	8	0.36%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	1,280	300	1,280	1,541	1,280	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	949	-	11,129	-	-	N/A
Total Personnel Expenses:		664,149	698,963	918,756	871,959	895,394	(23,361)	-2.54%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	6,000	6,200	6,000	5,291	6,000	-	0.00%
5200.30	Miscellaneous Office Expenses	4,500	3,673	4,500	5,546	4,500	-	0.00%
Total Office Expenses:		10,500	9,872	10,500	10,836	10,500	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	-	-	-	-	-	-	N/A
5500.15	Minor Tools and Equipment	-	-	-	-	-	-	N/A
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	-	-	-	-	-	-	N/A
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	-	-	-	-	-	-	N/A
5500.40	Safety Supplies	-	-	-	-	-	-	N/A
5500.45	Fuel and Lubricants	-	-	-	-	-	-	N/A
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		-	-	-	-	-	-	N/A
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	-

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	5,500	3,931	5,500	3,057	5,500	-	0.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	21,635	19,810	22,175	18,479	22,175	-	0.00%
5700.40	Landscape Maintenance	3,060	2,920	3,420	2,762	4,020	600	17.54%
Total Repairs and Maintenance:		30,195	26,661	31,095	24,299	31,695	600	1.93%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	43,000	30,372	10,603	5,279	60,603	50,000	471.55%
5400.20	Legal Services	250,000	84,825	160,000	30,779	100,000	(60,000)	-37.50%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,700	2,619	3,700	1,479	3,700	-	0.00%
5400.60	Accounting Services	36,300	37,793	39,300	26,454	72,145	32,845	83.57%
Total Professional Services:		333,000	155,609	213,603	63,991	236,448	22,845	10.69%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	24,000	18,216	24,000	20,242	24,000	-	0.00%
5300.20	Mileage Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5300.30	Dues and Memberships	145,799	133,107	134,219	140,114	148,836	14,617	10.89%
5300.40	Publications	1,500	737	1,500	705	1,500	-	0.00%
5300.50	Training	2,500	395	2,500	2,253	2,500	-	0.00%
5300.60	Advertising	-	-	23,000	2,716	2,500	(20,500)	-89.13%
5300.70	Printing and Binding	3,500	929	3,500	1,600	2,000	(1,500)	-42.86%
5300.80	Postage	3,300	3,226	3,300	2,491	3,300	-	0.00%
Total General and Administrative:		181,599	156,609	193,019	170,121	185,636	(7,383)	-3.83%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	450	319	450	135	450	-	0.00%
5800.30	Electric-Fixed	8,040	6,519	7,750	7,011	7,565	(186)	-2.40%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	1,200	955	1,200	1,274	1,920	720	60.00%
5800.50	Telephone	2,724	3,152	3,744	3,074	3,744	-	0.00%
5800.60	Waste Disposal	2,540	2,271	2,540	2,359	2,564	24	0.94%
Total Utilities:		14,954	13,216	15,684	13,853	16,243	558	3.56%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	17,752	17,235	20,783	14,922	21,198	415	1.99%
5900.30	Non-Capitalized Projects	17,570	6,107	3,675	14,235	2,646	(1,029)	-28.00%
5900.40	Equipment Rental	5,340	4,877	5,340	5,821	5,340	-	0.00%
5900.50	Non-Capitalized Equipment	2,500	-	2,500	-	2,500	-	0.00%
5900.60	Computer Expenses	75,041	73,404	75,181	71,240	75,464	283	0.38%
5900.70	Appropriated Contingency	27,052	-	29,803	-	29,661	(141)	-0.47%
Total Other Expenses:		145,255	101,623	137,282	106,218	136,809	(473)	-0.34%
TOTAL OPERATING EXPENSES		\$ 1,379,653	\$ 1,162,554	\$ 1,519,939	\$ 1,261,277	\$ 1,512,725	\$ (7,214)	-0.47%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

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

Description: Funds for the Administration Department regular employees. Includes \$22,878 for the FY 2017/18 salary pool.

FY 17/18 Requested Budget	594,835
FY 16/17 Estimated Actual	571,028
Increase (Decrease)	23,807

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

Description: Overtime expenses for non-exempt Administration employees.

FY 17/18 Requested Budget	5,000
FY 16/17 Estimated Actual	3,534
Increase (Decrease)	1,466

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

Description: Not funded.

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

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

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 23.028% contribution rate for FY 2017/18, that includes the required Unfunded Accrued Liability (UAL), plus an additional fixed UAL payment.

FY 17/18 Requested Budget	161,962
FY 16/17 Estimated Actual	155,983
Increase (Decrease)	5,979

Required Contributions	\$	104,657	16.579%
UAL current fiscal year	\$	32,370	6.449%
UAL fixed payment	\$	24,936	fixed
	\$	161,962	

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5100.15 **ACCOUNT TITLE:** Medicare

Description: Funds for the employer portion of Medicare taxes for the Administration Department. Amount is equal to 1.45% of regular and overtime wages and employer paid deferred compensation contributions.

FY 17/18 Requested Budget	8,967
FY 16/17 Estimated Actual	9,061
Increase (Decrease)	(95)

ACCOUNT NUMBER: 5100.20 **ACCOUNT TITLE:** Health Insurance

Description: Funds for employer paid portion of health insurance for Administration employees. Based on employee 2017 Caf  Plan elections and dependent status. Includes an estimated 5% increase of the lowest available 2017 plan rates for the 2018 allowance.

FY 17/18 Requested Budget	62,798
FY 16/17 Estimated Actual	65,660
Increase (Decrease)	(2,862)

	<i>2017 Allowance</i>		<i>New 2018 Allowance</i>	
Family	\$	22,290	\$	20,752
Emp + 1	\$	17,146	\$	15,963
Employee only	\$	8,573	\$	7,982

ACCOUNT NUMBER: 5100.25 **ACCOUNT TITLE:** Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Administration Department. Based on an X-Mod rate of 66%. Based on a 3% premium increase over FY 2016/17.

FY 17/18 Requested Budget	3,177
FY 16/17 Estimated Actual	3,268
Increase (Decrease)	(91)

ACCOUNT NUMBER: 5100.30 **ACCOUNT TITLE:** Vehicle Expenses

Description: Auto allowance for the Executive Director in the amount of \$750 each per month.

FY 17/18 Requested Budget	9,000
FY 16/17 Estimated Actual	9,000
Increase (Decrease)	0

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

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

Description: Estimates \$1,536/year per employee to fund the estimated future liability of the minimum contribution component of the CalPERS health plan, based on the number of active employees. Also includes estimated additional employer paid retiree health costs for vested employees age 62 and over retiring from CCWA with least 10 years of service.

FY 17/18 Requested Budget	12,229
FY 16/17 Estimated Actual	8,625
Increase (Decrease)	3,604

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

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

FY 17/18 Requested Budget	18,545
FY 16/17 Estimated Actual	15,517
Increase (Decrease)	3,028

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

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,345 per year per family for dental and vision expenses. Budgeted amount is \$2,508 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 17/18 Requested Budget	11,915
FY 16/17 Estimated Actual	13,229
Increase (Decrease)	(1,314)

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

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.52 per \$100 of salary.

FY 17/18 Requested Budget	3,093
FY 16/17 Estimated Actual	2,466
Increase (Decrease)	627

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5100.55 **ACCOUNT TITLE:** Life Insurance

Description: Funds for the employer paid life insurance premiums for each employee. CCWA policy provides life insurance equal to 150% of an employee's annual salary to a maximum of \$100,000.

FY 17/18 Requested Budget	2,344
FY 16/17 Estimated Actual	1,918
Increase (Decrease)	426

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

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

FY 17/18 Requested Budget	250
FY 16/17 Estimated Actual	-
Increase (Decrease)	250

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

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

FY 17/18 Requested Budget	1,280
FY 16/17 Estimated Actual	1,541
Increase (Decrease)	(261)

Safety Program	\$	680
EAAP	\$	600
TOTAL:	\$	1,280

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

Description: Funds for Office supplies for the Administration Department. Based on \$500 per month in office supply expenses.

FY 17/18 Requested Budget	6,000
FY 16/17 Estimated Actual	5,291
Increase (Decrease)	709

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

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

Description: Funds for miscellaneous expenses such as picture developing, awards, business cards and kitchen supplies.

FY 17/18 Requested Budget	4,500
FY 16/17 Estimated Actual	5,546
Increase (Decrease)	(1,046)

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

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

FY 17/18 Requested Budget	24,000
FY 16/17 Estimated Actual	20,242
Increase (Decrease)	3,758

\$	2,000	ACWA Conferences
	18,000	SWC Meetings (\$1,500 per month)
	2,000	DWR/Sacramento/MWQI
	2,000	Other miscellaneous meetings
\$	24,000	TOTAL

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

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

FY 17/18 Requested Budget	1,000
FY 16/17 Estimated Actual	-
Increase (Decrease)	1,000

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

Description: Funds for professional dues.

FY 17/18 Requested Budget	148,836
FY 16/17 Estimated Actual	140,114
Increase (Decrease)	8,721

\$	94,500	SWC Dues
	16,778	SWPCA/SFCWA JPA Dues & Delta Specific
	20,107	ACWA
	11,700	MWQI Charges for 2017 Calendar Year
	2,250	Support various water education programs
	3,500	Employee Professional Dues and Misc.
\$	148,836	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

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

Description: Funds for publications received by CCWA
\$ 750 Personnel related subscriptions

FY 17/18 Requested Budget	1,500	500	<u>Employee professional publications</u>
FY 16/17 Estimated Actual	705	250	<u>Other Publications - General</u>
Increase (Decrease)	795	\$ 1,500	<u>TOTAL</u>

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

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

FY 17/18 Requested Budget	2,500
FY 16/17 Estimated Actual	2,253
Increase (Decrease)	248

ACCOUNT NUMBER: 5300.60 **ACCOUNT TITLE:** Advertising

Description: Funds for public relations expenses for
CCWA including advertising for the open positions.

FY 17/18 Requested Budget	2,500
FY 16/17 Estimated Actual	2,716
Increase (Decrease)	(216)

ACCOUNT NUMBER: 5300.70 **ACCOUNT TITLE:** Printing and Binding

Description: Funds for the printing and binding of CCWA
documents including the Board packets, the annual budget, and the
Comprehensive Annual Financial Report (CAFR).

FY 17/18 Requested Budget	2,000
FY 16/17 Estimated Actual	1,600
Increase (Decrease)	400

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

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

Description: Funds for all postal and mail expenses.

FY 17/18 Requested Budget	3,300
FY 16/17 Estimated Actual	2,491
Increase (Decrease)	809

\$	3,000	Postage meter expenses (\$250 per month)
	300	Overnight and shipping svcs (\$25 per month)
\$	3,300	TOTAL

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

Description: Funds for miscellaneous consultants and other services.

FY 17/18 Requested Budget	60,603
FY 16/17 Estimated Actual	5,279
Increase (Decrease)	55,325

\$	3,000	BAO office alarm system, DMV monitoring fee
	50,000	PR Firm (Contract Extension, CalWater Fix)
	2,603	Personnel Team Building Consultant
	5,000	SB County staff costs for CCWA related work
\$	60,603	TOTAL

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

Description: Funds for CCWA legal services.

FY 17/18 Requested Budget	100,000
FY 16/17 Estimated Actual	30,779
Increase (Decrease)	69,221

\$	90,000	Brownstein Hyatt Farber General Counsel
	10,000	Stradling Yocca Carlsen Personnel Counsel
\$	100,000	TOTAL

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

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

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5400.50 **ACCOUNT TITLE:** Non-Contractual Services

Description: Funds for miscellaneous non-contractual services such as the Section 125 plan administration fees and the employee assistance program.

FY 17/18 Requested Budget	3,700	\$	1,500	IRC 125 Plan administraton fees (\$125 per mo)
FY 16/17 Estimated Actual	1,479		1,200	Employee Assistance Program
Increase (Decrease)	2,221		1,000	Other miscellaneous
		\$	3,700	TOTAL

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

Description: Funds for the annual audit of the FY 2016/17 Financial Statements.

FY 17/18 Requested Budget	72,145	\$	27,000	Nasiff, Hicks & Company
FY 16/17 Estimated Actual	26,454		14,495	Ernst & Young, LLP
Increase (Decrease)	45,691		30,000	Ernst & Young-Audit DWR Statement of Charges
			650	CalPERS - GASB 68 Actuary Report
		\$	72,145	TOTAL

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

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

FY 17/18 Requested Budget	5,500	\$	4,500	Copier maintenance agreement
FY 16/17 Estimated Actual	3,057		1,000	Other misc. equipment repairs
Increase (Decrease)	2,443	\$	5,500	TOTAL

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

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

FY 17/18 Requested Budget	22,175	\$	1,200	Monthly Pest Control
FY 16/17 Estimated Actual	18,479		14,975	Janitorial services and supplies
Increase (Decrease)	3,696		4,500	Building repairs (includes \$2,000 for HVAC)
			1,500	HVAC quarterly maintenance
		\$	22,175	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

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

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

FY 17/18 Requested Budget	4,020
FY 16/17 Estimated Actual	2,762
Increase (Decrease)	1,258

\$	2,640	Gardener (\$220 per month)
	1,080	Irrigation Water (\$90 per month)
	300	Miscellaneous
\$	4,020	TOTAL

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

Description: Funds for natural gas service to the Administration building (\$37.50 per month).

FY 17/18 Requested Budget	450
FY 16/17 Estimated Actual	135
Increase (Decrease)	315

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

Description: Funds for electrical service to the Administration building (\$630 per month).

FY 17/18 Requested Budget	7,565
FY 16/17 Estimated Actual	7,011
Increase (Decrease)	553

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

Description: Funds for water and sewer service for the Administration building (\$160 per month).

FY 17/18 Requested Budget	1,920
FY 16/17 Estimated Actual	1,274
Increase (Decrease)	646

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

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

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

FY 17/18 Requested Budget	3,744	\$	180	Long distance and 800# (\$15 per month)
FY 16/17 Estimated Actual	3,074		1,860	Local long distance (\$155 per month)
Increase (Decrease)	670		804	Cell phones and airtime (\$67 per month)
			900	Conference calls (\$75 per month)
		\$	3,744	TOTAL

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

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

FY 17/18 Requested Budget	2,564	\$	2,364	Waste Disposal service (\$197 per month)
FY 16/17 Estimated Actual	2,359		200	Hazardous Waste Disposal
Increase (Decrease)	205	\$	2,564	TOTAL

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

Description: Funds for insurance related expenses.

FY 17/18 Requested Budget	21,198	\$	1,453	Property and auto insurance based on allocation provided by JPIA
FY 16/17 Estimated Actual	14,922			
Increase (Decrease)	6,276	\$	15,556	General Liability and E&O apportioned by payroll percentages
		\$	4,189	Employee fidelity bond \$5 million limit
		\$	21,198	TOTAL

ACCOUNT NUMBER: 5900.30 **ACCOUNT TITLE:** Non-Capitalized Projects

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

FY 17/18 Requested Budget	2,646
FY 16/17 Estimated Actual	-
Increase (Decrease)	2,646

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2017/18 BUDGET**

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

Description: Funds for rental of equipment.

FY 17/18 Requested Budget	5,340	\$	1,780	Postage meter (\$445 per quarter)
FY 16/17 Estimated Actual	5,821		3,060	Copier lease (\$255 per month)
Increase (Decrease)	(481)		500	Other
		\$	5,340	TOTAL

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

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

FY 17/18 Requested Budget	2,500
FY 16/17 Estimated Actual	-
Increase (Decrease)	2,500

ACCOUNT NUMBER: 5900.60 **ACCOUNT TITLE:** Computer Expenses

Description: Funds for computer expenses including minor software purchases, minor equipment purchases and service contracts.

FY 17/18 Requested Budget	75,464			
FY 16/17 Estimated Actual	71,240	\$	63,947	CompuVision, Annual Service Agreements and Software Subscriptions
Increase (Decrease)	4,224	\$	11,517	Software and other computer services
		\$	75,464	TOTAL

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

Description: 2.0% of operating expenses

FY 17/18 Requested Budget	29,661
FY 16/17 Estimated Actual	-
Increase (Decrease)	29,661



Water Treatment Plant chemical feed piping replacement (May 2017)

Water Treatment Plant Department

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

Highlights

Department Information

- Number of employees 14.80
- Polonio Pass Water Treatment Plant capacity 50 million gallons per day
- FY 2017/18 requested water deliveries 37,821-feet

Budget Information

- Total FY 2017/18 O&M Budget \$ 5,040,244
- O&M Budget decrease over FY 2016/17 \$ (556,286)
 - Fixed cost increase over FY 2016/17 \$ 142,375
 - Variable cost increase over FY 2016/17 \$ (698,661)
- Percentage decrease -9.94%
- Fixed O&M Expenses \$ 3,208,388
- Variable O&M Expenses \$ 1,831,856
- FY 2017/18 budgeted chemical cost \$ 42.99 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 45.36
 - Variable \$ 18.40
- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 158.99
 - Variable \$ 48.43

Significant Accomplishments During FY 2016/17

CCWA staff scoped and implemented a study to evaluate the quality of water delivered to Lake Cachuma and its treatability in response to the increased reliance of the CCWA system by the South Coast Water Agencies during the recent drought, and the potential that the Lake would be bypassed through installation of a pipeline to Tecolote Tunnel.

Following a 2009 study of the Granular Activated Carbon (GAC) filter media CCWA Staff made a recommendation to postpone the filter media replacement indefinitely, while implementing an annual monitoring program for the filter media's hydraulic performance. After 8 year of monitoring, CCWA staff has determined that it is time to replace the media of two filters, which have been in service for 11 years. The results of this program is a savings of over \$5,000,000 in avoided costs for media replacement.

Completed the upgrade, including changing pipe materials to High Density Polyethylene (HDPE), of the chemical piping leading to the intermediate flash mix system as part of a multi-year effort to upgrade all chemical piping in the Water Treatment Plant.

Significant Goals for FY 2017/18

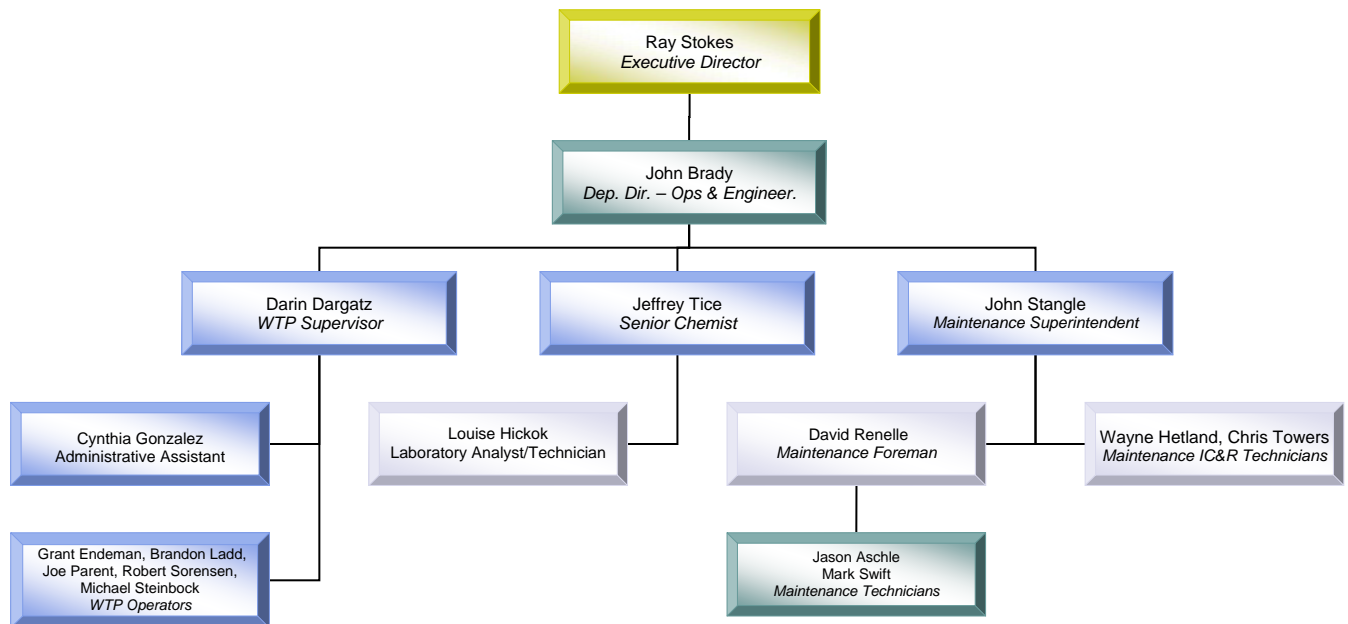
Implement the findings of the Resiliency Study prepared by CCWA staff in response to the increased reliance of the CCWA system by the South Coast Water Agencies. The study identified the need to purchase items that have a long lead time, including additional breaker modules for the Water Treatment Plant switch gear and an evaluation of the WTP's switchgear by an electrical engineer.

Migrate the Process Logic Controller software from Proworks to Unity at the Water Treatment Plant during the 2017 Winter Shutdown.

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

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



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

The Maintenance Superintendent oversees plant maintenance and supervises the two (2) Maintenance/IC&R Technicians and the Maintenance Foreman. Together with available operations staff, they keep the treatment plant in full operation.

The Maintenance Foreman is responsible for the daily plant maintenance and supervises two (2) Maintenance Technicians.

The Senior Chemist and Laboratory Analyst operate the plant laboratory. All analyses required by the Environmental Protection Agency and Department of Public Health or needed for plant process control are either performed in-house or sent to a contract

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2017/18 Budget

laboratory by the Senior Chemist. The Senior Chemist also submits all federal and state mandated reports, provides laboratory data to project participants, oversees the water sampling program, maintains all laboratory equipment, and trains Operations and Maintenance staff in laboratory safety and procedures.

The Maintenance Instrumentation Calibration and Repair Technicians repair instruments and electronics both at the Water Treatment Plant and along the Pipeline.

The goals for the Water Treatment Plant Department will be discussed at an upcoming meeting of the CCWA Board of Directors.

WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

The expenses associated with operating the Water Treatment Plant are divided into fixed and variable O&M costs.

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

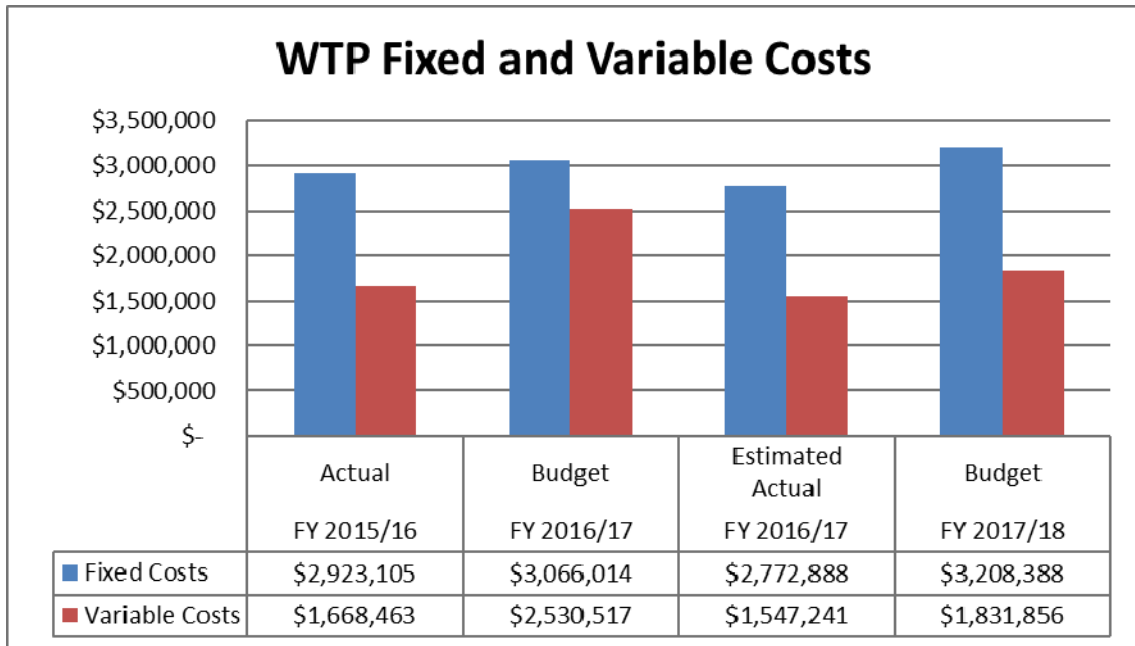
For FY 2017/18, the Water Treatment Plant fixed O&M costs total \$3,208,388 or \$142,375 more than the FY 2016/17 budget.

Variable O&M Costs are costs that vary with the amount of water processed at the treatment plant. These costs include chemical and electrical costs.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2017/18 Budget

For FY 2017/18, the Water Treatment Plant variable O&M costs total \$1,831,856 which is a decrease of \$698,661 from the FY 2016/17 budget. The FY 2017/18 variable O&M budget is comprised of \$1,745,407 for chemical expenses and \$86,449 for electrical costs based on treatment and delivery of 37,821 acre-feet of water for the year.

The following graph shows the allocation of fixed and variable O&M costs at the plant for the fiscal years indicated.



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

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

Fiscal Year 2017/18 Operating Expense Budget

The FY 2017/18 water treatment plant operating expense budget is \$5,040,244 which is \$556,286 less than the previous year's budget of \$5,596,530, a 9.94% decrease.

The personnel expense section of the Water Treatment Plant budget represents approximately 46% of the budget. Supplies and equipment comprise 36% with other expenses making up the balance of the budget. The variable O&M expenses are included in the supplies and equipment and utilities section of the budget. The chart on page 1' (shows the allocation of the various components of the water treatment plant operating expense budget.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2017/18 Budget

Personnel Expenses Total personnel expenses are increasing by about \$56,000 when compared to the FY 2016/17 budget for the following reasons.

- The FY 2017/18 Water Treatment Plant Department Budget includes a \$53,940 salary pool amount for employee salary increases representing a decrease of \$11,499 over the FY 2016/17 budgeted amount of \$65,439. The salary pool percentage for FY 2017/18 is a flat 4% of salaries.

On April 27, 2017, the Board of Directors approved that beginning FY 2017/18 CCWA's Salary Pool calculation be changed from being comprised of a 3% merit component plus the change in the consumer price index, to being based solely on either a flat 4% of salaries, or the actual change in the consumer price index, whichever is higher. This percentage is then applied to the current salaries as of July 1st to create the salary pool for the current fiscal year budget. The newly approved salary pool formula will be automatically included in the budget each year to provide a pool of money for the Executive Director to award salary increases to employees based entirely on performance.

The FY 2017/18 total salaries and wages budget for the Water Treatment Plant Department is held to an increase of \$36,066 when compared to the prior fiscal year budget due to certain employees remaining stalled at the top of their salary range, combined with the hiring of a new WTP Maintenance Technician at a lesser starting salary when compared to the prior employee in the same position.

- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by about \$13,000 due to the following realignment of employee benefits: 1) Effective January 1, 2018, the CCWA cafeteria plan allowance will be based on the lowest cost plan available to all CCWA employees, instead of the mid-range PPO in 2017; 2) Beginning with calendar year 2018, CCWA employees will pay 50% of the increase in the cost of dependent portion of healthcare premiums. The 2017 health insurance premiums increased by 4.49%, as opposed to the budgeted increase of 5% for calendar year 2017. The Budget also includes an estimated 5% increase in the new lower cost plan health insurance premiums effective January 1, 2018.
- PERS retirement expenses are increasing by about \$22,000 due to the change in the employer and employee contribution rate for the FY 2017/18 to 23.048% as compared to the prior year amount of 22.071%. Beginning with FY 2017/18, CCWA employees will be paying 50% of the increase in the "normal" PERS employer contribution.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2017/18 Budget

Supplies and Equipment Supplies and equipment are decreasing by about \$560,000 due entirely to the decreased cost of chemicals needed due to increased flows in the California Aqueduct resulting in better water quality. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality, which has improved over the drought related water conditions seen in the preceding fiscal years.

Monitoring Expenses Monitoring expenses are decreasing by about \$7,000 for lab supplies and lab testing due to an estimated reduction in drought related water quality monitoring that occurred last fiscal year.

Repairs and Maintenance Repairs and maintenance costs are increasing by about \$2,000 primarily for building maintenance.

Professional Services Professional service expenses remain essentially the same as the prior year.

General and Administrative General and administrative expenses are increasing by \$2,000 primarily because of an increase in travel related expenses.

Utilities Utility expenses are decreasing by approximately \$124,000 due to decreases in the estimated costs of electricity which were partially offset by an increase in delivery requests.

Other Expenses Other expenses are increasing by approximately \$78,000 primarily due to a \$71,000 increase in non-capitalized projects, a \$5,000 increase in non-capital equipment expenses, and the increase in appropriated contingency.

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension are funded through the CCWA O&M assessments. Additionally, certain portions of the facilities around the Polonio Pass Water Treatment are owned by DWR but also operated and maintained by CCWA, such as the access road to the Water Treatment Plant. Since CCWA does not own the DWR facilities, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the Water Treatment Plant which are considered extraordinary expenses, but which are not eligible for capitalization.

Central Coast Water Authority
 Water Treatment Plant Department
 Fiscal Year 2017/18 Budget

The following table is a summary of the FY 2017/18 Water Treatment Plant Non-Capitalized Projects.

<i>Non-Capitalized Projects</i>		
Project Description	Financial Reach	Amount ⁽¹⁾
Engineer Review of WTP Electrical Switchgear System	WTP	\$ 21,000
Painting of the Inlet Piping	WTP	21,000
WTP Equipment Trailer	WTP	5,670
Phase 2 of 4 Filter Launderers	WTP	52,500
Mini Mac and InterMapper Software ⁽²⁾	ALL/WTP/ADM	2,646
TOTAL:		\$ 102,816
<p>(1) Excludes CCWA labor and overhead costs.</p> <p>(2) Please refer to the Administration Department section of this budget for narrative description of this project..</p>		

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2017/18 Budget

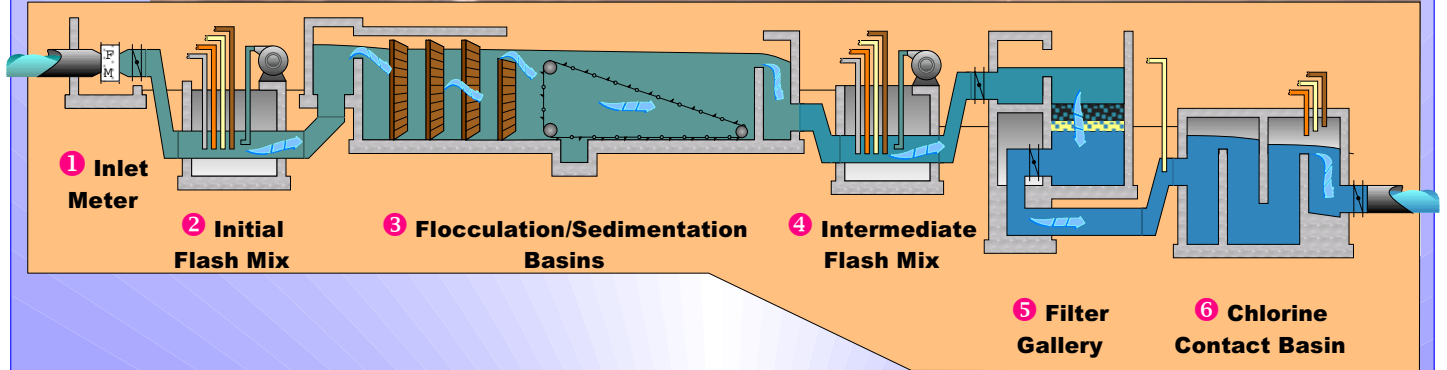
Description:	Engineering Review of Electrical Switchgear System at WTP
Department:	Water Treatment Plant
Expanded Description	The purpose of this project is to review the switchgear design for reliability as well as to address past failures. The project will include retaining an experienced engineering firm to review the original design, existing facilities and to develop a set of recommendations for improvement. In addition, the engineering consultant will also be required to develop a detailed scope of work for switchgear maintenance work.
Estimated Charge - Contractor	\$20,000
Contingency (5%)	\$1,000
Subtotal without CCWA Labor	\$21,000
CCWA Labor	\$3,698
Total Cost	\$24,698
Operating Budget Impact:	Electrical switchgear is an important system to protect all electrical devices connected to the protected circuits. At higher voltages, switchgear can present significant safety issues if not properly designed to mitigate the arch-flash potential. This project will focus on the operation and maintenance of the switchgear and how to improve its safe operation. Switchgear when properly operated and maintained will protect the connected electrical devices from damage during an aberrant condition. This will result in avoiding replacement costs of damaged electrical equipment.

Description:	Painting of the Inlet Piping
Department:	Water Treatment Plant
Expanded Description	The paint on the inlet piping has deteriorated. To protect the pipe material from the elements, repainting is required.
Estimated Charge - Contractor	\$20,000
Contingency (5%)	\$1,000
Subtotal without CCWA Labor	\$21,000
CCWA Labor	\$1,245
Total Cost	\$22,245
Operating Budget Impact:	Paint is an important measure to reduce the effects of weather and corrosion in above ground piping. Through maintaining a painted surface, the underlying metal material is protected, which will result in an extended service life.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2017/18 Budget

Description:	WTP Equipment Trailer
Department:	Water Treatment Plant
Expanded Description	The existing WTP Equipment Trailer is at the end of its service life and in need of replacement. This project will procure a new equipment trailer
Estimated Charge – Material	\$5,000
Tax (8%)	\$400
Contingency (5%)	\$270
Subtotal without CCWA Labor	\$5,670
CCWA Labor	\$683
Total Cost	\$6,353
Operating Budget Impact:	The Water Treatment Plant grounds are very large and maintenance work may be required at any location within plant grounds. An equipment trailer will facilitate efficient deployment of tools and equipment needed to perform required maintenance work.

Description:	Phase 2 of 4 Filter Launderers
Department:	Water Treatment Plant
Expanded Description	The Filter Launderers are constructed with fiberglass materials. After being in service for over 18 years, the protective outer coat of the fiberglass material has become degraded from the elements. A new outer coat will be applied as a measure to prevent complete degradation of the Launderers. This will extend the service life of the Launderers. This will be the second of a four phase project, with each phase coating the launders of two filters.
Estimated Charge - Contractor	\$50,000
Contingency (5%)	\$2,500
Subtotal without CCWA Labor	\$52,500
CCWA Labor	\$4,396
Total Cost	\$56,896
Operating Budget Impact:	Through maintaining the filter launders by refurbishing the protective coating, the service life will be extended and result in reduced replacement costs over the service life of the water treatment plant.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2017/18 Budget

Regional Water Treatment Plant Allocation

Instead of building a pipeline around or through Lake Cachuma to the South Coast to convey State water to the South Coast project participants, the Authority is conveying State water using the lake and existing conveyance facilities. The water is dechloraminated (de-treated) at the Santa Ynez Pumping Facility before it is discharged into the lake.

Since the South Coast project participants must “retreat” the State water that is delivered from Lake Cachuma, they would effectively be paying twice to treat the water if the Regional Water Treatment Plant Allocation agreement was not in place. Initial treatment occurs at the Polonio Pass Water Treatment Plant and retreatment occurs at the various South Coast project participants’ treatment plants.

The Regional Water Treatment Plant Allocation is a credit financed by Santa Barbara County project participants which directly receive treated State water from the Coastal Branch Extension or CCWA pipeline. The credit is applied to the South Coast project participants to cover their costs to retreat State water. In short, the purpose of this credit is to ensure that all Authority project participants pay the same cost to treat State water. The treatment plant capital and fixed and variable operating and maintenance costs are included in the Regional Water Treatment Plant Allocation calculation.

In order to properly allocate the capital cost component of the water treatment plant for those project participants that did not participate in the bond financing (Santa Maria, Golden State Water Company, and Vandenberg Air Force Base), an imputed debt service schedule has been prepared which allocates treatment plant debt service as though all Santa Barbara County participants shared in the financing in proportion to their entitlement allocation. The current budgeted capital component of the Regional Water Treatment Plant Allocation and Credit is based on a remaining principal balance of \$14,808,507 for constructing the Polonio Pass Water Treatment Plant at an interest cost of 1.355% for 5 years. These terms match the terms of the Authority’s outstanding 2016A refunding revenue bonds.

The Regional Water Treatment Plant Allocation computations also take into account the effect of the Santa Ynez Exchange Agreement on certain project participants (see “*Santa Ynez Exchange Agreement*” included in this section of the Budget).

The following tables show the calculation of the FY 2017/18 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2017/18 Budget

Project Participant	Allocated Table A ⁽¹⁾				Unadjusted Fixed & Capital			Adjusted Fixed & Capital ⁽⁴⁾			Fixed & Capital Retirement Charge ⁽⁵⁾		
	Table A	Exchange	Allocated	Allocated	WTP Fixed	Imputed	Total	Capital	Fixed O&M	Total	Allocated	Fixed & Capital	Cost Per AF
	Amount	Deliveries	Table A	Table A	Operating Costs ⁽²⁾	WTP Debt Service Costs ⁽³⁾	Unadjusted Fixed & Cap.	Retirement Adjustment	Retirement Adjustment	Adjusted Fixed & Capital	Table A %	Retirement Adjustments	of Allocated Table A Amount
Guadalupe	550		550	1.25%	\$ 48,822	\$ 38,620	\$ 87,442	\$ 49,639	\$ 62,751	\$ 112,390	1.41%	24,948	\$ 45.36
Santa Maria	16,200		16,200	36.90%	1,438,020	1,137,547	2,575,567	1,462,096	1,848,295	3,310,391	41.46%	734,823	45.36
Golden State Water	500		500	1.14%	44,383	35,109	79,493	45,126	57,046	102,173	1.28%	22,680	45.36
VAFB	5,500		5,500	12.53%	488,217	386,204	874,421	496,391	627,507	1,123,898	14.07%	249,477	45.36
Buellton	578		578	1.32%	51,307	40,587	91,894	52,166	65,945	118,111	1.48%	26,218	45.36
Santa Ynez (Solvang)	1,500		1,500	3.42%	133,150	105,328	238,478	135,379	171,138	306,518	3.84%	68,039	45.36
Santa Ynez	500	2,601	3,101	7.06%	275,251	35,109	310,360	279,859	353,781	633,640	7.93%	140,652	45.36
Goleta	4,500	(936)	3,564	8.12%	316,338	315,985	632,323	321,634	406,591	728,225	9.12%	161,647	45.36
Morehart	200	-	200	0.46%	17,753	14,044	31,797	18,051	22,818	40,869	0.51%	9,072	45.36
La Cumbre	1,000	-	1,000	2.28%	88,767	70,219	158,986	90,253	114,092	204,345	2.56%	45,359	45.36
Raytheon	50	-	50	0.11%	4,438	3,511	7,949	4,513	5,705	10,217	0.13%	2,268	45.36
Santa Barbara	3,000	(624)	2,376	5.41%	210,892	210,657	421,549	214,423	271,060	485,483	6.08%	107,765	45.36
Montecito	3,000	(624)	2,376	5.41%	210,892	210,657	421,549	214,423	271,060	485,483	6.08%	107,765	45.36
Carpinteria	2,000	(416)	1,584	3.61%	140,595	140,438	281,032	142,948	180,707	323,655	4.05%	71,843	45.36
SB County Subtotal:	39,078	-	39,078	89.00%	3,468,823	2,744,017	6,212,841	3,526,900	4,458,498	7,985,398	100.00%	1,772,557	
SLO County	4,830	-	4,830	11.00%	428,743	339,158	767,901	0	-	-		-	
TOTAL:	43,908		43,908	100.00%	\$ 3,897,566	\$ 3,083,175	\$ 6,980,741	\$ 3,526,900	\$ 4,458,498	\$ 7,985,398	100.00%	1,772,557	

Fixed & Capital Retirement Allocation Factor

Total South Coast Table A	11,149	Total Adjusted Fixed & Capital Costs (SB County)	\$ 7,985,398
Total SB County Table A	39,078	Total Unadjusted Fixed & Capital Costs (SB County)	6,212,841
Subtotal:	50,227	Fixed & Capital WTP Allocation Amount	<u>\$ 1,772,557</u>
South Coast Retreated %	1.29		

Project Participant	South Coast Fixed & Capital Retirement Credits ⁽⁶⁾			
	South Coast Allocated Table A	South Coast Allocated Table A %	South Coast Fixed & Cap. Credit	Credit/AF On Allocated Table A
Guadalupe				
Santa Maria				
Golden State Water				
VAFB				
Buellton				
Santa Ynez (Solvang)				
Santa Ynez				
Goleta	3,564	31.96%	(566,577)	(158.99)
Morehart	200	1.79%	(31,797)	(158.99)
La Cumbre	1,000	8.97%	(158,986)	(158.99)
Raytheon	50	0.45%	(7,949)	(158.99)
Santa Barbara	2,376	21.31%	(377,718)	(158.99)
Montecito	2,376	21.31%	(377,718)	(158.99)
Carpinteria	1,584	14.21%	(251,812)	(158.99)
SB County Subtotal:	11,149	100.00%	(1,772,557)	
SLO County	-	0.00%	-	
TOTAL:	11,149	100.00%	(1,772,557)	

- (1) Allocated Table A represents Table A contract amount, minus exchange deliveries for the South Coast project participants and plus exchange deliveries for Santa Ynez ID#1.
(2) Unadjusted Fixed Operating Costs represents the WTP fixed O&M costs allocated to all project participants in proportion to contract Table A amounts.
(3) Imputed WTP Debt Service Costs represents the cost to repay the construction costs of the WTP based on an unpaid balance of \$14,808,507 at 1.355% interest for 5 years, which corresponds to the CCWA 2016A revenue bonds.
(4) Adjusted Fixed and Capital amounts represents the unadjusted WTP fixed and capital costs times the Fixed and Capital Retirement Allocation Factor.
(5) Fixed and Capital Retirement Charge represents the difference between the unadjusted fixed and capital costs and the adjusted fixed and capital costs, allocated in proportion to the Santa Barbara County allocated Table A percentage.
(6) South Coast Fixed and Capital Retirement Credits represents the fixed and capital credits allocated to the South Coast agencies in proportion to the South Coast allocated Table A amounts.

- (1) Allocated Table A represents Table A contract amount, minus exchange deliveries for the South Coast project participants and plus exchange deliveries for Santa Ynez ID#1.
(2) Unadjusted Fixed Operating Costs represents the WTP fixed O&M costs allocated to all project participants in proportion to contract Table A amounts.
(3) Imputed WTP Debt Service Costs represents the cost to repay the construction costs of the WTP based on an unpaid balance of 14,808,507 at 1.355% interest for 5 years, which corresponds to the CCWA 2016A revenue bonds.
(4) Adjusted Fixed and Capital amounts represents the unadjusted WTP fixed and capital costs times the Fixed and Capital Retirement Allocation Factor.
(5) Fixed and Capital Retirement Charge represents the difference between the unadjusted fixed and capital costs and the adjusted fixed and capital costs, allocated in proportion to the Santa Barbara County allocated Table A percentage.
(6) South Coast Fixed and Capital Retirement Credits represents the fixed and capital credits allocated to the South Coast agencies in proportion to the South Coast allocated Table A amounts.

Regional Water Treatment Plant Allocation and Credit

FY 2017/18 Budget

Page 2

Project Participant	WTP Requested Water Deliveries			WTP Variable Operating Costs				South Coast Variable Retreatment Credits				TOTAL	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	Variable Retreatment Adjustment	Retreatment Variable Allocation	Retreatment Variable Cost Per AF	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retreatment	Fixed, Capital & Variable Credits
Guadalupe	416		416.00	\$ 20,149	27,802	7,653	18.40					\$ 32,601	
Santa Maria	12,321		12,321.00	596,767	823,446	226,679	18.40					961,502	
Golden State Water	457		457.00	22,135	30,543	8,408	18.40					31,088	
VAFB	2,485		2,485.00	120,361	166,079	45,718	18.40					295,196	
Buellton	592		592.00	28,673	39,565	10,891	18.40					37,109	
Santa Ynez (Solvang)	1,231		1,231.00	59,623	82,271	22,648	18.40					90,687	
Santa Ynez	1,037	2,601	3,637.83	176,198	243,126	66,928	18.40					207,580	
Goleta	5,240	(936)	4,303.48	208,439	287,613	79,174	18.40	4,303	33.24%	\$ (208,439)	(48.43)	240,822	\$ (775,016)
Morehart	44	-	44.00	2,131	2,941	810	18.40	44	0.34%	(2,131)	(48.43)	9,881	(33,928)
La Cumbre	1,058	-	1,058.28	51,258	70,728	19,470	18.40	1,058	8.17%	(51,258)	(48.43)	64,830	(210,244)
Raytheon	54	-	53.66	2,599	3,587	987	18.40	54	0.41%	(2,599)	(48.43)	3,255	(10,549)
Santa Barbara	3,439	(624)	2,814.65	136,328	188,111	51,783	18.40	2,815	21.74%	(136,328)	(48.43)	159,548	(514,046)
Montecito	3,490	(624)	2,865.65	138,798	191,519	52,722	18.40	2,866	22.13%	(138,798)	(48.43)	160,487	(516,516)
Carpinteria	2,225	(416)	1,808.43	87,591	120,863	33,271	18.40	1,808	13.97%	(87,591)	(48.43)	105,115	(339,403)
SB County Subtotal:	34,088	-	34,088	1,651,050	2,278,194	627,144	18.40	12,948	100.00%	(627,144)		2,399,701	(2,399,701)
SLO County	3,733		3,732.96	180,806	-			0	0.00%	-		-	-
TOTAL:	37,821	(0)	37,820.96	\$ 1,831,856	\$ 2,278,194	\$ 627,144		12,948	100.00%	\$ (627,144)		\$ 2,399,701	\$ (2,399,701)

Variable Retreatment Allocation Factor

Total South Coast Deliveries	12,948	-
Total SB County Deliveries	34,088	-
Subtotal:	<u>47,036</u>	-

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2017/18 Budget

Santa Ynez Exchange Agreement

On January 1, 1995 the Authority purchased a five-mile long pipeline from Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1) to convey State water into Lake Cachuma for delivery to certain Santa Barbara County South Coast project participants who are also Cachuma Project members.

SYID#1 has a contract with the U.S. Bureau of Reclamation for water from the Cachuma Project and, until January 1, 1995, owned the pipeline which extends from Lake Cachuma to the Santa Ynez area. This pipeline was used to deliver water from Lake Cachuma to SYID#1.

The Authority acquired the Cachuma pipeline from SYID#1 under the Santa Ynez River/State Water Project Exchange Agreement (the "Santa Ynez Exchange Agreement"). Also, water stored at Lake Cachuma which would normally be delivered to SYID#1 is exchanged for an equal amount of State water delivered to the Santa Ynez turnout. This State water originally ordered by the South Coast project participants is exchanged with SYID#1 Cachuma Lake water.

SYID#1 pays the variable and fixed costs to treat exchanged water as well as regional water treatment plant allocations (see "*Regional Water Treatment Plant Allocation*" narrative included in this section).

The benefits of exchange are:

- SYID#1 does not have to build a treatment plant to treat its Cachuma water because it will instead receive State water.
- The South Coast project participants obtain water at a reduced cost because they are purchasing less expensive Cachuma water from SYID#1. The South Coast project participants are also reimbursed for fixed capital and variable treatment costs for the State water that is delivered to and paid for by SYID#1. Additionally the South Coast project participants do not pay for power and Warren Act charges for the exchanged State water that would otherwise be delivered to the lake.
- All the South Coast project participants' Santa Ynez II reach capital costs are reduced because an existing pipeline was acquired to convey State water from the Santa Ynez area to the lake. Otherwise, the Authority would have had to construct an additional five miles of new pipeline at much greater expense.

Under the Santa Ynez Exchange Agreement, the South Coast project participants are required to take delivery of an amount of water that equals or exceeds SYID#1's annual allocation of Cachuma water.

The following tables show the FY 2017/18 Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
FY 2017/18 Budget

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods
	Table A Amount	Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Cost Per AF	WTP Fixed O&M Exchange Adjustments	Imputed WTP Debt Service Costs	Imputed WTP Debt Service Per AF	WTP Capital Exchange Adjustments	
Guadalupe	550		1.25%	\$ 48,822	\$ 89	\$ -	\$ 38,620	\$ 70	\$ -	\$ -
Santa Maria	16,200		36.90%	1,438,020	89	-	1,137,547	70	-	-
Golden State Water	500		1.14%	44,383	89	-	35,109	70	-	-
VAFB	5,500		12.53%	488,217	89	-	386,204	70	-	-
Buellton	578		1.32%	51,307	89	-	40,587	70	-	-
Santa Ynez (Solvang)	1,500		3.42%	133,150	89	-	105,328	70	-	-
Santa Ynez	500	2,601	1.14%	44,383	89	230,867	35,109	70	182,628	413,495
Goleta	4,500	(936)	10.25%	399,450	89	(83,112)	315,985	70	(65,746)	(148,858)
Morehart	200	-	0.46%	17,753	89	-	14,044	70	-	-
La Cumbre	1,000	-	2.28%	88,767	89	-	70,219	70	-	-
Raytheon	50	-	0.11%	4,438	89	-	3,511	70	-	-
Santa Barbara	3,000	(624)	6.83%	266,300	89	(55,408)	210,657	70	(43,831)	(99,239)
Montecito	3,000	(624)	6.83%	266,300	89	(55,408)	210,657	70	(43,831)	(99,239)
Carpinteria	2,000	(416)	4.55%	177,533	89	(36,939)	140,438	70	(29,220)	(66,159)
SB County Subtotal:	39,078	-	89.00%	3,468,823		-	2,744,017		-	-
SLO County	4,830	-	11.00%	428,743			339,158			
TOTAL:	43,908		100.00%	\$ 3,897,566		\$ -	\$ 3,083,175			\$ -

Project Participant	WTP Requested Water Deliveries			WTP Variable Exchange Modifications			Total Exchange Modifications	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	WTP Variable Costs Per Acre-Foot	Variable Exchange Modifications	TOTAL EXCHANGE MODIFICATIONS	Cost (Credit) Per Acre-Foot
Guadalupe	416		416	\$ 20,149	\$ 48.43	-	-	
Santa Maria	12,321		12,321	596,767	48.43	-	-	
Golden State Water	457		457	22,135	48.43	-	-	
VAFB	2,485		2,485	120,361	48.43	-	-	
Buellton	592		592	28,673	48.43	-	-	
Santa Ynez (Solvang)	1,231		1,231	59,623	48.43	-	-	
Santa Ynez	1,037	2,601	3,638	50,227	48.43	\$ 125,971	539,467	\$ 207
Goleta	5,240	(936)	4,303	253,788	48.43	(45,350)	(194,208)	(207)
Morehart	44	-	44	2,131	48.43	-	-	-
La Cumbre	1,058	-	1,058	51,258	48.43	-	-	-
Raytheon	54	-	54	2,599	48.43	-	-	-
Santa Barbara	3,439	(624)	2,815	166,561	48.43	(30,233)	(129,472)	(207)
Montecito	3,490	(624)	2,866	169,031	48.43	(30,233)	(129,472)	(207)
Carpinteria	2,225	(416)	1,808	107,747	48.43	(20,155)	(86,315)	(207)
SB County Subtotal:	34,088	-	34,088	1,651,050		-		
SLO County	3,733		3,733	180,806		-		
TOTAL:	37,821	(0)	37,821	\$ 1,831,856		\$ -		\$ -

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2017/18 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2015/16	Number Auth. FY 2016/17	Number Requested FY 2017/18	Change Over FY 2015/16	Change Over FY 2016/17
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽³⁾	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Safety & Environmental Specialist ⁽⁴⁾	0.25	0.25	0.25	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance, IC&R Techs ⁽⁵⁾	1.60	1.60	1.60	-	-
WTP Operators	5.00	5.00	5.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
Administrative Assistant ⁽⁶⁾	0.75	0.75	0.75	-	-
TOTAL:	14.80	14.80	14.80	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position ⁽⁷⁾ Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2016/17 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 246,797	\$ 61,699
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 172,635	\$ 60,422
WTP Supervisor	1	37	\$ 8,173	\$ 9,971	\$ 115,564	\$ 115,564
Maintenance Superintendent ⁽³⁾	1	35	\$ 7,829	\$ 9,552	\$ 112,404	\$ 67,442
Maintenance Foreman	1	26	\$ 6,454	\$ 7,873	\$ 92,655	\$ 92,655
Safety & Environmental Specialist ⁽⁴⁾	1	29	\$ 6,883	\$ 8,397	\$ 98,819	\$ 24,705
Senior Chemist	1	29	\$ 6,883	\$ 8,397	\$ 98,819	\$ 98,819
Maintenance Technicians	2	19	\$ 5,553	\$ 6,775	\$ 155,855	\$ 155,855
Maintenance, IC&R Technicians ⁽⁵⁾	2	26	\$ 6,454	\$ 7,873	\$ 176,114	\$ 140,891
WTP Operators	5	21	\$ 5,797	\$ 7,072	\$ 416,125	\$ 416,125
Laboratory Analyst	1	14	\$ 4,988	\$ 6,085	\$ 71,616	\$ 71,616
Administrative Assistant ⁽⁶⁾	1	11	\$ 4,677	\$ 5,706	\$ 42,697	\$ 42,697
FY 2017/18 Salary Pool						\$ 53,940
TOTAL:						\$ 1,402,432

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

(2) The Deputy Director of Operations is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).

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

(4) The Safety & Environmental Specialist (previous title Regulatory Spec.) is allocated to Water Treatment Plant (25%) and Distribution (75%).

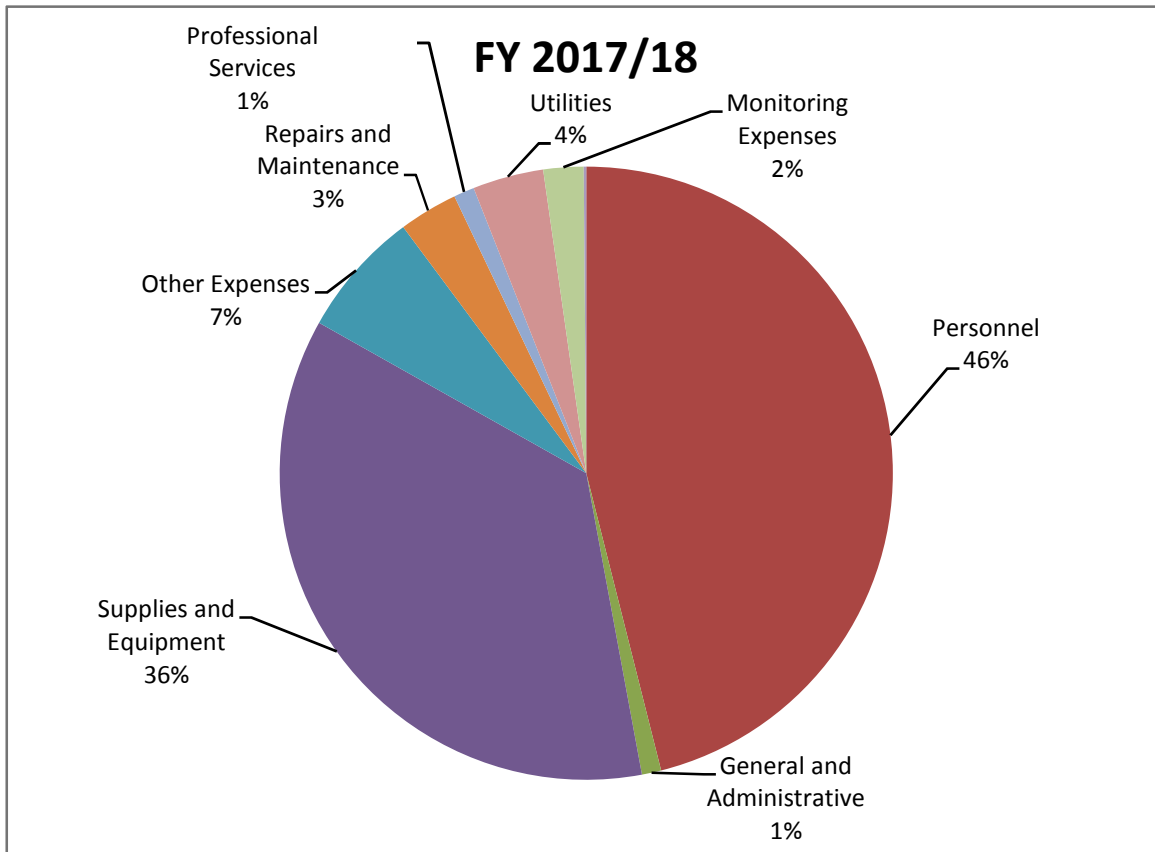
(5) The two Maintenance, IC&R Techs are allocated to Water Treatment Plant (80%) and Distribution (20%).

(6) The Secretary II job title was changed to Administrative Assistant, with no change in position classification.

(7) Based on the approved recommendations from the 2016 Compensation Study, the total number of position classification ranges were increased from 30 to 60, and the percentage between ranges was decreased from approximately 5.0% to 2.17%.

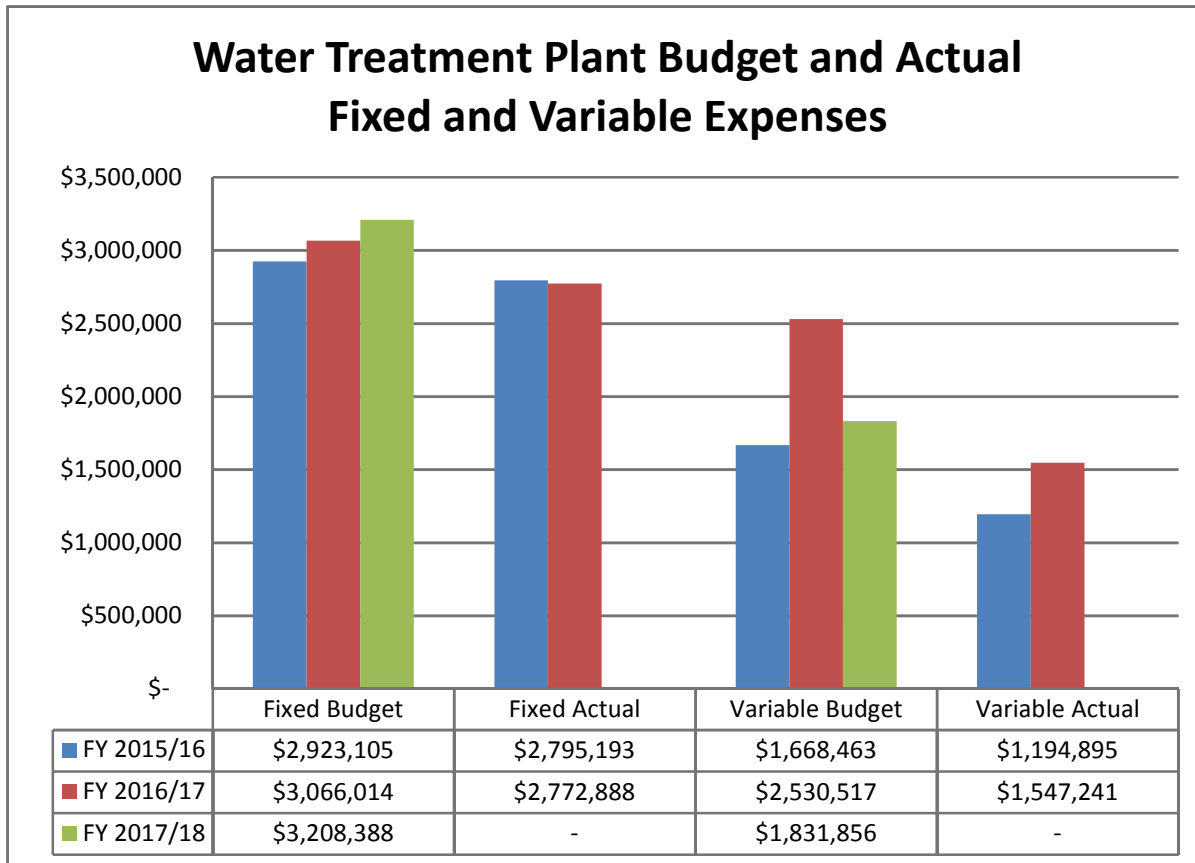
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2017/18 Budget

Item	FY 2017/18 Budget
Personnel	\$ 2,321,959
Office Expenses	6,000
Supplies and Equipment	1,818,446
Monitoring Expenses	107,144
Repairs and Maintenance	156,485
Professional Services	55,099
General and Administrative	50,900
Utilities	188,171
Other Expenses	336,041
TOTAL:	\$ 5,040,244



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2017/18 Budget

Item	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget
Personnel	\$ 2,117,470	\$ 2,043,481	\$ 2,266,438	\$ 2,157,182	\$ 2,321,959
Office Expenses	6,250	5,611	6,000	5,119	6,000
Supplies and Equipment	1,609,440	1,190,653	2,382,062	1,509,379	1,818,446
Monitoring Expenses	100,391	85,766	113,784	93,888	107,144
Repairs and Maintenance	153,911	163,863	154,727	148,076	156,485
Professional Services	63,960	49,357	54,599	28,483	55,099
General and Administrative	44,900	40,655	48,900	39,006	50,900
Utilities	221,117	152,664	311,823	179,009	188,171
Other Expenses	274,128	258,037	258,197	159,987	336,041
Total:	\$ 4,591,568	\$ 3,990,087	\$ 5,596,530	\$ 4,320,129	\$ 5,040,244



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,335,369	\$ 1,297,997	\$ 1,366,365	\$ 1,300,501	\$ 1,402,432	\$ 36,066	2.64%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	66,768	55,912	68,318	57,939	70,122	1,803	2.64%
5000.40	Standby Pay	23,827	29,393	24,409	28,032	31,404	6,995	28.66%
5000.50	Shift Differential Pay	17,161	15,799	17,594	16,920	18,226	633	3.60%
5100.10	PERS Retirement	287,805	279,497	359,828	358,940	381,856	22,028	6.12%
5100.15	Medicare Taxes	21,150	19,904	21,472	20,372	22,619	1,147	5.34%
5100.20	Health Insurance	229,793	245,522	290,515	285,345	243,411	(47,104)	-16.21%
5100.25	Workers' Compensation	57,148	33,737	36,541	26,205	33,841	(2,701)	-7.39%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	22,033	20,787	22,575	22,500	24,796	2,221	9.84%
5100.40	Cafeteria Plan Benefits	15,477	9,098	4,140	7,546	37,742	33,602	811.73%
5100.45	Dental/Vision Plan	24,393	19,933	37,026	18,333	37,752	726	1.96%
5100.50	Long-Term Disability	6,610	6,638	7,035	6,887	7,219	184	2.62%
5100.55	Life Insurance	5,805	5,649	6,489	5,807	6,409	(80)	-1.23%
5100.60	Employee Physicals	450	195	450	520	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,680	340	2,680	1,333	2,680	-	0.00%
5100.65	Employee Education Reimbursement	1,000	84	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	2,996	-	-	-	-	N/A
Total Personnel Expenses:		2,117,470	2,043,481	2,266,438	2,157,182	2,321,959	55,520	2.45%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	2,500	3,016	2,500	1,902	2,500	-	0.00%
5200.30	Miscellaneous Office Expenses	3,750	2,595	3,500	3,217	3,500	-	0.00%
Total Office Expenses:		6,250	5,611	6,000	5,119	6,000	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	8,025	9,922	8,289	8,690	8,739	450	5.43%
5500.15	Minor Tools and Equipment	5,000	4,881	5,000	1,762	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	500	96	500	30	500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,543,465	1,135,876	2,317,823	1,463,954	1,745,407	(572,417)	-24.70%
5500.35	Maintenance Supplies/Hardware	16,000	14,786	16,000	13,929	20,400	4,400	27.50%
5500.40	Safety Supplies	5,000	5,259	5,000	3,078	7,000	2,000	40.00%
5500.45	Fuel and Lubricants	26,450	19,833	26,450	17,936	28,400	1,950	7.37%
5500.50	Seed/Erosion Control Supplies	5,000	-	3,000	-	3,000	-	0.00%
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		1,609,440	1,190,653	2,382,062	1,509,379	1,818,446	(563,617)	-23.66%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	62,236	54,188	65,969	55,154	66,559	590	0.89%
5600.20	Lab Tools and Equipment	1,720	972	11,380	14,493	11,520	140	1.23%
5600.30	Lab Testing	36,435	30,607	36,435	24,240	29,065	(7,370)	-20.23%
Total Monitoring Expenses:		100,391	85,766	113,784	93,888	107,144	(6,640)	-5.84%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	115,000	125,934	115,000	114,487	115,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	5,000	4,671	5,000	5,061	5,000	-	0.00%
5700.30	Building Maintenance	28,911	29,298	29,727	24,908	31,485	1,758	5.91%
5700.40	Landscape Maintenance	5,000	3,960	5,000	3,620	5,000	-	0.00%
Total Repairs and Maintenance:		153,911	163,863	154,727	148,076	156,485	1,758	1.14%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	36,400	28,765	28,339	15,962	28,839	500	1.76%
5400.20	Legal Services	-	140	-	-	-	-	N/A
5400.30	Engineering Services	5,000	-	7,500	-	7,500	-	0.00%
5400.40	Permits	22,000	20,452	18,200	12,522	18,200	-	0.00%
5400.50	Non-Contractual Services	560	-	560	-	560	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		63,960	49,357	54,599	28,483	55,099	500	0.92%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	13,500	15,742	15,000	16,747	18,000	3,000	20.00%
5300.20	Mileage Reimbursement	500	147	500	-	500	-	0.00%
5300.30	Dues and Memberships	15,400	16,279	15,400	11,139	15,400	-	0.00%
5300.40	Publications	500	772	500	545	750	250	50.00%
5300.50	Training	8,500	1,385	10,000	2,648	9,750	(250)	-2.50%
5300.60	Advertising	1,500	425	1,500	660	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	5,000	5,905	6,000	7,268	5,000	(1,000)	-16.67%
Total General and Administrative:		44,900	40,655	48,900	39,006	50,900	2,000	4.09%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	6,800	6,280	6,800	6,055	7,310	510	7.50%
5800.30	Electric-Fixed	80,392	80,388	83,403	83,400	85,485	2,082	2.50%
5800.31	Electric-Variable	124,998	59,019	212,694	83,287	86,449	(126,244)	-59.35%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	4,782	2,674	4,782	2,657	4,782	-	0.00%
5800.60	Waste Disposal	4,145	4,303	4,145	3,610	4,145	-	0.00%
Total Utilities:		221,117	152,664	311,823	179,009	188,171	(123,652)	-39.65%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	74,633	63,664	73,385	71,713	75,893	2,508	3.42%
5900.30	Non-Capitalized Projects	63,896	100,456	31,557	-	102,816	71,260	225.82%
5900.40	Equipment Rental	18,200	15,460	18,200	16,069	18,200	-	0.00%
5900.50	Non-Capitalized Equipment	5,000	-	5,000	9,726	10,000	5,000	100.00%
5900.60	Computer Expenses	55,083	55,482	69,938	62,480	66,222	(3,716)	-5.31%
5900.70	Appropriated Contingency	57,316	22,975	60,118	-	62,910	2,792	4.64%
Total Other Expenses:		274,128	258,037	258,197	159,987	336,041	77,844	30.15%
TOTAL OPERATING EXPENSES		\$ 4,591,568	\$ 3,990,087	\$ 5,596,530	\$ 4,320,129	\$ 5,040,244	\$ (556,286)	-9.94%

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$53,940 for the FY 2017/18 salary pool.

FY 17/18 Requested Budget	1,402,432
FY 16/17 Estimated Actual	1,300,501
Increase (Decrease)	101,930

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 17/18 Requested Budget	70,122
FY 16/17 Estimated Actual	57,939
Increase (Decrease)	12,182

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

Description: CCWA employee salaries and overtime
capitalized as a component of capital projects constructed or acquired
by CCWA.

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the
Water Treatment Plant Department.

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

Description: Funds for stand-by pay for one employee assigned to stand-by duty on a 24-hour basis. Based on 2.08 per hour (5% of average hourly rate) for 8,760 hours for WTP operator and \$2.26 per hour for Instrumentation and Control employee stand-by pay (2/3 to WTP and 1/3 to Distribution)

FY 17/18 Requested Budget	31,404
FY 16/17 Estimated Actual	28,032
Increase (Decrease)	3,372

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Funds for shift employee pay.

FY 17/18 Requested Budget	18,226
FY 16/17 Estimated Actual	16,920
Increase (Decrease)	1,306

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 23.028% contribution rate for FY 2017/18, that includes the required Unfunded Accrued Liability (UAL), plus an additional fixed UAL payment.

FY 17/18 Requested Budget	381,856
FY 16/17 Estimated Actual	358,940
Increase (Decrease)	22,915

Required Contributions	\$ 246,748	16.579%
UAL current fiscal year	\$ 76,317	6.449%
UAL additional fixed payment	\$ 58,791	fixed
TOTAL	\$ 381,856	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

Description: Funds for the employer portion of Medicare taxes for the WTP department. Amount is equal to 1.45% of all wages and salaries.

FY 17/18 Requested Budget	22,619
FY 16/17 Estimated Actual	20,372
Increase (Decrease)	2,246

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

Description: Funds for employer paid portion of health insurance for WTP employees. Based on employee 2017 Café Plan elections. Includes an estimated 5% premium increase of the new plan rates for 2018.

FY 17/18 Requested Budget	243,411
FY 16/17 Estimated Actual	285,345
Increase (Decrease)	(41,934)

	<i>2017 Allowance</i>		<i>New 2018 Allowance</i>	
Family	\$	22,290	\$	20,752
Emp + 1	\$	17,146	\$	15,963
Employee only	\$	8,573	\$	7,982

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 66%. Based on a 3% premium increase over FY 2016/17.

FY 17/18 Requested Budget	33,841
FY 16/17 Estimated Actual	26,205
Increase (Decrease)	7,635

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

Description: Estimates \$1,536/year per employee to fund the estimated future liability of the minimum contribution component of the CalPERS health plan, based on the number of active employees. Also includes estimated additional employer paid retiree health costs for vested employees age 62 and over retiring from CCWA with least 10 years of service.

FY 17/18 Requested Budget	24,796
FY 16/17 Estimated Actual	22,500
Increase (Decrease)	2,296

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

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

FY 17/18 Requested Budget	37,742
FY 16/17 Estimated Actual	7,546
Increase (Decrease)	30,196

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,345 per year per family for dental and vision expenses. Budgeted amount is \$2,508 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 17/18 Requested Budget	37,752
FY 16/17 Estimated Actual	18,333
Increase (Decrease)	19,419

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.52 per \$100 of salary.

FY 17/18 Requested Budget	7,219
FY 16/17 Estimated Actual	6,887
Increase (Decrease)	332

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

Description: Funds for the employer paid life insurance premiums for each employee. CCWA policy provides life insurance equal to 150% of an employee's annual salary to a maximum of \$100,000.

FY 17/18 Requested Budget	6,409
FY 16/17 Estimated Actual	5,807
Increase (Decrease)	603

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 17/18 Requested Budget	450
FY 16/17 Estimated Actual	520
Increase (Decrease)	(70)

\$ 450 3 physicals @ \$150 each

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

Description: Funds for reimbursement of employee education expenses under the policy established by CCWA. Employees will be taking welding, electrical/electronics, and laboratory classes.

FY 17/18 Requested Budget	1,000
FY 16/17 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

Safety Program	\$	1,380
EAAP		1,300
TOTAL:	\$	2,680

FY 17/18 Requested Budget	2,680
FY 16/17 Estimated Actual	1,333
Increase (Decrease)	1,347

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

Description: CCWA employee benefits capitalized as a component of capital projects constructed or acquired by CCWA.

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

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

FY 17/18 Requested Budget	2,500
FY 16/17 Estimated Actual	1,902
Increase (Decrease)	598

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses associated with CCWA. This includes picture developing, awards, business cards, coffee, kitchen supplies, etc.

FY 17/18 Requested Budget	3,500
FY 16/17 Estimated Actual	3,217
Increase (Decrease)	283

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for WTP employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and Deputy Director.

FY 17/18 Requested Budget	18,000
FY 16/17 Estimated Actual	16,747
Increase (Decrease)	1,253

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 17/18 Requested Budget	500
FY 16/17 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 17/18 Requested Budget	15,400
FY 16/17 Estimated Actual	11,139
Increase (Decrease)	4,261

\$	400	AWWA dues
	10,000	WRF dues
	800	Certification
	3,200	Urban Water Consv Fee
	1,000	CWEA
\$	15,400	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 17/18 Requested Budget	750
FY 16/17 Estimated Actual	545
Increase (Decrease)	205

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 17/18 Requested Budget	9,750
FY 16/17 Estimated Actual	2,648
Increase (Decrease)	7,103

\$	9,750	\$650 per employee
\$	9,750	TOTAL

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 17/18 Requested Budget	1,500
FY 16/17 Estimated Actual	660
Increase (Decrease)	840

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses for the WTP, including 16 weekly taste and odor samplings.

FY 17/18 Requested Budget	5,000
FY 16/17 Estimated Actual	7,268
Increase (Decrease)	(2,268)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services
Description: Outside professional services including:
 \$ 3,000 Cathodic protection
 2,500 Fire system/extinguisher inspection
 5,400 Security
 3,000 Crane inspection
 1,400 Oil, coolant and diesel analysis
 3,200 Emergency generator/forklift service
 3,000 Equipment Calibration
 7,339 Personnel Team Building Consultant
 \$ 28,839 TOTAL

FY 17/18 Requested Budget	28,839
FY 16/17 Estimated Actual	15,962
Increase (Decrease)	12,877

ACCOUNT NUMBER: 5400.20

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

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.30

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

FY 17/18 Requested Budget	7,500
FY 16/17 Estimated Actual	-
Increase (Decrease)	7,500

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits
Description: Funds for all required WTP permits.
 \$ 1,000 RWQCB NPDES
 10,000 Drinking Water Program
 3,000 DHS Lab Accreditation
 1,600 Emergency Generator Permit
 2,600 Hazardous Materials Fees
 \$ 18,200 TOTAL

FY 17/18 Requested Budget	18,200
FY 16/17 Estimated Actual	12,522
Increase (Decrease)	5,678

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 17/18 Requested Budget	560
FY 16/17 Estimated Actual	-
Increase (Decrease)	560

\$ 560 Employee Assistance Program

\$ 560 TOTAL

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

Description: Funds for employer provided uniforms including reimbursement of uniform expenses to employees.

FY 17/18 Requested Budget	8,739
FY 16/17 Estimated Actual	8,690
Increase (Decrease)	49

\$ 5,364 Uniform Service (\$447 per month)

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

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

450 Misc. uniform requirements (jackets, etc.)

\$ 8,739 TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 17/18 Requested Budget	5,000
FY 16/17 Estimated Actual	1,762
Increase (Decrease)	3,238

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

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

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

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

FY 17/18 Requested Budget	500
FY 16/17 Estimated Actual	30
Increase (Decrease)	470

\$ 500 Herbicide

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

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

FY 17/18 Requested Budget	1,745,407
FY 16/17 Estimated Actual	1,463,954
Increase (Decrease)	281,453

(1) WTP Plant: \$42.99 per acre foot and 37,821 acre feet of requests
 (2) Santa Ynez Pumping Station: \$3.58/af for 12,948 AF pumped water
 (3) Tank 5 and 7 Chlorination at \$3.50/af for 20,894 AF

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

Description: Funds for the purchase of disposable tools, pipe and pipefittings, wood, steel and other metals, hardware, nuts and bolts, and other hardware materials.

FY 17/18 Requested Budget	20,400
FY 16/17 Estimated Actual	13,929
Increase (Decrease)	6,471

\$ 16,000 Maintenance Supplies/Hardware
 4,400 Pavement Sealant (2 pallets)
 \$ 20,400

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

Description: Purchases of minor safety supplies including first aid kit purchases and non-capitalized safety equipment purchases.

FY 17/18 Requested Budget	7,000
FY 16/17 Estimated Actual	3,078
Increase (Decrease)	3,922

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

\$ 3,000 Erosion maintenance

FY 17/18 Requested Budget	3,000
FY 16/17 Estimated Actual	-
Increase (Decrease)	3,000

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for WTP vehicles, equipment and emergency generator.

Does not include mileage reimbursement expenses.

FY 17/18 Requested Budget	28,400
FY 16/17 Estimated Actual	17,936
Increase (Decrease)	10,464

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 17/18 Requested Budget	66,559
FY 16/17 Estimated Actual	55,154
Increase (Decrease)	11,405

ACCOUNT NUMBER: 5600.20

ACCOUNT TITLE: Laboratory Tools and Equipment

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

FY 17/18 Requested Budget	11,520
FY 16/17 Estimated Actual	14,493
Increase (Decrease)	(2,973)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 17/18 Requested Budget	29,065
FY 16/17 Estimated Actual	24,240
Increase (Decrease)	4,825

\$	15,000	MIB and Microcystin Monitoring
	7,340	Annual Compliance Monitoring
	530	Monthly Compliance Monitoring
	3,840	DBP
	1,880	Cryptosporidium, Giardia and LT2
	475	DI Water Testing
\$	29,065	TOTAL

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 17/18 Requested Budget	115,000
FY 16/17 Estimated Actual	114,487
Increase (Decrease)	513

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 17/18 Requested Budget	5,000
FY 16/17 Estimated Actual	5,061
Increase (Decrease)	(61)

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 17/18 Requested Budget	31,485
FY 16/17 Estimated Actual	24,908
Increase (Decrease)	6,578

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	18,885	Janitorial service
	4,500	HVAC
	3,900	Janitorial Supplies
\$	31,485	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

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

FY 17/18 Requested Budget	5,000
FY 16/17 Estimated Actual	3,620
Increase (Decrease)	1,380

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for propane gas service to the WTP.

FY 17/18 Requested Budget	7,310
FY 16/17 Estimated Actual	6,055
Increase (Decrease)	1,255

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 17/18 Requested Budget	85,485
FY 16/17 Estimated Actual	83,400
Increase (Decrease)	2,085

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP. Variable electrical costs.

FY 17/18 Requested Budget	86,449
FY 16/17 Estimated Actual	83,287
Increase (Decrease)	3,162

\$	2.29	\$/AF
	37,821	AF
\$	86,449	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 17/18 Requested Budget	4,782
FY 16/17 Estimated Actual	2,657
Increase (Decrease)	2,125

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 17/18 Requested Budget	4,145
FY 16/17 Estimated Actual	3,610
Increase (Decrease)	535

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

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 17/18 Requested Budget	75,893
FY 16/17 Estimated Actual	71,713
Increase (Decrease)	4,180

\$	39,217	Property and auto coverage based on the apportionment provided by JPIA.
\$	36,677	General liability and E&O based on salary proportions.
\$	75,893	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

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

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

FY 17/18 Requested Budget	102,816
FY 16/17 Estimated Actual	-
Increase (Decrease)	102,816

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 17/18 Requested Budget	18,200
FY 16/17 Estimated Actual	16,069
Increase (Decrease)	2,131

\$	3,900	Copier lease
	10,100	Motorized equipment
	4,200	Lagoon cleaning
\$	18,200	TOTAL

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

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

FY 17/18 Requested Budget	10,000
FY 16/17 Estimated Actual	9,726
Increase (Decrease)	274

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

Description: Funds for computer expenses including minor software purchases, minor equipment purchases and service contracts.

FY 17/18 Requested Budget	66,222
FY 16/17 Estimated Actual	62,480
Increase (Decrease)	3,742

\$	58,795	CompuVision, Annual Service Agreements and Software Subscriptions
\$	7,427	Software, New Computers and other computer services.
\$	66,222	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

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

FY 17/18 Requested Budget	62,910
FY 16/17 Estimated Actual	-
Increase (Decrease)	62,910



Bypass Pipeline Removal at Bradbury Dam (February 19, 2017)

Distribution Department

The Distribution Department is responsible for the daily operations and maintenance of the 130 miles of pipeline, seven storage tanks, ten turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access and cathodic protection structures.

Highlights

Department Information

- Number of employees 10.20
- Authority pipeline (in miles) 42
- Coastal Branch Phase II pipeline (in miles) 101
- Number of water storage tanks 7
- Number of turnouts 10

Budget Information

- Total FY 2017/18 O&M Budget \$ 3,272,641
- O&M Budget decrease over FY 2016/17 \$ (368,503)
 - Fixed cost increase over FY 2016/17 43,481
 - Variable cost decrease over FY 2016/17 \$ (411,984)
- Percentage decrease -10.12%
- Fixed O&M expenses \$ 2,273,109
- Variable O&M expenses \$ 999,532
- FY 2017/18 budgeted electrical cost \$77.19 per acre-foot

Significant Accomplishments During FY 2016/17 –

CCWA staff assisted the County of San Luis Obispo in their construction of the Shandon Turnout through providing onsite construction observations, reviewing and commenting on construction submittals and providing selected Turnout components. CCWA staff also programmed the Turnout's Process Logic Controller and spliced the turnout fiber optic cable.

Effectively responded to a number of emergency incidences including (1) a vibrational failure of Pump #1 in the Santa Ynez Pumping Plant (SYPP) with only 1 hour of downtime in September 2016, (2) removing the Bradbury Bypass Pipeline from the spillway as the level in Lake Cachuma increased 21 feet in 12 hours in February 2017, and (3) following activation of the switchgear of the SYPP during a severe storm event in February, Motor #1 breaker began to smoke. The Motor was isolated and the SYPP resumed full operation with minimal plant downtime

Following a detailed assessment of the CCWA network, began a project to redesign the fiber optic cable network and rolled out a comprehensive training program for employees to address cyber security.

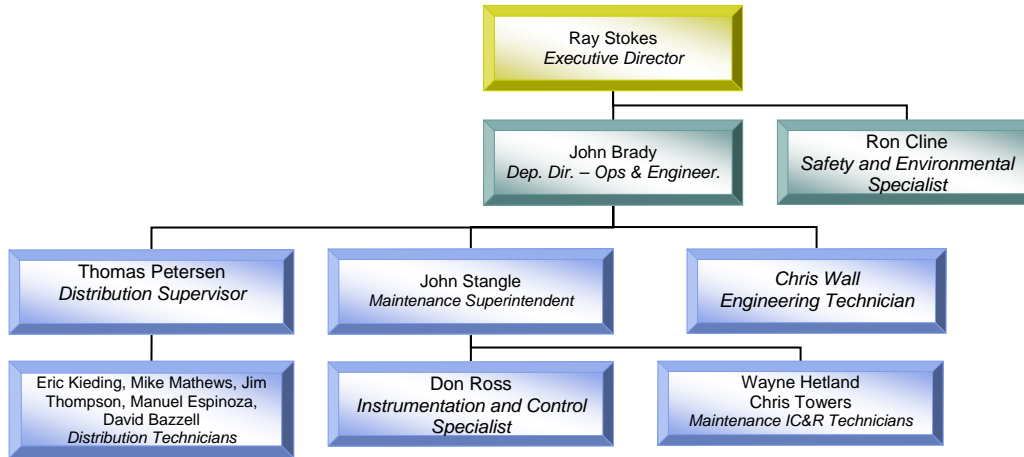
Significant Goals for FY 2017/18 –

Implement the findings of the Resiliency Study, including purchase additional spools of pipe for the seismic joint and the older reaches of the pipeline, additional breaker modules for the pumping plant switch gear, as well as conduct an evaluation of the pumping plant's switchgear by an electrical engineer.

Configure and install the new fiber switches on the fiber optic cable network along the pipeline. Develop and implement a highly coordinated installation plan to minimize the downtime of the CCWA network.

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



The Distribution Department is comprised of the field Distribution Technicians, IT/Instrumentation and Control Specialist and Maintenance IC&R Technicians

The field Distribution Technicians and Distribution Supervisor are responsible for the day-to-day water distribution system operations and maintenance including system operation, facility maintenance, dechloramination and disinfection, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 130 miles of pipeline and operate and maintain seven storage tanks, ten turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access, and cathodic protection structures. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.

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

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

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

The accomplishments, performance indicators (“Service Efforts and Accomplishments”) and goals for the Distribution Department will be presented at a future meeting of the CCWA Board of Directors.

DISTRIBUTION DEPARTMENT OPERATING EXPENSE OVERVIEW

The distribution system for the State water facilities is divided into segments called “Financial Reaches.” These financial reaches are the portions of the pipeline through which the project participants receive and pay for water in accordance with their Water Supply Agreements.

Participation in each financial reach is based on the location of a particular project participant’s turnout. Each participant pays for its share of the Coastal Branch and Authority financial reaches down to the financial reach from which that participant takes delivery of water. For example, South Coast project participants pay for their share of all financial reaches since they take delivery from the terminus of the Authority pipeline.

The financial reaches for the distribution system include Authority reaches and DWR reaches. The facilities owned by the Authority are considered Authority reaches and those owned by DWR are considered DWR reaches.

The Distribution Department is responsible for maintaining both the Authority and the DWR reaches downstream of the Polonio Pass Water Treatment Plant.

Central Coast Water Authority
Distribution Department
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The following is a list of the various financial reaches including the facilities and/or landmarks located in each reach.

DWR REACHES

- Reach 33B Tank 1 through the Chorro Valley turnout
- Reach 34 Chorro Valley turnout through the Lopez turnout
- Reach 35 Lopez turnout through the Guadalupe turnout
- Reach 36 Deleted
- Reach 37 Guadalupe turnout to Southern Pacific Railroad crossing near Casmalia
- Reach 38 Southern Pacific Railroad crossing near Casmalia through Tank 5

CCWA [Authority] REACHES

- Mission Hills Tank 5 to La Purisima Road
- Santa Ynez I La Purisima Road to the Santa Ynez Pumping Facility
- Santa Ynez II Santa Ynez Pumping Facility to Lake Cachuma

The table and map on page 168 shows the participation by project participant and by financial reach for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach

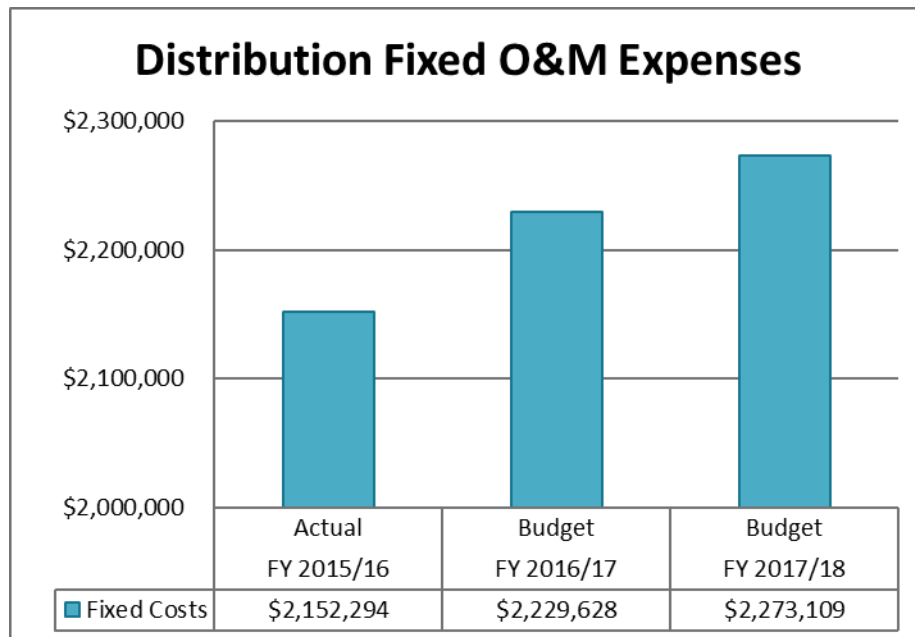
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2015/16 actual operating expenses for each reach. The financial reach allocation percentages are adjusted each year based on the year-end budget status report actual operating expenses from the preceding fiscal year. The following table provides the allocation percentages for the Distribution Department operating expenses.

Central Coast Water Authority
Distribution Department
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Distribution Department Financial Reach Allocation			
Financial Reach	FY 2017/18 Allocation Percentage	FY 2016/17 Allocation Percentage	Increase (Decrease)
Reach 33B	21.31%	24.44%	-3.13%
Reach 34	10.12%	10.50%	-0.38%
Reach 35	7.32%	4.14%	3.18%
Reach 37	2.78%	2.55%	0.23%
Reach 38	4.34%	4.10%	0.24%
Mission Hills II	12.52%	11.83%	0.69%
Santa Ynez I	17.43%	15.79%	1.64%
Santa Ynez II	24.18%	26.64%	-2.47%
TOTAL:	100.00%	100.00%	0.00%

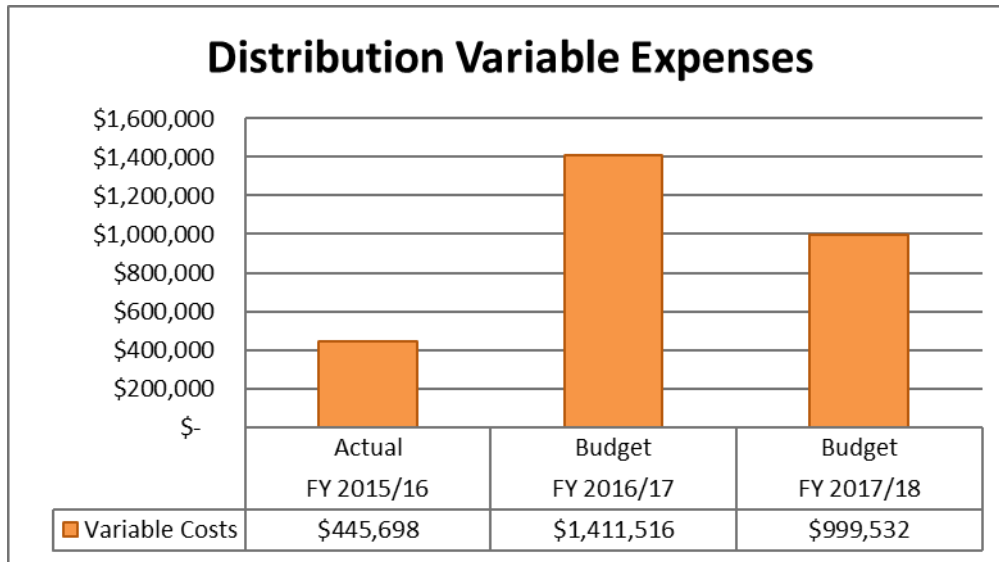
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

Fixed O&M Costs are all costs of the distribution system that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and repair and maintenance costs. The following graph shows the three-year trend for the Distribution Department Fixed O&M expenses. As the graph shows, the FY 2017/18 fixed O&M costs are \$43,481 higher than the prior year budget amount.



Central Coast Water Authority
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Fiscal Year 2017/18 Budget

Variable O&M Costs are all costs that vary with the amount of water processed. The Distribution Department variable expenses are solely electrical costs to pump the South Coast project participant water into Lake Cachuma. The following graph shows the three-year trend for the Distribution Department variable O&M costs. As the graph shows, the FY 2017/18 variable O&M costs are \$411,984 lower than the prior year budget amounts.



The following table shows the allocation of the Distribution Department variable O&M costs (electrical costs) for the Fiscal Year 2017/18 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$77.19/AF
Goleta	4,303	\$ 332,206
Morehart	44	3,397
La Cumbre	1,058	81,694
Raytheon	54	4,143
Santa Barbara	2,815	217,277
Montecito	2,866	221,214
Carpinteria	1,808	139,602
Total South Coast:	12,948	\$ 999,532
(1) Excludes water deliveries exchanged with Santa Ynez ID#1.		

Central Coast Water Authority
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Fiscal Year 2017/18 Operating Expense Budget

The Fiscal Year 2017/18 Distribution Department operating expense budget is \$3,272,641, which is \$368,503 lower than the previous year's budget of \$3,641,144, a decrease of 10.12%. The personnel expense section of the Distribution Department budget represents approximately 50% of the budget. Utilities comprise 32%, with other expenses making up the balance of the budget. The chart on page 169 shows percentage of the various components of the Distribution Department operating expense budget. Variable O&M costs are included in the supplies and equipment and utilities categories.

Personnel Expenses Personnel expenses are increasing by about \$25,000 attributed to the following:

- The FY 2017/18 Distribution Department Budget includes a \$37,868 salary pool for employee salary increases which represents a decrease of \$8,821 over the FY 2016/17 budgeted amount of \$46,149. The salary pool percentage for FY 2017/18 is a flat 4% of salaries.

On April 27, 2017, the Board of Directors approved that beginning FY 2017/18 CCWA's Salary Pool calculation be changed from being comprised of a 3% merit component plus the change in the consumer price index, to being based solely on either a flat 4% of salaries, or the actual change in the consumer price index, whichever is higher. This percentage is then applied to the current salaries as of July 1st to create the salary pool for the current fiscal year budget. The newly approved salary pool formula will be automatically included in the budget each year to provide a pool of money for the Executive Director to award salary increases to employees based entirely on performance.

The FY 2017/18 total Distribution Department salaries and wages budget is held to an increase of only \$20,976 when compared to the prior fiscal year budget due to certain employees remaining stalled at the top of their salary range, combined the hiring of a new Engineering Technician at a lesser starting salary when compared to the prior employee in the same position.

- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by about \$4,200 due to the following realignment of employee benefits: 1) Effective January 1, 2018, the CCWA cafeteria plan allowance will be based on the lowest cost plan available to all CCWA employees, instead of the mid-range PPO in 2017; 2) Beginning with calendar year 2018, CCWA employees will pay 50% of the increase in the cost of dependent portion of healthcare premiums. The 2017 health insurance premiums increased by 4.49%, as opposed to the budgeted increase of 5% for calendar year 2017. The Budget also includes an

Central Coast Water Authority
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estimated 5% increase in the new lower cost plan health insurance premiums effective January 1, 2018.

- PERS retirement expenses are increasing by about \$14,000 due to the change in the employer and employee contribution rate for the FY 2017/18 to 23.048% as compared to the prior year amount of 22.071%. Beginning with FY 2017/18, CCWA employees will be paying 50% of the increase in the “normal” PERS employer contribution.

Supplies and Equipment Supplies and equipment expenses are higher by about \$5,000 for the estimated increase in costs for fuel and lubricants.

Repairs and Maintenance Repairs and maintenance costs are increasing by about \$9,000 because of an increase in equipment and building repairs and maintenance.

Professional Services Professional services are decreasing by approximately \$9,000 due to a \$ 20,000 decrease in estimated professional services, coupled with an increase of \$11,000 in engineering services.

General and Administrative General and Administrative are increasing by approximately \$2,000 due primarily to increases in employee training.

Utility Expenses Utility expenses are decreasing by about \$410,000 attributed to the decrease in estimated electrical cost per acre-foot of delivering water into Lake Cachuma from \$136.73/AF in FY 2016/17 compared to \$77.19/AF for FY 2017/18 partially offset by a 5,226 increase in water deliveries to Lake Cachuma.

Other Expenses Other expenses are increasing by approximately \$7,000 due mostly to increases of \$9,000 in computer expenses, and the \$3,500 increase to equipment rental expenses, plus \$3,000 more in non-capital equipment expenses, along with a \$2,000 increase to insurance expenses, partially offset by \$12,000 in decreases to non-capitalized project expenses. (see the discussion on non-capitalized projects later in this section of the Budget).

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

Central Coast Water Authority
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The following table shows the FY 2017/18 O&M budget for the various CCWA turnouts.

TURNOUT EXPENSES							
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	Capital Projects ⁽¹⁾	TOTAL
Guadalupe	\$ 895	\$ 1,000	\$ -	\$ 500	\$ 2,395	\$ -	\$ 2,395
Santa Maria	522	1,500	-	500	2,522	-	2,522
Golden State Water Co.	697	3,000	-	500	4,197	-	4,197
Vandenberg Air Force Base	-	1,500	-	500	2,000	10,206	12,206
Buellton	331	1,500	-	500	2,331	10,206	12,537
Santa Ynez (Solvang)	223	1,000	-	500	1,723	10,206	11,929
Santa Ynez	-	1,000	-	500	1,500	10,206	11,706
Shandon	895	1,000	-	500	2,395	5,250	7,645
Chorro Valley	-	1,500	900	500	2,900	5,250	8,150
Lopez	516	1,500	-	500	2,516	10,206	12,722
TOTAL:	\$ 4,078	\$ 14,500	\$ 900	\$ 5,000	\$ 24,478	\$ 61,530	\$ 86,008

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

Non-Capitalized Projects

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

The following table provides a summary of the Distribution Department Non-Capitalized Projects for FY 2017/18.

Non-Capitalized Projects-Reach Specific		
Project Description	Financial Reach	Amount ⁽¹⁾
Engineer Review of SYPP Electrical Switchgear System	SYII	21,000
Engineer Review of Air-Vacuum/Release Valve Riser	SYI	21,000
Mini Mac and Intermapper Software ⁽¹⁾	ALL/WTP/ADM	2,646
TOTAL NON-CAPITALIZED PROJECTS		\$ 44,646

(1) Excludes CCWA labor and overhead costs.
(2) Please refer to the Administration Department section of this budget for narrative description of this project.

Central Coast Water Authority
Distribution Department
Fiscal Year 2017/18 Budget

Description:	Engineering Review of SYPP Electrical Switchgear System
Department:	SYII
Expanded Description	The purpose of this project is to review the switchgear design for reliability as well as to address past failures. The project will include retaining an experienced engineering firm to review the original design, existing facilities and to develop a set of recommendations for improvement. In addition, the engineering consultant will also be required to develop a detailed scope of work for switchgear maintenance work.
Estimated Charge - Contractor	\$20,000
Contingency (5%)	\$1,000
Subtotal without CCWA Labor	\$21,000
CCWA Labor	\$2,390
Total Cost	\$23,390
Operating Budget Impact:	Electrical switchgear is an important system to protect all electrical devices connected to the protected circuits. At higher voltages, switchgear can presents significant safety issues if not properly designed to mitigate the arch-flash potential. This project will focus on the operation and maintenance of the switchgear and how to improve its safe operation. Switchgear when properly operated and maintained will protect the connected electrical devices from damage during an aberrant condition. This will result in avoiding replacement costs of damaged electrical equipment.

Description:	Engineering Review of Air-Vacuum/Release Valve Riser
Department:	SYI
Expanded Description	The riser piping of some of the Air Vacuum/Air Release Valves in Reach SY1 are excessively corroded and the majority of the pipe is embedded in concrete. An engineering review is needed to provide a cost effective repair.
Estimated Charge - Contractor	\$20,000
Contingency (5%)	\$1,000
Subtotal without CCWA Labor	\$21,000
CCWA Labor	\$4,330
Total Cost	\$25,330
Operating Budget Impact:	The observed corrosion has the potential of developing leaking in the CCWA pipeline. In order to prevent leakage, it is important to understand the mechanisms at play in the observed corrosion and to develop a repair or mitigation measure. Through planning a repair project in advance, the elevated costs associated with emergency repairs are avoided.

Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 2017/18 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2015/16	Number Auth. FY 2016/17	Number Requested FY 2017/18	Change Over FY 2015/16	Change Over FY 2016/17
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽²⁾	0.40	0.40	0.40	-	-
Safety & Environmental Specialist ⁽³⁾	0.75	0.75	0.75	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽⁴⁾	0.40	0.40	0.40	-	-
Maintenance/IC&R Technicians ⁽⁵⁾	0.40	0.40	0.40	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	10.20	10.20	10.20	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position ⁽⁶⁾ Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2016/17 Total Annual Salary	Allocation to Dist. Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 246,797	\$ 61,699
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 172,635	\$ 69,054
Safety & Environmental Specialist ⁽³⁾	1	29	\$ 6,883	\$ 8,397	\$ 98,819	\$ 74,114
Distribution Supervisor	1	30	\$ 7,032	\$ 8,579	\$ 100,963	\$ 100,963
Engineering Technician	1	21	\$ 5,797	\$ 7,072	\$ 79,997	\$ 79,997
Instrumentation & Control Specialist	1	27	\$ 6,594	\$ 8,044	\$ 94,666	\$ 94,666
Maintenance Superintendent ⁽⁴⁾	1	35	\$ 7,829	\$ 9,552	\$ 112,404	\$ 44,962
Maintenance/IC&R Technicians ⁽⁵⁾	2	26	\$ 6,454	\$ 7,873	\$ 176,114	\$ 35,223
Distribution Technicians	5	19	\$ 5,553	\$ 6,775	\$ 386,024	\$ 386,024
FY 2017/18 Salary Pool						\$ 37,868
TOTAL:						\$ 984,570

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

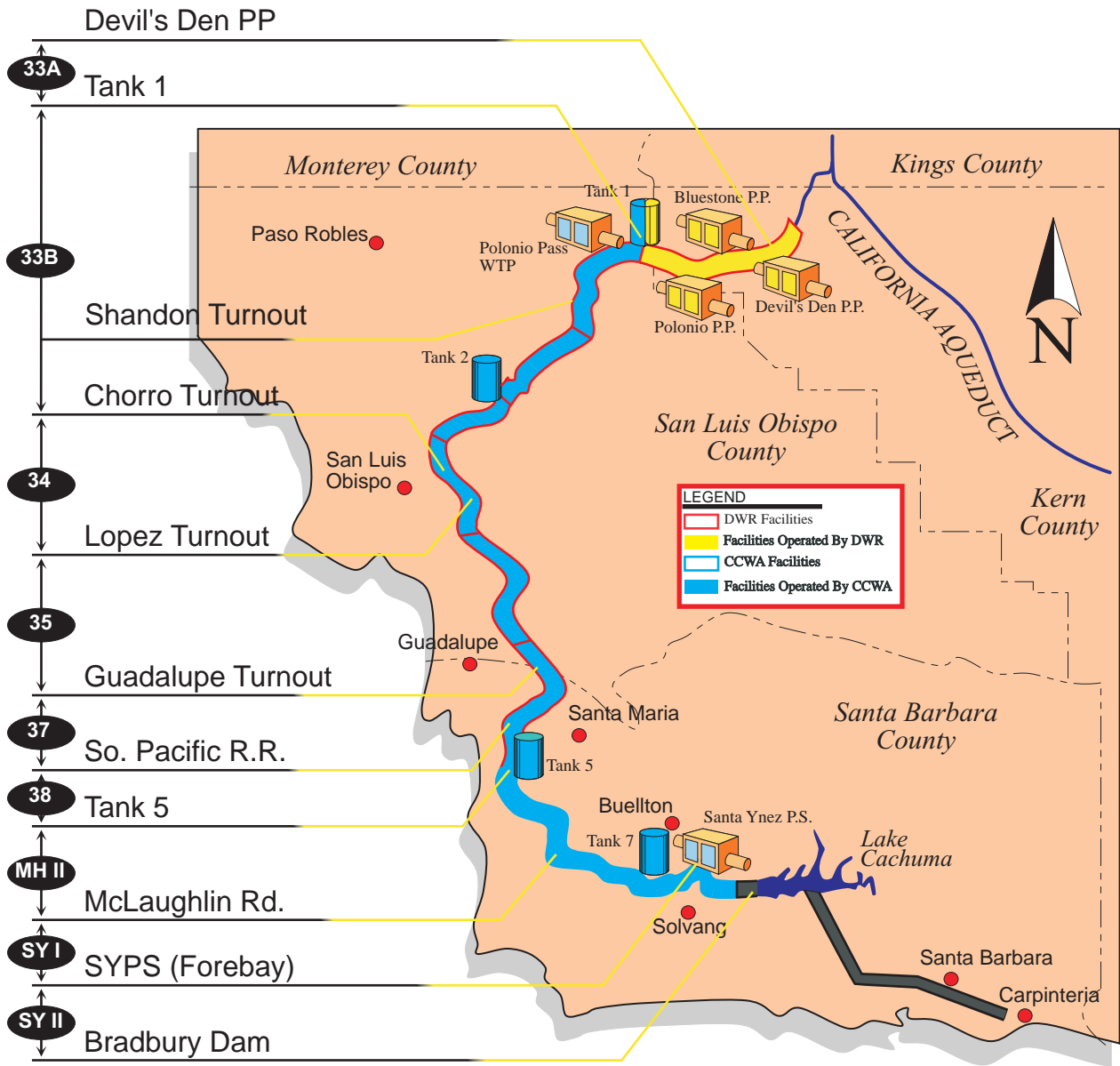
(2) The Deputy Director of Operations is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).

(3) The Safety/Environmental Specialist (previously Regulatory Spec.) is allocated to Water Treatment Plant (25%) and Distribution (75%).

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

(5) The two Maintenance IC&R Technicians are allocated to Water Treatment Plant (80%) and Distribution (20%).

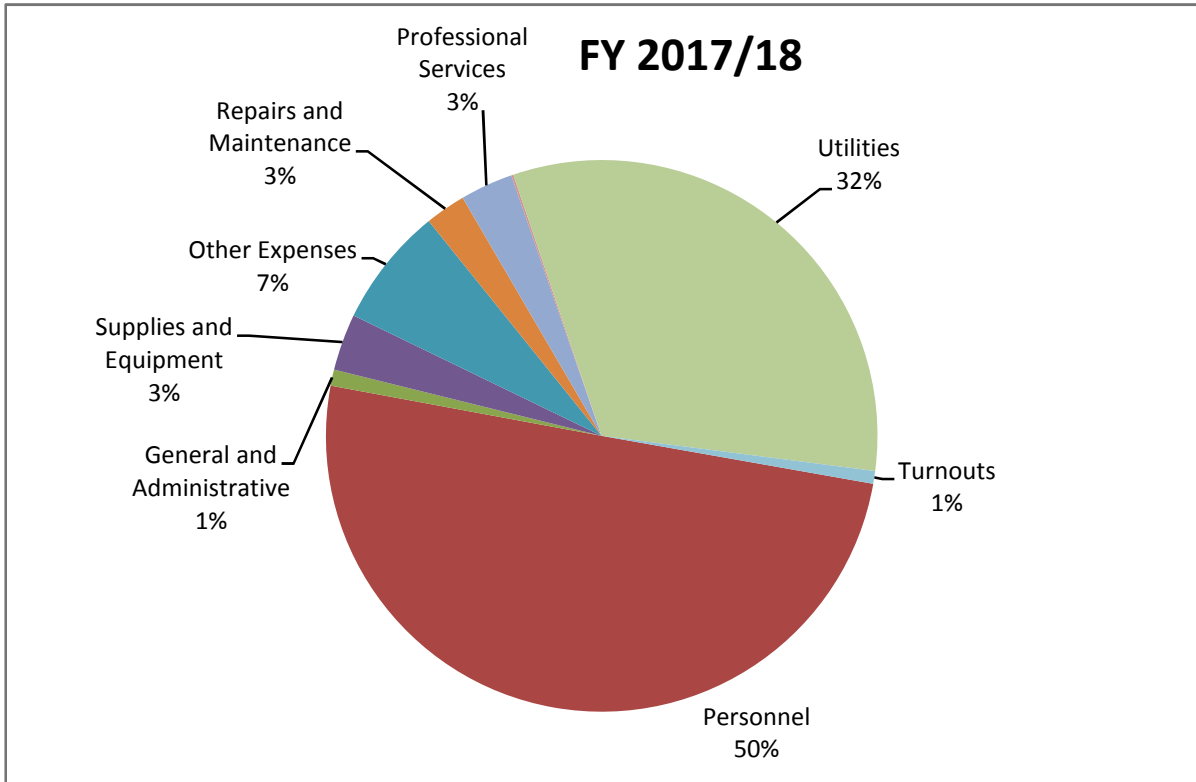
COASTAL BRANCH FINANCIAL REACHES



Purveyor	CONTRACT ENTITLEMENT IN FINANCIAL REACHES							
	WTP / 33B	34	35	37	38	MH II	SY I	SY II
Shandon	100							
Chorro Valley	2,338							
Lopez	2,392	2,392						
Guadalupe	550	550	550					
Santa Maria	16,200	16,200	16,200	16,200				
SCWC	500	500	500	500				
Vandenberg AFB	5,500	5,500	5,500	5,500	5,500	5,500		
Buellton	578	578	578	578	578	578	578	
Santa Ynez (Solvang)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
Santa Ynez	500	500	500	500	500	500	500	
Goleta	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Morehart Land	200	200	200	200	200	200	200	200
LaCumbre	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
SB Research	50	50	50	50	50	50	50	50
Santa Barbara	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Montecito	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Summerland	300	300	300	300	300	300	300	300
Carpinteria	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL	43,908 AF	41,470 AF	39,078 AF	38,528 AF	21,828 AF	21,828 AF	16,328 AF	13,750 AF

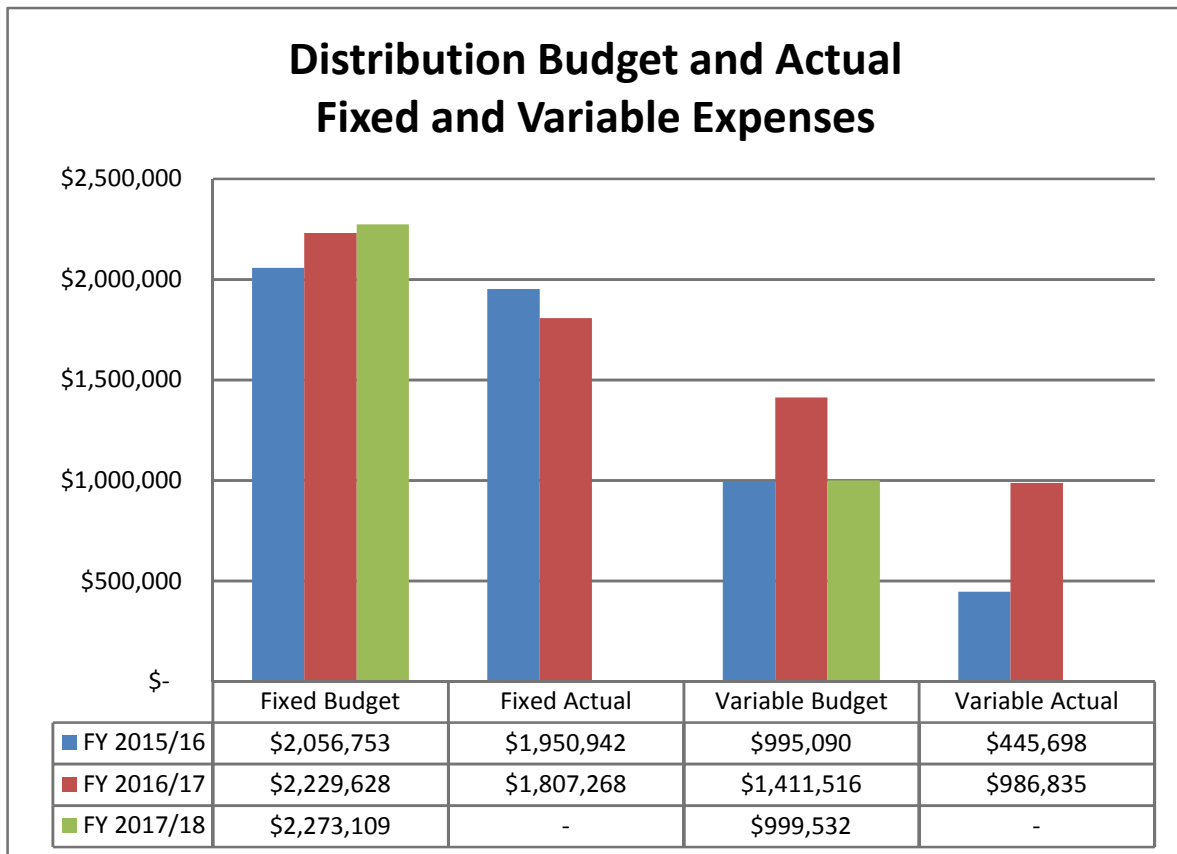
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2017/18 Budget

Item	FY 2017/18 Budget
Personnel	\$ 1,640,868
Office Expenses	4,000
Supplies and Equipment	108,301
Monitoring Expenses	-
Repairs and Maintenance	78,200
Professional Services	101,033
General and Administrative	31,300
Utilities	1,054,779
Other Expenses	229,683
Turnouts	24,478
TOTAL:	\$ 3,272,641



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2017/18 Budget

Item	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget
Personnel	\$ 1,518,013	\$ 1,471,021	\$ 1,616,297	\$ 1,505,033	\$ 1,640,868
Office Expenses	2,400	2,287	3,200	4,396	4,000
Supplies and Equipment	103,247	75,551	103,421	60,473	108,301
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	71,200	50,227	69,200	59,089	78,200
Professional Services	94,375	32,278	109,533	11,044	101,033
General and Administrative	19,600	18,850	29,250	22,001	31,300
Utilities	1,050,623	492,646	1,465,529	1,034,718	1,054,779
Other Expenses	310,087	341,140	222,972	173,038	229,683
Turnouts	36,725	113,992	21,742	5,377	24,478
TOTAL:	\$ 3,206,270	\$ 2,597,992	\$ 3,641,144	\$ 2,875,170	\$ 3,272,641



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16	FY 2015/16	FY 2016/17	FY 2016/17	FY 2017/18	Change from	Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2016/17 Budget	FY 2016/17 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 940,632	\$ 918,274	\$ 963,594	\$ 877,614	\$ 984,570	\$ 20,976	2.18%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	61,005	70,834	62,471	84,994	64,041	1,570	2.51%
5000.40	Standby Pay	30,100	21,802	30,781	23,340	24,364	(6,417)	-20.85%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	202,730	190,198	253,759	236,230	268,080	14,320	5.64%
5100.15	Medicare Taxes	14,970	13,468	15,389	12,887	15,574	185	1.20%
5100.20	Health Insurance	183,519	168,761	207,379	179,239	206,104	(1,275)	-0.61%
5100.25	Workers' Compensation	38,912	20,484	24,831	18,557	22,862	(1,969)	-7.93%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	14,933	14,807	15,300	15,300	15,300	-	0.00%
5100.40	Cafeteria Plan Benefits	704	2,007	4,433	3,392	1,061	(3,373)	-76.08%
5100.45	Dental/Vision Plan	17,709	26,133	25,094	27,763	25,586	492	1.96%
5100.50	Long-Term Disability	4,620	4,263	4,735	4,250	4,833	98	2.07%
5100.55	Life Insurance	4,130	3,679	4,481	3,495	4,444	(38)	-0.84%
5100.60	Employee Physicals	450	130	450	450	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	317	2,600	1,333	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	21	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	15,842	-	16,189	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
Total Personnel Expenses:		1,518,013	1,471,021	1,616,297	1,505,033	1,640,868	24,570	1.52%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	1,200	1,159	1,200	1,551	1,500	300	25.00%
5200.30	Miscellaneous Office Expenses	1,200	1,128	2,000	2,845	2,500	500	25.00%
Total Office Expenses:		2,400	2,287	3,200	4,396	4,000	800	25.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	6,747	5,984	6,921	5,840	6,921	-	0.00%
5500.15	Minor Tools and Equipment	5,000	4,530	5,000	2,312	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	90	1,000	30	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	10,447	10,000	4,947	10,000	-	0.00%
5500.40	Safety Supplies	7,000	5,949	7,000	4,685	7,000	-	0.00%
5500.45	Fuel and Lubricants	65,000	46,751	65,000	39,388	69,880	4,880	7.51%
5500.50	Seed/Erosion Control Supplies	8,000	1,584	8,000	3,272	8,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	215	500	-	500	-	0.00%
Total Supplies and Equipment:		103,247	75,551	103,421	60,473	108,301	4,880	4.72%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	N/A

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	42,500	34,644	42,500	46,213	46,500	4,000	9.41%
5700.20	Vehicle Repairs and Maintenance	15,000	5,844	12,500	5,945	12,500	-	0.00%
5700.30	Building Maintenance	9,700	5,390	9,700	3,932	14,700	5,000	51.55%
5700.40	Landscape Maintenance	4,000	4,350	4,500	3,000	4,500	-	0.00%
Total Repairs and Maintenance:		71,200	50,227	69,200	59,089	78,200	9,000	13.01%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	80,575	25,315	101,833	7,581	82,333	(19,500)	-19.15%
5400.20	Legal Services	-	140	-	1,760	-	-	N/A
5400.30	Engineering Services	10,000	1,500	3,000	-	14,000	11,000	366.67%
5400.40	Permits	3,800	5,323	4,700	1,704	4,700	-	0.00%
5400.50	Non-Contractual Services	-	-	-	-	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		94,375	32,278	109,533	11,044	101,033	(8,500)	-7.76%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	11,000	13,268	20,000	13,937	20,000	-	0.00%
5300.20	Mileage Reimbursement	150	59	150	-	150	-	0.00%
5300.30	Dues and Memberships	1,850	940	2,000	2,123	2,300	300	15.00%
5300.40	Publications	500	772	1,000	395	1,000	-	0.00%
5300.50	Training	5,000	2,907	5,000	2,338	6,500	1,500	30.00%
5300.60	Advertising	500	660	500	2,852	750	250	50.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	600	244	600	356	600	-	0.00%
Total General and Administrative:		19,600	18,850	29,250	22,001	31,300	2,050	7.01%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2017/18 Administration/O&M Budget

Account Number	Account Name	FY 2015/16 Budget	FY 2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Estimated Actual	FY 2017/18 Budget	Change from FY 2016/17 Budget	Percent Change FY 2016/17 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	940	514	940	276	1,010	70	7.45%
5800.30	Electric Fixed	43,194	37,187	41,673	39,267	42,337	664	1.59%
5800.31	Electric-Variable	995,090	445,698	1,411,516	986,835	999,532	(411,984)	-29.19%
5800.40	Water	2,000	1,652	2,000	2,205	2,500	500	25.00%
5800.50	Telephone	6,500	5,480	6,500	3,959	6,500	-	0.00%
5800.60	Waste Disposal	2,900	2,115	2,900	2,177	2,900	-	0.00%
Total Utilities:		1,050,623	492,646	1,465,529	1,034,718	1,054,779	(410,750)	-28.03%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	46,922	52,488	46,043	45,122	47,696	1,652	3.59%
5900.30	Non-Capitalized Projects	154,427	201,352	56,278	81,066	44,646	(11,632)	-20.67%
5900.40	Equipment Rental	10,000	16,775	15,000	3,895	18,500	3,500	23.33%
5900.50	Non-Capitalized Equipment	7,000	8,906	7,000	4,252	10,000	3,000	42.86%
5900.60	Computer Expenses	49,101	46,561	55,360	38,704	64,750	9,390	16.96%
5900.70	Appropriated Contingency	42,636	15,059	43,292	-	44,091	799	1.85%
Total Other Expenses:		310,087	341,140	222,972	173,038	229,683	6,710	3.01%
	Turnouts	36,725	113,992	21,742	5,377	24,478	2,736	12.58%
TOTAL OPERATING EXPENSES		\$ 3,206,270	\$ 2,597,992	\$ 3,641,144	\$ 2,875,170	\$ 3,272,641	(368,503)	-10.12%

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$37,868 for FY 2017/18 salary pool.

FY 17/18 Requested Budget	984,570
FY 16/17 Estimated Actual	877,614
Increase (Decrease)	106,956

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

Description: Funds for overtime expenses for non-exempt Distribution employees.

FY 17/18 Requested Budget	64,041
FY 16/17 Estimated Actual	84,994
Increase (Decrease)	(20,953)

Overtime is set at 5.0% of salaries plus one hour per day to monitor SCADA system.

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

Description: CCWA employee salaries and overtime capitalized as a component of capital projects constructed or acquired by CCWA.

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services:

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

Description: Funds for stand-by pay for one Distribution Technician and one Instrumentation and Control employee assigned to stand-by duty on a 24-hour basis. Based on \$2.03 per hour (5% of average hourly rate). 1/3 of Instrumentation Employee standby pay allocated to Distribution Department and 2/3 allocated to the Water Treatment Plant Department.

FY 17/18 Requested Budget	24,364
FY 16/17 Estimated Actual	23,340
Increase (Decrease)	1,024

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 23.028% contribution rate for FY 2017/18, that includes the required Unfunded Accrued Liability (UAL), plus an additional fixed UAL payment.

FY 17/18 Requested Budget	268,080
FY 16/17 Estimated Actual	236,230
Increase (Decrease)	31,850

Required Contributions	\$ 173,228	16.579%
UAL current fiscal year	\$ 53,578	6.449%
UAL fixed payment	\$ 41,274	fixed amount
	\$ 268,080	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

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

FY 17/18 Requested Budget	15,574
FY 16/17 Estimated Actual	12,887
Increase (Decrease)	2,687

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

Description: Funds for the employer paid portion of health insurance for Distribution employees. Based on employee 2017 Cafeteria Plan elections. Includes an estimated 5% premium increase of the 2018 plan rates.

FY 17/18 Requested Budget	206,104
FY 16/17 Estimated Actual	179,239
Increase (Decrease)	26,865

	<i>2017 Allowance</i>		<i>New 2018 Allowance</i>	
Family	\$	22,290	\$	20,752
Emp + 1	\$	17,146	\$	15,963
Employee only	\$	8,573	\$	7,982

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Distribution department. Based on an X-Mod rate of 66%. Based on a 3% premium increase over FY 2016/17.

FY 17/18 Requested Budget	22,862
FY 16/17 Estimated Actual	18,557
Increase (Decrease)	4,305

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

Description: Estimates \$1,536/year per employee to fund the estimated future liability of the minimum contribution component of the CalPERS health plan, based on the number of active employees. Also includes estimated additional employer paid retiree health costs for vested employees age 62 and over retiring from CCWA with least 10 years of service.

FY 17/18 Requested Budget	15,300
FY 16/17 Estimated Actual	15,300
Increase (Decrease)	-

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

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

FY 17/18 Requested Budget	1,061
FY 16/17 Estimated Actual	3,392
Increase (Decrease)	(2,331)

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,345 per year per family for dental and vision expenses. Budgeted amount is \$2,508 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 17/18 Requested Budget	25,586
FY 16/17 Estimated Actual	27,763
Increase (Decrease)	(2,177)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.52 per \$100 of salary.

FY 17/18 Requested Budget	4,833
FY 16/17 Estimated Actual	4,250
Increase (Decrease)	582

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

Description: Funds for the employer paid life insurance premiums for each employee. CCWA policy provides life insurance equal to 150% of an employees annual salary to a maximum of \$100,000.

FY 17/18 Requested Budget	4,444
FY 16/17 Estimated Actual	3,495
Increase (Decrease)	949

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 17/18 Requested Budget	450
FY 16/17 Estimated Actual	450
Increase (Decrease)	-

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 17/18 Requested Budget	1,000
FY 16/17 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

FY 17/18 Requested Budget	2,600
FY 16/17 Estimated Actual	1,333
Increase (Decrease)	1,267

Safety Program	\$	1,300
EAAP	\$	1,300
TOTAL:	\$	2,600

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

Description: CCWA employee benefits capitalized as a component of capital projects constructed or acquired by CCWA.

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 17/18 Requested Budget	1,500
FY 16/17 Estimated Actual	1,551
Increase (Decrease)	(51)

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses such as picture developing, awards, business cards, kitchen supplies, etc.

FY 17/18 Requested Budget	2,500
FY 16/17 Estimated Actual	2,845
Increase (Decrease)	(345)

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for Distribution Department employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and Deputy Director as well as travel expenses for winter maintenance.

FY 17/18 Requested Budget	20,000
FY 16/17 Estimated Actual	13,937
Increase (Decrease)	6,063

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 17/18 Requested Budget	150
FY 16/17 Estimated Actual	-
Increase (Decrease)	150

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues and memberships in required areas.

FY 17/18 Requested Budget	2,300
FY 16/17 Estimated Actual	2,123
Increase (Decrease)	177

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 17/18 Requested Budget	1,000
FY 16/17 Estimated Actual	395
Increase (Decrease)	605

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2017/18 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

Description: Funds for training Distribution Department staff.
Does not include educational reimbursement.

FY 17/18 Requested Budget	6,500
FY 16/17 Estimated Actual	2,338
Increase (Decrease)	4,163

\$ 6,500 - \$650 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

Description: Funds for public relations materials
for the Distribution Department including open position advertising.

FY 17/18 Requested Budget	750
FY 16/17 Estimated Actual	2,852
Increase (Decrease)	(2,102)

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses
for the Distribution Department.

FY 17/18 Requested Budget	600
FY 16/17 Estimated Actual	356
Increase (Decrease)	244

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

\$	50,000	Environmental Services, Required by Reg Agency
	16,000	Cathodic protection, Crane inspections
	3,200	Emergency generator and forklift service
	1,500	Hydraulic package oil analysis
	2,375	Fire extinguisher and SCBA inspections
	5,058	Personnel Team Building Consultant
	4,200	Security
\$	82,333	TOTAL

FY 17/18 Requested Budget	82,333
FY 16/17 Estimated Actual	7,581
Increase (Decrease)	74,752

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	1,760
Increase (Decrease)	(1,760)

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 17/18 Requested Budget	14,000
FY 16/17 Estimated Actual	-
Increase (Decrease)	14,000

\$	3,000	SCADA Support
	3,000	GIS Support
	5,000	General Services
	3,000	CMMS Support
\$	14,000	TOTAL

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required permits for the Distribution Department.

FY 17/18 Requested Budget	4,700
FY 16/17 Estimated Actual	1,704
Increase (Decrease)	2,997

\$	2,100	Low Threat Discharge Permit
	1,300	Diesel Permit
	1,300	SYPP, Tank 7 and 5 Business Plan
\$	4,700	TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services. Not funded this year.

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

Description: Funds for employer provided uniforms including reimbursement of uniform expenses to employees.

FY 17/18 Requested Budget	6,921
FY 16/17 Estimated Actual	5,840
Increase (Decrease)	1,081

\$	3,576	Uniform Service (\$298 month)
	1,350	Blue jean pants (\$150/year employee allowance)
	1,575	Boots (\$175/year employee allowance)
	420	Misc. uniform requirements (jackets, etc.)
\$	6,921	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 17/18 Requested Budget	5,000
FY 16/17 Estimated Actual	2,312
Increase (Decrease)	2,688

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

Description: Funds for the purchase of equipment and supplies for landscape maintenance at the pump station and the Buellton office.

FY 17/18 Requested Budget	1,000
FY 16/17 Estimated Actual	30
Increase (Decrease)	970

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 17/18 Requested Budget	-
FY 16/17 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

Description: Funds for the purchase of disposable tools, pipe and pipefittings, wood, steel and other metals, hardware, nuts and bolts, and other hardware materials.

FY 17/18 Requested Budget	10,000
FY 16/17 Estimated Actual	4,947
Increase (Decrease)	5,053

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

Description: Purchases of minor safety supplies including first aid kit purchases and non-capitalized safety equipment purchases.

FY 17/18 Requested Budget	7,000
FY 16/17 Estimated Actual	4,685
Increase (Decrease)	2,315

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for Distribution Department vehicles. Does not include mileage reimbursement expenses.

FY 17/18 Requested Budget	69,880
FY 16/17 Estimated Actual	39,388
Increase (Decrease)	30,492

\$	62,025	Vehicles
	2,045	Emergency Generator Sets
	3,765	Lubricants
	2,045	Miscellaneous
\$	69,880	TOTAL

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 17/18 Requested Budget	8,000
FY 16/17 Estimated Actual	3,272
Increase (Decrease)	4,729

\$	1,000	Seed
	1,000	Plants and materials
	6,000	Erosion control
\$	8,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 17/18 Requested Budget	500
FY 16/17 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of Distribution Department equipment.

FY 17/18 Requested Budget	46,500
FY 16/17 Estimated Actual	46,213
Increase (Decrease)	287

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of Distribution Department vehicles. Increased to allow for aging vehicles approaching 100,000 miles.

FY 17/18 Requested Budget	12,500
FY 16/17 Estimated Actual	5,945
Increase (Decrease)	6,555

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

Description: Funds for the repair and maintenance of the Santa Ynez Pumping Facility.

FY 17/18 Requested Budget	14,700
FY 16/17 Estimated Actual	3,932
Increase (Decrease)	10,768

\$	3,500	Janitorial Service
	1,700	Pest Control
	4,500	HVAC, includes quarterly inspection
	5,000	Minor building repairs
\$	14,700	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

FY 17/18 Requested Budget	4,500
FY 16/17 Estimated Actual	3,000
Increase (Decrease)	1,500

\$	3,800	SYPF (\$317 month avg)
	700	SYPF spring mowing
\$	4,500	TOTAL

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service for the Distribution Department.

FY 17/18 Requested Budget	1,010
FY 16/17 Estimated Actual	276
Increase (Decrease)	734

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 17/18 Requested Budget	42,337
FY 16/17 Estimated Actual	39,267
Increase (Decrease)	3,070

\$	14,581	Suite B & C	\$1,215 month
	1,104	2 ISO vaults	\$92 month
	4,379	2 Tanks	\$365 month
	2,635	11 Rectifiers	\$220 month
	3,267	EDV	\$272 month
	16,371	SYPF	\$1,364 month
\$	42,337	TOTAL	

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 17/18 Requested Budget	999,532
FY 16/17 Estimated Actual	986,835
Increase (Decrease)	12,697

Acre feet pumped	12,948
Cost per acre foot	\$77.19
TOTAL	\$999,532

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

Description: Funds for water and sewer service to
the Distribution Department.

FY 17/18 Requested Budget	2,500
FY 16/17 Estimated Actual	2,205
Increase (Decrease)	295

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

Description: Funds for Distribution Department phones including
long distance and cellular phone bills.

FY 17/18 Requested Budget	6,500
FY 16/17 Estimated Actual	3,959
Increase (Decrease)	2,541

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

Description: Funds for trash service and removal of
hazardous waste (waste oil) for the Distribution Department.

FY 17/18 Requested Budget	2,900
FY 16/17 Estimated Actual	2,177
Increase (Decrease)	723

\$	2,500	Trash service
	400	Hazardous waste removal
\$	2,900	TOTAL

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 17/18 Requested Budget	47,696
FY 16/17 Estimated Actual	45,122
Increase (Decrease)	2,574

\$	21,947	Property and Auto Insurance as apportioned by JPIA.
\$	25,749	General liability and E&O insurance pro rated by salary percentages.
\$	47,696	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects along the pipeline on facilities which are not owned by CCWA or do not qualify for capitalization under the CCWA capitalization policy (see detailed breakout in this section of the budget).

FY 17/18 Requested Budget	44,646
FY 16/17 Estimated Actual	81,066
Increase (Decrease)	(36,420)

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the Distribution Department.

FY 17/18 Requested Budget	18,500
FY 16/17 Estimated Actual	3,895
Increase (Decrease)	14,605

\$	4,000	Portable toilets (4) \$1,000/year each
	7,500	General equipment rental
	2,000	Mowing
	5,000	Lake Bypass Demobilization
\$	18,500	TOTAL

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

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

FY 17/18 Requested Budget	10,000
FY 16/17 Estimated Actual	4,252
Increase (Decrease)	5,748

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

Description: Funds for computer expenses including minor software and equipment purchases, and service contracts.

FY 17/18 Requested Budget	64,750
FY 16/17 Estimated Actual	38,704
Increase (Decrease)	26,046

\$	51,735	CompuVision, Annual Service Agreements, and Software Subscriptions
\$	13,015	Software, New Computers, DSL Allowance and other computer services.
\$	64,750	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

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

FY 17/18 Requested Budget	44,091
FY 16/17 Estimated Actual	-
Increase (Decrease)	44,091



Resurfaced roadway at Santa Ynez Pumping Plant

Capital Improvements

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset and equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority.

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The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2017/18 is \$1,154,853.

Capitalization Criteria

The Authority capitalizes project expenditures and fixed asset purchases for those projects and assets that (1) are greater than \$10,000 and (2) have an estimated useful life longer than five years, with the exception of computer related equipment which is amortized over three years.

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. Currently, for FY 2017/18, it is not yet known if funds will need to be carried over into FY 2017/18 from FY 2016/17.

Funding of Capital Improvements Expenditures

The FY 2017/18 CIP expenditures are entirely funded from Project Participant Assessments.

The following table shows the allocation of the FY 2017/18 capital improvements by department and financial reach.

Central Coast Water Authority
 Capital Improvements
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FY 2017/18 Capital Improvements							
Capital Improvements	Specific		Water Treatment			Total	
	Financial Reach	Administration	Plant	Distribution	Turnouts		
PLC Update of WTP Filter Backwash Process Programmer Support	WTP		21,000			21,000	
Free Ammonia Online Analyzer Replacement for WTP	WTP		17,010			17,010	
Lining of Containment Structure for Chlorine Scrubber System	WTP		51,030			51,030	
Turbimeter Replacement at WTP - Phase 1 of 2	WTP		17,010			17,010	
Office Space Renovation for WTP	WTP		84,000			84,000	
Granular Activated Carbon Filter Media Replacement	WTP		420,000			420,000	
Decant Station Pumps	WTP		17,010			17,010	
Heating, Ventilation and Air Conditioning System Design	WTP		31,500			31,500	
Vacuum Trailer	ALL/WTP		22,680	22,680		45,360	
Replace SCADA Servers	ALL/WTP		7,938	7,938		15,876	
Seismic Joint Spools and Parts	33B			68,040		68,040	
SYII Pipe Spools	SYII			39,690		39,690	
Free Ammonia Online Analyzer Replacement for Tank 5/7	SYI/MHII			34,020		34,020	
Security Fencing for Turnouts	SY_SOLV_BUEL _VAFB_LOPEZ				51,030	51,030	
Air Conditioning Units for Shandon and Lopez Turnouts	SHAN/LOPEZ				10,500	10,500	
Distribution Instruments and tools	ALL			17,010		17,010	
Portable Electrical Generator	ALL			28,350		28,350	
SYI Pipe Spools	SYI			39,690		39,690	
Rebuild Motor and Pump #1 at SYPP	SYII			22,680		22,680	
Replace BAO Uninterruptible Power Supply	ADM	22,680				22,680	
Buellton Administration Office Space.	ADM	57,792				57,792	
Buellton Parking Lot Asphalt Overlay	ADM	43,575				43,575	
Total:			\$ 124,047	\$ 689,178	\$ 280,098	\$ 61,530	\$ 1,154,853

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State Water Project Construction Project

The facilities constructed by the Authority generally include a water treatment plant located at Polonio Pass in northeastern San Luis Obispo County to serve Santa Barbara County project participants and San Luis Obispo County water purchasers and a transmission system to serve Santa Barbara County project participants consisting of: (1) the Mission Hills II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 29.3 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities, which traverse the Santa Ynez Mountains.

Description:	Programmer Support for PLC Update of WTP Filter Backwash Process
Department:	Water Treatment Plant
Expanded Description	This project will update the control logic of the filter backwash process and take advantage of the features available in the newly upgraded PLCs. A knowledgeable and experienced consultant will be retained to assist CCWA staff during the planned 2017 winter shutdown to perform this work.
Estimated Charge – Contractor	\$20,000
Contingency (5%)	\$1,000
Subtotal without CCWA Labor	\$21,000
CCWA Labor	\$23,094
Total Cost	\$44,094
Operating Budget Impact:	CCWA staff has been implementing the PLC Update work and related programming in-house for the distribution system. The use of an experienced and knowledgeable consultant will allow staff to complete the more complicated programming elements of water treatment plant filter backwash process. Through using CCWA staff for implementing the programming changes while working side by side with an experienced consultant, CCWA staff will be in a good position to maintain and troubleshoot the systems during on-going operations. This measure greatly reduces costs to CCWA as compared to utilizing a consultant for troubleshooting work.

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Description:	Free Ammonia Online Analyzer Replacement for WTP
Department:	Water Treatment Plant
Expanded Description	This project will replace the existing APA600 Free Ammonia Analyzers, which have been problematic due to their age and design. Excessive staff time has been required to address the ongoing troubleshooting and repair efforts associated with the APA 600 throughout their service life. In addition, the existing instrumentation have been in place for over 10 years and they are near the end of their service life.
Estimated Charge – Material	\$15,000
Tax (8%)	\$1,200
Contingency (5%)	\$810
Subtotal without CCWA Labor	\$17,010
CCWA Labor	\$1,240
Total Cost	\$18,250
Operating Budget Impact:	The water produced by the Water Treatment Plant is chloraminated and is delivered through a pipeline approximately 142 miles long. Due to the potential for nitrification of chloraminated water, it is important to produce water with a chloramine residual with minimal free ammonia concentrations. This is one of the important measures to prevent nitrification of the water and the related potential loss of chlorine residual. The free ammonia monitoring can be achieved through staff collecting and analyzing grab samples from the Plant’s Clearwell or through installing instrumentation at the Plant’s Clearwell. Through installing instrumentation, significant staff time is saved.

Description:	Lining of the Containment Structure for Chlorine Scrubber System
Department:	Water Treatment Plant
Expanded Description	The existing lining of the concrete containment structure of the chlorine scrubber system has deteriorated, with sections having delaminated from the concrete surface. Exposed concrete can become deteriorated from exposure to the chemical found within the chlorine scrubber unit. To protect the concrete structure, the lining system will be replaced. The existing lining will be removed and a new lining will be installed by a qualified lining contractor.
Estimated Charge – Material	\$45,000
Tax (8%)	\$3,600
Contingency (5%)	\$2,430
Subtotal without CCWA Labor	\$51,030
CCWA Labor	\$4,702
Total Cost	\$55,732
Operating Budget Impact:	Through maintaining the integrity of the lining system of the concrete containment structure for the chlorine scrubber system, damage arising chemical induced deterioration is avoided. This extends the service life of the structure and minimizes the overall life cycle costs of the containment structure.

Central Coast Water Authority
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Description:	Turbidimeter Replacement at the WTP- Phase 1 of 2
Department:	Water Treatment Plant
Expanded Description	The existing turbidimeters are reaching the end of their service life and are requiring higher and higher levels of staff time to troubleshoot and repair. This is the first of a two phase project to replace all existing turbidimeters at the Water Treatment Plant
Estimated Charge – Material	\$15,000
Tax (8%)	\$1,200
Contingency (5%)	\$810
Subtotal without CCWA Labor	\$17,010
CCWA Labor	\$6,256
Total Cost	\$23,266
Operating Budget Impact:	The measurement of turbidity is a required by water quality regulations and cannot be eliminated. Consequently, it is important to maintain highly reliable turbidimeters to complete the required monitoring. Allowing turbidimeters to fail will result in a violation of water quality regulations. Maintaining highly reliable turbidity monitoring instrumentation will avoid the costs related to violations of applicable water quality regulation such as fines and staff time responding to a Notice of Violation from the regulatory agency.

Description:	Office Space Renovation for WTP
Department:	Water Treatment Plant
Expanded Description	Two staff members are working in temporary offices in the remote filter operations building. Staff commissioned an architectural study to evaluate work space requirements and identify options for providing appropriate work space accommodations. This project implements the recommendations from that study and provides adequate office space for existing staff. The recommendations included eliminating office space in the lower operations building, constructing a modular building adjacent to the upper level of the Operations Building and modification of the Operations Building Kitchen.
Estimated Charge – Contractor	\$80,000
Contingency (5%)	\$4,000
Subtotal without CCWA Labor	\$84,000
CCWA Labor	\$19,807
Total Cost	\$103,807
Operating Budget Impact:	Through implementing the recommended measures of the architectural study, the temporary work location of two employees will be returned to its original purpose (Remote Filter Operations Building). In addition, compliance with the Americans with Disabilities Act will be attained. These measures will avoid costs related to ADA non-compliance and will return the Remote Filter Operation Building back to its original purpose.

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Description:	Granular Activated Carbon Filter Media Replacement
Department:	Water Treatment Plant
Expanded Description	Granular Activated Carbon (GAC) filter media replacement has been postponed since 2008, with some filter media having remained in service for 11 years. This postponement was recommended by CCWA staff following a special study that indicated that the filter media replacement frequency could be reduced without compromising the ability to comply with water quality regulations. Consequently, staff indefinitely postponed filter media replacement from every 3 years to an estimated frequency of every 15 years or so. The trigger to replace the filter media is based on annual measurements of GAC hydraulic characteristics. The filter media that has been in place for 11 years has shown initial signs of reduced hydraulic conductivity. Based on CCWA's on-going filter media monitoring program, staff determined that media in Filter 7 and 8 requires replacement at this time.
Estimated Charge – Contractor	\$400,000
Contingency (5%)	<u>\$20,000</u>
Subtotal without CCWA Labor	\$420,000
CCWA Labor	\$7,547
Total Cost	\$427,547
Operating Budget Impact:	The indefinite postponement of GAC filter media replacement has resulted in significant saving to CCWA Participants, in the range of over \$4 million. Once the filter media in Filter 7 and 8 is replaced, staff expected the service life to be in the 15 year range, potentially longer.

Central Coast Water Authority
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Description:	Decant Station Pumps
Department:	Water Treatment Plant
Expanded Description	The two lagoon decant pumps have corroded to the extent where they are in need of replacement and will be replaced with two new pumps with stainless steel impellers and shafts. These pumps are not in continuous service, but rather operated only when needed. Consequently, pump components will corrode with time. To deal with the potential of corrosion and to lengthen the service life of the decant pumps, the existing pump impellers and shafts components will be upgraded to stainless steel materials.
Estimated Charge – Material	\$15,000
Tax (8%)	\$1,200
Contingency (5%)	<u>\$810</u>
Subtotal without CCWA Labor	\$17,010
CCWA Labor	\$2,319
Total Cost	\$19,329
Operating Budget Impact:	The decant pumps are a necessary component of the water treatment plant treatment process. They return water from the sludge lagoon back to the treatment plant. This allows the water treatment plant to operate as a zero discharge plant and also minimizes water loss through the plant. Through maintaining functioning decant pumps, costs related to water loss and additional water disposal facilities are avoided.

Description:	Heating, Ventilation and Air Conditioning (HVAC) System Design
Department:	Water Treatment Plant
Expanded Description	The Heating, Ventilation and Air Conditioning (HVAC) System at the Water Treatment Plant has been in place since original construction, although the controls were replaced approximately ten years ago. Due to the design of the original system, the heating, cooling and ventilation throughout the Water Treatment Plant's Operations Building is not effective. Consequently, as part of an approved project, an engineering consultant reviewed the system design and physical installation and prepared a set of recommendations. This current project is to move forward with the first step in implementing the design changes recommended by the engineering consultant. The first phase will be to complete the design in FY 2017/2018 and the second phase will be to install the new system in FY 2018/2019.
Estimated Charge – Contractor	\$30,000
Contingency (5%)	<u>\$1,500</u>
Subtotal without CCWA Labor	\$31,500
CCWA Labor	\$2,782
Total Cost	\$34,282
Operating Budget Impact:	The existing HVAC system is not effective and at the end of its service life. Through replacing this system following the recommendations by the engineering consultant, the efforts by CCWA staff to troubleshoot and repair the system will be significantly reduced.

Central Coast Water Authority
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Description:	Vacuum Trailer
Department:	Distribution/Water Treatment Plant
Expanded Description	Staff has identified a need for a vacuum trailer to provide a cost effective and efficient method of vault cleaning, V-ditch maintenance and pot-hole investigation work. This project will procure a system to address these improved work practices.
Estimated Charge – Material	\$40,000
Tax (8%)	\$3,200
Contingency (5%)	\$2,160
Subtotal without CCWA Labor	\$45,360
CCWA Labor	\$683
Total Cost	\$46,043
Operating Budget Impact:	Manual cleaning of vaults and V-ditch drainage features is difficult to complete. The physical position that staff needs to take to complete the cleaning process is awkward and presents the potential opportunity for injury. A Vacuum Trailer will solve this issue because staff will not need to enter the drainage ditch or get into an unusual position within a vault to complete the cleaning task. This tool will assist in reducing the risk of worker injury and thus reduce the potential of costs associated with worker injury.

Description:	Replace SCADA Servers
Department:	Distribution/Water Treatment Plant
Expanded Description	The CCWA SCADA system has two physical servers, with one being located in the Buellton Administrative Offices and the second being located at the Water Treatment Plant. In the event of the fiber optic cable (FOC) being severed, this arrangement of servers allows view of SCADA data on either side of FOC break. Currently, the SCADA servers have been in service for five years. CCWA established a policy to replace critical servers every five years. This project will replace both SCADA servers due to being older than five years.
Estimated Charge – Material	\$14,000
Tax (8%)	\$1,120
Contingency (5%)	\$756
Subtotal without CCWA Labor	\$15,876
CCWA Labor	\$2,459
Total Cost	\$18,335
Operating Budget Impact:	The SCADA system allows the water treatment and delivery operation to be managed by a minimum number of staff. To operate the treatment and delivery system manually would require a significant increase in staff time to accomplish. This project will ensure that the CCWA operation is operated in a cost effective and efficient manner.

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Description:	Seismic Joint Pipe Spools and Parts
Department:	33B
Expanded Description	Through the drought, the CCWA system became an increasingly critical source of water supply. To be better prepared for responding to a break in the seismic joint, which crosses the San Andreas Fault, this project will procure pipe spools, which are a long lead item. Through procuring these pipe spools in advance, CCWA staff will be prepared to move forward with a speedy repair of the seismic joint. A total of 160 feet of 50 inch diameter pipe will be procured.
Estimated Charge – Material	\$60,000
Tax (8%)	\$4,800
Contingency (5%)	\$3,240
Subtotal without CCWA Labor	\$68,040
CCWA Labor	\$512
Total Cost	\$68,552
Operating Budget Impact:	During drought conditions, CCWA Participants have spent millions of dollars in purchasing supplemental water supplies to meet basic water supply needs. Consequently, it is vital to avoid unnecessary delays in treating and delivering water arising from a major pipe break. By purchasing the additional pipe segments in advance, the long lead time in purchasing the pipe will be avoided during a breakdown event. Having the pipe in inventory will result in a cost effective and rapid response to a pipeline break event, which will reduce response costs considerably.

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Description:	SYII Pipe Spools
Department:	SYII
Expanded Description	Through the drought, the CCWA system became an increasingly critical source of water supply. To be better prepared for responding to a break in the pipeline in Reach SYII, which was installed in the late 1960's, this project will procure pipe spools, which are along lead item. Through procuring these pipe spools in advance, CCWA staff will be prepared to move forward with a speedy repair of a pipe break in Reach SYII. A total of 160 feet of 32 inch diameter pipe will be procured.
Estimated Charge – Material	\$35,000
Tax (8%)	\$2,800
Contingency (5%)	<u>\$1,890</u>
Subtotal without CCWA Labor	\$39,690
CCWA Labor	\$512
Total Cost	\$40,202
Operating Budget Impact:	During drought conditions, CCWA Participants have spent millions of dollars in purchasing supplemental water supplies to meet basic water supply needs. Consequently, it is vital to avoid unnecessary delays in treating and delivering water arising from a major pipe break. By purchasing the additional pipe segments in advance, the long lead time in purchasing the pipe will be avoided during a breakdown event. Having the pipe in inventory will result in a cost effective and rapid response to a pipeline break event, which will reduce response costs considerably.

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Description:	Free Ammonia Online Analyzer Replacement for Tank 5 and Tank 7
Department:	SYII/MHII
Expanded Description	This project will replace the existing APA600 Free Ammonia Analyzers, which have been problematic due to their age, and have required excessive staff time in troubleshooting and repair efforts. The existing systems have been in place for over 7 years and are near the end of their service life.
Estimated Charge – Material	\$30,000
Tax (8%)	\$2,400
Contingency (5%)	\$1,620
Subtotal without CCWA Labor	\$34,020
CCWA Labor	\$1,867
Total Cost	\$35,887
Operating Budget Impact:	The water produced by the Water Treatment Plant is chloraminated and is delivered through a pipeline approximately 142 miles long. Due to the potential for nitrification of chloraminated water and the related potential loss of chlorine residual, it is vital to monitor for the presence of free ammonia in the water, as this is the first sign of the potential onset of nitrification. The free ammonia monitoring can be achieved through staff collecting and analyzing grab samples from the pipeline or through installing instrumentation at selected points on the pipeline to automatically monitor and report the concentration of free ammonia. Through installing instrumentation, significant staff time is saved

Description:	Security Fencing for Santa Ynez, Solvang, Buellton, Vandenberg Air Force Base and Lopez Turnouts
Department:	SYNEZ/SOLV/BUEL/VAFB/LOPEZ
Expanded Description	New security fencing will be installed to supplement the existing security measures of the respective Turnouts. This project is being implemented in response to recent vandalism at active Turnouts that were not secured with fencing.
Estimated Charge – Material	\$45,000
Tax (8%)	\$3,600
Contingency (5%)	\$2,430
Subtotal without CCWA Labor	\$51,030
CCWA Labor	\$4,400
Total Cost	\$55,430
Operating Budget Impact:	Currently, all active Turnout have vaults and RPP cabinets that are all equipped with locked doors and intrusion alarms. Six of the active Turnouts do not have perimeter security fencing. In response to vandalism, it was concluded that security fencing to provide an additional layer of security is merited. Through implementing this enhancement of security, the costs associated with vandalism will be reduced.

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Description:	Air Conditioning Units for Shandon and Lopez
Department:	Shandon/Lopez
Expanded Description	Air conditioning systems will be installed at the Shandon and Lopez Turnouts to address excessive heat in the instrumentation cabinets and enclosures. The current method in use for cooling Turnout instrumentation during high temperature events during the summer time are vents and fans. This does not cool to the needed level and does not address dust intrusion.
Estimated Charge – Contractor	\$10,000
Contingency (5%)	\$500
Subtotal without CCWA Labor	\$10,500
CCWA Labor	\$2,481
Total Cost	\$12,981
Operating Budget Impact:	Turnout instrumentation facilitates the remote operation of the Turnout and therefore must be protected to ensure continuous uninterrupted operation. Through keeping the instrumentation within a climate controlled environment, the service life of the instrumentation will be increased and thus minimize the replacement costs over the lifetime of the Turnout.

Description:	Distribution Instruments and tools to include valve turning tool, Fluke Calibration Software, Ultrasonic Pipe Thickness Analyzer, laser alignment tool
Department:	Distribution
Expanded Description	Additional tools are needed to assist with the further development of the preventative maintenance program for the distribution system. These additional tools will facilitate the valve exercise program, flow meter calibration program, pipeline assessment program and the mechanical pump maintenance program. This project will procure a valve turning tool, fluke calibration software, ultrasonic pipe thickness analyzer and a laser alignment tool.
Estimated Charge – Material	\$15,000
Tax (8%)	\$1,200
Contingency (5%)	\$810
Subtotal without CCWA Labor	\$17,010
CCWA Labor	\$683
Total Cost	\$17,693
Operating Budget Impact:	Through procuring tools, CCWA staff will be able to secure the skill set to perform additional tasks in-house. This will reduce the need to retain the services of specialty contractors to assist CCWA staff in completing needed preventative maintenance work. Historically, when CCWA staff is given tools, they fully utilize the tool to optimize the operations and maintenance of the CCWA water treatment and delivery system.

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Description:	Portable Electrical Generator
Department:	Distribution
Expanded Description	In the event of power being lost for an extended amount of time to a Turnout, the portable electrical generator will be utilized to supply power to the Turnout for continued operation. The generator will be sized to provide power to the Turnout instrumentation.
Estimated Charge – Material	\$25,000
Tax (8%)	\$2,000
Contingency (5%)	\$1,350
Subtotal without CCWA Labor	\$28,350
CCWA Labor	\$1,910
Total Cost	\$30,260
Operating Budget Impact:	It is important to have the capability of providing temporary power to Turnouts. Although each Turnout is equipped with a uninterruptible power supply (UPS), it only provides power for a 24 hour period. If power is completely lost, important flow information could be lost as well. The alternative to utilizing a portable generator is to replace the batteries of the UPS system once per day. This is time consuming and becomes problematic if the power outage lasts for more than a few days. The purchase of a portable generator would avoid the costs of daily battery change-outs.

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Description:	SYI Pipe Spools
Department:	SYI
Expanded Description	Through the drought, the CCWA system became an increasingly critical source of water supply. To be better prepared for responding to a break in the pipeline in Reach SYI, which passes over the Santa Ynez River Fault, this project will procure pipe spools, which are a long lead item. Through procuring these pipe spools in advance, CCWA staff will be prepared to move forward with a speedy repair of a pipe break in Reach SYI. A total of 160 feet of 32 inch diameter pipe will be procured.
Estimated Charge – Material	\$35,000
Tax (8%)	\$2,800
Contingency (5%)	\$1,890
Subtotal without CCWA Labor	\$39,690
CCWA Labor	\$512
Total Cost	\$40,202
Operating Budget Impact:	During drought conditions, CCWA Participants have spent millions of dollars in purchasing supplemental water supplies to meet basic water supply needs. Consequently, it is vital to avoid unnecessary delays in treating and delivering water arising from a major pipe break. By purchasing the additional pipe segments in advance, the long lead time in purchasing the pipe will be avoided during a breakdown event. Having the pipe in inventory will result in a cost effective and rapid response to a pipeline break event, which will reduce response costs considerably.

Description:	Rebuild Motor and Pump #1 at Santa Ynez Pumping Plant
Department:	SYII
Expanded Description	As part of the ongoing preventative maintenance work for the Santa Ynez Pumping Plant, one pump and motor set remains to be refurbished. This will complete the refurbishment of all five pump/motor sets at the plant.
Estimated Charge – Material	\$20,000
Tax (8%)	\$1,600
Contingency (5%)	\$1,080
Subtotal without CCWA Labor	\$22,680
CCWA Labor	\$3,331
Total Cost	\$26,011
Operating Budget Impact:	The refurbishment of all of the pump and motor sets at the Santa Ynez Pumping Plant will significantly extend the service life of the existing unit. Consequently, life cycle replacement costs will be reduced.

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Description:	Replace UPS at Buellton Administrative Office
Department:	Administration
Expanded Description	The current uninterruptable power supply (UPS) consists of several individual UPS systems. This project will consolidate the systems into one system, which will bring the UPS back into alignment with the original design of the UPS for the Administrative Offices.
Estimated Charge – Material	\$20,000
Tax (8%)	\$1,600
Contingency (5%)	<u>\$1,080</u>
Subtotal without CCWA Labor	\$22,680
CCWA Labor	\$1,867
Total Cost	\$24,547
Operating Budget Impact:	The use of one central UPS system will facilitate a centralized source of uninterruptible power. In addition, a new larger UPS system of modern design will allow continuous monitoring and provide a wider range of configurations that are not present with the currently used multiple UPS array. Costs will be saved due to increased communications capability and maintenance work will focus on one device only.

Description:	Buellton Administration Office Space
Department:	Administration
Expanded Description	With the addition of the Deputy Controller position, there is a need to provide additional office space within the Buellton Administrative Office. Accordingly, staff commissioned an architectural study to provide recommendations for addressing office needs and other related issues. This project implements the recommendations of that study and also includes for the provision of new furniture for three offices.
Estimated Charge – Contractor	\$55,040
Contingency (5%)	<u>\$2,752</u>
Subtotal without CCWA Labor	\$57,792
CCWA Labor	\$4,475
Total Cost	\$62,267
Operating Budget Impact:	The addition of the new Deputy Controller position is part of CCWA's succession planning effort. This position will prepare the CCWA operation for the retirement of the current Controller and will also assist with managing the current work load of the Administration Department as well. Through implementing the measures of the architectural study, staff will have adequate work space providing greater efficiency and productivity.

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Description:	Buellton Parking Lot Asphalt Overlay
Department:	Administration
Expanded Description	CCWA staff conducts annual asphalt assessments and prioritizes portions of pavement that are in need of crack sealing, slurry sealing or asphalt overlays. This project will install an asphalt overlay at the Buellton Admin office parking lot.
Estimated Charge – Contractor	\$41,500
Contingency (5%)	\$2,075
Subtotal without CCWA Labor	\$43,575
CCWA Labor	\$3,328
Total Cost	\$46,903
Operating Budget Impact:	The purpose of routine servicing of asphalt pavement is to postpone major replacement for as long as possible. This technique has been utilized for the Buellton Administrative Office parking lot. Although crack sealing and slurry sealing methods have been utilized in the past, the cracking of the pavement has continued and has reached a point where an asphalt overlay is required. This overlay will greatly extend the service life of the parking lot and the need for crack sealing and/or surface treatment will not be needed for an extended amount of time.

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FORMAL CAPITAL IMPROVEMENT PROGRAM DEVELOPMENT

CCWA is moving forward with the development of its first formal Capital Improvement Program (CIP). As the various facilities and systems that are operated and maintained by CCWA ages, there will be a need for projects to replace, refurbish and improve those facilities and systems. Not only will the number of these kinds of project increase but their magnitude in both costs and potential impact on operations will increase as well. In addition, the Board may find that the CCWA System can be improved or modified to provide addition benefits to CCWA Participants. Consequently, there is a need to carefully consider what specific projects are needed or desired by the Board and to plan and schedule their implementation. The project identification, planning, prioritization and scheduling steps are the basic steps of preparing a formal CIP.

Another important purpose of a formal CIP is that it provides a format in which to communicate to the Board a more comprehensive long range plan for the CCWA system operation and development. The current method for presenting projects to the Board is through the annual budgeting process. All projects are funded on a current year basis and are included in the agency's draft budget, which is submitted to the Board of Directors for approval. This process does not provide a full view of multi-year projects nor does it provide a definitive long term plan. In order to adequately communicate to the Board the current work of careful planning and prioritizing of projects, a formal CIP is needed.

CCWA has retained the services of an experienced engineering consultant to assist CCWA staff in developing the formal CIP. The scope of service included a review of the various equipment and facilities assessment prepared by CCWA staff and convening a workshop with CCWA staff during the second quarter 2017 to discuss the results of the assessment programs. As with all CIPs, the basic elements will include the following:

- Identification of Projects. Since the purpose of the CIP is to communicate the long term development plans for the CCWA System, it is important to identify the size of the projects to bring to the Boards attention. For the purposes of initial evaluation, CCWA staff will use \$75,000 as the threshold level in which to include a project in the CIP. The Board may decide to increase or decrease this threshold level

In terms of identifying projects, there are two kinds of projects: (1) projects identified through routine facility assessments and (2) projects that improve the CCWA system and provide additional benefits to CCWA Participants, such as expanding the water treatment plant.

- Identify Funding for Projects. For the CCWA operation, all funding of projects occurs through the annual budgeting process for the CCWA

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- operation. However, for large projects, the Board may decide to direct staff to pursue grant funding opportunities. Since applying for grants is a project in itself and may require an extended timeframe to secure a grant, this may be the first step in developing a project.
- **Budgeting Project.** A formal CIP will allow the Board to fully consider the costs and schedule of a multi-year project. In addition, annual updates of the CIP will allow updates to project costs estimates and other important updates for the Board to consider. This will improve the current method of submitting projects on a current year budget basis only.
 - **Implementing Projects.** A standard project management approach will be utilized in organizing and implementing projects. Every project will be described, in terms of cost and schedule, as a multi-phased project to include the phases shown below:
 - **Project initiation.** Once a project is identified, staff will need to prepare a description of the project as well as provide justification for the project. This is the very early stages of the project and is the basis for initial approval. If the project is approved, the next step will be implemented.
 - **Planning/Predesign.** For large projects, preliminary engineering is required to estimate the order of magnitude scope and cost of the project. Either staff or a consulting engineer can be utilized in developing these estimates. Following this step, the Board may want to provide additional review as to whether to approve the project for further development.
 - **Design.** Once a project has been approved by the Board, the project will be designed by a consulting engineering firm. If the design contract exceeds \$30,000, staff will request approval from the Board before awarding the contract, consistent with the CCWA Purchasing Policies. Generally, the design will be incorporated into a Request-For-Bids (RFB) document, using CCWA's standard contracts and front end specifications for public works projects.
 - **Construction Bid and Award.** Once the RFB is finalized, it will be advertised as required by public procurement regulations. The competitive bidding process will follow establish public works project protocol. Once bids have been publically opened, the Bids will be reviewed to determine if the contractor is responsible and if the Bid was responsive to Bid Documents. Once this process is completed, the lowest responsible and responsive Bid will be presented to the Board for consideration for contract award.

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- Construction. The construction phase will include the efforts of CCWA staff and engineering inspectors to closely monitor the progress of the construction to ensure adherence to the requirements of the Contract Documents as well as identify potential changes to the work that may be to CCWA's benefit. Staff will provide periodic updates to the Board and may also potentially request modifications of the work underway.
- Post Construction. This step is critical in terms of releasing the contractor from the project through verifying work was completed as required by the Contract Documents, all releases from future contractor and subcontractor claims have been secured and that as built records are completed.

As an initial concept, CCWA staff prepared the following table to show the current thinking of the long term projects over a ten year planning horizon. As indicated earlier, CCWA staff proposes to utilize the services of an experienced engineering consultant to assist with the development of a formal CIP. This process will likely include collaboration with participants to gain consensus with a long term plan for the CCWA System.

Conceptual Capital Improvement Program (Threshold = \$75,000)

Major Facilities	Total Budget	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Network												
Switch Replacement - 1 Yr	\$75,000	\$75,000										
SCADA Upgrade - 2Yr	\$350,000							\$175,000	\$175,000			
Distribution General												
Air Vac Replacement - 3 Yr	\$75,000				\$25,000	\$25,000	\$25,000					
Pavement Overlays - 2 Yr	\$75,000		\$37,500	\$37,500								
Water Treatment Plant												
Powdered Activated Carbon System - 1 Yr	\$650,000						\$650,000					
West Slope Drainage Improvements - 1 Yr	\$350,000			\$350,000								
Sludge Collector System - 3 year	\$675,000									\$225,000	\$225,000	\$225,000
Lining of Chlorine Contact Basin - 1 Yr	\$450,000			\$225,000	\$225,000							
Lining of Filters - 4 Yr	\$920,000				\$230,000	\$230,000	\$230,000	\$230,000				
Filter Media Replacement - 3 Year	\$1,750,000	\$437,500	\$656,250					\$656,250				
Clearwells/Backwash Structural Repair - 2 Yr	\$150,000											
Chlorine Scrubber - 1 Yr	\$150,000					\$150,000						
Clarifier Interior Recoating - 1 Yr	\$105,000	\$105,000										
HVAC Upgrade	\$210,000		\$210,000									
Office Space	\$100,000		\$100,000									
Pavement Overlays - 1 Yr	\$75,000				\$75,000							
EDV												
Hydraulic Package Refurbishment - 1 Yr	\$75,000					\$75,000						
Tank 5												
Structural Repair - 1 Yr	\$175,000			\$175,000								
Tank 7												
Structural Repair - 1 Yr	\$90,000			\$90,000								
Santa Ynez Pumping Plant												
Surge Tank Pedestal - 1 Yr	\$85,000	\$85,000										
Bradbury Dam												
Permanent Bypass Piping System - 2 Yr	\$150,000			\$75,000	\$75,000							
Estimated Yearly Totals		\$702,500	\$1,003,750	\$952,500	\$630,000	\$480,000	\$905,000	\$1,061,250	\$175,000	\$225,000	\$225,000	\$225,000



Lowering crane for bypass piping replacement. (April 2017)

CCWA Bond Debt

The CCWA Bond Debt section of the FY 2017/18 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, and the project participant debt payment schedule.

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Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

General Discussion

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

In September 2006, the Authority issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 Series 1996 A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24% and were issued to reduce the Authority's total debt service

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payments and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

Series 2016A Refunding Revenue Bonds

On June 28, 2016, the Authority issued Series 2016A refunding revenue bonds in the amount of \$45,470,000 which refunded the Authority's \$59,645,000 outstanding aggregate principal amount of Refunding Revenue Bonds (State Water Project Regional Facilities), Series 2006A. The 2016A revenue bonds were issued to realize the benefits of lower interest rates, which were issued at a true interest cost of 1.355% compared to the 4.24% true interest costs of the 2006A bonds. This transaction will reduce the Authority's debt service payments by \$1.1 million per year through the final maturity of the bonds in 2021.

Security for the Bonds

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments to the Authority with respect to the project. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOCFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

The Bonds

The bonds are dated June 28, 2016 with interest payable on April 1 and principal and interest payable on October 1 of each year (*see the "2016A Revenue Bond Debt Service Schedule" in this section*).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each

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participant and purchaser in such fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

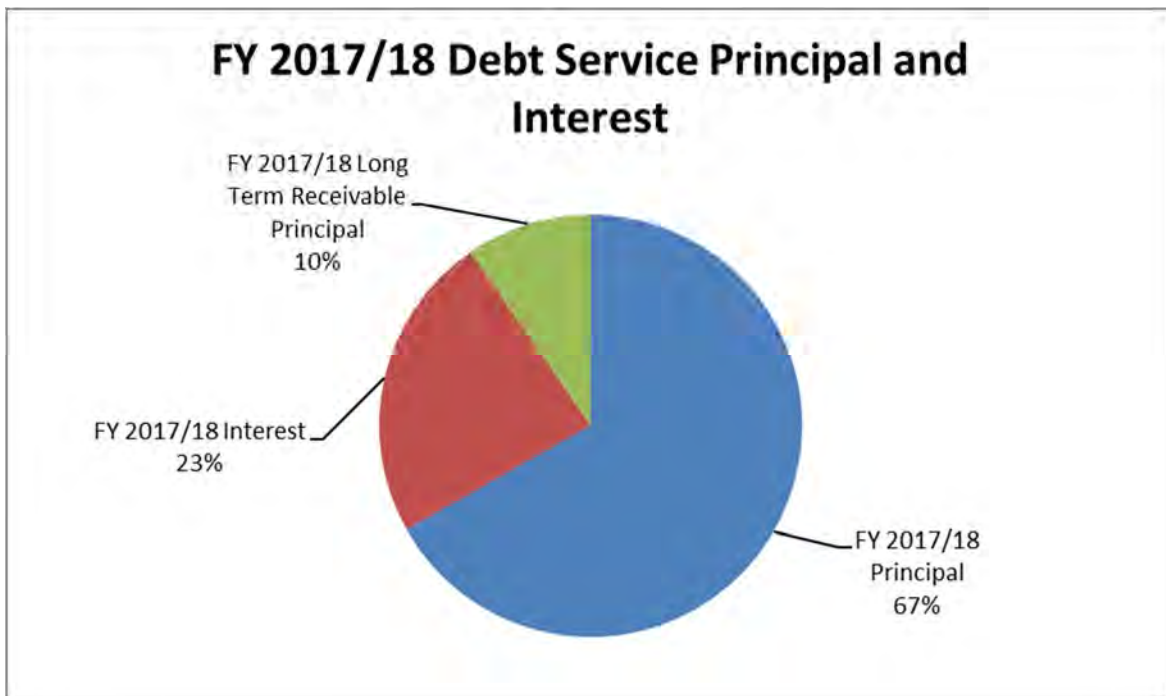
Fiscal Year 2017/18 Debt Service Budget

For FY 2017/18, total 2016A principal payments are \$7,880,000 and total interest payments due are \$2,076,500. Additional interest in the amount of \$354,644 is also being collected for the increased April 1, 2017 debt service payment, due to the timing of the 2006A Revenue Bond Refinancing, for a \$10,311,144 total debt service budget for FY 2017/18. Additionally, Bond Trustee fees in the amount of \$2,000 are included in the debt service assessment.

The following are adjustments to the CCWA 2016A revenue bond debt service payments:

- Debt Service Account Interest Income Payments from the financing participants are invested in accordance with the CCWA Investment Policy. Investments are purchased which correspond to the debt service payment dates on the bonds. Total estimated investment income is \$13,114.

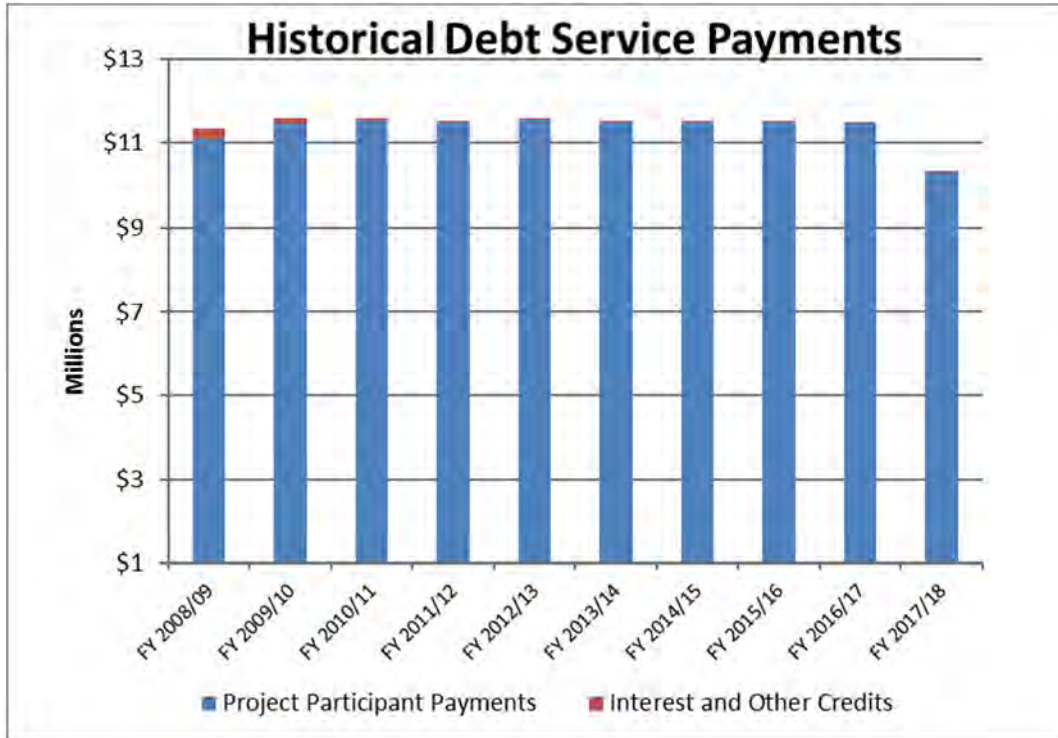
The following chart shows the total principal and interest payments for the 2016A revenue bonds for FY 2017/18, which includes the additional interest from the timing of the 2006A Revenue Bond refinancing.



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Historical CCWA Revenue Bond Debt Service Payments

The following graph shows the composition of the source of funds for payment of the CCWA revenue bond debt service payments for the past 10 years.



Project Participant Financing of Local Facilities

When the Authority’s facilities were constructed and financed with the original 1992 Revenue bond proceeds, certain financing participants elected to finance local facilities and costs with proceeds from the CCWA revenue bond issue. Since CCWA does not own these facilities, the financed costs are shown as a long-term receivable on the CCWA financial statements.

A portion of each principal payment paid by the financing participants who financed local facilities reduces the long-term receivable balance of the local facilities, and repayment of the long-term receivable is in direct proportion to the annual payment of principal on the outstanding CCWA 2016A revenue bonds.

The following table shows the original long-term receivable balance, payments against the long-term receivable prior to FY 2017/18 and the portion of the FY 2017/18 revenue bond principal payments allocated to repayment of the long-term receivable balance and corresponding ending balance.

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Bond Principal Payment Allocated to Financed Local Facilities				
Financing Participant	Original Financed Local Facilities	Principal Payments Prior to FY 2017/18	FY 2017/18 Bond Principal Allocated to Local Facilities	Long Term Receivable Balance
Avila Beach	\$ 41,348	\$ (28,266)	\$ (2,267)	\$ 10,815
California Men's Colony	915,568	(623,363)	(50,640)	241,566
County of SLO	976,433	(664,813)	(54,004)	257,616
Cuesta College	457,835	(311,716)	(25,323)	120,796
Morro Bay	7,036,800	(4,801,547)	(387,372)	1,847,881
Oceano	281,692	(192,567)	(15,445)	73,679
Pismo Beach	465,088	(317,938)	(25,501)	121,649
Shandon	33,276	(22,748)	(1,825)	8,704
Guadalupe	1,201,137	(821,107)	(65,859)	314,170
Buellton	195,505	(133,649)	(10,720)	51,136
Santa Ynez (Solvang)	479,456	(281,518)	(28,595)	169,344
Santa Ynez	159,819	(119,640)	(12,671)	27,507
Goleta	2,969,066	(2,029,679)	(162,797)	776,590
Morehart Land	12,390	(8,065)	(750)	3,575
La Cumbre	61,948	(40,324)	(3,748)	17,877
Raytheon	18,052	(12,341)	(990)	4,722
Santa Barbara	648,172	(443,096)	(35,540)	169,536
Montecito	934,625	(608,375)	(56,540)	269,711
Carpinteria	929,035	(635,096)	(50,940)	242,999
TOTAL:	\$ 17,817,245	\$ (12,095,847)	\$ (991,524)	\$ 4,729,873

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 CCWA Bond Debt
 Fiscal Year 2017/18 Budget

Financing Participant	Allocation Percentage	FY 2017/18	FY 2017/18	FY 2017/18	Trustee Expenses	Debt Service	FY 2016/17	FY 2017/18
		Series A (10/1/17) Principal Payment	Series A (10/1/17) Interest Payment	Series A (4/1/18) Interest Payment		Account Interest & Credits ⁽¹⁾	Series A (4/1/17) Additional Due ⁽²⁾	Total Payments
Avila Beach	0.11449%	\$ 9,022	\$ 1,301	\$ 1,076	\$ 2	\$ (16)	\$ 406	\$ 11,791
California Men's Colony	1.00140%	78,910	11,383	9,411	20	(140)	3,551	103,136
County of SLO	1.06675%	84,060	12,126	10,025	21	(149)	3,783	109,866
Cuesta College	0.50074%	39,458	5,692	4,706	10	(70)	1,776	51,572
Morro Bay	6.46135%	509,154	73,449	60,721	129	(905)	22,915	665,463
Oceano	0.83707%	65,961	9,515	7,866	17	(117)	2,969	86,211
Pismo Beach	1.38347%	109,018	15,727	13,001	28	(194)	4,906	142,486
Shandon	0.11336%	8,932	1,289	1,065	2	(16)	402	11,675
Guadalupe	1.42469%	112,266	16,195	13,389	28	(195)	5,053	146,736
Buellton	2.52375%	198,872	28,689	23,717	50	(325)	8,950	259,953
Santa Ynez (Solvang)	7.75040%	610,732	88,103	72,834	155	(994)	27,486	798,316
Santa Ynez	2.91069%	229,362	33,087	27,353	58	(373)	10,323	299,810
Goleta	24.42782%	1,924,912	277,683	229,560	489	(3,133)	86,632	2,516,143
Morehart Land	1.12175%	88,394	12,751	10,542	22	(141)	3,978	115,547
La Cumbre	5.37046%	423,193	61,049	50,469	107	(689)	19,046	553,175
Raytheon	0.23482%	18,504	2,669	2,207	5	(28)	833	24,189
Santa Barbara	15.01654%	1,183,303	170,701	141,118	300	(1,926)	53,255	1,546,752
Montecito	17.65001%	1,390,821	200,636	165,866	353	(2,407)	62,595	1,817,864
Carpinteria	10.09044%	795,127	114,703	94,825	202	(1,294)	35,785	1,039,347
TOTAL:	100.00000%	\$ 7,880,000	\$ 1,136,750	\$ 939,750	\$ 2,000	\$ (13,114)	\$ 354,644	\$ 10,300,030

(1) Represents interest on the financing participant debt service payments for FY 2016/17.

(2) Additional interest due on the April 1, 2017 Interest Payment due to timing of 2006 A Revenue Bond refinancing.

Central Coast Water Authority
 CCWA Bond Debt
 Fiscal Year 2017/18 Budget

Central Coast Water Authority
Series 2016A Revenue Bond Debt Service Schedule
Dated July 21, 2016

Debt Service Date	Interest Rate	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Year Debt Service (Cash)
4/1/2017			1,578,819	45,470,000	1,578,819
10/1/2017	5.000%	7,880,000	1,136,750	37,590,000	
4/1/2018			939,750	37,590,000	9,956,500 FY 2017/18
10/1/2018	5.000%	8,720,000	939,750	28,870,000	
4/1/2019			721,750	28,870,000	10,381,500
10/1/2019	5.000%	9,160,000	721,750	19,710,000	
4/1/2020			492,750	19,710,000	10,374,500
10/1/2020	5.000%	9,615,000	492,750	10,095,000	
4/1/2021			252,375	10,095,000	10,360,125
10/1/2021	5.000%	10,095,000	252,375	-	10,347,375
		\$ 45,470,000	\$ 7,528,819	\$ -	\$ 52,998,819



Conduit installation at Shandon Turnout Vault. (April 2017)

Reserves and Cash Management

The Reserves and Cash Management section of the 2017/18 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

<u>FY 2017/18 Total Reserve Balances</u>	\$11,199,670
• O&M Reserve Fund	\$ 2,000,000
• Rate Coverage Reserve Fund	\$ 9,199,670

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2017/18 Budget

This section of the Budget discusses the two cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund. This section also discusses the Authority's cash management policies and the CCWA project participant investment pool.

Operations and Maintenance Reserve Fund Policy

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Purpose: The O&M Reserve Fund is intended to provide a mechanism for the Authority to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty-days (60) of the Authority notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2017/18 Budget

Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal judgments. In the event that monies from the O&M Reserve Fund are expended for an activity which is to be funded by certain Contractors and not other Contractors (for example, repair of a certain reach of the pipeline), then (i) it is permissible to expend from the Fund an amount which exceeds the monies on deposit by those Contractors who are obligated to fund the activity under the WSA, and (ii) said Contractors shall replenish said Fund as quickly as possible, and in no event later than one year, including payment of interest on monies expended which exceeded the amount on deposit by said Contractors.

The following table shows the allocation of the Operations and Maintenance Reserve Fund by project participant.

Operations and Maintenance Reserve Fund

Project Participant	Table A Amount	% of Table A	Operating Reserve
City of Buellton	578	1.48%	\$ 29,582
Carpinteria Valley Water District	2,000	5.12%	102,359
Goleta Water District	4,500	11.52%	230,309
City of Guadalupe	550	1.41%	28,149
La Cumbre Mutual Water Company	1,000	2.56%	51,180
Montecito Water District	3,000	7.68%	153,539
Morehart Land Company	200	0.51%	10,236
City of Santa Barbara	3,000	7.68%	153,539
Raytheon Systems Company	50	0.13%	2,559
City of Santa Maria	16,200	41.46%	829,111
Santa Ynez RWCD, I.D. #1	2,000	5.12%	102,359
Golden State Water Company	500	1.28%	25,590
Vandenberg Air Force Base	5,500	14.07%	281,488
TOTAL	39,078	100.00%	\$ 2,000,000

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2017/18 Budget

Rate Coverage Reserve Fund

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

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

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

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

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2017/18 Budget

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

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

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of December 31, 2016. Participation in the fund for FY 2017/18 is not yet known. Prior to June 30, 2017, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2017/18.

FY 2016/17 Rate Coverage Reserve Fund

Project Participant	FY 2016/17 Deposit
City of Buellton	\$ 275,878
Carpinteria Valley Water District	819,119
City of Guadalupe	187,305
La Cumbre Mutual Water Company	392,582
Montecito Water District	1,422,768
City of Santa Maria	5,019,777
Santa Ynez, RWCD, I.D. #1 (Solvang)	608,426
Santa Ynez, RWCD, I.D. #1	458,347
County of San Luis Obispo (Shandon)	15,467
TOTAL:	\$ 9,199,670

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2017/18 Budget

Cash Management

The cash balances presented in “Total Budget Summary” page at the beginning of this document exclude cash balances invested in the CCWA Investment Pool (described below) with the exception of the CCWA O&M Reserve Fund. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance presentation of the “Total Budget Summary” sheet to show the cash balances as if all receivables and payables had been received or paid.

Reconciliation of Prior Year Budget and Actual Amounts

It is the Authority’s policy to refund unexpended operating assessments and investment income on the Authority’s general operating account after the close of each fiscal year. This reconciliation occurs in conjunction with the closeout of the fiscal year and the preparation of the annual financial statements.

Since all excess “revenues” are returned to the project participants and any “deficits” are collected from the project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

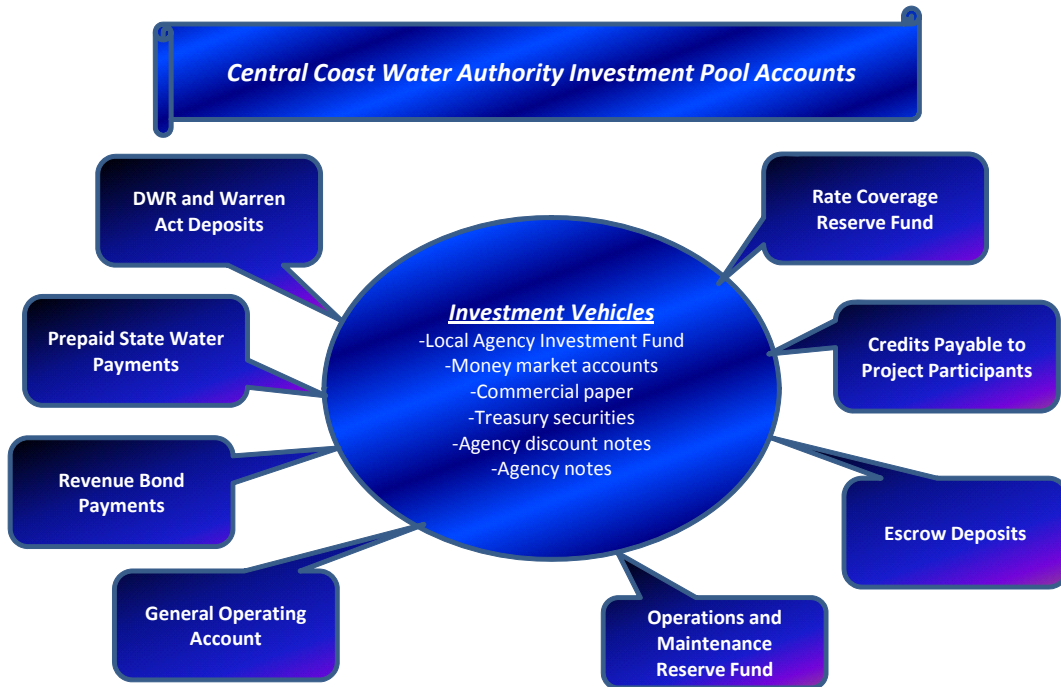
CCWA Investment Pool

All cash and investments paid by the project participants to the Authority are invested in accordance with the Authority’s Investment Policy. All cash and investments other than those funds held by the Authority’s Revenue bond trustee are allocated and invested in an investment pool which is comprised of the various “types” of payments paid by the Authority’s project participants further broken down by individual project participants within each account.

Each account within the CCWA investment pool receives investment income based on the account’s proportional share of the average daily balance for the month.

The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2017/18 Budget



Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Prepaid State Water Payments – Similar to the rate coverage reserve fund, certain project participants may elect to “prepay” a portion of the next year CCWA payments to decrease the coverage obligation in that year. In order to reduce the coverage obligation, the prepayment must be received and held by CCWA one full fiscal year in advance of when the prepayment will be applied against the payments.
- Revenue Bond Payments – funds paid by those project participants who participated in the CCWA revenue bonds. Deposits in this account

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2017/18 Budget

represent annual debt service payments on the outstanding revenue bonds [refer to the “CCWA Bond Debt” section of this budget].

- DWR and Warren Act Deposits – funds paid by the CCWA project participants for both fixed and variable DWR payments and payments to the US Bureau of Reclamation for Warren Act charges for delivery of State Water into Lake Cachuma [refer to the “DWR” section of this budget].
- Escrow Deposits – deposits received from certain “non-public agency” project participants as required under their individual water supply agreements. The deposits are approximately equal to one year’s State water payment.
- Credits payable to Project Participants– credits from many sources but primarily for O&M credits and interest income credits for under-expended O&M costs from the prior fiscal year.



New Buellton Administrative Office Signage and Native Plant Landscaping

Ten Year Financial Plan

The Ten Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant for the next ten years.

Central Coast Water Authority
ALL PROJECT PARTICIPANTS
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	9,842	9,867	10,639	10,843	10,843	10,843	10,843	10,843	10,843	10,843
Table A Water Deliveries-2nd Quarter	7,589	7,477	7,686	7,727	7,727	7,727	7,727	7,727	7,727	7,727
Table A Water Deliveries-3rd Quarter	8,384	8,605	8,632	8,635	8,635	8,635	8,635	8,635	8,635	8,635
Table A Water Deliveries-4th Quarter	9,405	9,771	9,941	9,944	9,944	9,944	9,944	9,944	9,944	9,944
Total FY Table A Deliveries (acre-feet)	35,220	35,719	36,898	37,149	37,149	37,149	37,149	37,149	37,149	37,149

Exchange Deliveries-1st Quarter	1,450	1,449	875	700	700	700	700	700	700	700
Exchange Deliveries-2nd Quarter	140	139	127	102	102	102	102	102	102	102
Exchange Deliveries-3rd Quarter	109	85	68	68	68	68	68	68	68	68
Exchange Deliveries-4th Quarter	902	734	587	587	587	587	587	587	587	587
Total FY Exchange Deliveries (acre-feet)	2,601	2,407	1,656	1,456	1,456	1,456	1,456	1,456	1,456	1,456

CCWA Variable Cost per AF Assumptions	\$ 92	\$ 97	\$ 102	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 8,149,075	\$ 8,393,547	\$ 8,645,354	\$ 8,904,714	\$ 9,171,856	\$ 9,447,011	\$ 9,730,422	\$ 10,022,334	\$ 10,323,004	\$ 10,643,713
CCWA Variable O&M Costs ⁽⁵⁾	2,831,388	2,867,904	3,056,539	3,218,708	3,379,643	3,548,625	3,726,056	3,912,359	4,107,977	4,313,376
CCWA Revenue Bond Payments ⁽⁹⁾	9,881,672	10,356,500	10,349,500	10,335,125	10,322,375	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	750,994	762,305	805,906	817,523	817,523	817,523	817,523	817,523	817,523	817,523
Subtotal: CCWA Costs	21,613,128	22,380,257	22,857,299	23,276,070	23,691,396	13,813,159	14,274,001	14,752,216	15,248,504	15,774,612

DWR Costs ⁽⁷⁾										
Transportation Capital	19,284,405	19,117,132	19,210,853	19,268,512	19,262,948	19,258,837	19,256,279	19,253,419	19,250,292	19,247,164
Coastal Branch Extension	3,124,356	2,463,326	2,027,974	2,904,947	2,993,818	3,549,977	2,570,735	2,616,549	2,109,322	2,163,186
Water System Revenue Bond Surcharge	1,807,613	1,787,761	2,076,200	1,827,579	1,880,055	1,766,732	1,852,120	1,757,260	1,622,452	1,537,147
Transportation Minimum OMP&R	7,558,589	7,938,811	7,900,039	7,960,740	8,040,347	8,120,751	8,201,958	8,283,978	8,366,817	8,450,485
Delta Water Charge	3,221,405	3,389,423	3,565,841	3,751,081	3,945,582	4,149,808	4,364,246	4,589,405	4,825,823	5,074,061
DWR Variable Costs ⁽⁵⁾	4,747,434	4,456,277	4,679,266	4,913,230	5,158,891	5,416,836	5,687,678	5,972,061	6,270,665	6,584,198
Subtotal: DWR Costs	\$ 39,743,803	\$ 39,152,729	\$ 39,460,173	\$ 40,626,088	\$ 41,281,641	\$ 42,262,940	\$ 41,933,015	\$ 42,472,672	\$ 42,445,370	\$ 43,056,241

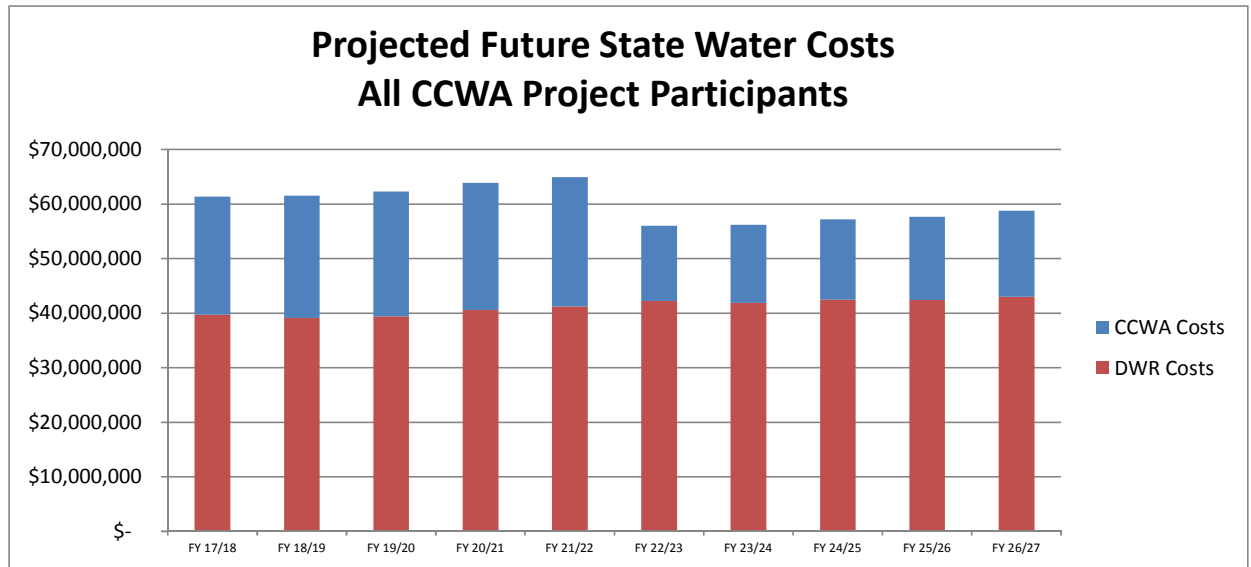
Total Projected State Water Costs	\$ 61,356,931	\$ 61,532,985	\$ 62,317,472	\$ 63,902,157	\$ 64,973,037	\$ 56,076,099	\$ 56,207,015	\$ 57,224,888	\$ 57,693,875	\$ 58,830,853
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Central Coast Water Authority
ALL PROJECT PARTICIPANTS
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<i>Projected Payments by Due Date</i>										
June 1st Fixed Payment ⁽³⁾	\$ 53,027,116	\$ 53,446,499	\$ 53,775,760	\$ 54,952,697	\$ 55,616,981	\$ 46,293,116	\$ 45,975,759	\$ 46,522,945	\$ 46,497,710	\$ 47,115,756
April 1st Variable Payment ⁽⁴⁾	2,526,708	2,438,855	2,551,844	2,666,085	2,788,605	2,917,252	3,052,330	3,194,163	3,343,088	3,499,458
July 1st Variable Payment	1,659,386	1,628,744	1,737,150	1,821,406	1,903,576	1,989,855	2,080,447	2,175,569	2,275,447	2,380,319
October 1st Variable Payment	1,865,318	1,819,770	1,931,250	2,026,121	2,116,892	2,212,201	2,312,275	2,417,353	2,527,684	2,643,533
January 1st Variable Payment	2,278,402	2,199,117	2,321,468	2,435,848	2,546,984	2,663,677	2,786,204	2,914,858	3,049,945	3,191,786

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a change in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby changing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
City of Guadalupe
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<i>Water Deliveries-Fiscal Year Basis (AF)</i> ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Water Deliveries-1st Quarter	110	110	110	110	110	110	110	110	110	110
Water Deliveries-2nd Quarter	88	88	88	88	88	88	88	88	88	88
Water Deliveries-3rd Quarter	109	109	109	109	109	109	109	109	109	109
Water Deliveries-4th Quarter	109	109	109	109	109	109	109	109	109	109
Total FY Water Deliveries (acre-feet)	416	416	416	416	416	416	416	416	416	416

CCWA Variable Cost per AF Assumptions	\$ 64	\$ 67	\$ 70	\$ 74	\$ 77	\$ 81	\$ 85	\$ 90	\$ 94	\$ 99
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

<i>CCWA Costs</i>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 111,560	\$ 122,790	\$ 126,474	\$ 130,268	\$ 134,176	\$ 127,183	\$ 131,329	\$ 135,599	\$ 139,998	\$ 155,547
CCWA Variable O&M Costs ⁽⁵⁾	27,802	27,813	29,203	30,663	32,197	33,806	35,497	37,272	39,135	41,092
CCWA Bond Payments & O&M Credits ⁽⁸⁾	157,132	147,548	147,449	147,244	147,062	-	-	-	-	-
Subtotal: CCWA Costs	296,495	298,151	303,125	308,175	313,435	160,989	166,825	172,871	179,133	196,638

<i>DWR Costs</i> ⁽⁷⁾										
Transportation Capital	271,064	268,712	270,030	270,840	270,762	270,704	270,668	270,628	270,584	270,540
Coastal Branch Extension	-	-	-	-	-	-	-	-	-	-
Water System Revenue Bond Surcharge	24,931	24,657	28,635	25,206	25,930	24,367	25,545	24,236	22,377	21,200
Transportation Minimum OMP&R	103,995	110,017	109,480	110,321	111,424	112,538	113,664	114,800	115,948	117,108
Delta Water Charge	42,854	45,082	47,429	49,892	52,479	55,196	58,048	61,043	64,187	67,489
DWR Variable Costs ⁽⁵⁾⁽⁶⁾	74,504	54,382	57,101	59,956	62,953	66,101	69,406	72,877	76,520	80,346
Subtotal: DWR Costs	\$ 517,347	\$ 502,850	\$ 512,674	\$ 516,215	\$ 523,549	\$ 528,906	\$ 537,331	\$ 543,584	\$ 549,617	\$ 556,684

DWR Future Capital Projects (BDCP) ⁽⁵⁾										
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Total Projected State Water Costs	\$ 813,842	\$ 801,001	\$ 815,799	\$ 824,390	\$ 836,983	\$ 689,895	\$ 704,156	\$ 716,454	\$ 728,750	\$ 753,322
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Central Coast Water Authority
City of Guadalupe
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

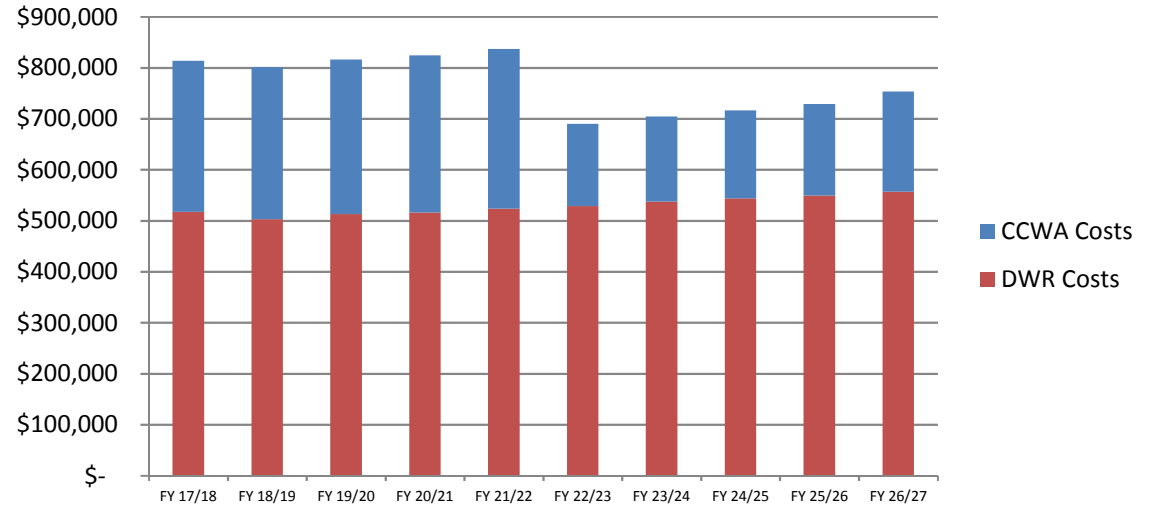
Projected Payments by Due Date

June 1st Fixed Payment ⁽³⁾	\$ 711,536	\$ 718,806	\$ 729,495	\$ 733,771	\$ 741,833	\$ 589,988	\$ 599,253	\$ 606,306	\$ 613,094	\$ 631,884
April 1st Variable Payment ⁽⁴⁾	27,052	21,734	22,821	23,962	25,160	26,418	27,739	29,126	30,582	32,111
July 1st Variable Payment	21,642	17,387	18,257	19,169	20,128	21,134	22,191	23,301	24,466	25,689
October 1st Variable Payment	26,806	21,536	22,613	23,744	24,931	26,178	27,487	28,861	30,304	31,819
January 1st Variable Payment	26,806	21,536	22,613	23,744	24,931	26,178	27,487	28,861	30,304	31,819

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.

**Projected Future State Water Costs
 City of Guadalupe**



Central Coast Water Authority
City of Santa Maria
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

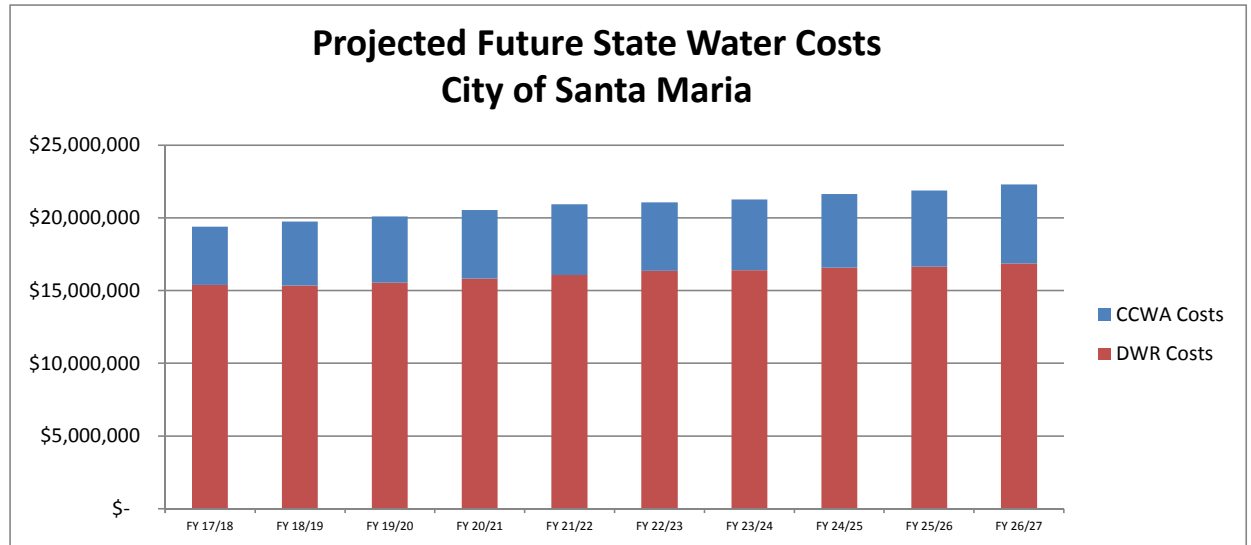
<i>Water Deliveries-Fiscal Year Basis (AF)</i> ⁽²⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Water Deliveries-1st Quarter	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146
Water Deliveries-2nd Quarter	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,301
Water Deliveries-3rd Quarter	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352
Water Deliveries-4th Quarter	3,522	3,522	3,522	3,522	3,522	3,522	3,522	3,522	3,522	3,522
Total FY Water Deliveries (acre-feet)	12,321	12,321	12,321	12,321	12,321	12,321	12,321	12,321	12,321	12,321
CCWA Variable Cost per AF Assumptions	\$ 64	\$ 67	\$ 70	\$ 74	\$ 77	\$ 81	\$ 85	\$ 90	\$ 94	\$ 99
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193
<i>CCWA Costs</i>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 3,244,656	\$ 3,575,475	\$ 3,682,739	\$ 3,793,221	\$ 3,907,018	\$ 3,699,680	\$ 3,820,407	\$ 3,944,756	\$ 4,072,835	\$ 4,204,756
CCWA Variable O&M Costs ⁽⁵⁾	823,446	823,748	864,935	908,182	953,591	1,001,271	1,051,334	1,103,901	1,159,096	1,217,051
CCWA Bond Payments & O&M Credits	(71,642)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	3,996,460	4,399,223	4,547,674	4,701,403	4,860,609	4,700,951	4,871,741	5,048,656	5,231,931	5,421,807
<i>DWR Costs</i> ⁽⁷⁾										
Transportation Capital	7,983,253	7,914,006	7,952,804	7,976,673	7,974,370	7,972,668	7,971,609	7,970,425	7,969,131	7,967,836
Coastal Branch Extension	681,027	536,913	442,022	633,170	652,540	773,762	560,324	570,310	459,753	471,493
Water System Revenue Bond Surcharge	737,350	729,252	846,910	745,494	766,900	720,674	755,504	716,810	661,820	627,023
Transportation Minimum OMP&R	3,044,846	3,240,496	3,224,670	3,249,447	3,281,941	3,314,761	3,347,908	3,381,387	3,415,201	3,449,353
Delta Water Charge	1,262,236	1,327,870	1,396,986	1,469,557	1,545,756	1,625,766	1,709,776	1,797,986	1,890,607	1,987,859
DWR Variable Costs ^{(5) (6)}	1,699,190	1,610,663	1,691,196	1,775,756	1,864,543	1,957,771	2,055,659	2,158,442	2,266,364	2,379,682
Subtotal: DWR Costs	\$ 15,407,901	\$ 15,359,199	\$ 15,554,587	\$ 15,850,096	\$ 16,086,051	\$ 16,365,401	\$ 16,400,781	\$ 16,595,360	\$ 16,662,876	\$ 16,883,247
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 19,404,361	\$ 19,758,422	\$ 20,102,262	\$ 20,551,499	\$ 20,946,660	\$ 21,066,352	\$ 21,272,522	\$ 21,644,017	\$ 21,894,807	\$ 22,305,054

Central Coast Water Authority
City of Santa Maria
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<i>Projected Payments by Due Date</i>										
June 1st Fixed Payment ⁽³⁾	\$ 16,881,725	\$ 17,324,011	\$ 17,546,131	\$ 17,867,562	\$ 18,128,525	\$ 18,107,311	\$ 18,165,529	\$ 18,381,674	\$ 18,469,347	\$ 18,708,321
April 1st Variable Payment ⁽⁴⁾	848,863	819,176	860,135	903,141	948,298	995,713	1,045,499	1,097,774	1,152,663	1,210,296
July 1st Variable Payment	471,113	454,637	477,369	501,237	526,299	552,614	580,244	609,257	639,719	671,705
October 1st Variable Payment	481,555	464,713	487,949	512,346	537,964	564,862	593,105	622,760	653,898	686,593
January 1st Variable Payment	721,104	695,885	730,679	767,213	805,573	845,852	888,145	932,552	979,179	1,028,138

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.



Central Coast Water Authority
Golden State Water Company
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Water Deliveries-1st Quarter	129	129	129	129	129	129	129	129	129	129
Water Deliveries-2nd Quarter	63	63	63	63	63	63	63	63	63	63
Water Deliveries-3rd Quarter	134	134	134	134	134	134	134	134	134	134
Water Deliveries-4th Quarter	131	131	131	131	131	131	131	131	131	131
Total FY Water Deliveries (acre-feet)	457	457	457	457	457	457	457	457	457	457

CCWA Variable Cost per AF Assumptions	\$ 64	\$ 67	\$ 70	\$ 74	\$ 77	\$ 81	\$ 85	\$ 90	\$ 94	\$ 99
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 104,263	\$ 116,050	\$ 119,532	\$ 123,118	\$ 126,811	\$ 120,599	\$ 124,517	\$ 128,553	\$ 132,710	\$ 136,992
CCWA Variable O&M Costs ⁽⁵⁾	30,543	30,554	32,081	33,686	35,370	37,138	38,995	40,945	42,992	45,142
CCWA Bond Payments & O&M Credits	(5,291)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	129,515	146,604	151,613	156,803	162,181	157,737	163,513	169,498	175,703	182,134

DWR Costs ⁽⁷⁾										
Transportation Capital	246,410	244,273	245,470	246,207	246,136	246,084	246,051	246,014	245,974	245,934
Coastal Branch Extension	21,019	16,562	13,635	19,531	20,129	23,868	17,284	17,592	14,182	14,544
Water System Revenue Bond Surcharge	22,857	22,606	26,253	23,109	23,773	22,340	23,420	22,220	20,516	19,437
Transportation Minimum OMP&R	94,329	100,015	99,527	100,292	101,294	102,307	103,331	104,364	105,407	106,462
Delta Water Charge	38,958	40,984	43,117	45,357	47,709	50,178	52,771	55,493	58,352	61,354
DWR Variable Costs ^{(5) (6)}	42,924	59,741	62,728	65,865	69,158	72,616	76,247	80,059	84,062	88,265
Subtotal: DWR Costs	\$ 466,498	\$ 484,181	\$ 490,731	\$ 500,361	\$ 508,199	\$ 517,393	\$ 519,103	\$ 525,743	\$ 528,494	\$ 535,996

DWR Future Capital Projects (BDCP) ⁽⁵⁾										
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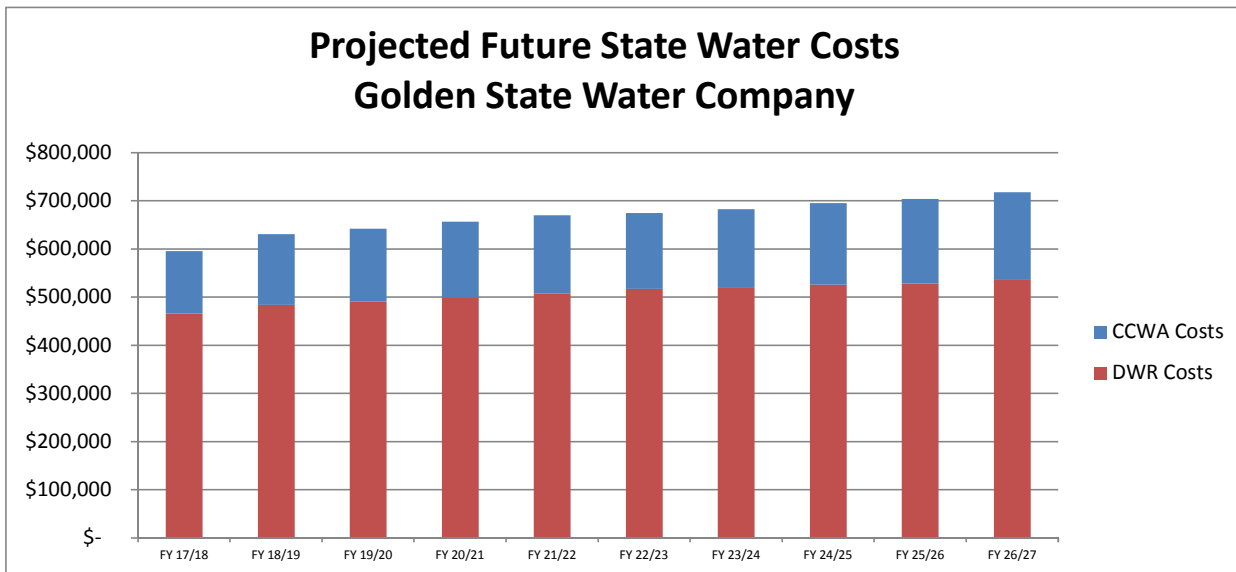
Total Projected State Water Costs	\$ 596,013	\$ 630,786	\$ 642,344	\$ 657,165	\$ 670,380	\$ 675,130	\$ 682,616	\$ 695,242	\$ 704,196	\$ 718,130
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Central Coast Water Authority
Golden State Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	522,546	\$	540,490	\$	547,534	\$	557,614	\$	565,853	\$	565,376	\$	567,374	\$	574,238	\$	577,142	\$	584,723
April 1st Variable Payment ⁽⁴⁾		20,738		25,488		26,763		28,101		29,506		30,981		32,530		34,156		35,864		37,658
July 1st Variable Payment		10,128		12,448		13,070		13,724		14,410		15,130		15,887		16,681		17,515		18,391
October 1st Variable Payment		21,542		26,476		27,800		29,190		30,649		32,182		33,791		35,480		37,254		39,117
January 1st Variable Payment		21,059		25,883		27,177		28,536		29,963		31,461		33,034		34,686		36,420		38,241

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.



Central Coast Water Authority
Vandenberg AFB
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Water Deliveries-1st Quarter	899	899	899	899	899	899	899	899	899	899
Water Deliveries-2nd Quarter	387	387	387	387	387	387	387	387	387	387
Water Deliveries-3rd Quarter	464	464	464	464	464	464	464	464	464	464
Water Deliveries-4th Quarter	735	735	735	735	735	735	735	735	735	735
Total FY Water Deliveries (acre-feet)	2,485	2,485	2,485	2,485	2,485	2,485	2,485	2,485	2,485	2,485

CCWA Variable Cost per AF Assumptions	\$ 64	\$ 67	\$ 70	\$ 74	\$ 77	\$ 81	\$ 85	\$ 90	\$ 94	\$ 99
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 1,214,180	\$ 1,297,696	\$ 1,336,626	\$ 1,376,725	\$ 1,418,027	\$ 1,350,382	\$ 1,394,199	\$ 1,439,330	\$ 1,485,816	\$ 1,533,696
CCWA Variable O&M Costs ⁽⁵⁾	166,079	166,140	174,447	183,170	192,328	201,944	212,042	222,644	233,776	245,465
CCWA Bond Payments & O&M Credits	-	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	1,380,259	1,463,836	1,511,074	1,559,895	1,610,355	1,552,326	1,606,240	1,661,974	1,719,592	1,779,160

DWR Costs ⁽⁷⁾										
Transportation Capital	2,710,391	2,686,881	2,700,053	2,708,157	2,707,375	2,706,797	2,706,437	2,706,035	2,705,596	2,705,156
Coastal Branch Extension	610,349	481,233	396,183	567,508	584,870	693,520	502,216	511,167	412,075	422,598
Water System Revenue Bond Surcharge	250,365	247,615	287,566	253,130	260,399	244,703	256,529	243,391	224,719	212,904
Transportation Minimum OMP&R	1,136,696	1,100,168	1,094,795	1,103,207	1,114,239	1,125,382	1,136,636	1,148,002	1,159,482	1,171,077
Delta Water Charge	428,537	450,820	474,285	498,924	524,794	551,957	580,479	610,427	641,873	674,890
DWR Variable Costs ^{(5) (6)}	345,462	324,852	341,094	358,149	376,056	394,859	414,602	435,332	457,099	479,954
Subtotal: DWR Costs	\$ 5,481,801	\$ 5,291,569	\$ 5,293,977	\$ 5,489,075	\$ 5,567,733	\$ 5,717,218	\$ 5,596,900	\$ 5,654,354	\$ 5,600,844	\$ 5,666,579

DWR Future Capital Projects (BDCP) ⁽⁵⁾										
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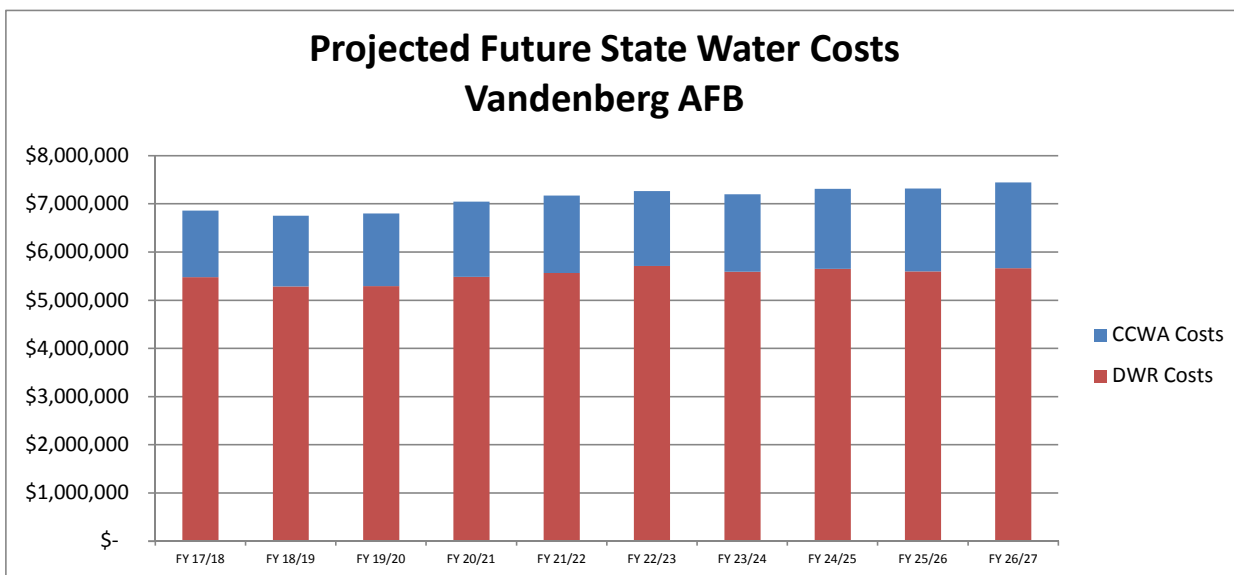
Total Projected State Water Costs	\$ 6,862,060	\$ 6,755,405	\$ 6,805,050	\$ 7,048,969	\$ 7,178,087	\$ 7,269,544	\$ 7,203,141	\$ 7,316,328	\$ 7,320,435	\$ 7,445,740
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Central Coast Water Authority
Vandenberg AFB
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 6,350,518	\$ 6,264,413	\$ 6,289,509	\$ 6,507,651	\$ 6,609,703	\$ 6,672,741	\$ 6,576,497	\$ 6,658,352	\$ 6,629,561	\$ 6,720,321
April 1st Variable Payment ⁽⁴⁾	185,061	177,626	186,508	195,833	205,625	215,906	226,701	238,036	249,938	262,435
July 1st Variable Payment	79,665	76,464	80,288	84,302	88,517	92,943	97,590	102,469	107,593	112,973
October 1st Variable Payment	95,515	91,678	96,262	101,075	106,129	111,435	117,007	122,857	129,000	135,450
January 1st Variable Payment	151,301	145,223	152,484	160,108	168,114	176,519	185,345	194,613	204,343	214,560

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.



Central Coast Water Authority
City of Buellton
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Water Deliveries-1st Quarter	184	184	184	184	184	184	184	184	184	184
Water Deliveries-2nd Quarter	127	127	127	127	127	127	127	127	127	127
Water Deliveries-3rd Quarter	119	119	119	119	119	119	119	119	119	119
Water Deliveries-4th Quarter	162	162	162	162	162	162	162	162	162	162
Total FY Water Deliveries (acre-feet)	592	592	592	592	592	592	592	592	592	592

CCWA Variable Cost per AF Assumptions	\$ 64	\$ 67	\$ 70	\$ 74	\$ 77	\$ 81	\$ 85	\$ 90	\$ 94	\$ 99
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 155,692	\$ 171,581	\$ 176,728	\$ 182,030	\$ 187,491	\$ 181,536	\$ 187,329	\$ 193,297	\$ 199,443	\$ 205,774
CCWA Variable O&M Costs ⁽⁵⁾	39,565	39,579	41,558	43,636	45,818	48,109	50,515	53,040	55,692	58,477
CCWA Bond Payments & O&M Credits ⁽⁸⁾	251,950	261,372	261,196	260,833	260,511	-	-	-	-	-
Subtotal: CCWA Costs	447,207	472,532	479,482	486,499	493,820	229,645	237,844	246,337	255,135	264,251

DWR Costs ⁽⁷⁾										
Transportation Capital	284,852	282,381	283,766	284,618	284,535	284,475	284,437	284,395	284,348	284,302
Coastal Branch Extension	64,142	50,561	41,625	59,625	61,449	72,864	52,765	53,706	43,295	44,400
Water System Revenue Bond Surcharge	26,224	25,936	30,121	26,514	27,275	25,631	26,870	25,494	23,538	22,300
Transportation Minimum OMP&R	108,773	115,618	115,053	115,937	117,096	118,267	119,450	120,645	121,851	123,070
Delta Water Charge	45,050	47,392	49,859	52,449	55,168	58,024	61,022	64,171	67,476	70,947
DWR Variable Costs ^{(5) (6)}	23,885	77,389	81,259	85,322	89,588	94,067	98,770	103,709	108,894	114,339
Subtotal: DWR Costs	\$ 552,926	\$ 599,277	\$ 601,682	\$ 624,464	\$ 635,112	\$ 653,329	\$ 643,315	\$ 652,118	\$ 649,403	\$ 659,359
DWR Future Capital Projects (BDCP) ⁽⁵⁾										

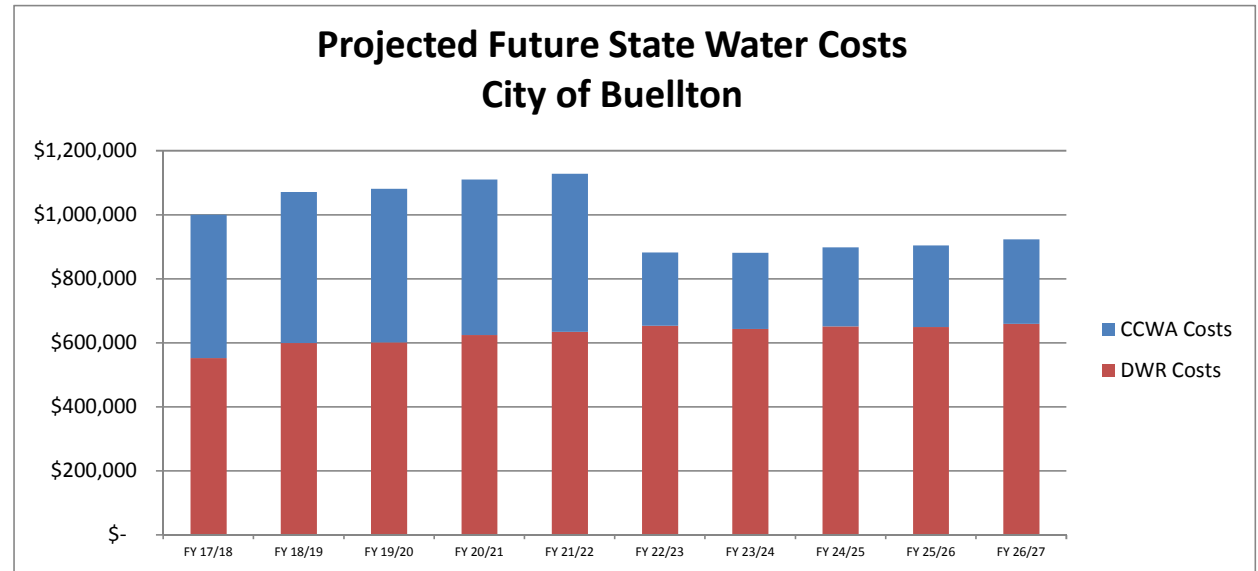
Total Projected State Water Costs	\$ 1,000,133	\$ 1,071,810	\$ 1,081,164	\$ 1,110,963	\$ 1,128,932	\$ 882,974	\$ 881,159	\$ 898,455	\$ 904,538	\$ 923,609
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Central Coast Water Authority
City of Buellton
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	936,683	\$	954,841	\$	958,347	\$	982,005	\$	993,526	\$	740,798	\$	731,874	\$	741,706	\$	739,951	\$	750,793
April 1st Variable Payment ⁽⁴⁾		19,721		36,355		38,173		40,082		42,086		44,190		46,399		48,719		51,155		53,713
July 1st Variable Payment		13,612		25,093		26,348		27,665		29,048		30,501		32,026		33,627		35,308		37,074
October 1st Variable Payment		12,754		23,512		24,688		25,922		27,218		28,579		30,008		31,509		33,084		34,738
January 1st Variable Payment		17,363		32,008		33,609		35,289		37,054		38,906		40,852		42,894		45,039		47,291

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
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- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Santa Ynez ID#1 (Solvang)
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Water Deliveries-1st Quarter	451	451	451	451	451	451	451	451	451	451
Water Deliveries-2nd Quarter	225	225	225	225	225	225	225	225	225	225
Water Deliveries-3rd Quarter	211	211	211	211	211	211	211	211	211	211
Water Deliveries-4th Quarter	344	344	344	344	344	344	344	344	344	344
Total FY Water Deliveries (acre-feet)	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231

CCWA Variable Cost per AF Assumptions	\$ 64	\$ 67	\$ 70	\$ 74	\$ 77	\$ 81	\$ 85	\$ 90	\$ 94	\$ 99
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 383,438	\$ 418,269	\$ 430,817	\$ 443,741	\$ 457,054	\$ 440,714	\$ 454,837	\$ 469,384	\$ 484,367	\$ 499,800
CCWA Variable O&M Costs ⁽⁵⁾	82,271	82,301	86,416	90,737	95,274	100,038	105,040	110,292	115,806	121,596
CCWA Bond Payments & O&M Credits ⁽⁸⁾	781,100	802,670	802,128	801,014	800,025	-	-	-	-	-
Subtotal: CCWA Costs	1,246,810	1,303,240	1,319,361	1,335,492	1,352,353	540,752	559,877	579,676	600,173	621,396

DWR Costs ⁽⁷⁾										
Transportation Capital	732,183	725,832	729,391	731,580	731,369	731,212	731,115	731,007	730,888	730,769
Coastal Branch Extension	166,459	131,249	108,053	154,779	159,514	189,147	136,972	139,413	112,387	115,257
Water System Revenue Bond Surcharge	66,013	65,288	75,822	66,742	68,659	64,520	67,638	64,174	59,251	56,136
Transportation Minimum OMP&R	273,479	290,703	289,283	291,506	294,421	297,365	300,339	303,342	306,376	309,439
Delta Water Charge	106,707	111,774	117,591	123,700	130,114	136,849	143,921	151,346	159,142	167,328
DWR Variable Costs ^{(5) (6)}	100,603	160,922	168,969	177,417	186,288	195,602	205,382	215,652	226,434	237,756
Subtotal: DWR Costs	\$ 1,445,443	\$ 1,485,768	\$ 1,489,108	\$ 1,545,724	\$ 1,570,364	\$ 1,614,696	\$ 1,585,367	\$ 1,604,933	\$ 1,594,478	\$ 1,616,685

Total Projected State Water Costs	\$ 2,692,253	\$ 2,789,008	\$ 2,808,469	\$ 2,881,216	\$ 2,922,717	\$ 2,155,448	\$ 2,145,244	\$ 2,184,608	\$ 2,194,651	\$ 2,238,081
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Central Coast Water Authority
Santa Ynez ID#1 (Solvang)
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

Projected Payments by Due Date										
June 1st Fixed Payment ⁽³⁾	\$ 2,509,379	\$ 2,545,784	\$ 2,553,084	\$ 2,613,061	\$ 2,641,155	\$ 1,859,808	\$ 1,834,822	\$ 1,858,665	\$ 1,852,411	\$ 1,878,729
April 1st Variable Payment ⁽⁴⁾	66,999	89,110	93,565	98,243	103,155	108,313	113,729	119,415	125,386	131,655
July 1st Variable Payment	33,425	44,456	46,679	49,013	51,463	54,037	56,738	59,575	62,554	65,682
October 1st Variable Payment	31,346	41,690	43,774	45,963	48,261	50,674	53,208	55,868	58,662	61,595
January 1st Variable Payment	51,104	67,968	71,367	74,935	78,682	82,616	86,747	91,084	95,638	100,420

NOTES

(1) Actual water delivery requests for the first four years and delivery estimates thereafter.

(2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.

(3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).

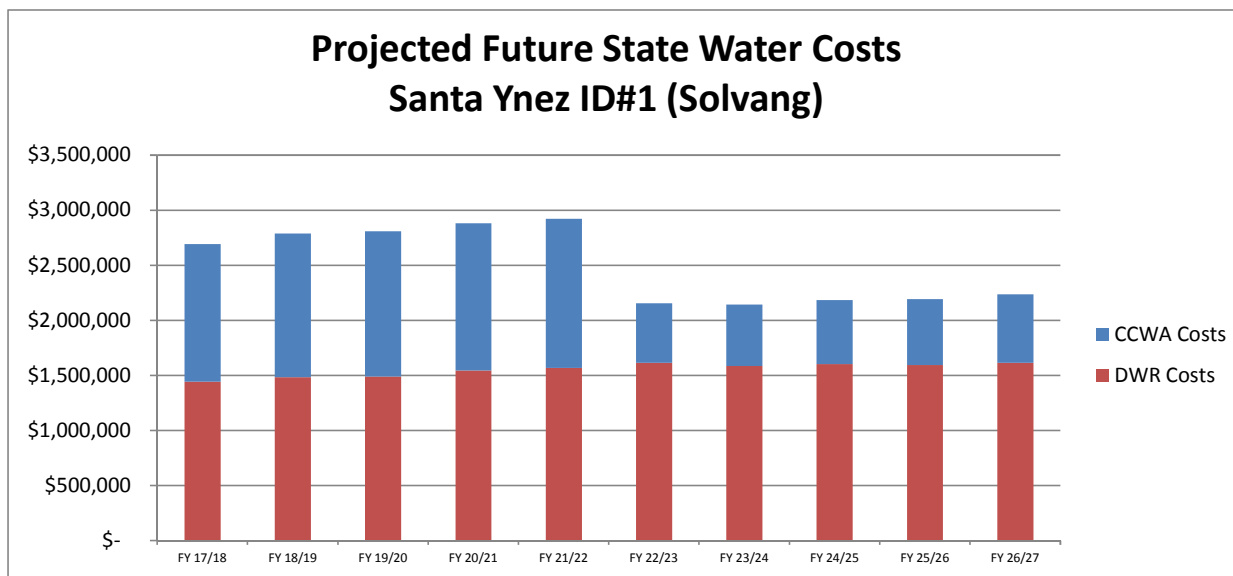
(4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.

(5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.

DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.

(7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.

(8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Santa Ynez ID#1
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

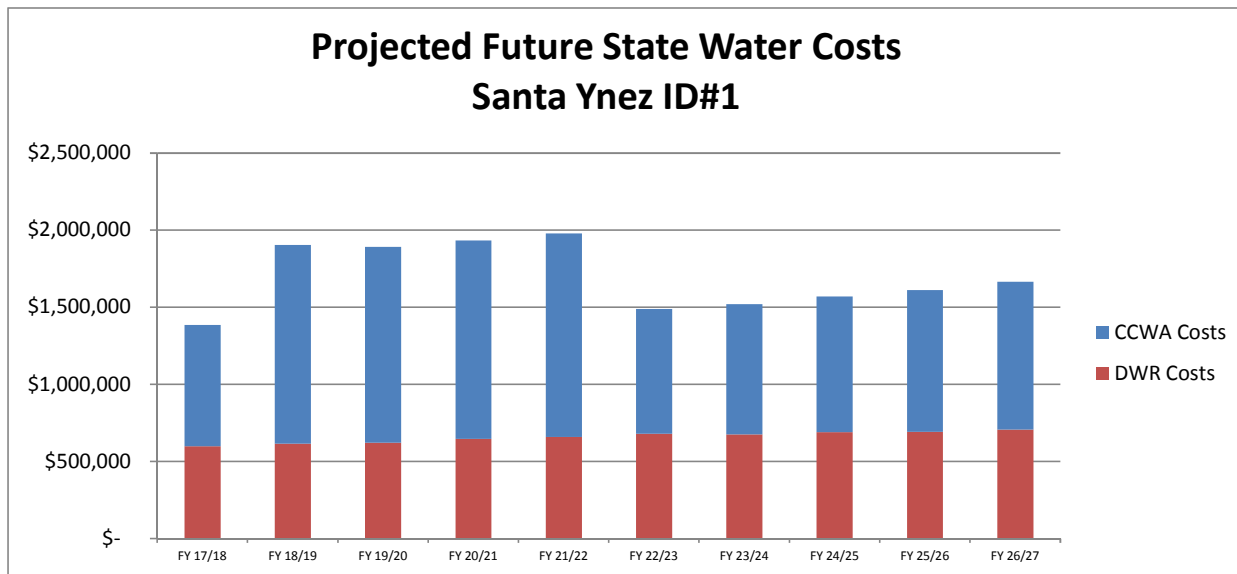
Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	247	247	247	247	247	247	247	247	247	247
Table A Water Deliveries-2nd Quarter	355	355	355	355	355	355	355	355	355	355
Table A Water Deliveries-3rd Quarter	225	225	225	225	225	225	225	225	225	225
Table A Water Deliveries-4th Quarter	210	210	210	210	210	210	210	210	210	210
Total FY Table A Deliveries (acre-feet)	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037
Exchange Deliveries-1st Quarter	1,450	1,449	875	700	700	700	700	700	700	700
Exchange Deliveries-2nd Quarter	140	139	127	102	102	102	102	102	102	102
Exchange Deliveries-3rd Quarter	109	85	68	68	68	68	68	68	68	68
Exchange Deliveries-4th Quarter	902	734	587	587	587	587	587	587	587	587
Total FY Exchange Deliveries (acre-feet)	2,601	2,407	1,656	1,456	1,456	1,456	1,456	1,456	1,456	1,456
CCWA Variable Cost per AF Assumptions	\$ 64	\$ 67	\$ 70	\$ 74	\$ 77	\$ 81	\$ 85	\$ 90	\$ 94	\$ 99
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193
CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 667,010	\$ 755,957	\$ 778,635	\$ 801,994	\$ 826,054	\$ 606,086	\$ 631,611	\$ 657,902	\$ 684,982	\$ 712,874
CCWA Variable O&M Costs ⁽⁵⁾	243,126	230,239	189,069	183,759	192,947	202,595	212,724	223,360	234,529	246,255
CCWA Bond Payments & O&M Credits ⁽⁸⁾	(123,969)	301,446	301,242	300,823	300,452	-	-	-	-	-
Subtotal: CCWA Costs	786,168	1,287,641	1,268,946	1,286,577	1,319,454	808,681	844,336	881,263	919,510	959,128
DWR Costs ⁽⁷⁾										
Transportation Capital	253,397	251,199	252,430	253,188	253,115	253,061	253,027	252,989	252,948	252,907
Coastal Branch Extension	55,486	43,762	36,028	51,607	53,186	63,066	45,670	46,484	37,473	38,430
Water System Revenue Bond Surcharge	24,941	24,667	28,647	25,216	25,940	24,377	25,555	24,246	22,386	21,209
Transportation Minimum OMP&R	103,073	109,358	108,824	109,660	110,757	111,865	112,983	114,113	115,254	116,407
Delta Water Charge	48,667	52,161	54,876	57,727	60,720	63,863	67,163	70,628	74,266	78,087
DWR Variable Costs ^{(5) (6)}	113,835	135,562	142,340	149,457	156,930	164,776	173,015	181,666	190,749	200,287
Subtotal: DWR Costs	\$ 599,398	\$ 616,708	\$ 623,145	\$ 646,855	\$ 660,648	\$ 681,007	\$ 677,413	\$ 690,126	\$ 693,077	\$ 707,326
Total Projected State Water Costs	\$ 1,385,566	\$ 1,904,350	\$ 1,892,091	\$ 1,933,432	\$ 1,980,101	\$ 1,489,688	\$ 1,521,748	\$ 1,571,389	\$ 1,612,587	\$ 1,666,454

Central Coast Water Authority
Santa Ynez ID#1
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

Projected Payments by Due Date										
June 1st Fixed Payment ⁽³⁾	\$ 1,028,605	\$ 1,538,549	\$ 1,560,682	\$ 1,600,216	\$ 1,630,224	\$ 1,122,317	\$ 1,136,009	\$ 1,166,362	\$ 1,187,309	\$ 1,219,913
April 1st Variable Payment ⁽⁴⁾	166,516	145,679	112,634	105,374	110,643	116,175	121,983	128,083	134,487	141,211
July 1st Variable Payment	48,523	79,448	82,559	84,816	89,057	93,510	98,185	103,094	108,249	113,662
October 1st Variable Payment	32,808	50,136	51,450	54,022	56,723	59,560	62,538	65,664	68,948	72,395
January 1st Variable Payment	109,115	90,539	84,766	89,004	93,454	98,127	103,033	108,185	113,594	119,274

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Goleta Water District
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	839	840	1,047	1,110	1,110	1,110	1,110	1,110	1,110	1,110
Table A Water Deliveries-2nd Quarter	1,114	1,114	1,119	1,128	1,128	1,128	1,128	1,128	1,128	1,128
Table A Water Deliveries-3rd Quarter	1,315	1,324	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331
Table A Water Deliveries-4th Quarter	1,034	1,096	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149
Total FY Table A Deliveries (acre-feet)	4,303	4,374	4,646	4,718	4,718	4,718	4,718	4,718	4,718	4,718

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	522	522	315	252	252	252	252	252	252	252
Exchange Deliveries-2nd Quarter	50	50	46	37	37	37	37	37	37	37
Exchange Deliveries-3rd Quarter	39	31	24	24	24	24	24	24	24	24
Exchange Deliveries-4th Quarter	325	264	211	211	211	211	211	211	211	211
Total FY Exchange Deliveries (acre-feet)	936	866	596	524	524	524	524	524	524	524

CCWA Variable Cost per AF Assumptions	\$ 92	\$ 97	\$ 102	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 564,513	\$ 448,306	\$ 461,756	\$ 475,608	\$ 489,876	\$ 749,163	\$ 764,301	\$ 779,892	\$ 795,951	\$ 812,492
CCWA Variable O&M Costs ⁽⁵⁾	411,381	424,547	473,437	504,824	530,066	556,569	584,397	613,617	644,298	676,513
CCWA Bond Payments & O&M Credits ⁽⁹⁾	2,574,661	2,529,867	2,528,157	2,524,645	2,521,531	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	249,602	253,709	269,453	273,635	273,635	273,635	273,635	273,635	273,635	273,635
Subtotal: CCWA Costs	3,800,157	3,656,429	3,732,802	3,778,712	3,815,107	1,579,367	1,622,333	1,667,144	1,713,884	1,762,639

DWR Costs ⁽⁷⁾										
Transportation Capital	2,244,450	2,224,981	2,235,889	2,242,600	2,241,952	2,241,474	2,241,176	2,240,843	2,240,479	2,240,115
Coastal Branch Extension	499,377	393,710	324,128	464,293	478,498	567,388	410,877	418,199	337,130	345,739
Water System Revenue Bond Surcharge	234,956	232,375	269,867	237,551	244,372	229,642	240,741	228,411	210,888	199,800
Transportation Minimum OMP&R	953,290	1,022,152	1,017,160	1,024,976	1,035,225	1,045,578	1,056,034	1,066,594	1,077,260	1,088,032
Delta Water Charge	527,676	555,142	584,037	614,377	646,234	679,683	714,805	751,683	790,405	831,063
DWR Variable Costs ^{(5) (6)}	818,561	685,093	719,523	755,500	793,275	832,938	874,585	918,315	964,230	1,012,442
Subtotal: DWR Costs	\$ 5,278,308	\$ 5,113,454	\$ 5,150,605	\$ 5,339,296	\$ 5,439,555	\$ 5,596,703	\$ 5,538,218	\$ 5,624,045	\$ 5,620,393	\$ 5,717,192

DWR Future Capital Projects (BDCP) ⁽⁵⁾										
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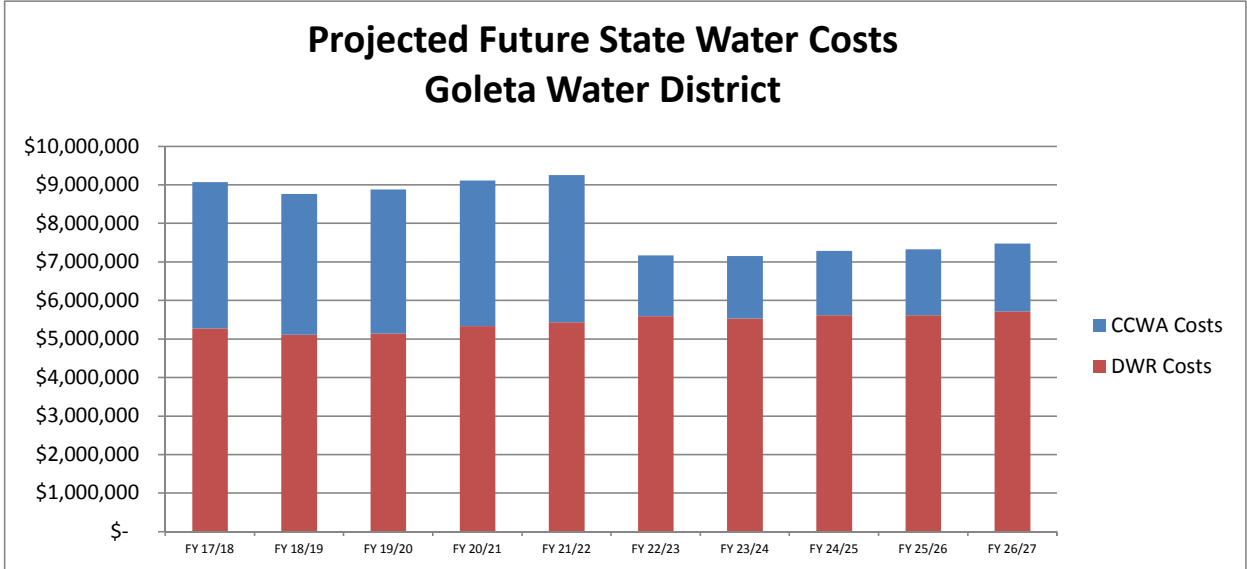
Total Projected State Water Costs	\$ 9,078,465	\$ 8,769,883	\$ 8,883,407	\$ 9,118,009	\$ 9,254,663	\$ 7,176,070	\$ 7,160,550	\$ 7,291,189	\$ 7,334,276	\$ 7,479,831
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Central Coast Water Authority
Goleta Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 7,598,921	\$ 7,406,534	\$ 7,420,994	\$ 7,584,050	\$ 7,657,688	\$ 5,512,928	\$ 5,427,933	\$ 5,485,622	\$ 5,452,113	\$ 5,517,242
April 1st Variable Payment ⁽⁴⁾	384,376	354,126	379,971	398,560	414,933	432,125	450,176	469,130	489,032	509,929
July 1st Variable Payment	328,805	302,928	325,012	340,912	354,917	369,622	385,063	401,275	418,298	436,173
October 1st Variable Payment	382,563	352,497	378,018	396,512	412,801	429,904	447,863	466,719	486,519	507,308
January 1st Variable Payment	383,799	353,798	379,413	397,975	414,324	431,490	449,515	468,441	488,314	509,180

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 are to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2017.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Morehart Land Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	20	20	20	20	20	20	20	20	20	20
Table A Water Deliveries-2nd Quarter	7	7	7	7	7	7	7	7	7	7
Table A Water Deliveries-3rd Quarter	6	6	6	6	6	6	6	6	6	6
Table A Water Deliveries-4th Quarter	11	11	11	11	11	11	11	11	11	11
Total FY Table A Deliveries (acre-feet)	44	44	44	44	44	44	44	44	44	44

CCWA Variable Cost per AF Assumptions	\$ 92	\$ 97	\$ 102	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 26,977	\$ 26,425	\$ 27,218	\$ 28,034	\$ 28,875	\$ 39,779	\$ 40,671	\$ 41,590	\$ 42,537	\$ 43,511
CCWA Variable O&M Costs ⁽⁵⁾	4,206	4,270	4,484	4,708	4,944	5,191	5,450	5,723	6,009	6,309
CCWA Bond Payments & O&M Credits ⁽⁹⁾	114,625	116,174	116,095	115,934	115,791	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	2,552	2,552	2,552	2,552	2,552	2,552	2,552	2,552	2,552	2,552
Subtotal: CCWA Costs	148,360	149,421	150,349	151,229	152,162	47,521	48,673	49,865	51,097	52,373

DWR Costs ⁽⁷⁾										
Transportation Capital	98,552	97,697	98,176	98,471	98,442	98,421	98,408	98,393	98,377	98,362
Coastal Branch Extension	22,195	17,497	14,405	20,634	21,266	25,216	18,260	18,586	14,983	15,365
Water System Revenue Bond Surcharge	9,239	9,137	10,612	9,341	9,609	9,030	9,466	8,982	8,293	7,857
Transportation Minimum OMP&R	36,962	40,006	39,811	40,117	40,518	40,923	41,332	41,746	42,163	42,585
Delta Water Charge	15,583	16,393	17,247	18,143	19,083	20,071	21,108	22,197	23,341	24,541
DWR Variable Costs ^{(5) (6)}	(646)	5,752	6,039	6,341	6,659	6,991	7,341	7,708	8,094	8,498
Subtotal: DWR Costs	\$ 181,884	\$ 186,483	\$ 186,290	\$ 193,047	\$ 195,577	\$ 200,653	\$ 195,916	\$ 197,612	\$ 195,250	\$ 197,208
DWR Future Capital Projects (BDCP) ⁽⁵⁾										

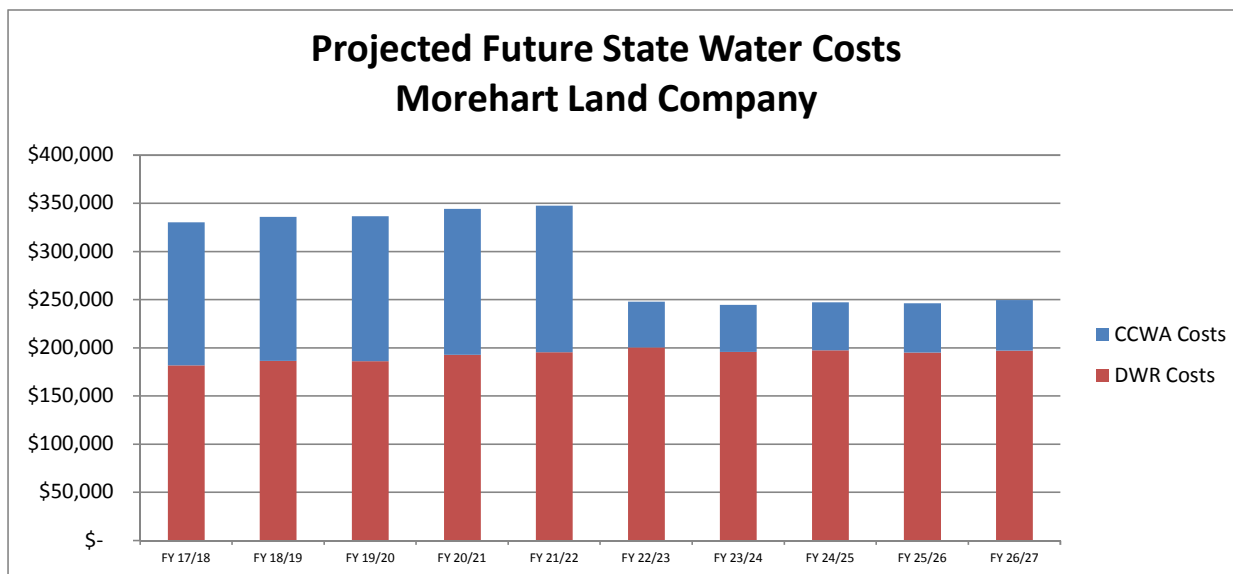
Total Projected State Water Costs	\$ 330,244	\$ 335,905	\$ 336,639	\$ 344,275	\$ 347,739	\$ 248,174	\$ 244,590	\$ 247,477	\$ 246,348	\$ 249,581
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Central Coast Water Authority
Morehart Land Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	324,132	\$	323,330	\$	323,563	\$	330,674	\$	333,585	\$	233,440	\$	229,246	\$	231,494	\$	229,693	\$	232,221
April 1st Variable Payment ⁽⁴⁾		2,778		5,716		5,943		6,183		6,434		6,697		6,974		7,265		7,570		7,891
July 1st Variable Payment		972		2,000		2,080		2,164		2,252		2,344		2,441		2,543		2,650		2,762
October 1st Variable Payment		833		1,715		1,783		1,855		1,930		2,009		2,092		2,179		2,271		2,367
January 1st Variable Payment		1,528		3,144		3,269		3,400		3,539		3,684		3,836		3,996		4,164		4,340

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2026/17 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retirement Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retirement charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
La Cumbre Mutual Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	301	301	301	301	301	301	301	301	301	301
Table A Water Deliveries-2nd Quarter	218	218	218	218	218	218	218	218	218	218
Table A Water Deliveries-3rd Quarter	279	279	279	279	279	279	279	279	279	279
Table A Water Deliveries-4th Quarter	261	261	261	261	261	261	261	261	261	261
Total FY Table A Deliveries (acre-feet)	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058

CCWA Variable Cost per AF Assumptions	\$ 92	\$ 97	\$ 102	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 134,885	\$ 106,190	\$ 109,376	\$ 112,657	\$ 116,037	\$ 169,703	\$ 173,289	\$ 176,982	\$ 180,786	\$ 184,704
CCWA Variable O&M Costs ⁽⁵⁾	101,164	102,712	107,847	113,240	118,902	124,847	131,089	137,644	144,526	151,752
CCWA Bond Payments & O&M Credits ⁽⁹⁾	555,276	556,192	555,816	555,044	554,359	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	61,380	61,380	61,380	61,380	61,380	61,380	61,380	61,380	61,380	61,380
Subtotal: CCWA Costs	852,706	826,475	834,420	842,322	850,679	355,931	365,758	376,006	386,692	397,836

DWR Costs ⁽⁷⁾										
Transportation Capital	492,821	488,546	490,941	492,414	492,272	492,167	492,102	492,029	491,949	491,869
Coastal Branch Extension	110,973	87,487	72,025	103,172	106,328	126,080	91,302	92,929	74,914	76,827
Water System Revenue Bond Surcharge	45,476	44,976	52,233	45,978	47,298	44,447	46,595	44,209	40,817	38,671
Transportation Minimum OMP&R	188,816	200,031	199,054	200,583	202,589	204,615	206,661	208,728	210,815	212,923
Delta Water Charge	77,916	81,967	86,234	90,713	95,417	100,356	105,542	110,987	116,704	122,707
DWR Variable Costs ^{(5) (6)}	132,214	138,344	145,261	152,524	160,151	168,158	176,566	185,394	194,664	204,397
Subtotal: DWR Costs	\$ 1,048,215	\$ 1,041,351	\$ 1,045,748	\$ 1,085,385	\$ 1,104,055	\$ 1,135,824	\$ 1,118,768	\$ 1,134,275	\$ 1,129,864	\$ 1,147,395
DWR Future Capital Projects (BDPC) ⁽⁵⁾										

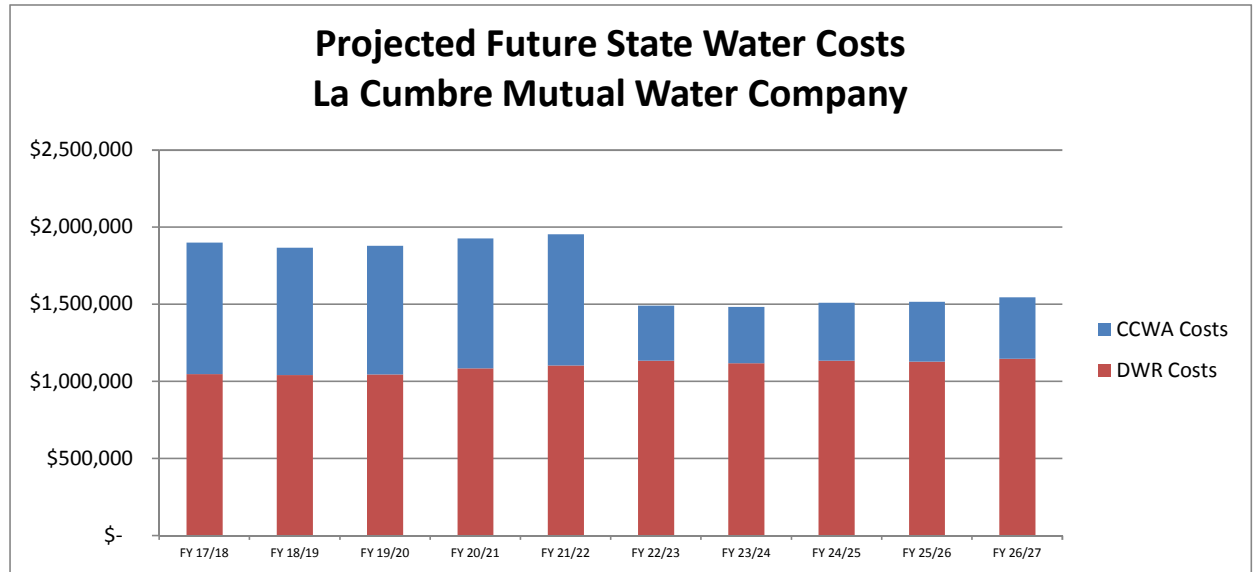
Total Projected State Water Costs	\$ 1,900,921	\$ 1,867,826	\$ 1,880,168	\$ 1,927,707	\$ 1,954,734	\$ 1,491,754	\$ 1,484,526	\$ 1,510,281	\$ 1,516,556	\$ 1,545,232
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Central Coast Water Authority
La Cumbre Mutual Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 1,606,162	\$ 1,565,389	\$ 1,565,678	\$ 1,600,562	\$ 1,614,301	\$ 1,137,369	\$ 1,115,490	\$ 1,125,863	\$ 1,115,985	\$ 1,127,702
April 1st Variable Payment ⁽⁴⁾	83,914	86,100	89,531	93,134	96,917	100,889	105,060	109,439	114,038	118,866
July 1st Variable Payment	60,592	62,170	64,648	67,250	69,981	72,849	75,861	79,023	82,343	85,830
October 1st Variable Payment	77,575	79,596	82,768	86,098	89,596	93,268	97,123	101,172	105,423	109,886
January 1st Variable Payment	72,678	74,571	77,543	80,663	83,939	87,380	90,992	94,785	98,767	102,949

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2026/17 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Raytheon Systems Company
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	10	10	10	10	10	10	10	10	10	10
Table A Water Deliveries-2nd Quarter	23	23	23	23	23	23	23	23	23	23
Table A Water Deliveries-3rd Quarter	5	5	5	5	5	5	5	5	5	5
Table A Water Deliveries-4th Quarter	15	15	15	15	15	15	15	15	15	15
Total FY Table A Deliveries (acre-feet)	54	54	54	54	54	54	54	54	54	54

Exchange Deliveries-1st Quarter										
Exchange Deliveries-2nd Quarter										
Exchange Deliveries-3rd Quarter										
Exchange Deliveries-4th Quarter										
Total FY Exchange Deliveries (acre-feet)	-	-	-	-	-	-	-	-	-	-
CCWA Variable Cost per AF Assumptions	\$ 92	\$ 97	\$ 102	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 6,744	\$ 5,286	\$ 5,445	\$ 5,608	\$ 5,776	\$ 8,459	\$ 8,638	\$ 8,821	\$ 9,011	\$ 9,206
CCWA Variable O&M Costs ⁽⁵⁾	5,130	5,208	5,469	5,742	6,029	6,331	6,647	6,980	7,329	7,695
CCWA Bond Payments & O&M Credits ⁽⁹⁾	24,000	24,319	24,302	24,269	24,239	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	3,113	3,113	3,113	3,113	3,113	3,113	3,113	3,113	3,113	3,113
Subtotal: CCWA Costs	38,987	37,926	38,329	38,732	39,157	17,902	18,397	18,914	19,452	20,013

DWR Costs ⁽⁷⁾										
Transportation Capital	24,653	24,439	24,559	24,633	24,626	24,621	24,617	24,614	24,610	24,606
Coastal Branch Extension	5,549	4,383	3,609	5,169	5,327	6,317	4,575	4,656	3,753	3,849
Water System Revenue Bond Surcharge	2,190	2,166	2,515	2,214	2,277	2,140	2,243	2,129	1,965	1,862
Transportation Minimum OMP&R	10,164	10,002	9,953	10,029	10,129	10,231	10,333	10,436	10,541	10,646
Delta Water Charge	3,896	4,098	4,312	4,536	4,771	5,018	5,277	5,549	5,835	6,135
DWR Variable Costs ^{(5) (6)}	1,031	7,015	7,366	7,734	8,121	8,527	8,953	9,401	9,871	10,365
Subtotal: DWR Costs	\$ 47,482	\$ 52,104	\$ 52,313	\$ 54,315	\$ 55,252	\$ 56,853	\$ 55,999	\$ 56,785	\$ 56,576	\$ 57,463
DWR Future Capital Projects (BDPC) ⁽⁵⁾										

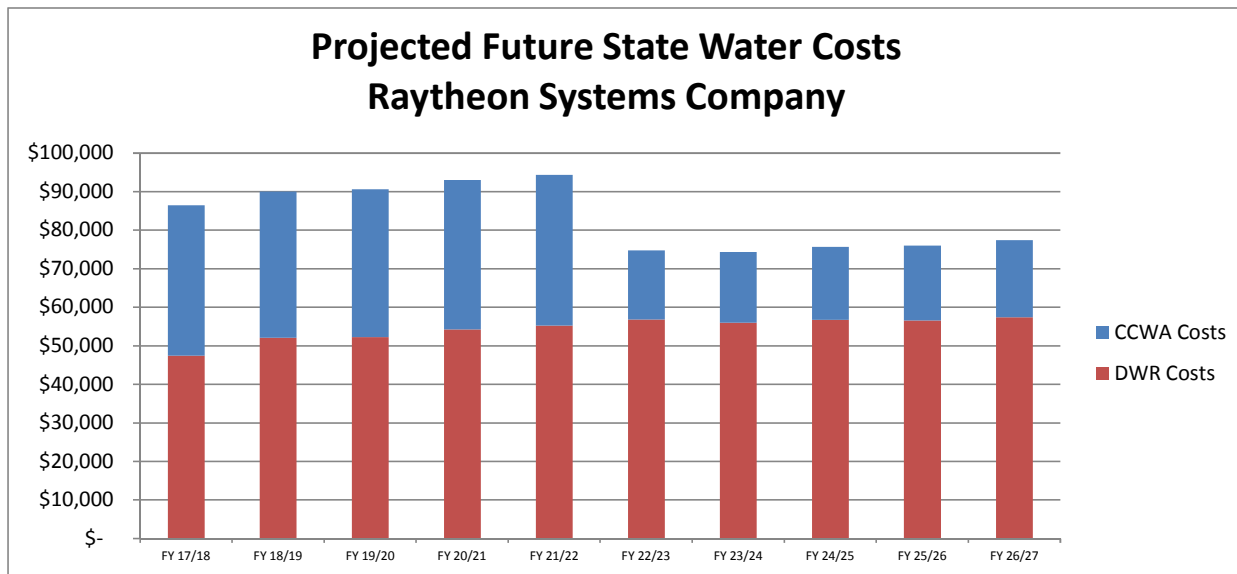
Total Projected State Water Costs	\$ 86,469	\$ 90,030	\$ 90,642	\$ 93,047	\$ 94,409	\$ 74,756	\$ 74,396	\$ 75,699	\$ 76,028	\$ 77,477
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Central Coast Water Authority
Raytheon Systems Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	77,196	\$	74,693	\$	74,695	\$	76,458	\$	77,146	\$	56,785	\$	55,683	\$	56,205	\$	55,715	\$	56,304
April 1st Variable Payment ⁽⁴⁾		1,765		2,919		3,035		3,157		3,286		3,420		3,562		3,710		3,866		4,030
July 1st Variable Payment		3,910		6,466		6,724		6,995		7,279		7,577		7,890		8,219		8,565		8,927
October 1st Variable Payment		946		1,565		1,627		1,693		1,762		1,834		1,910		1,989		2,073		2,160
January 1st Variable Payment		2,652		4,386		4,561		4,744		4,937		5,139		5,352		5,575		5,809		6,055

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
City of Santa Barbara
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	559	559	697	739	739	739	739	739	739	739
Table A Water Deliveries-2nd Quarter	690	690	693	699	699	699	699	699	699	699
Table A Water Deliveries-3rd Quarter	876	882	886	886	886	886	886	886	886	886
Table A Water Deliveries-4th Quarter	689	730	765	765	765	765	765	765	765	765
Total FY Table A Deliveries (acre-feet)	2,815	2,861	3,041	3,089	3,089	3,089	3,089	3,089	3,089	3,089

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	348	348	210	168	168	168	168	168	168	168
Exchange Deliveries-2nd Quarter	33	33	30	24	24	24	24	24	24	24
Exchange Deliveries-3rd Quarter	26	20	16	16	16	16	16	16	16	16
Exchange Deliveries-4th Quarter	216	176	141	141	141	141	141	141	141	141
Total FY Exchange Deliveries (acre-feet)	624	578	398	349	349	349	349	349	349	349

CCWA Variable Cost per AF Assumptions	\$ 92	\$ 97	\$ 102	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 376,342	\$ 300,552	\$ 309,568	\$ 318,855	\$ 328,421	\$ 501,334	\$ 511,482	\$ 521,935	\$ 532,701	\$ 543,791
CCWA Variable O&M Costs ⁽⁵⁾	269,060	277,697	309,937	330,577	347,106	364,461	382,684	401,819	421,910	443,005
CCWA Bond Payments & O&M Credits ⁽⁹⁾	1,577,107	1,555,188	1,554,137	1,551,978	1,550,064	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	163,250	165,952	176,398	179,186	179,186	179,186	179,186	179,186	179,186	179,186
Subtotal: CCWA Costs	\$ 2,385,759	\$ 2,299,389	\$ 2,350,040	\$ 2,380,597	\$ 2,404,777	\$ 1,044,982	\$ 1,073,353	\$ 1,102,940	\$ 1,133,797	\$ 1,165,982

DWR Costs ⁽⁷⁾										
Transportation Capital	1,478,400	1,465,577	1,472,762	1,477,182	1,476,755	1,476,440	1,476,244	1,476,025	1,475,785	1,475,545
Coastal Branch Extension	332,918	262,497	216,105	309,558	319,028	378,293	273,943	278,825	224,774	230,514
Water System Revenue Bond Surcharge	136,670	135,169	156,977	138,179	142,147	133,579	140,035	132,863	122,670	116,221
Transportation Minimum OMP&R	564,192	600,092	597,161	601,749	607,767	613,845	619,983	626,183	632,445	638,769
Delta Water Charge	233,747	245,902	258,701	272,140	286,251	301,068	316,625	332,960	350,112	368,122
DWR Variable Costs ^{(5) (6)}	666,141	449,544	472,021	495,622	520,403	546,424	573,745	602,432	632,554	664,181
Subtotal: DWR Costs	3,412,068	3,158,781	3,173,728	3,294,431	3,352,352	3,449,648	3,400,575	3,449,288	3,438,340	3,493,352
DWR Future Capital Projects (BDCP) ⁽⁵⁾										

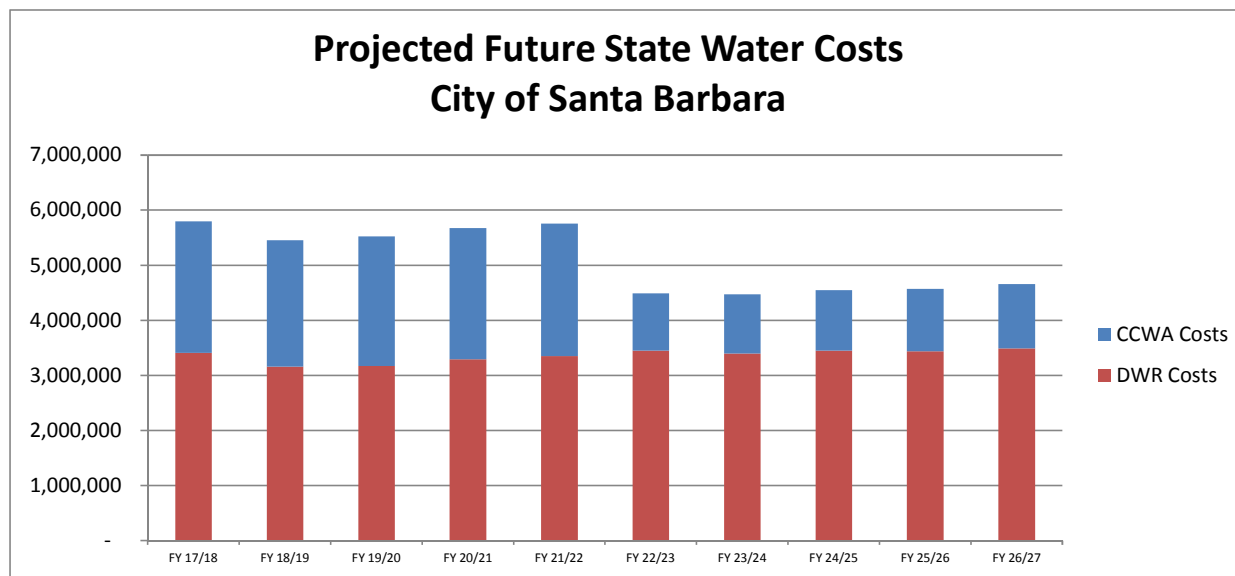
Total Projected State Water Costs	\$ 5,797,827	\$ 5,458,170	\$ 5,523,768	\$ 5,675,028	\$ 5,757,129	\$ 4,494,630	\$ 4,473,928	\$ 4,552,228	\$ 4,572,137	\$ 4,659,334
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Central Coast Water Authority
City of Santa Barbara
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 4,699,376	\$ 4,564,977	\$ 4,565,412	\$ 4,669,642	\$ 4,710,433	\$ 3,404,559	\$ 3,338,313	\$ 3,368,791	\$ 3,338,488	\$ 3,372,962
April 1st Variable Payment ⁽⁴⁾	289,667	235,539	252,723	265,125	276,018	287,457	299,467	312,078	325,319	339,222
July 1st Variable Payment	231,147	187,955	201,667	211,563	220,256	229,384	238,968	249,031	259,597	270,692
October 1st Variable Payment	288,299	234,427	251,530	263,873	274,716	286,100	298,053	310,605	323,783	337,621
January 1st Variable Payment	289,338	235,272	252,436	264,824	275,705	287,130	299,127	311,723	324,950	338,837

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Montecito Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	559	559	697	739	739	739	739	739	739	739
Table A Water Deliveries-2nd Quarter	741	741	744	750	750	750	750	750	750	750
Table A Water Deliveries-3rd Quarter	876	882	886	886	886	886	886	886	886	886
Table A Water Deliveries-4th Quarter	689	730	765	765	765	765	765	765	765	765
Total FY Table A Deliveries (acre-feet)	2,866	2,912	3,092	3,140	3,140	3,140	3,140	3,140	3,140	3,140

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	348	348	210	168	168	168	168	168	168	168
Exchange Deliveries-2nd Quarter	33	33	30	24	24	24	24	24	24	24
Exchange Deliveries-3rd Quarter	26	20	16	16	16	16	16	16	16	16
Exchange Deliveries-4th Quarter	216	176	141	141	141	141	141	141	141	141
Total FY Exchange Deliveries (acre-feet)	624	578	398	349	349	349	349	349	349	349

CCWA Variable Cost per AF Assumptions	\$ 92	\$ 97	\$ 102	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 376,342	\$ 298,974	\$ 307,943	\$ 317,182	\$ 326,697	\$ 499,558	\$ 509,653	\$ 520,051	\$ 530,761	\$ 541,792
CCWA Variable O&M Costs ⁽⁵⁾	273,935	282,647	315,134	336,034	352,836	370,478	389,002	408,452	428,875	450,318
CCWA Bond Payments & O&M Credits ⁽⁹⁾	1,809,430	1,827,923	1,826,688	1,824,151	1,821,900	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	166,208	168,910	179,356	182,144	182,144	182,144	182,144	182,144	182,144	182,144
Subtotal: CCWA Costs	2,625,916	2,578,454	2,629,121	2,659,511	2,683,577	1,052,180	1,080,799	1,110,647	1,141,779	1,174,254

DWR Costs ⁽⁷⁾										
Transportation Capital	1,478,400	1,465,577	1,472,762	1,477,182	1,476,755	1,476,440	1,476,244	1,476,025	1,475,785	1,475,545
Coastal Branch Extension	332,918	262,497	216,105	309,558	319,028	378,293	273,943	278,825	224,774	230,514
Water System Revenue Bond Surcharge	136,670	135,169	156,977	138,179	142,147	133,579	140,035	132,863	122,670	116,221
Transportation Minimum OMP&R	564,192	600,092	597,161	601,749	607,767	613,845	619,983	626,183	632,445	638,769
Delta Water Charge	233,747	245,902	258,701	272,140	286,251	301,068	316,625	332,960	350,112	368,122
DWR Variable Costs ^{(5) (6)}	494,513	456,211	479,022	502,973	528,121	554,527	582,254	611,366	641,935	674,031
Subtotal: DWR Costs	\$ 3,240,441	\$ 3,165,448	\$ 3,180,728	\$ 3,301,781	\$ 3,360,070	\$ 3,457,752	\$ 3,409,084	\$ 3,458,223	\$ 3,447,721	\$ 3,503,202

DWR Future Capital Projects (BDPC) ⁽⁵⁾										
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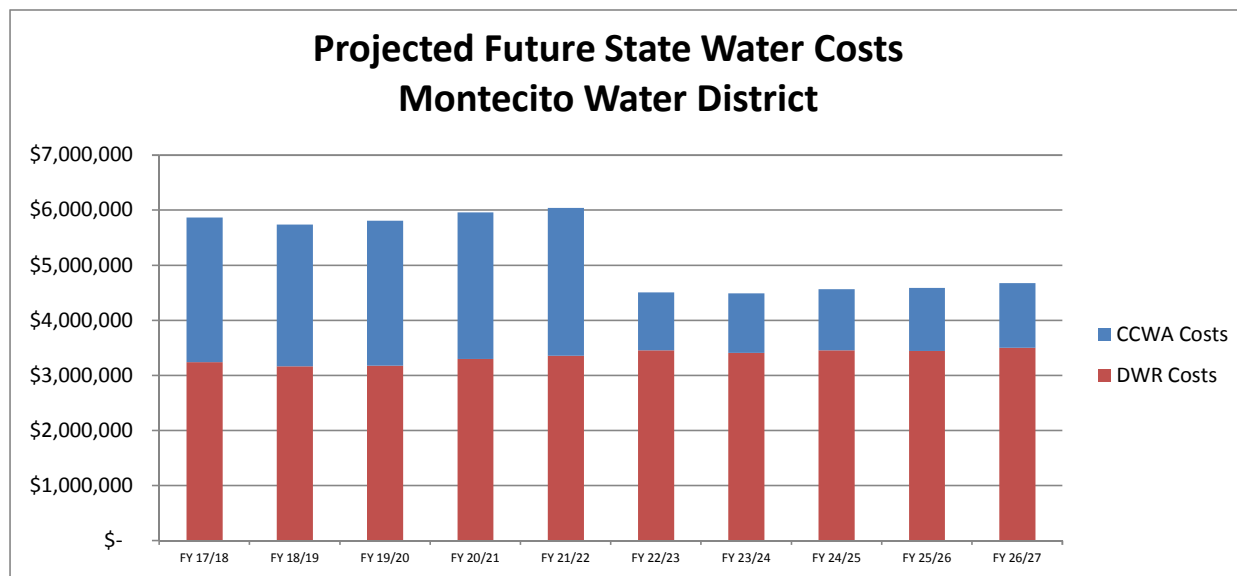
Total Projected State Water Costs	\$ 5,866,356	\$ 5,743,902	\$ 5,809,849	\$ 5,961,292	\$ 6,043,647	\$ 4,509,932	\$ 4,489,883	\$ 4,568,869	\$ 4,589,500	\$ 4,677,456
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Central Coast Water Authority
Montecito Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 4,931,700	\$ 4,836,134	\$ 4,836,337	\$ 4,940,141	\$ 4,980,546	\$ 3,402,783	\$ 3,336,484	\$ 3,366,907	\$ 3,336,547	\$ 3,370,963
April 1st Variable Payment ⁽⁴⁾	242,871	235,884	252,968	265,347	276,248	287,694	299,712	312,331	325,581	339,494
July 1st Variable Payment	207,465	201,496	216,089	226,664	235,975	245,753	256,019	266,798	278,116	290,001
October 1st Variable Payment	241,725	234,771	251,774	264,095	274,944	286,336	298,297	310,857	324,044	337,891
January 1st Variable Payment	242,596	235,616	252,681	265,046	275,934	287,367	299,372	311,976	325,211	339,108

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Carpinteria Valley Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	361	361	453	481	481	481	481	481	481	481
Table A Water Deliveries-2nd Quarter	454	454	456	460	460	460	460	460	460	460
Table A Water Deliveries-3rd Quarter	542	545	548	548	548	548	548	548	548	548
Table A Water Deliveries-4th Quarter	453	479	503	503	503	503	503	503	503	503
Total FY Table A Deliveries (acre-feet)	1,808	1,839	1,960	1,992	1,992	1,992	1,992	1,992	1,992	1,992

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	232	232	140	112	112	112	112	112	112	112
Exchange Deliveries-2nd Quarter	22	22	20	16	16	16	16	16	16	16
Exchange Deliveries-3rd Quarter	17	14	11	11	11	11	11	11	11	11
Exchange Deliveries-4th Quarter	144	117	94	94	94	94	94	94	94	94
Total FY Exchange Deliveries (acre-feet)	416	385	265	233	233	233	233	233	233	233

CCWA Variable Cost per AF Assumptions	\$ 92	\$ 97	\$ 102	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143
DWR Variable Cost per AF Assumptions	\$ 125	\$ 131	\$ 137	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 184	\$ 193

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 250,895	\$ 202,472	\$ 208,546	\$ 214,802	\$ 221,246	\$ 336,591	\$ 343,427	\$ 350,469	\$ 357,722	\$ 365,192
CCWA Variable O&M Costs ⁽⁵⁾	172,873	178,532	199,695	213,109	223,764	234,952	246,700	259,035	271,987	285,586
CCWA Bond Payments & O&M Credits ⁽⁹⁾	1,058,312	1,045,016	1,044,310	1,042,859	1,041,573	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	104,889	106,690	113,655	115,513	115,513	115,513	115,513	115,513	115,513	115,513
Subtotal: CCWA Costs	1,586,968	1,532,710	1,566,205	1,586,284	1,602,097	687,056	705,640	725,017	745,222	766,291

DWR Costs ⁽⁷⁾										
Transportation Capital	985,580	977,031	981,821	984,768	984,483	984,273	984,142	983,996	983,836	983,676
Coastal Branch Extension	221,945	174,974	144,050	206,343	212,656	252,161	182,603	185,858	149,829	153,655
Water System Revenue Bond Surcharge	89,733	88,748	103,066	90,724	93,329	87,704	91,943	87,234	80,542	76,307
Transportation Minimum OMP&R	375,781	400,061	398,107	401,166	405,178	409,230	413,322	417,455	421,630	425,846
Delta Water Charge	155,832	163,935	172,467	181,427	190,834	200,712	211,083	221,974	233,408	245,415
DWR Variable Costs ^{(5) (6)}	235,218	290,807	305,347	320,614	336,645	353,477	371,151	389,709	409,194	429,654
Subtotal: DWR Costs	\$ 2,064,089	\$ 2,095,555	\$ 2,104,859	\$ 2,185,042	\$ 2,223,126	\$ 2,287,556	\$ 2,254,245	\$ 2,286,225	\$ 2,278,439	\$ 2,314,553

DWR Future Capital Projects (BDCP) ⁽⁵⁾										
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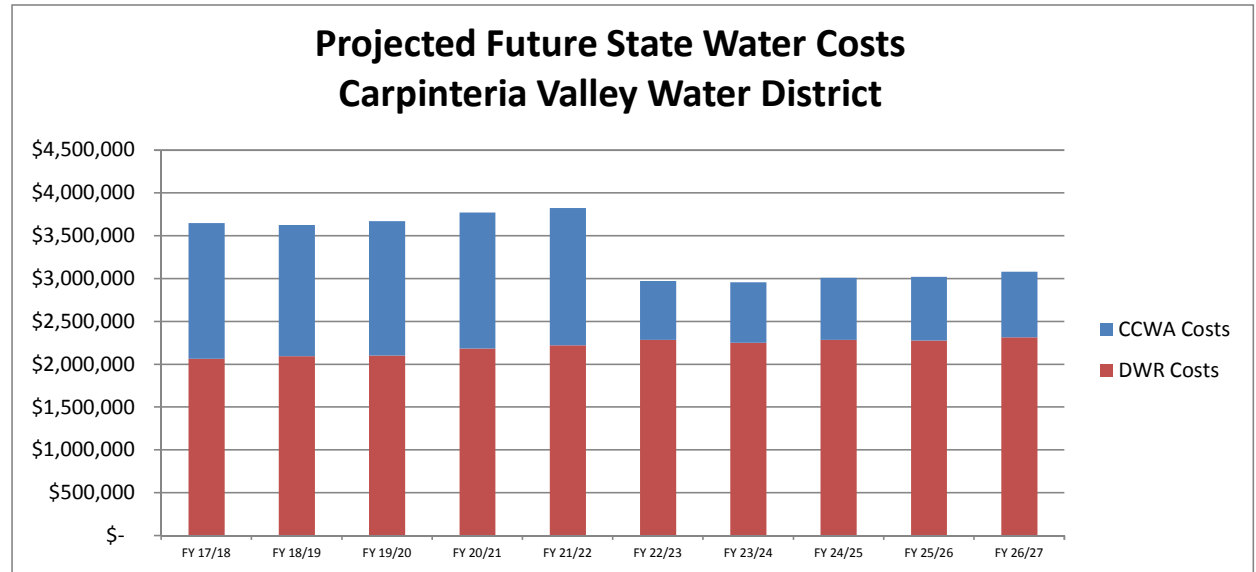
Total Projected State Water Costs	\$ 3,651,058	\$ 3,628,265	\$ 3,671,064	\$ 3,771,326	\$ 3,825,222	\$ 2,974,613	\$ 2,959,885	\$ 3,011,242	\$ 3,023,660	\$ 3,080,844
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Central Coast Water Authority
Carpinteria Valley Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 3,138,078	\$ 3,052,236	\$ 3,052,368	\$ 3,122,090	\$ 3,149,300	\$ 2,270,670	\$ 2,226,521	\$ 2,246,985	\$ 2,226,966	\$ 2,250,091
April 1st Variable Payment ⁽⁴⁾	136,643	153,438	164,803	172,938	180,046	187,510	195,347	203,576	212,216	221,289
July 1st Variable Payment	109,786	123,279	132,411	138,947	144,658	150,655	156,951	163,563	170,505	177,794
October 1st Variable Payment	128,913	144,758	155,480	163,155	169,861	176,903	184,297	192,060	200,212	208,771
January 1st Variable Payment	137,638	154,554	166,003	174,197	181,357	188,875	196,769	205,058	213,761	222,900

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2026/27 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Chorro Valley Turnout
State Water Cost Ten-Year Projections
Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	542	557	563	569	569	569	569	569	569	569
Table A Water Deliveries-2nd Quarter	540	555	561	567	567	567	567	567	567	567
Table A Water Deliveries-3rd Quarter	555	561	567	567	567	567	567	567	567	567
Table A Water Deliveries-4th Quarter	557	563	569	569	569	569	569	569	569	569
Total FY Table A Deliveries (acre-feet)	2,195	2,237	2,261	2,273	2,273	2,273	2,273	2,273	2,273	2,273

CCWA Variable Cost per AF Assumptions	\$ 45	\$ 48	\$ 50	\$ 52	\$ 55	\$ 58	\$ 61	\$ 64	\$ 67	\$ 70
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CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 245,211	\$ 252,567	\$ 260,144	\$ 267,949	\$ 275,987	\$ 284,267	\$ 292,795	\$ 301,579	\$ 310,626	\$ 319,945
CCWA Variable O&M Costs ⁽⁵⁾	106,315	106,346	112,861	119,133	125,090	131,344	137,912	144,807	152,048	159,650
CCWA Bond Payments & O&M Credits ⁽⁸⁾	938,463	935,217	934,585	933,287	932,135	-	-	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 1,289,989	\$ 1,294,130	\$ 1,307,591	\$ 1,320,369	\$ 1,333,213	\$ 415,611	\$ 430,707	\$ 446,386	\$ 462,674	\$ 479,595

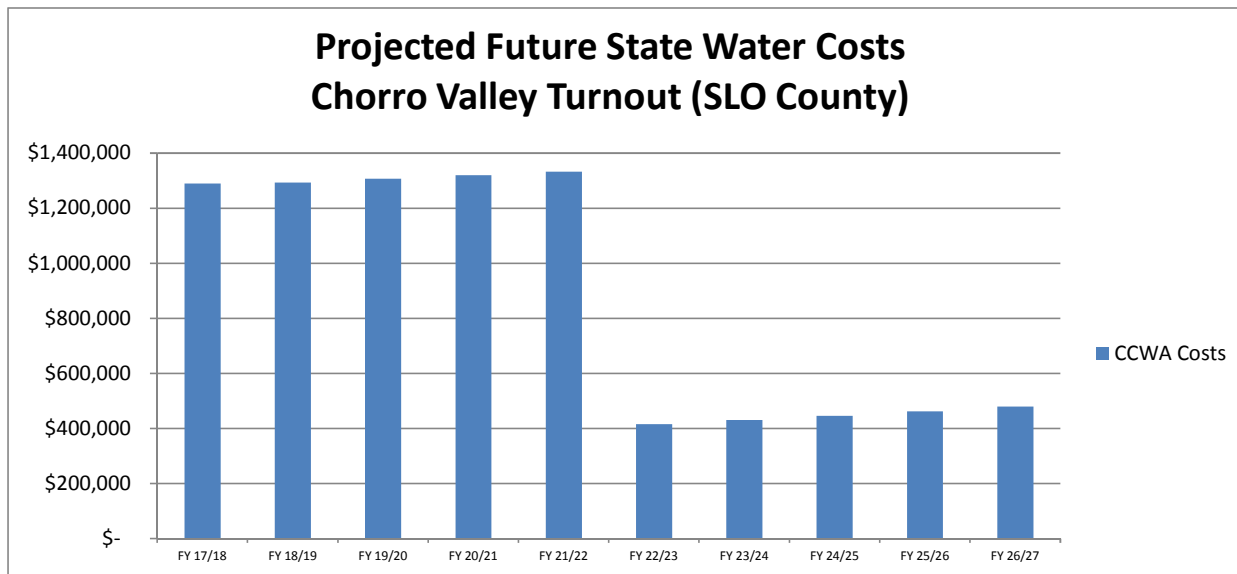
Total Projected State Water Costs	\$ 1,289,989	\$ 1,294,130	\$ 1,307,591	\$ 1,320,369	\$ 1,333,213	\$ 415,611	\$ 430,707	\$ 446,386	\$ 462,674	\$ 479,595
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Central Coast Water Authority
Chorro Valley Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>											
June 1st Fixed Payment ⁽³⁾	\$ 1,183,674	\$ 1,187,784	\$ 1,194,729	\$ 1,201,236	\$ 1,208,123	\$ 284,267	\$ 292,795	\$ 301,579	\$ 310,626	\$ 319,945	
April 1st Variable Payment ⁽⁴⁾	26,265	26,493	28,117	29,837	31,329	32,896	34,540	36,267	38,081	39,985	
July 1st Variable Payment	26,166	26,396	28,015	29,730	31,217	32,778	34,417	36,137	37,944	39,842	
October 1st Variable Payment	26,893	26,681	28,315	29,730	31,217	32,778	34,417	36,137	37,944	39,842	
January 1st Variable Payment	26,990	26,776	28,414	29,835	31,327	32,893	34,538	36,265	38,078	39,982	

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Lopez Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	451	460	650	673	673	673	673	673	673	673
Table A Water Deliveries-2nd Quarter	238	110	300	310	310	310	310	310	310	310
Table A Water Deliveries-3rd Quarter	298	488	492	495	495	495	495	495	495	495
Table A Water Deliveries-4th Quarter	452	642	660	663	663	663	663	663	663	663
Total FY Table A Deliveries (acre-feet)	1,438	1,700	2,103	2,142	2,142	2,142	2,142	2,142	2,142	2,142

CCWA Variable Cost per AF Assumptions	\$ 45	\$ 48	\$ 50	\$ 52	\$ 55	\$ 58	\$ 61	\$ 64	\$ 67	\$ 70
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CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 268,582	\$ 276,640	\$ 284,939	\$ 293,487	\$ 302,292	\$ 311,360	\$ 320,701	\$ 330,322	\$ 340,232	\$ 350,439
CCWA Variable O&M Costs ⁽⁵⁾	69,648	80,815	104,972	112,265	117,878	123,772	129,961	136,459	143,282	150,446
CCWA Bond Payments & O&M Credits ⁽⁸⁾	228,843	241,828	241,664	241,329	241,031	-	-	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 567,072	\$ 599,283	\$ 631,575	\$ 647,081	\$ 661,201	\$ 435,133	\$ 450,662	\$ 466,781	\$ 483,514	\$ 500,885

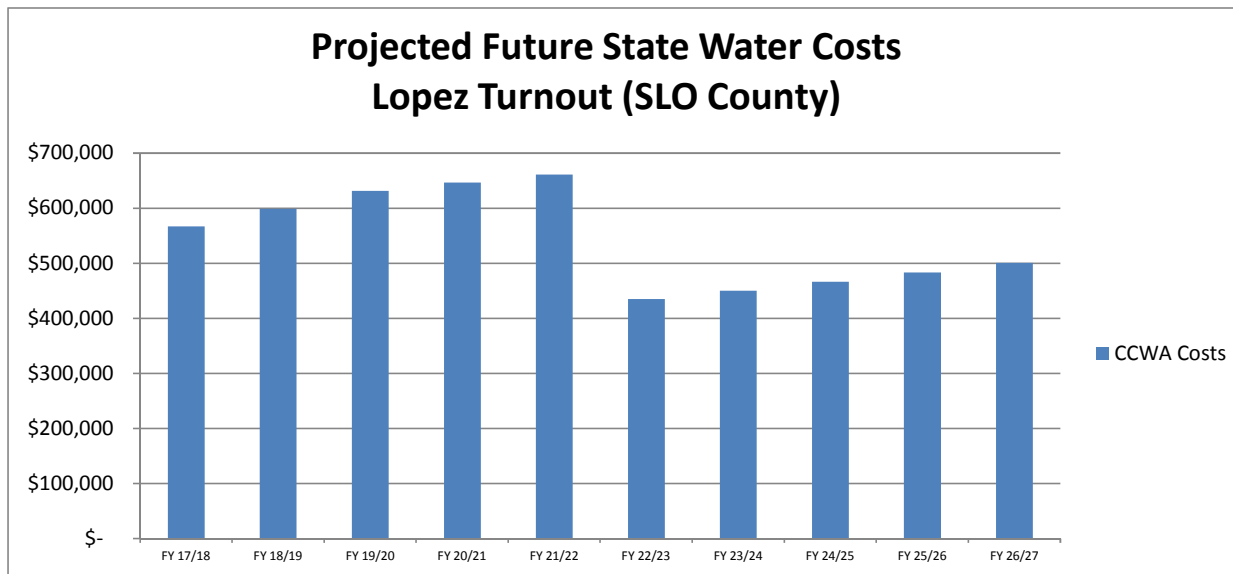
Total Projected State Water Costs	\$ 567,072	\$ 599,283	\$ 631,575	\$ 647,081	\$ 661,201	\$ 435,133	\$ 450,662	\$ 466,781	\$ 483,514	\$ 500,885
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Central Coast Water Authority
Lopez Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	497,425	\$	518,467	\$	526,603	\$	534,816	\$	543,322	\$	311,360	\$	320,701	\$	330,322	\$	340,232	\$	350,439
April 1st Variable Payment ⁽⁴⁾		21,832		21,856		32,458		35,286		37,050		38,903		40,848		42,890		45,035		47,287
July 1st Variable Payment		11,515		5,217		14,987		16,260		17,073		17,927		18,823		19,765		20,753		21,790
October 1st Variable Payment		14,421		23,211		24,571		25,957		27,255		28,617		30,048		31,551		33,128		34,784
January 1st Variable Payment		21,880		30,532		32,957		34,762		36,500		38,325		40,241		42,253		44,366		46,584

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Shandon
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Table A Water Deliveries-1st Quarter	34	34	34	34	34	34	34	34	34	34
Table A Water Deliveries-2nd Quarter	19	19	19	19	19	19	19	19	19	19
Table A Water Deliveries-3rd Quarter	17	17	17	17	17	17	17	17	17	17
Table A Water Deliveries-4th Quarter	30	30	30	30	30	30	30	30	30	30
Total FY Table A Deliveries (acre-feet)	100	100	100	100	100	100	100	100	100	100

CCWA Variable Cost per AF Assumptions	\$ 45	\$ 48	\$ 50	\$ 52	\$ 55	\$ 58	\$ 61	\$ 64	\$ 67	\$ 70
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CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 17,784	\$ 18,318	\$ 18,867	\$ 19,433	\$ 20,016	\$ 20,617	\$ 21,235	\$ 21,872	\$ 22,529	\$ 23,204
CCWA Variable O&M Costs ⁽⁵⁾	4,843	4,754	4,992	5,241	5,503	5,778	6,067	6,371	6,689	7,024
CCWA Bond Payments & O&M Credits ⁽⁸⁾	11,675	11,740	11,732	11,715	11,701	-	-	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 34,302	\$ 34,811	\$ 35,591	\$ 36,390	\$ 37,221	\$ 26,395	\$ 27,303	\$ 28,243	\$ 29,218	\$ 30,228

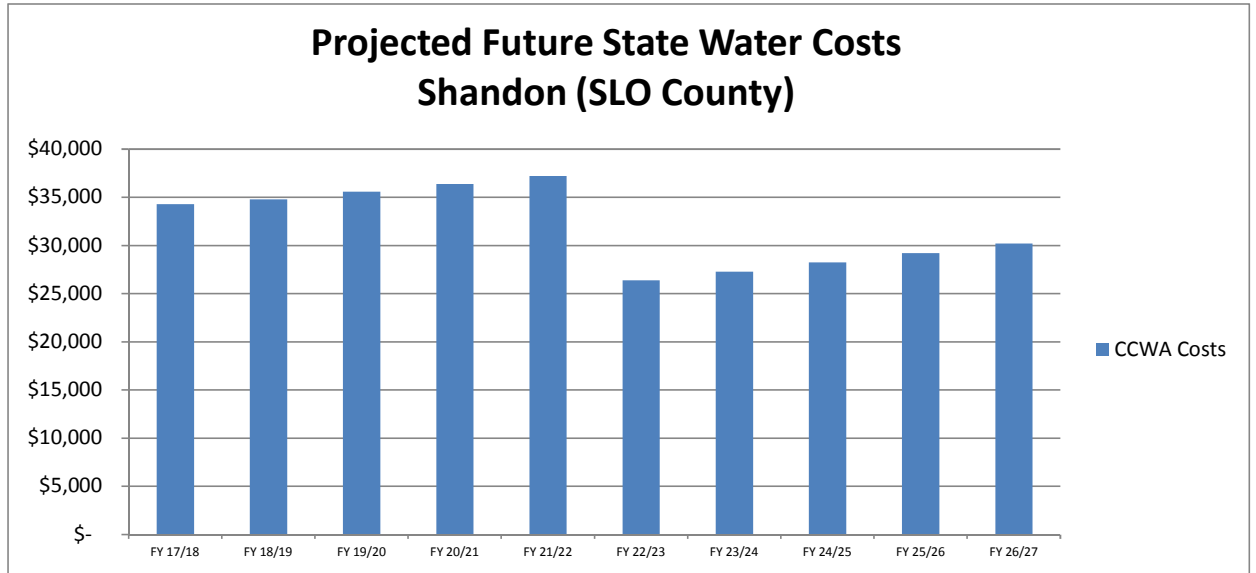
Total Projected State Water Costs	\$ 34,302	\$ 34,811	\$ 35,591	\$ 36,390	\$ 37,221	\$ 26,395	\$ 27,303	\$ 28,243	\$ 29,218	\$ 30,228
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Central Coast Water Authority
Shandon
 State Water Cost Ten-Year Projections
 Fiscal Year 2017/18 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	29,459	\$	30,057	\$	30,599	\$	31,149	\$	31,717	\$	20,617	\$	21,235	\$	21,872	\$	22,529	\$	23,204
April 1st Variable Payment ⁽⁴⁾		1,647		1,616		1,697		1,782		1,871		1,965		2,063		2,166		2,274		2,388
July 1st Variable Payment		920		903		948		996		1,046		1,098		1,153		1,210		1,271		1,335
October 1st Variable Payment		823		808		849		891		936		982		1,031		1,083		1,137		1,194
January 1st Variable Payment		1,453		1,426		1,497		1,572		1,651		1,734		1,820		1,911		2,007		2,107

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2017/18 fixed payment is paid on June 1, 2017).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2017 Statement of Charges dated July 1, 2016.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
CCWA Fixed Costs
 Ten-Year Financial Plan Projections
 FY 2017/18 Final Budget

	Allocation Percentage	Base Year FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Base Fixed O&M Costs		8,149,075	8,149,075	8,393,547	8,645,354	8,904,714	9,171,856	9,447,011	9,730,422	10,022,334	10,323,004
Inflation Factor			3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Projected Fixed O&M		8,149,075	8,393,547	8,645,354	8,904,714	9,171,856	9,447,011	9,730,422	10,022,334	10,323,004	10,632,695
Capital Improvement Projects		-	-	-	-	-	-	-	-	-	-
Other Costs		-	-	-	-	-	-	-	-	-	-
TOTAL CCWA FIXED COSTS		8,149,075	8,393,547	8,645,354	8,904,714	9,171,856	9,447,011	9,730,422	10,022,334	10,323,004	10,632,695
Guadalupe	1.46%	111,560	122,790	126,474	130,268	134,176	127,183	131,329	135,599	139,998	155,547
Santa Maria	42.60%	3,244,656	3,575,475	3,682,739	3,793,221	3,907,018	3,699,680	3,820,407	3,944,756	4,072,835	4,204,756
Golden State Water	1.38%	104,263	116,050	119,532	123,118	126,811	120,599	124,517	128,553	132,710	136,992
Vandenberg AFB	15.46%	1,214,180	1,297,696	1,336,626	1,376,725	1,418,027	1,350,382	1,394,199	1,439,330	1,485,816	1,533,696
Buellton	2.04%	155,692	171,581	176,728	182,030	187,491	181,536	187,329	193,297	199,443	205,774
Santa Ynez (Solvang)	4.98%	383,438	418,269	430,817	443,741	457,054	440,714	454,837	469,384	484,367	499,800
Santa Ynez	9.01%	667,010	755,957	778,635	801,994	826,054	606,086	631,611	657,902	684,982	712,874
Goleta	5.34%	564,513	448,306	461,756	475,608	489,876	749,163	764,301	779,892	795,951	812,492
Morehart Land Co.	0.31%	26,977	26,425	27,218	28,034	28,875	39,779	40,671	41,590	42,537	43,511
La Cumbre	1.27%	134,885	106,190	109,376	112,657	116,037	169,703	173,289	176,982	180,786	184,704
Raytheon	0.06%	6,744	5,286	5,445	5,608	5,776	8,459	8,638	8,821	9,011	9,206
Santa Barbara	3.58%	376,342	300,552	309,568	318,855	328,421	501,334	511,482	521,935	532,701	543,791
Montecito	3.56%	376,342	298,974	307,943	317,182	326,697	499,558	509,653	520,051	530,761	541,792
Carpinteria	2.41%	250,895	202,472	208,546	214,802	221,246	336,591	343,427	350,469	357,722	365,192
Shandon	0.22%	17,784	18,318	18,867	19,433	20,016	20,617	21,235	21,872	22,529	23,204
Chorro Valley	3.01%	245,211	252,567	260,144	267,949	275,987	284,267	292,795	301,579	310,626	319,945
Lopez	3.30%	268,582	276,640	284,939	293,487	302,292	311,360	320,701	330,322	340,232	350,439
Total:	100.00%	8,149,075	8,393,547	8,645,354	8,904,714	9,171,856	9,447,011	9,730,422	10,022,334	10,323,004	10,643,713

(1) CCWA Fixed Costs for fiscal Years 2022/23 thru 2026/27 reflect changes due to the payoff of CCWA Revenue Bond Debt.

Central Coast Water Authority
CCWA & DWR Variable Cost Projections

Ten-Year Financial Plan Projections

FY 2017/18 Final Budget

	Base Year									
	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
CCWA Variable Costs/AF-North County	45	48	50	52	55	58	61	64	67	70
CCWA WTP Variable Retreatment Costs/AF	18	19	20	21	22	23	25	26	27	29
Inflation Factor		5%	5%	5%	5%	5%	5%	5%	5%	5%
Projected CCWA Variable \$/AF-North County	64	67	70	74	77	81	85	90	94	99
CCWA Variable Costs/AF-South County	122	129	135	142	149	156	164	172	181	190
CCWA WTP Variable Retreatment Costs/AF	18	19	20	21	22	23	25	26	27	29
South Coast Retreatment Credits/AF	(48)	(51)	(53)	(56)	(59)	(62)	(65)	(68)	(72)	(75)
Inflation Factor		5%	5%	5%	5%	5%	5%	5%	5%	5%
Projected CCWA Variable \$/AF-South County	92	97	102	107	112	118	124	130	137	143
Estimated DWR Variable \$/AF	125	125	131	137	144	151	159	167	175	184
Inflation Factor		5%	5%	5%	5%	5%	5%	5%	5%	5%
Projected DWR Variable \$/AF	125	131	137	144	151	159	167	175	184	193
Total Projected Variable Cost/AF										
CCWA & DWR Variable - North Coast \$/AF	188	198	207	218	229	240	252	265	278	292
CCWA & DWR Variable - South Coast \$/AF ⁽¹⁾	217	228	239	251	264	277	291	305	321	337

(1) South Coast total AF estimates do not include Warren Act charges.

Central Coast Water Authority

CCWA Bond Debt

Ten-Year Financial Plan Projections

FY 2017/18 Final Budget

	Allocation										
	Percentage	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Principal Payment		7,880,000	8,720,000	9,160,000	9,615,000	10,095,000	-	-	-	-	-
Interest Payment		2,076,500	1,661,500	1,214,500	745,125	252,375	-	-	-	-	-
Other Costs (Credits)		(11,114)	(25,000)	(25,000)	(25,000)	(25,000)	-	-	-	-	-
TOTAL DEBT SERVICE PAYMENTS		9,945,386	10,356,500	10,349,500	10,335,125	10,322,375	-	-	-	-	-
Guadalupe	1.42%	146,736	147,548	147,449	147,244	147,062	-	-	-	-	-
Santa Maria	0.00%	-	-	-	-	-	-	-	-	-	-
Golden State Water	0.00%	-	-	-	-	-	-	-	-	-	-
Vandenberg AFB	0.00%	-	-	-	-	-	-	-	-	-	-
Buellton	2.52%	259,953	261,372	261,196	260,833	260,511	-	-	-	-	-
Santa Ynez (Solvang)	7.75%	798,316	802,670	802,128	801,014	800,025	-	-	-	-	-
Santa Ynez	2.91%	299,810	301,446	301,242	300,823	300,452	-	-	-	-	-
Goleta	24.43%	2,516,143	2,529,867	2,528,157	2,524,645	2,521,531	-	-	-	-	-
Morehart Land Co.	1.12%	115,547	116,174	116,095	115,934	115,791	-	-	-	-	-
La Cumbre	5.37%	553,175	556,192	555,816	555,044	554,359	-	-	-	-	-
Raytheon	0.23%	24,189	24,319	24,302	24,269	24,239	-	-	-	-	-
Santa Barbara	15.02%	1,546,752	1,555,188	1,554,137	1,551,978	1,550,064	-	-	-	-	-
Montecito	17.65%	1,817,864	1,827,923	1,826,688	1,824,151	1,821,900	-	-	-	-	-
Carpinteria	10.09%	1,039,347	1,045,016	1,044,310	1,042,859	1,041,573	-	-	-	-	-
Shandon	0.11%	11,675	11,740	11,732	11,715	11,701	-	-	-	-	-
Chorro Valley	9.03%	930,037	935,217	934,585	933,287	932,135	-	-	-	-	-
Lopez	2.34%	240,488	241,828	241,664	241,329	241,031	-	-	-	-	-
Total:	100.00%	10,300,030	10,356,500	10,349,500	10,335,125	10,322,375	-	-	-	-	-

Central Coast Water Authority
DWR Transportation Capital Charges

Ten-Year Financial Plan Projections

FY 2017/18 Final Budget

	Allocation Percentage	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Current Year Charges		22,894,435	22,905,960	22,999,681	23,057,340	23,051,776	23,047,665	23,045,107	23,042,247	23,039,120	23,035,992
Rate Management Credits (Over)/Under Payment		(2,837,351)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)
Miscellaneous Charges/(Credits)		(4,476)	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		19,284,405	19,117,132	19,210,853	19,268,512	19,262,948	19,258,837	19,256,279	19,253,419	19,250,292	19,247,164
Guadalupe	1.41%	271,064	268,712	270,030	270,840	270,762	270,704	270,668	270,628	270,584	270,540
Santa Maria	41.40%	7,983,253	7,914,006	7,952,804	7,976,673	7,974,370	7,972,668	7,971,609	7,970,425	7,969,131	7,967,836
Golden State Water	1.28%	246,410	244,273	245,470	246,207	246,136	246,084	246,051	246,014	245,974	245,934
Vandenberg AFB	14.05%	2,710,391	2,686,881	2,700,053	2,708,157	2,707,375	2,706,797	2,706,437	2,706,035	2,705,596	2,705,156
Buellton	1.48%	284,852	282,381	283,766	284,618	284,535	284,475	284,437	284,395	284,348	284,302
Santa Ynez (Solvang)	3.80%	732,183	725,832	729,391	731,580	731,369	731,212	731,115	731,007	730,888	730,769
Santa Ynez	1.31%	253,397	251,199	252,430	253,188	253,115	253,061	253,027	252,989	252,948	252,907
Goleta	11.64%	2,244,450	2,224,981	2,235,889	2,242,600	2,241,952	2,241,474	2,241,176	2,240,843	2,240,479	2,240,115
Morehart Land Co.	0.51%	98,552	97,697	98,176	98,471	98,442	98,421	98,408	98,393	98,377	98,362
La Cumbre	2.56%	492,821	488,546	490,941	492,414	492,272	492,167	492,102	492,029	491,949	491,869
Raytheon	0.13%	24,653	24,439	24,559	24,633	24,626	24,621	24,617	24,614	24,610	24,606
Santa Barbara	7.67%	1,478,400	1,465,577	1,472,762	1,477,182	1,476,755	1,476,440	1,476,244	1,476,025	1,475,785	1,475,545
Montecito	7.67%	1,478,400	1,465,577	1,472,762	1,477,182	1,476,755	1,476,440	1,476,244	1,476,025	1,475,785	1,475,545
Carpinteria	5.11%	985,580	977,031	981,821	984,768	984,483	984,273	984,142	983,996	983,836	983,676
Total:	100.00%	19,284,405	19,117,132	19,210,853	19,268,512	19,262,948	19,258,837	19,256,279	19,253,419	19,250,292	19,247,164

Central Coast Water Authority
DWR Coastal Branch Extension
 Ten-Year Financial Plan Projections
 FY 2017/18 Final Budget

	Allocation Percentage	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Principal		2,400,429	1,680,036	1,093,659	1,926,454	2,090,424	2,852,166	2,052,007	2,135,200	1,709,196	1,787,192
Interest		1,036,447	964,598	915,730	866,263	803,397	722,770	631,233	545,607	464,023	386,330
Bond Cover		769,170	587,862	606,447	718,676	818,673	793,714	681,209	616,951	553,054	542,718
Return of Prior Year Cover		(894,052)	(769,170)	(587,862)	(606,447)	(718,676)	(818,673)	(793,714)	(681,209)	(616,951)	(553,054)
Other Charges/(Credits)		(187,637)	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		3,124,356	2,463,326	2,027,974	2,904,947	2,993,818	3,549,977	2,570,735	2,616,549	2,109,322	2,163,186
Guadalupe	0.00%	-	-	-	-	-	-	-	-	-	-
Santa Maria	21.80%	681,027	536,913	442,022	633,170	652,540	773,762	560,324	570,310	459,753	471,493
Golden State Water	0.67%	21,019	16,562	13,635	19,531	20,129	23,868	17,284	17,592	14,182	14,544
Vandenberg AFB	19.54%	610,349	481,233	396,183	567,508	584,870	693,520	502,216	511,167	412,075	422,598
Buellton	2.05%	64,142	50,561	41,625	59,625	61,449	72,864	52,765	53,706	43,295	44,400
Santa Ynez (Solvang)	5.33%	166,459	131,249	108,053	154,779	159,514	189,147	136,972	139,413	112,387	115,257
Santa Ynez	1.78%	55,486	43,762	36,028	51,607	53,186	63,066	45,670	46,484	37,473	38,430
Goleta	15.98%	499,377	393,710	324,128	464,293	478,498	567,388	410,877	418,199	337,130	345,739
Morehart Land Co.	0.71%	22,195	17,497	14,405	20,634	21,266	25,216	18,260	18,586	14,983	15,365
La Cumbre	3.55%	110,973	87,487	72,025	103,172	106,328	126,080	91,302	92,929	74,914	76,827
Raytheon	0.18%	5,549	4,383	3,609	5,169	5,327	6,317	4,575	4,656	3,753	3,849
Santa Barbara	10.66%	332,918	262,497	216,105	309,558	319,028	378,293	273,943	278,825	224,774	230,514
Montecito	10.66%	332,918	262,497	216,105	309,558	319,028	378,293	273,943	278,825	224,774	230,514
Carpinteria	7.10%	221,945	174,974	144,050	206,343	212,656	252,161	182,603	185,858	149,829	153,655
Total:	100.00%	3,124,356	2,463,326	2,027,974	2,904,947	2,993,818	3,549,977	2,570,735	2,616,549	2,109,322	2,163,186

Central Coast Water Authority
DWR Water System Revenue Bond Surcharge
 Ten-Year Financial Plan Projections
 FY 2017/18 Final Budget

	Allocation Percentage	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
WSRB Charge		3,147,312	3,172,578	3,472,134	3,355,318	3,356,395	3,243,546	3,279,280	3,200,143	3,030,515	2,870,574
Return of Prior Year Cover(44%)		(1,328,520)	(1,384,817)	(1,395,934)	(1,527,739)	(1,476,340)	(1,476,814)	(1,427,160)	(1,442,883)	(1,408,063)	(1,333,427)
Other Charges/(Credits)		(11,179)	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		1,807,613	1,787,761	2,076,200	1,827,579	1,880,055	1,766,732	1,852,120	1,757,260	1,622,452	1,537,147
Guadalupe	1.38%	24,931	24,657	28,635	25,206	25,930	24,367	25,545	24,236	22,377	21,200
Santa Maria	40.79%	737,350	729,252	846,910	745,494	766,900	720,674	755,504	716,810	661,820	627,023
Golden State Water	1.26%	22,857	22,606	26,253	23,109	23,773	22,340	23,420	22,220	20,516	19,437
Vandenberg AFB	13.85%	250,365	247,615	287,566	253,130	260,399	244,703	256,529	243,391	224,719	212,904
Buellton	1.45%	26,224	25,936	30,121	26,514	27,275	25,631	26,870	25,494	23,538	22,300
Santa Ynez (Solvang)	3.65%	66,013	65,288	75,822	66,742	68,659	64,520	67,638	64,174	59,251	56,136
Santa Ynez	1.38%	24,941	24,667	28,647	25,216	25,940	24,377	25,555	24,246	22,386	21,209
Goleta	13.00%	234,956	232,375	269,867	237,551	244,372	229,642	240,741	228,411	210,888	199,800
Morehart Land Co.	0.51%	9,239	9,137	10,612	9,341	9,609	9,030	9,466	8,982	8,293	7,857
La Cumbre	2.52%	45,476	44,976	52,233	45,978	47,298	44,447	46,595	44,209	40,817	38,671
Raytheon	0.12%	2,190	2,166	2,515	2,214	2,277	2,140	2,243	2,129	1,965	1,862
Santa Barbara	7.56%	136,670	135,169	156,977	138,179	142,147	133,579	140,035	132,863	122,670	116,221
Montecito	7.56%	136,670	135,169	156,977	138,179	142,147	133,579	140,035	132,863	122,670	116,221
Carpinteria	4.96%	89,733	88,748	103,066	90,724	93,329	87,704	91,943	87,234	80,542	76,307
Total:	100.00%	1,807,613	1,787,761	2,076,200	1,827,579	1,880,055	1,766,732	1,852,120	1,757,260	1,622,452	1,537,147

Central Coast Water Authority
DWR Transportation Minimum OMP&R
 Ten-Year Financial Plan Projections
 FY 2017/18 Final Budget

	Allocation Percentage	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Current Year Charges		8,504,839	7,938,811	7,900,039	7,960,740	8,040,347	8,120,751	8,201,958	8,283,978	8,366,817	8,450,485
(Over)/Under Payment		(302,443)	-	-	-	-	-	-	-	-	-
Miscellaneous Charges/(Credits)		(643,808)	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		7,558,589	7,938,811	7,900,039	7,960,740	8,040,347	8,120,751	8,201,958	8,283,978	8,366,817	8,450,485
Guadalupe	1.39%	103,995	110,017	109,480	110,321	111,424	112,538	113,664	114,800	115,948	117,108
Santa Maria	40.82%	3,044,846	3,240,496	3,224,670	3,249,447	3,281,941	3,314,761	3,347,908	3,381,387	3,415,201	3,449,353
Golden State Water	1.26%	94,329	100,015	99,527	100,292	101,294	102,307	103,331	104,364	105,407	106,462
Vandenberg AFB	13.86%	1,136,696	1,100,168	1,094,795	1,103,207	1,114,239	1,125,382	1,136,636	1,148,002	1,159,482	1,171,077
Buellton	1.46%	108,773	115,618	115,053	115,937	117,096	118,267	119,450	120,645	121,851	123,070
Santa Ynez (Solvang)	3.66%	273,479	290,703	289,283	291,506	294,421	297,365	300,339	303,342	306,376	309,439
Santa Ynez	1.38%	103,073	109,358	108,824	109,660	110,757	111,865	112,983	114,113	115,254	116,407
Goleta	12.88%	953,290	1,022,152	1,017,160	1,024,976	1,035,225	1,045,578	1,056,034	1,066,594	1,077,260	1,088,032
Morehart Land Co.	0.50%	36,962	40,006	39,811	40,117	40,518	40,923	41,332	41,746	42,163	42,585
La Cumbre	2.52%	188,816	200,031	199,054	200,583	202,589	204,615	206,661	208,728	210,815	212,923
Raytheon	0.13%	10,164	10,002	9,953	10,029	10,129	10,231	10,333	10,436	10,541	10,646
Santa Barbara	7.56%	564,192	600,092	597,161	601,749	607,767	613,845	619,983	626,183	632,445	638,769
Montecito	7.56%	564,192	600,092	597,161	601,749	607,767	613,845	619,983	626,183	632,445	638,769
Carpinteria	5.04%	375,781	400,061	398,107	401,166	405,178	409,230	413,322	417,455	421,630	425,846
Total:	100.00%	7,558,589	7,938,811	7,900,039	7,960,740	8,040,347	8,120,751	8,201,958	8,283,978	8,366,817	8,450,485

Central Coast Water Authority
DWR Delta Water Charge
 Ten-Year Financial Plan Projections
 FY 2017/18 Final Budget

		Table A & Drought Buffer %	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Delta Water Charge \$/AF-Base Inflation %	Table A & Drought Buffer		\$ 74	\$ 74	\$ 78	\$ 81	\$ 86	\$ 90	\$ 94	\$ 99	\$ 104	\$ 109
				5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Projected DWC-Base Charges			\$ 74	\$ 78	\$ 81	\$ 86	\$ 90	\$ 94	\$ 99	\$ 104	\$ 109	\$ 115
Rate Management Credits/AF Miscellaneous Charges/(Credits)			(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
TOTAL PAYMENTS			\$ 71	\$ 75	\$ 78	\$ 82	\$ 87	\$ 91	\$ 96	\$ 101	\$ 106	\$ 112
Guadalupe	605	1.33%	42,854	45,082	47,429	49,892	52,479	55,196	58,048	61,043	64,187	67,489
Santa Maria	17,820	39.18%	1,262,236	1,327,870	1,396,986	1,469,557	1,545,756	1,625,766	1,709,776	1,797,986	1,890,607	1,987,859
Golden State Water	550	1.21%	38,958	40,984	43,117	45,357	47,709	50,178	52,771	55,493	58,352	61,354
Vandenberg AFB	6,050	13.30%	428,537	450,820	474,285	498,924	524,794	551,957	580,479	610,427	641,873	674,890
Buellton	636	1.40%	45,050	47,392	49,859	52,449	55,168	58,024	61,022	64,171	67,476	70,947
Santa Ynez (Solvang)	1,500	3.30%	106,707	111,774	117,591	123,700	130,114	136,849	143,921	151,346	159,142	167,328
Santa Ynez	700	1.54%	48,667	52,161	54,876	57,727	60,720	63,863	67,163	70,628	74,266	78,087
Goleta	7,450	16.38%	527,676	555,142	584,037	614,377	646,234	679,683	714,805	751,683	790,405	831,063
Morehart Land Co.	220	0.48%	15,583	16,393	17,247	18,143	19,083	20,071	21,108	22,197	23,341	24,541
La Cumbre	1,100	2.42%	77,916	81,967	86,234	90,713	95,417	100,356	105,542	110,987	116,704	122,707
Raytheon	55	0.12%	3,896	4,098	4,312	4,536	4,771	5,018	5,277	5,549	5,835	6,135
Santa Barbara	3,300	7.25%	233,747	245,902	258,701	272,140	286,251	301,068	316,625	332,960	350,112	368,122
Montecito	3,300	7.25%	233,747	245,902	258,701	272,140	286,251	301,068	316,625	332,960	350,112	368,122
Carpinteria	2,200	4.84%	155,832	163,935	172,467	181,427	190,834	200,712	211,083	221,974	233,408	245,415
Total:	45,486	100.00%	\$ 3,221,405	\$ 3,389,423	\$ 3,565,841	\$ 3,751,081	\$ 3,945,582	\$ 4,149,808	\$ 4,364,246	\$ 4,589,405	\$ 4,825,823	\$ 5,074,061



Ground squirrel getting some shade at Chorro Turnout

Appendix

The Appendix to the FY 2017/18 Budget contains miscellaneous statistical information on the CCWA, and glossaries of acronyms and terms.

Central Coast Water Authority
Santa Barbara County Area Description
Fiscal Year 2017/18 Budget

Santa Barbara County is located on the Pacific coast of the southern portion of the U.S. state of California, just west of Ventura County. The estimated total population of the County as of January 2015 was 437,643 according to the Santa Barbara County website. The county seat is Santa Barbara and the largest city is Santa Maria.

For thousands of years, the area was home to the Chumash tribe of Native Americans, complex hunter-gathers who lived along the coast and in interior valleys leaving rock art in many locations including Painted Cave. European contact had devastating effects on the Chumash Indians, including a series of disease epidemics that drastically reduced Chumash population. The Chumash survived, however, and thousands of Chumash descendants still live in the Santa Barbara area or surrounding counties.

The County has a total area of 3,789 square miles and four of the Channel Islands – San Miguel Island, Anacapa Island, Santa Cruz Island and Santa Rosa Island – are in Santa Barbara County. They form the largest part of the Channel Islands National Park.

Santa Barbara County has a mountainous interior abutting a coastal plains area. The largest concentration of people is on this coastal plain, referred to as the south coast – the part of the county south of the Santa Ynez Mountains – which includes the cities of Santa Barbara, Goleta and Carpinteria, as well as the unincorporated areas of Hope Ranch, Mission Canyon, Montecito and Isla Vista. North of the mountains are the towns of Santa Ynez, Solvang, Buellton, Lompoc; the unincorporated towns of Los Olivos and Ballard; the unincorporated areas of Mission Hills and Vandenberg Village; and Vandenberg Air Force Base, where the Santa Ynez River flows out to the sea. North of the Santa Ynez Valley are the cities of Santa Maria and Guadalupe.

Santa Barbara County, often branded as the American Riviera, is home to a beautiful landscape and great climate for living, playing and working. The County is well known for its strong sense of community, prime agricultural land, award winning wineries, and attractive cultural and tourism opportunities. However, Santa Barbara County also touts its talented and highly skilled workforce, and growing business sectors, from high tech to health care to design. Quality institutions like UC Santa Barbara and Vandenberg Airforce Base continue to attract high quality individuals to the County. It is these attributes that attract and retain businesses in the area.

Central Coast Water Authority
Miscellaneous Statistical Information
Fiscal Year 2017/18 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	30.25
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water Table A amount	(acre-feet per year)
CCWA contract Table A amount	39,078
CCWA drought buffer	3,908
Goleta Water District additional Table A	<u>2,500</u>
TOTAL	45,486
FY 2017/18 Santa Barbara County requested deliveries	34,088 acre-feet
San Luis Obispo State water Table A	4,830 acre-feet
FY 2017/18 San Luis Obispo requested deliveries	3,733 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	10
Number of project participants	
Santa Barbara County	13
San Luis Obispo County	<u>11</u>
TOTAL	24
Estimated total population served by State water	
Santa Barbara County	440,668
San Luis Obispo County	<u>41,000</u>
TOTAL	481,000

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2017/18 Budget

ACWA - Association of California Water Agencies

ADM - Administration

AF - Acre-Foot or Acre-Feet

AVEK - Antelope Valley/East Kern Water Agency

AWWA - American Water Works Association

BDCP - Bay Delta Conservation Plan

CAFR - Comprehensive Annual Finance Report

CalPERS - California Public Employees' Retirement System

CCR - Consumer Confidence Report

CCRB - Cachuma Conservation Release Board

CCWA - Central Coast Water Authority

CDF - California Department of Forestry

CDFW - California Department of Fish & Wildlife (Formerly CA Department of Fish & Game)

CEQA - California Environmental Quality Act

CIP - Capital Improvement Program

CMMS - Computerized Maintenance Management System

COMB - Cachuma Operations and Maintenance Board

CPI - Consumer Price Index

CY - Calendar Year

DBP - Disinfection By-Products

DCS - Distributive Control System

DHCCP - Delta Habitat Conservation Conveyance Plan

DI - Deionized or deionization

DIST - Distribution

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DO - Dissolved oxygen

DOT - Department of Transportation

DPH - Department of Public Health

DWR - Department of Water Resources

EAP - Emergency Action Plan or Employee Assistance Program

EAAP - Employee Achievement Awards Program

EBP - Employee Benefits Program

EDV - Energy Dissipation Valve Vault

EIR - Environmental Impact Report

ELAP - Environmental Laboratory Accreditation Program (ELAP)

E&O - Errors and Omissions

FOC - Fiber Optic Cable

FY - Fiscal Year

GAAP - Generally Accepted Accounting Principles

GASB - Governmental Accounting Standards Board

GFOA - Government Finance Officers Association

GIS - Geographic Information System

HDPE - High-density Polyethylene

HVAC - Heating, Ventilation, and Air Conditioning

IC&R - Instrumentation Calibration & Repair

IRC - Internal Revenue Code

IRWD - Irvine Ranch Water District

ISO - International Standards Organization

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ISP - Internet Service Provider

JPA - Joint Powers Authority

JPIA - Joint Powers Insurance Agency

LAFCO - (Santa Barbara) Local Agency Formation Commission

LAIF - Local Agency Investment Fund (California State Treasurer's Office)

LIMS - Laboratory Information Management System

LT2 - Long Term 2 Enhanced Surface Water Treatment Rule

MIB - 2-Methyl Isoborneol

MWD - Metropolitan Water District of Southern California

MWQI - Municipal Water Quality Investigations

NACE - Nomenclature general des Activites (industrial classification)

NPDES - National Pollutant Discharge Elimination System

O&M - Operations & Maintenance

OMP&R - Operations, Maintenance, Power and Replacement

OPEB - Other Post Employment Benefits

OSHA - Occupational Safety and Health Administration

PAC - Powdered Activated Carbon

PG&E - Pacific Gas & Electric

PEPRA - California Public Employees' Pension Reform Act

PERS - California Public Employees' Retirement System

PLC - Process Logic Controllers

PPWTP - Polonio Pass Water Treatment Plant

RAS - Replacement Accounting System

RFB - Request for Bid

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RFP - Request for Proposal

RFQ - Request for Qualifications

ROW - Right-of-Way

RPP - Remote Process Logic Controller Panel

RWQCB - Regional Water Quality Control Board

SAN - Storage Area Network

SBCFC&WCD - Santa Barbara County Flood Control and Water Conservation District

SCADA - Supervisory Control and Data Acquisition

SCBA - Self Contained Breathing Apparatus

SFCWA - State and Federal Contractors Water Agency

SLOCFCWCD - San Luis Obispo County Flood Control and Water Conservation District

SOC - Statement of Charges (Department of Water Resources)

SQL - Structured Query Language

SWC - State Water Contractors

SWP - State Water Project

SWPAO - State Water Project Analysis Office

SWPC - State Water Project Contractor

SWPCA - State Water Project Contractors Authority

SWPP - Supplemental Water Purchase Program

SWRCB - State Water Resources Control Board

SY ID#1 or **SYRWCD ID#1** - Santa Ynez River Water Conservation District, Improvement District #1

SYPF - Santa Ynez Pumping Facility

SYPP - Santa Ynez Pumping Plant

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TDS - Total Dissolved Solids

THM - Total Trihalomethane

TOC - Total Organic Carbon

UPS - Uninterruptable Power Supply

USBR - United States Bureau of Reclamation

UWMP - Urban Water Management Plan

VAFB - Vandenberg Air Force Base

VFD - Variable Frequency Drive

WRF - Water Research Foundation

WSA - Water Supply Agreement

WSRA - Water Supply Retention Agreement

WSRB - Water System Revenue Bond Surcharge

WTP - Water Treatment Plant

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A

Account - A record of a business transaction; a reckoning of money received or paid.

Accounting System - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government entity.

Accrual - The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

Acre-Foot of Water - The volume of water that would cover one acre to a depth of one foot.

Adoption - Formal action by the Board of Directors which sets the spending limits for the fiscal year.

Advance Refunding - A defeasance of outstanding debt prior to the date the bonds can be called by depositing cash and/or securities in escrow sufficient to pay all principal and interest payments and the call premium, if any, when due. All covenants and restrictions are released.

Amortization - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Aqueduct - A canal for conveying a large amount of water.

Assets - Resources owned or held by a government which have monetary value.

B

Bond Call - Bonds that are redeemable by the issuer prior to the specified maturity date at a specified price at or above par.

Budget - The Authority's financial plan balancing proposed expenditures for a certain period of time to the expected income or revenue for that same period.

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C

Capital Improvements - Expenditures for items or projects which usually have an estimated useful life longer than five (5) years and will benefit the Authority for a long period of time.

Capitalized Interest - Funds provided from the proceeds of an issue to cover interest payments until revenue sources to repay the debt are available.

Carry-Over - The term used to denote amounts which were expected to be expended during one fiscal year on a contract or obligation but were not expended for various reasons. Amounts are “carried over” into the subsequent fiscal year.

Coastal Branch Phase II - A 102-mile long buried pipeline, and ancillary facilities, extending from Devils Den (Kern County) to Tank 5 on Vandenberg Air Force Base (Santa Barbara County).

Coverage - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

D

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Defeasance - To set aside sufficient money to retire outstanding debt when due. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

Deficiency - A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit - The excess of expenditures over revenues during an accounting period.

Delta Water Charge - A unit charge applied to each acre-foot of State water entitlement by DWR. The unit charge is applied to result in repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities, with appropriate interest, by the end of the State water contract repayment period (2035).

Department of Water Resources - The state agency responsible for financing, constructing and operating State Water Project facilities.

Depreciation - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear,

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deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Project Costs - Capital costs, including Debt Service, reserves for the payment of debt service, and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

G

General Fund - The Authority's cash balance net of reserve balances.

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J

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

Water Treatment and Local Facilities Agreements - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Water Treatment Agreement - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred.

Monterey Agreement - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

MOU Trust Fund - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

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O

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Off Aqueduct Charge - Bond debt service, cover and reserves for transmission costs allocated to DWR off-aqueduct power facilities (power cost which includes both fixed and variable cost elements.)

Operating Expenses- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

P

Pass-Through Charges - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

Polonio Pass Water Treatment Plant - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Project Participant - Each entity which has executed a Water Supply Agreement with the Authority.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Rate Management Funds Credit - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

Reach - see "Financial Reach"

Regional Water Treatment Plant Allocation - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

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Reserves - A budgeted amount to be set aside in an account for future use.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Revenue Bond - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

Right of Way - A legal right of passage over another person's ground.

S

Santa Ynez Exchange Agreement - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

State Water Project - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

T

Table A Amount - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

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Table A Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of five years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

Transportation Capital Costs - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

Transportation Charge - Minimum Operation, Maintenance, Power and Replacement (OMP&R) - Operating costs incurred by DWR that do not depend on or vary with quantities of water delivered to the Authority.

Turnback Pool Reduction - Elections by project participants to "turnback" a portion of their State water in a given year.

Turnout - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

V

Variable O&M Charges - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

W

Warren Act Charges - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

Water Supply Agreement - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

Water System Revenue Bond Surcharge - The surcharge is the difference between the total project charges collected at the project interest rate for a project and the annual financing costs of the water system revenue bonds issued for that project. Project interest rate is the melded financing costs for projects not financed with water system revenue bonds.

THE STATE WATER PROJECT IN SANTA BARBARA COUNTY

Introduction

The water treatment and conveyance facilities built between 1993 and 1997 to bring State water to Santa Barbara and San Luis Obispo Counties comprise the most ambitious and complex public works project ever constructed on California's Central Coast. The project consists of (1) water conveyance facilities built by the California Department of Water Resources (State) and (2) regional distribution and treatment facilities constructed by a cooperative group of local water agencies and cities operating as the Central Coast Water Authority (CCWA).

This significant water project was conceived and constructed amidst intense political controversy. It faced and overcame daunting engineering and environmental challenges. It was completed because a remarkable and steadfast collection of water leaders made sure that it was going to be completed, despite the obstacles. By employing an intensive management approach, the project was completed very close to the original schedule and delivers water at the price (as adjusted for inflation) projected in the planning documents.

This paper is a summary of the essential facts concerning the State Water Project in Santa Barbara County, and was prepared as information for the public. The information presented was derived from CCWA official records, which are available for public review.

History of the State Water Project

It is common knowledge that California's fundamental water supply challenge is that the major sources of water are found in northern California while the major urban and agricultural demands are located in central and southern California. To address this challenge, the voters and the Legislature authorized construction of extensive water conservation and delivery systems known as the Central Valley Project in 1930 and the State Water Project (SWP) in 1960.

Since 1963 the State has constructed most of the SWP elements: Oroville Dam, facilities to convey the water from Lake Oroville to the Sacramento Delta, an elaborate system of pumps and other facilities to move water out of the Delta, including 660 miles of canals and pipelines, and a complex of regulating reservoirs (see Figure 1). The State has designed, engineered and constructed all of these facilities, and operates and maintains them, with funds received from its 29 contractors (see Figure 2).

Construction of the SWP was financed in large part by \$1.75 billion of general obligation bonds issued pursuant to the Burns-Porter Act and approved by California voters in 1960. The Act directs the State to enter into water contracts for the sale, delivery or use of SWP water, and 29 such contracts now exist. Prior to the 1960 election, the State published Contracting Principles containing rules for implementing the water contracts required under the Act. The Contracting Principles provide that contract rates should be set so as to return to the State “. . . all costs of project operation, maintenance and replacement, all principal and interest on (1) bonds, (2) expenditures from the California Water Fund and (3) other monies used in the construction of the project works.”

Thus, from the very inception of the SWP, it was the intent of the Legislature that 100% of the costs associated with the purchase of SWP water, including construction costs, be passed through to purchasers of water. The State finances, designs, constructs and owns this extensive system; the water contractors purchase water from the State under "take or pay" contracts under which the State recovers all of its costs.

The State Water Project in Santa Barbara County

The Early Years

In 1963, anticipating a future need for supplemental water supplies, the Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County) entered into a Water Supply Contract (State Contract) with the State. Under the State Contract, water would be delivered to Santa Barbara County through the "Coastal Branch" of the SWP. Phase I of the Coastal Branch, a 15-mile aqueduct branching off the California Aqueduct in northwestern Kern County, was completed in 1968. Construction of the remainder of the Coastal Branch (designated "Phase II") was postponed from 1975 to 1991. This postponement in construction was permitted pursuant to Paragraph 45(e) of the State Contract, which allowed Santa Barbara and San Luis Obispo Counties to delay construction indefinitely.

In March 1979 Santa Barbara County presented its voters with a ballot measure authorizing the issuance of revenue bonds in an amount not to exceed \$102 million to construct local facilities "to import and distribute" SWP water. Rainfall was heavy for several years preceding the vote and, as a result, Lake Cachuma was at or near capacity. For this and other reasons, Santa Barbara County voters defeated that ballot measure.

The 1980's and 1990's

Even though construction of the Coastal Branch Phase II project was delayed under Article 45(e) of the State Contract, during the delay period Santa Barbara County was still obligated to make certain payments to the State related to facilities (such as the Oroville Dam and the California Aqueduct) which had already been built and which would be part of the delivery system that eventually would convey SWP water to the Central Coast. Before and after the 1979 election, many in Santa Barbara County questioned whether Santa Barbara County should continue to make payments under the State Contract. A number of water purveyors concluded it would be prudent for the County to continue to retain its entitlement and make payments to the State. The County was willing to retain the entitlement, but only if the associated costs were shifted from the countywide tax base to the ratepayers in those jurisdictions which wanted to keep the option to join the SWP. Beginning in 1982, Santa Barbara County entered into a series of Water Supply Retention Agreements (WSRAs) with various water purveyors for the purpose of shifting responsibility for such State payments from the County taxpayers to individual purveyors and their ratepayers. The WSRAs included a provision stating that no revenue bond financing for project facilities could be issued unless authorized by a vote of the people within the jurisdiction of each participating purveyor.

In 1983, Santa Barbara County, San Luis Obispo County Flood Control and Water Conservation District (SLO County) and the State commenced joint studies which found that additional water was needed for the two counties. The studies concluded that water use in 1980 exceeded dependable water supply by about 65,000 acre-feet per year in Santa Barbara County and by about 70,000 acre-feet per year in San Luis Obispo County. This shortage was being met by long-term overdraft of local groundwater basins.

The chronic overdraft of the local groundwater basins presented a serious environmental threat. Since many of these groundwater basins are adjacent to the ocean, the risk of saltwater intrusion and permanent damage to groundwater basins weighed on the minds of local water officials. In addition, reports from other areas in California (including some from San Luis Obispo County) indicated that groundwater overdrafting was causing surface soil subsidence. Local water agencies understood the significant environmental benefits that could be derived by reducing groundwater "mining" by diversifying water supplies to include imported water.

In 1985 the State, in conjunction with Santa Barbara County, completed a major "Alternatives Study" regarding the feasibility and costs of various supplemental sources of water supply for Santa Barbara County. This study determined that supplemental water from an enlarged Lake Cachuma was the preferred alternative for the Santa Ynez Valley and the South Coast, while SWP water was preferred for the cities of Lompoc, Santa Maria and other north County entities.

In 1986 the City of Santa Maria requested Santa Barbara County to ask the State to begin the planning and environmental studies, including preparation of an environmental impact report, needed to build the Coastal Branch Phase II project. In the same year, Santa Ynez River Water Conservation District, Improvement District No. 1 and the South Coast water purveyors asked the State and the United States Bureau of Reclamation to begin a study for enlarging Lake Cachuma. This alternative involved several environmental concerns that raised doubts about its ultimate feasibility.

In June 1990 DWR prepared and circulated a draft environmental impact report (DEIR) on the Coastal Branch Phase II project, pursuant to the California Environmental Quality Act, Public Resources Code Section 21091 (CEQA). Under CEQA, one purpose of a DEIR is to publicly disclose the impact, both environmental and financial, of a proposed project. The Coastal Branch DEIR was the subject of numerous public meetings in Santa Barbara County.

In May 1991 DWR issued the final environmental impact report (FEIR) for the Coastal Branch Phase II project and the Mission Hills Extension. The FEIR was sent to all of the potential participating water purveyors.

On June 4, 1991, during the 1987-1992 drought, the elections required by the WSRAs were held in 14 Santa Barbara County cities, communities and water districts on a State water ballot measure. The measure asked whether voters in each city or district would approve issuance of revenue bonds to finance local facilities needed to treat and distribute SWP water once the State completed construction of the Coastal Branch Phase II project. Voters in eleven cities and districts approved the bond measures.

The Central Coast Water Authority

Early Activities

In September 1991, following the voter authorization to finance revenue bonds, CCWA was formed to construct, manage and operate Santa Barbara County's "local facilities" for distribution and treatment of State water. Upon its formation, CCWA immediately accepted assignment of the WSRA obligations by executing Water Supply Agreements (WSA) with the contractors. As a result, CCWA became obligated to pay all State costs charged to Santa Barbara County under the State Contract. This obligation was clarified in a single document (instead of eleven) when CCWA and Santa Barbara County entered into a Transfer of Financial Responsibility Agreement on November 12, 1991.

During the early months of its existence, CCWA successfully resolved a number of issues of regional significance. For example, the CCWA members agreed on a cost allocation mechanism to equitably apportion the capital and operating costs of the Polonio Pass Water Treatment Plant among those contractors which would take direct deliveries of treated water (such as Santa Maria) and those which would not (such as Santa Barbara, which receives SWP water through Lake Cachuma). They also agreed to save capital costs by acquiring from one of its members an existing water pipeline which had been built in the 1960's to deliver Lake Cachuma water to the Santa Ynez Valley; that acquisition required an exchange of SWP water for Cachuma water to be equitable to all parties. Finally, they agreed on a mechanism to reapportion the costs incurred between 1985 and 1991 by the parties who had paid for environmental and feasibility studies of the Coastal Branch so that they would be equitably shared by all project participants.

At its formation, CCWA was composed of nine member water purveyors. It has identical WSAs with its members and additional WSAs to deliver water to certain other contractors (i.e., Vandenberg Air Force Base, Southern California Water Company, La Cumbre Mutual Water Company and two other private entities). It was originally responsible for construction and operation of the 42 mile buried pipeline from Vandenberg Air Force Base to Lake Cachuma (i.e., the Mission Hills and Santa Ynez Extensions) and the 43 million gallon per day Polonio Pass Water Treatment Plant. The State was originally responsible for construction, management and operation of the 101-mile Coastal Branch

Phase II project, which extends from northwest Kern County to Vandenberg Air Force Base, and for delivering SWP water to the local facilities.

Since SWP water is delivered from sources hundreds of miles away, the largest part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams, reservoirs, aqueducts and pipelines to conserve and transport the water. As previously noted, the State recoups these costs, whether or not water is actually delivered. Thus, a water purveyor signing up for SWP water must agree to a “take or pay” contract under which certain (i.e., fixed) costs must be paid each year, irrespective of how much water the State can deliver, and how much water the purveyor actually needs in a given year.

Project Financing, Development and Implementation

In May 1992 CCWA issued “Development Notes” in the principal amount of \$23,760,000 for the purpose of securing funds to initiate design, engineering, planning, and related activities. In connection with the note issue, CCWA published an Official Statement containing information about each of the Santa Barbara County public agencies that would be receiving water through the CCWA constructed facilities.

During 1992, CCWA worked closely with the State on the design and engineering of the Coastal Branch Phase II project. This coordination included intensive discussions concerning the location of the Coastal Branch terminus. The 1963 State Contract showed the Coastal Branch terminating at the Santa Maria River, which is the boundary line between Santa Barbara and San Luis Obispo Counties. This terminus location, while geographically logical, turned out to pose problems from an engineering perspective. In light of these practical problems, CCWA and the State agreed that the terminus should be shifted 15 miles south to a location on Vandenberg Air Force Base, approximately 3 miles from the town of Casmalia.

This decision to move the Coastal Branch Phase II terminus was incorporated into a September 21, 1992 amendment to the State Contract, which was approved at public meetings by the CCWA Board of Directors and Santa Barbara County Board of Supervisors. The effect of this change was to shift from CCWA to the State the obligation to build this 15-mile pipeline reach. CCWA believed this decision was financially advantageous to CCWA project participants, since the State would be able to build this

section with State revenue bond funds borrowed at interest rates lower than those available to CCWA and would provide SWP power for a proposed pumping plant in that reach.

In October 1992, CCWA issued \$177,120,000 in revenue bonds for the purpose of securing funds to design and construct the local facilities. In connection with the bond issue, CCWA published an Official Statement containing information about each of the Santa Barbara and San Luis Obispo County public agencies which would be receiving water through those facilities. (In November 1996, CCWA refinanced the 1992 water revenue bond issue resulting in debt service savings of almost \$400,000 per year. The principal amount of the refunding bonds was \$198,015,000.)

On May 27, 1993 CCWA made the necessary determinations and findings to permit final sizing of the facilities. It amended those findings and determinations in 1994, so that the final sizing was based on 42,986 acre-feet of water per year, which consists of 39,078 acre-feet per year of contract allocations and 3,908 acre-feet per year of "drought buffer" (the purpose of drought buffer entitlement is to firm up the reliability of the contract allocations in those years when full SWP deliveries are not available). On March 16, 1993 SLO County made the requisite determinations and findings regarding its participation, and decided to take 4,830 acre-feet of water per year.

In March 1994, the State commenced construction of the Coastal Branch Phase II facilities. CCWA started construction of its facilities a few months later in July 1994. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the

federal government to provide drinking water to South Coast and Santa Ynez Valley residents.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The

change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings. CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting

from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, construction and O&M issues.
- As a result of experience gained on the Coastal Branch Phase II project and its dealings with CCWA, the State has made unprecedented changes in its staffing, organization and approach to implementing projects. The State's Division of Design and Construction was reorganized and staffing was significantly reduced. The State now seeks State water contractor input on design criteria and project designs. The State has recognized that its existence as a design, construction and O&M organization is dependent on how well it responds to and meets the needs of its customers, the State water contractors.

The reorganization of the State's Design and Construction Division (now known as the Engineering Division) was the result of a personnel consultant study authorized by State management, principally due to CCWA's experiences on the Coastal Branch Phase II project. Since then State management has conducted similar studies for its Planning and O&M Divisions.

A Commitment to Environmental Protection

Throughout the planning and construction of the project, CCWA worked very hard to build the project with a true commitment to environmental protection. CCWA formed a project team of CCWA staff, engineers, environmental consultants and attorneys charged with coordinating their respective skills and objectives to design and build a project that treated environmental protection with the same priority given technical and financial issues. Project plans incorporated environmental mitigation from inception. The project team conducted regular meetings to maintain clear lines of communication and reporting and to create peer pressure so that each team member took personal responsibility for completing tasks properly and timely, resolving little problems before they grew and staying ahead of issues to prevent problems from developing.

Before project planning began, the team met with every regulatory agency that might have had jurisdiction over the project to discuss potential resource issues that needed to be addressed and to establish a dialogue that encouraged the resource agencies to call if problems were identified as the project progressed.

CCWA and its project participants complied with both CEQA and the National Environmental Protection Act and prepared three EIRs with Supplemental EIRs, an Environmental Assessment and a number of Negative Declarations. CCWA and its consultants coordinated closely with the California Department of Fish & Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and local Native American groups to formulate and implement a mitigation and monitoring program to (1) protect sensitive species and their habitats, (2) avoid impact to cultural resources, (3) restore disturbed areas to their prior condition to the extent feasible and (4) provide offsite mitigation for those areas that could not be restored, (e.g., large trees cannot be grown over the pipeline, and above ground valve vaults and similar facilities occupy surface areas which must remain clear in perpetuity).

CCWA's approach to the project provides an example of how to build a large project which crosses multiple riparian and other sensitive habitats that, without a sincere environmental commitment, could be adversely affected by construction activity. Project planning and construction included the following measures:

- The construction right of way and access roads were selected by CCWA staff, engineers, cultural experts and biologists to avoid sensitive resources wherever possible and, where avoidance was infeasible, to minimize environmental damage. Routes were field verified before construction to confirm they were the least environmentally impacting and most feasible routes. Access routes generally followed existing roads and the pipeline corridor to reduce new scarring.
- The right of way was narrowed where feasible to avoid environmental damage.
- The construction plans depicted sensitive areas to be avoided and mapped trees or habitat to be removed. Contractors received a pre-agreed bonus for saving vegetation marked for removal. It was a three-way "win-win" – contractors worked hard to earn the bonus; CCWA saved hefty revegetation costs; the natural environment was preserved and protected.
- The construction specifications required a "double lift" during pipeline trenching, whereby contractors would first remove topsoil, then remove subsoil and keep them separated during construction (topsoil with its valuable native seed bank was protected from wind and rain). The topsoil and subsoil were then restored in the proper order. This enhanced revegetation by using the natural seed bank and nutrients.
- Native seed and native plants grown from seed gathered from the local area were used for revegetation to preserve local genetic integrity and to avoid importing foreign stock that might carry pests and disease.
- CCWA required environmental training for all personnel entering the project site.
- Independent environmental monitors, with authority to halt construction to protect environmental resources, ensured that ground activities complied with the protective measures integrated into the plans and specifications. Monitors marked exclusion zones with bright tape to protect sensitive resources and scouted for previously unknown cultural sites, directing construction away from discovered sites so CCWA's cultural experts could study the sites, report them to the state and federal agencies and then mitigate.

- Biological surveys conducted shortly before construction located sensitive resources and identified the "before" condition of the habitat so post-construction restoration could be completed accurately, and the site restored to its pre-project condition.
- On-site pipe sections were "capped" at the ends to prevent wildlife from crawling inside. Monitors also checked the trench routinely to remove trapped animals.
- Upon completion of construction in each area, CCWA installed erosion controls such as water bars, straw bales and silt fencing to reduce erosion during the rainy season. Sites were monitored closely and erosion control devices repaired and replaced as needed. Revegetated areas are monitored regularly and monitoring will continue for five years.

CCWA's commitment to environmental protection resulted in a project which was virtually undetectable to the public just one year after completion because revegetation was so successful. In addition, CCWA's project management resulted in saving 323 oak trees (90% of those located in or near the pipeline right of way), rescuing 101 animals, preserving and curating 61 cultural artifacts and replanting from seed or seedling 450 oaks, 240 willows, and 60 acres of other native vegetation. Moreover, far fewer acres of sensitive habitat were impacted by the project, compared to the pre-construction impact estimates, thereby resulting in significantly lower mitigation efforts after completion. As a result, the costs of environmental mitigation were lower than expected, disruptive project delays were avoided and CCWA enjoys a good working relationship with the regulatory agencies.

Certain state-of-the-art engineering and construction techniques used on the project were necessary more for environmental than technical reasons. CCWA utilized microtunnel technology to cross under San Antonio Creek (Vandenberg Air Force Base) and the Santa Ynez River and the State utilized directional drilling technology to cross San Juan Creek in San Luis Obispo to avoid impacts to certain endangered species and sensitive habitat. In addition CCWA utilized "jack and bore" technology to install the pipeline under existing oak groves adjacent to Vandenberg Village (Santa Barbara County) and the City of San Luis Obispo, as well as for more traditional purposes such as railroad and freeway crossings.

When the CCWA Board of Directors approved construction of the 42-mile CCWA pipeline, it included a number of conditions. One condition was to require each of the CCWA project participants to commit that its SWP water entitlement will be used first to offset its proportionate share of groundwater overdraft and then to improve water quality for its consumers. (Any remaining water would be used for future growth consonant with community general plans.) Thus, SWP water is providing the "ultimate" environmental benefit by reducing groundwater overdraft in a number of areas throughout the county.

Water Supply Reliability

The availability of SWP water supplies varies with hydrologic cycles and overall SWP demand. During wet years the SWP is able to deliver sufficient water to meet most or all SWP delivery requests. During extended dry year conditions, the SWP can deliver only a portion of requested deliveries.

In June 1993 CCWA retained an additional 3,908 acre-foot "drought buffer" entitlement to partially firm up the reliability of the 39,078 acre-feet of SWP entitlement for which CCWA (Santa Barbara County) project participants contracted. During those years that availability of SWP water exceeds project participants' demand, project participants can store drought buffer water (and unused WSA entitlement allocations) either directly into a groundwater basin or on an in-lieu basis (i.e., by taking delivery of the drought buffer and reducing groundwater pumping by an equal amount). During dry years when availability of SWP water is less than CCWA project participants' demand, stored drought buffer water (and stored entitlement water) can be used to augment SWP deliveries. On a long-term average basis, this results in the equivalent of 80% delivery of full annual entitlement (i.e., the 39,078 acre feet) year in and year out. In the meantime, the reliability of requested deliveries by CCWA project participants is much higher – virtually 100% – because their current total demand is significantly less than 39,078 acre feet per year.

Other mechanisms that CCWA can use to fill project participant delivery requests during shortages in SWP supplies are:

- Acquiring water from the State "Turnback Pool," which is an internal SWP mechanism that pools unused SWP supplies early in the year for purchase by other SWP contractors at a set price. In addition, CCWA has established its own Turnback Pool Program whereby CCWA project participants can buy and sell excess entitlement

among themselves before submitting it for sale in the State turnback pool program. The turnback pool mechanism is only for one-year sales of water.

- Acquiring water from the State Water Bank during those years the bank is implemented by the State to market water that it purchases on the open market (i.e., non-SWP water). The bank was first implemented in 1991 as the State Drought Water Bank and has since been utilized during certain dry years when additional water is needed by SWP contractors. The water bank also is only for one-year sales of water.
- Term water purchases and sales of SWP entitlement by CCWA project participants in accordance with the CCWA Water Transfer Procedures adopted in March 1996. The procedures typically cover multi-year temporary and permanent sales of SWP entitlement.

Possible future actions that would further enhance SWP entitlement reliability include (1) the State building additional SWP facilities, (2) the State (and federal government) implementing water supply and reliability enhancements resulting from the CALFED process and (3) CCWA instituting a new or participating in an existing groundwater banking program on behalf of its project participants.

The Future

The most significant current challenge to CCWA project participants is financial. Consequently, CCWA continues to strive to ensure the cost effectiveness of both its and the State's operations. With time, the affordability of State water will improve due to the fixed nature of the majority of SWP costs.

As each project participant's demand for State water approaches its entitlement allocation, supply reliability will become CCWA's most significant challenge. The magnitude of this challenge is increased by the fact that demand by other urban State water contractors is also increasing with time. Methods of enhancing the reliability of CCWA's SWP entitlement were previously discussed in the section entitled "Water Supply Reliability."

CCWA staff currently monitor water quality parameters at the Polonio Pass Water Treatment Plant and at each turnout and tank site along the pipeline. As a wholesaler and

service provider, CCWA monitors all parameters requested by its project participants, as well as those mandated by state and federal regulators. New water quality analyses currently being conducted by CCWA but not yet regulated include Giardia, Cryptosporidium, total organic carbon (along with its uv-254 surrogate) and haloacetic acids.

CCWA will continually strive to secure maximum performance from the Polonio Pass Water Treatment Plant as state and federal regulations are added and permissible contaminant levels change. The plant's ability to utilize enhanced coagulation, the granular activated carbon filter beds and the post-filtration chlorine contactor will play an important role in meeting the next generation of regulations. The treatment plant can also accommodate the addition of a settled water ozone contactor or other new treatment processes should they ever become necessary.

Environmental protection has been built into every level of CCWA operations. The CCWA O&M manual requires using special balloon-tired vehicles in sensitive areas, utilizing portable dechloramination units whenever potable water is released from the pipeline, having environmental specialists review any earth disturbing activities, restoring and revegetating all disturbed sites, maintaining erosion control along the right of way and conducting aerial surveys when land-based vehicles are inappropriate for use.

The future issues noted above illustrate the continued viability of the vision first expressed in 1993 when the CCWA Board of Directors adopted its Mission Statement and Objectives. CCWA has built both the organization and infrastructure that will support this vision well into the future.

July 1998

Figure 1 – State Water Project Facilities



**Figure 2 – State Water Project Contracting Agencies
(and year of initial water delivery)**

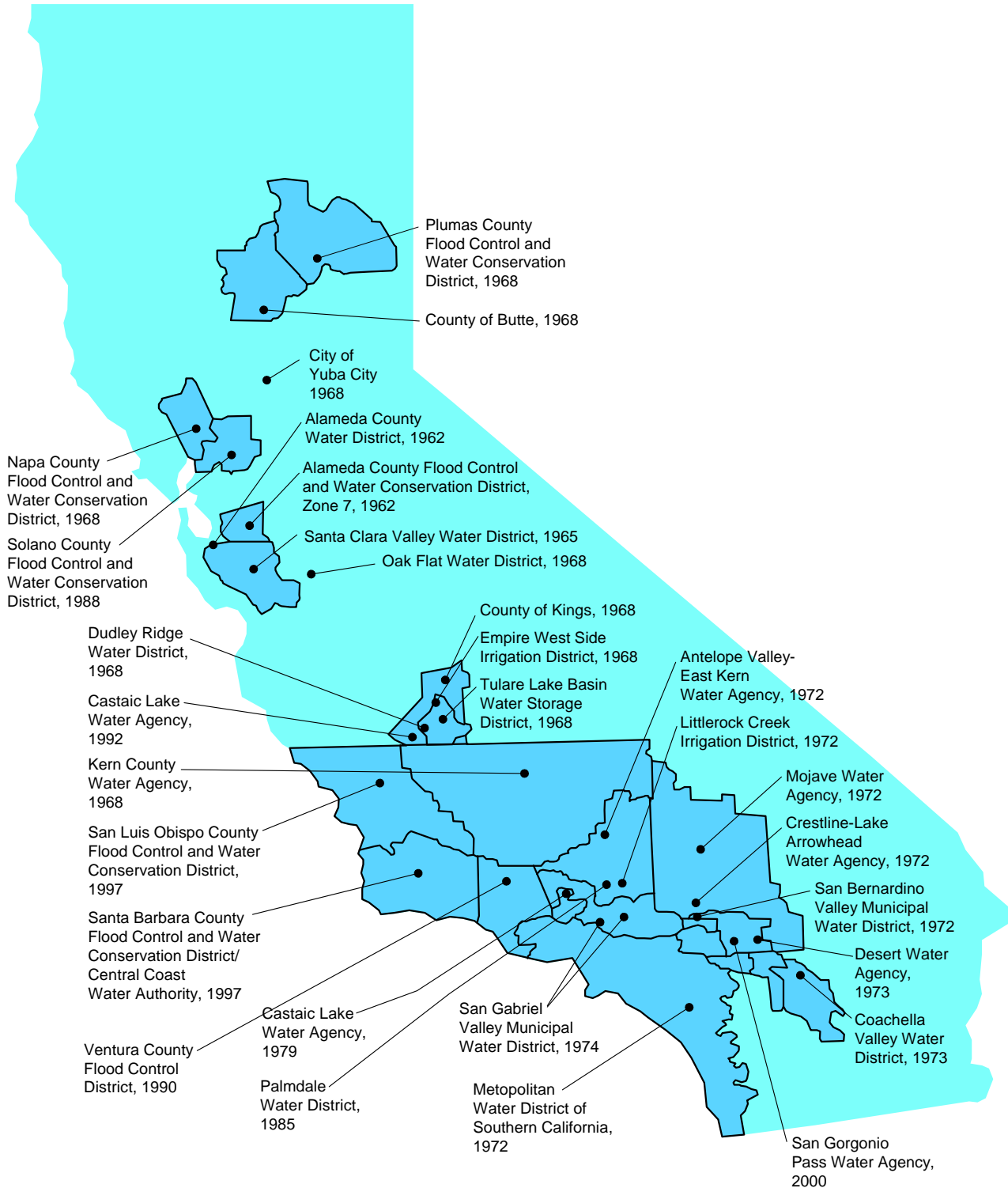


Table 1

COASTAL BRANCH PHASE II PROJECT DATA *

Tank Sites*	1	1	2	5	7
	raw water	treated water	treated water	treated water	treated water
# of tanks	3	2	2	2	1
total capacity (million gallons)	24.2	9.8	6.4	5	2.5

* Tank sites 3, 4 and 6 were eliminated during design of the facilities.

Polonio Pass Water Treatment Plant	43 million gallon per day capacity (disinfection process uses combination of chlorine and ammonia - chloramination)
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Pipeline		
<u>Location (from/to)</u>	<u>Pipeline Diameter (inches)</u>	<u>Distance (miles)</u>
Devils Den Pumping Plant/Tank1	57	13.0
Tank1/Salinas River	48	33.0
Salinas River/Cuesta Tunnel	51	7.1
Cuesta Tunnel/Tank 5	42	47.5
Tank 5/Purisima Road	39	13.3
Purisima Road/Santa Ynez Pumping Facility	36	21.2
Santa Ynez P.F./Lake Cachuma	30	8.0
Total Pipeline >>>		143.1

Pump Plants	<u>Flow Rate (cfs)</u>	<u>Horsepower (each pump)</u>	<u># of Pumps</u>	<u>Lift (ft)</u>
Devils Den Pumping Plant (DWR)	100	1760	6	550
Bluestone Pumping Plant (DWR)	100	1760	6	550
Polonio Pass Pumping Plant (DWR)	100	1760	6	550
Santa Ynez Pumping Facility (CCWA)	22	300	5	250

Turnouts	
<u>Location</u>	<u>Agencies Served</u>
Chorro Valley (SLO County)	California Mens Colony, Cuesta College, County of SLO Operations Center, City of Morro Bay
Lopez (SLO County)	Oceano CSD, City of Pismo Beach, San Miguelito Mutual Water Company, Avila Beach CSD, San Luis Coastal Unified School District, Avila Valley Mutual Water Company
Guadalupe	Guadalupe
Santa Maria	Santa Maria
Southern California Water Company (Orcutt)	California Cities Water Company
Vandenberg AFB	VAFB
Buellton	Buellton
Solvang	Solvang
Santa Ynez	Santa Ynez
Lake Cachuma*	Goleta WD, City of Santa Barbara, Montecito WD, Carpinteria Valley WD, Morehart Land Company, Santa Barbara Research Center, La Cumbre Mutual Water Co.

* Water discharged to Lake Cachuma is dechloraminated and then retreated on the South Coast.