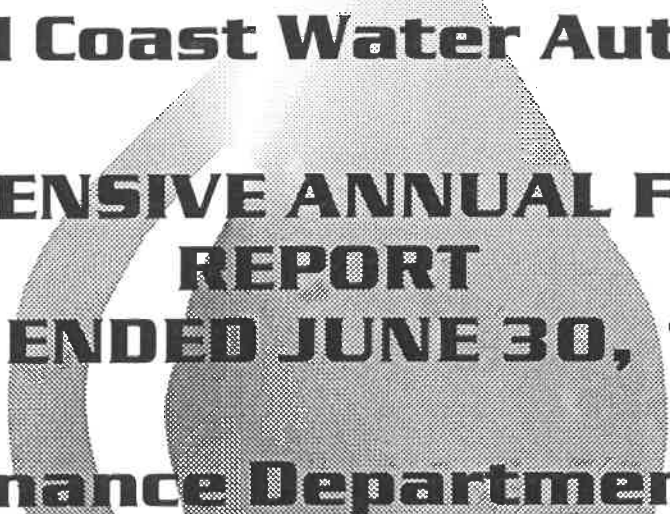




# **Central Coast Water Authority**

A California Joint Powers Authority

Comprehensive Annual  
Financial Report  
Fiscal Year 1996/97



**Central Coast Water Authority**  
**COMPREHENSIVE ANNUAL FINANCIAL**  
**REPORT**  
**YEAR ENDED JUNE 30, 1997**  
**Finance Department**





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**Introductory Section**







September 25, 1997

Robert W. Puddicombe  
Chairman

Joseph P. Centeno  
Vice Chairman

Dan Masnada  
Executive Director

Stanley C. Hatch  
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

**Members of the Board  
Central Coast Water Authority**

The Comprehensive Annual Financial Report of the Central Coast Water Authority for the fiscal year ended June 30, 1997 is submitted as prepared by the Authority's Finance Department. The report is published to provide to our customers, the Authority Board, and the investment community detailed information about the financial condition and operating results of the Authority as measured by the financial activity of the Authority.

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

**GENERAL BACKGROUND INFORMATION**

The Central Coast Water 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 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 25 full 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, has 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



(SLOCFCWCD 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 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.

City of Guadalupe	1.15%
City of Santa Maria	43.19%
City of Buellton	2.21%
Santa Ynez 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	7.64%
TOTAL	100.00%

#### CCWA Committees

There are currently six Central Coast Water Authority committees and one ad hoc committee. They consist of the Finance Committee, Personnel Committee, Policy Committee, Extra Work Review Group, Operating Committee, Water Treatment Plant Advisory Committee and the Ad Hoc Facilities Dedication 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 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.

#### 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.

## **SIGNIFICANT ACCOMPLISHMENTS**

### State Water Project Construction

As of the date of this letter, construction of the overall project is being completed. Water deliveries began in August 1997. Delivery of water was the climax of many years' work "to provide San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water."

This time frame for the Authority is also significant for another reason. We are now transitioning from the construction phase to the operations and maintenance phase. The Authority is now fully staffed to operate its facilities and the treated water portion of the Coastal Branch Phase II project. In short, we have completed building both the facilities *and* the organization to cost effectively and safely operate those facilities.

### Revenue Bond Refinancing

In November 1996, the Authority refinanced the 1992 revenue bonds which had a true interest cost of 6.64% with the 1996 advance refunding revenue bonds which have a true interest cost of 5.55%. This opportunity was possible due to the decrease in interest rates for long-term financing.

### DWR Deferral of Charges

A landmark agreement was reached with the Department Water Resources (DWR) to allow the Authority to defer \$1.154 million in annual charges between calendar years 1997 and 2000. This agreement was sought in an effort to offset increases in DWR's annual charges which would have increased as a result of Coastal Branch Phase II project cost overruns.

## **FINANCIAL INFORMATION**

### Accounting System

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

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

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

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

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

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

### FINANCIAL HIGHLIGHTS

For fiscal year 1996/97, the Authority realized total revenues of \$4.66 million compared to \$2.95 million for fiscal year (FY) 1995/96 or an increase of approximately \$1.7 million.

The following table compares the revenue sources for FY 1996/97 and 1995/96:

<u>Description</u>	<u>FY 1996/97</u>	<u>FY 1995/96</u>	<u>Change</u>	<u>% Change</u>
O&M assessments from project participants	\$ 1,495,834	\$ 1,798,493	\$ (302,659)	(16.83)%
Debt service operating assessments	2,081,902	-	2,081,902	N/A
Interest income	1,074,057	1,145,103	(71,046)	-6.20%
Other revenues	9,118	2,713	6,405	236.09%
<b>Total Revenues</b>	<b>\$ 4,660,911</b>	<b>\$ 2,946,309</b>	<b>\$ 1,714,602</b>	<b>58.19%</b>

**O&M Assessments from project participants:** Operations and maintenance assessments paid by project participants totaled \$1.49 million for FY 1996/97 compared to \$1.79 million for FY 1995/96, or a decrease of approximately \$302,000. This decrease is attributed to (1) credits given to the project participants for under-expenditure of FY 1995/96 assessments and interest income and (2) credits given to the project participants for anticipated under-expenditures for FY 1996/97.

**Debt service operating assessments:** Assessment income for debt service payments on the 1996 Revenue Bonds were \$2.08 million. FY 1996/97 was the first year in which assessments were charged for debt service on the bonds. Amounts paid in prior years were paid from capitalized interest included in the bond issue.

**Interest income:** Interest income totaled \$1.07 million for FY 1996/97 or a decrease of about \$71,000 from the prior year. Interest income includes interest earned from the State of California Local Agency Investment Fund (LAIF) on the Santa Maria and Vandenberg Air Force Base escrow accounts and the Authority general accounts.

Interest income earned on investments held by the bond trustee was offset against the interest capitalized on the construction project.

Operating Expenses

Operating expenses for FY 1996/97 totaled approximately \$3.5 million (includes depreciation and amortization) compared to approximately \$975,000 for FY 1995/96, or an increase of approximately \$2.56 million. This increase is attributed to commencement of operations for the Authority. Additionally, depreciation and amortization expenses increased by about \$1.08 million due to the amortization of bond issue costs for both the 1992 and 1996 Revenue Bonds. Amortization expenses for the prior year were capitalized as a component of interest expense.

The following table compares the operating expenses for FY 1996/97 and 1995/97:

<u>Description</u>	<u>FY 1996/97</u>	<u>FY 1995/96</u>	<u>Change</u>	<u>% Change</u>
Personnel expenses	\$ 1,421,745	\$ 462,971	\$ 958,774	207.09%
Office expenses	34,950	17,424	17,526	100.59%
General and administrative	89,525	24,702	64,823	262.42%
Professional services	389,364	287,145	102,219	35.60%
Supplies and equipment	29,896	7,740	22,156	286.25%
Monitoring expenses	20,545	-	20,545	N/A
Repairs and maintenance	77,234	12,104	65,130	538.09%
Utilities	146,816	16,102	130,714	811.79%
Depreciation and amortization	1,150,851	62,188	1,088,663	1750.60%
Other expenses	178,105	84,627	93,478	110.46%
<b>Total Operating Expenses</b>	<b>3,539,031</b>	<b>975,003</b>	<b>2,564,028</b>	<b>262.98%</b>
Interest expense	1,314,904	-	1,314,904	N/A
<b>Total Expenses</b>	<b>\$ 4,853,935</b>	<b>\$ 975,003</b>	<b>\$ 3,878,932</b>	<b>397.84%</b>

Personnel Expenses: Personnel expenses increased \$958,774 over the previous year due to full staffing for both the Water Treatment Plant Operations and Maintenance (O&M) department and the Distribution O&M department.

General and Administrative Expenses: General and administrative expenses increased \$64,823 when compared to the prior year due to an increase in dues and memberships including permits for the water treatment plant, training for the new employees and other expense increases.

Repairs and Maintenance Expenses: Repairs and maintenance expenses totaled \$77,234 for FY 1996/97 or an increase of about \$65,000 over FY 1995/96. This increase is attributed to increased repairs and maintenance expenses for equipment and buildings for the O&M departments of the Authority.

Utilities: Utilities expenses increased by \$130,714 when compared to the prior year due to the first year of operations for the water treatment plant.

## NON-OPERATING EXPENSES

### Interest Expense

Total interest expense for FY 1996/97 was \$1,314,904. Interest expense includes interest paid on the 1992 Revenue Bonds and the 1996 Revenue Bonds. A portion of the interest expense was capitalized as part of the basis of the construction project.

## OTHER INFORMATION

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

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

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

Respectfully submitted,



Dan Masnada  
Executive Director



Ray A. Stokes  
Controller and Treasurer



# Officials of the CCWA

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June 30, 1997

## CENTRAL COAST WATER AUTHORITY BOARD OF DIRECTORS

Robert Puddicombe, Chairman	Montecito Water District
Joseph Centeno, Vice Chairman	City of Santa Maria
Helene Beaver	City of Santa Barbara
Jean Blois	Goleta Water District
Neil Jones	City of Buellton
Frederick Lemere	Carpinteria Valley Water District
Robert Lindberg	Santa Ynez River Water Conservation District, Improvement District No. 1
Renaldo Pili	City of Guadalupe

## AUTHORITY STAFF

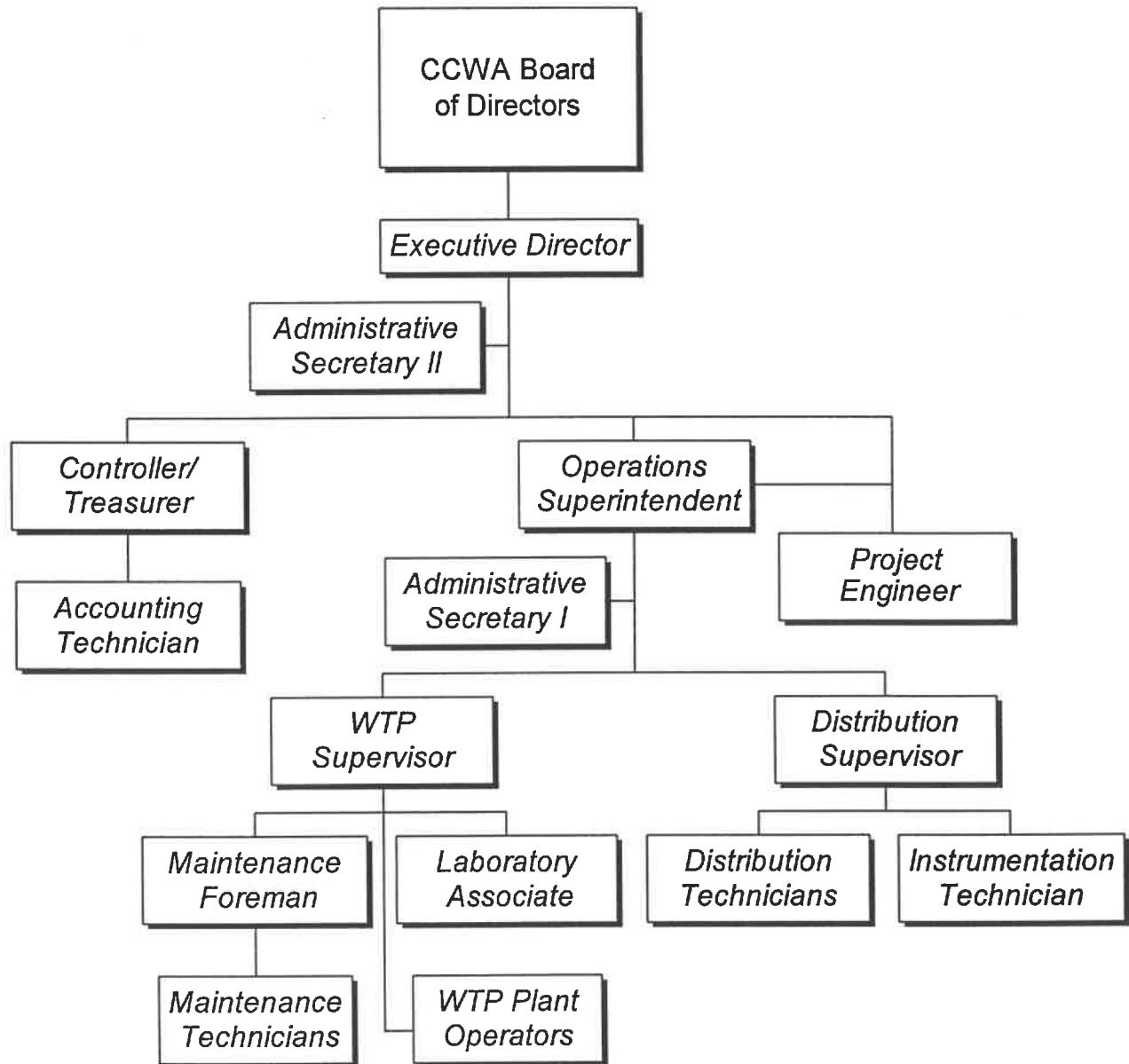
Dan Masnada	Executive Director
Ray Stokes	Controller & Treasurer
William Brennan	Operations Superintendent
Thomas Fischetti	Project Engineer





# Organization Chart

## CCWA Organization Chart





**Financial Section**



**NASIF, HICKS, HARRIS & CO.**

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditors' Report

To the Member Agencies of the  
Central Coast Water Authority

We have audited the accompanying balance sheets of the Central Coast Water Authority as of June 30, 1997 and 1996, and the related statements of revenues, expenses and changes in retained earnings and cash flows for the years then ended, as listed in the foregoing table of contents on pages 2 through 13. These financial statements are the responsibility of the management of the Central Coast Water Authority. Our responsibility is to express an opinion on these financial statements based upon our audits.

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

In our opinion, the 1997 and 1996 financial statements referred to above present fairly, in all material respects, the financial position of Central Coast Water Authority as of June 30, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*Nasif, Hicks, Harris & Co.*  
Nasif, Hicks, Harris & Co.

September 16, 1997



# Balance Sheets

## **ASSETS**

	<u>June 30, 1997</u>	<u>June 30, 1996</u>
<b><u>Current Assets</u></b>		
Cash and investments (Note 2)	\$ 11,752,729	\$ 4,757,615
Accounts receivable (Note 6)	216,155	2,802,445
Accrued interest receivable	975,913	826,665
Other assets (Note 1)	89,925	-
<b>Total Current Assets</b>	<u>13,034,722</u>	<u>8,386,725</u>
<b><u>Restricted Assets</u></b>		
Cash and investments with fiscal agents (Note 2)	62,636,309	78,081,099
Cash and investments held for deposits (Note 2)	4,633,290	8,509,358
Deferred compensation plan assets (Note 2)	238,550	160,690
<b>Total Restricted Assets</b>	<u>67,508,149</u>	<u>86,751,147</u>
<b><u>Property, Plant and Equipment</u></b>		
Property, plant and equipment (Net of Depreciation of \$193,480 for 1997 and \$140,875 for 1996, Notes 1 and 3 )	155,785,795	139,802,009
<b>Total Property, Plant and Equipment</b>	<u>155,785,795</u>	<u>139,802,009</u>
<b><u>Other Assets</u></b>		
Unamortized bond issuance costs (Notes 1 and 4)	22,440,485	3,203,085
<b>Total Other Assets</b>	<u>22,440,485</u>	<u>3,203,085</u>
<b>Total Assets</b>	<u>\$ 258,769,151</u>	<u>\$ 238,142,966</u>

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



# Balance Sheets

## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>	<u>June 30, 1996</u>
<b><u>Current Liabilities</u></b>		
Accounts payable	\$ 1,586,165	\$ 3,849,182
Deposits (Note 1)	4,633,290	8,509,358
Accrued interest payable	2,495,703	2,822,533
Other liabilities (Note 1)	451,172	-
Retainage payable	1,002,410	84,231
Current portion of bonds payable (Note 4)	4,040,000	-
Prepaid member assessments (Note 1)	5,761,089	675,991
<b>Total Current Liabilities</b>	<u>19,969,829</u>	<u>15,941,295</u>
<b><u>Long-Term Liabilities</u></b>		
Deferred compensation plan liabilities (Note 2)	238,550	160,690
Bonds payable (Note 4)	193,975,000	177,120,000
<b>Total Long-Term Liabilities</b>	<u>194,213,550</u>	<u>177,280,690</u>
<b><u>Commitments and Uncertainties (Note 6)</u></b>		
<b><u>Fund Equity</u></b>		
Contributed capital, net (Note 7)	35,438,760	35,580,945
Retained earnings	9,147,012	9,340,036
<b>Total Fund Equity</b>	<u>44,585,772</u>	<u>44,920,981</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 258,769,151</u>	<u>\$ 238,142,966</u>

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



# Statements of Revenues, Expenses and Changes in Retained Earnings

	<u>June 30, 1997</u>	<u>June 30, 1996</u>
<b><u>Operating Revenues</u></b>		
Operating reimbursements from member agencies (Note 1)	\$ 3,577,736	\$ 1,798,493
Other revenues	9,118	2,713
<b>Total Operating Revenues</b>	<u>3,586,854</u>	<u>1,801,206</u>
<b><u>Operating Expenses</u></b>		
Personnel expenses	1,421,745	462,971
Office expenses	34,950	17,424
General and administrative	89,525	24,702
Professional services	389,364	287,145
Supplies and equipment	29,896	7,740
Monitoring expenses	20,545	-
Repairs and maintenance	77,234	12,104
Utilities	146,816	16,102
Depreciation and amortization	1,150,851	62,188
Other expenses	178,105	84,627
<b>Total Operating Expenses</b>	<u>3,539,031</u>	<u>975,003</u>
<b>Operating Income</b>	<u>47,823</u>	<u>826,203</u>
<b><u>Non-Operating Revenues</u></b>		
Interest income	1,074,057	1,145,103
<b>Total Non-Operating Revenues</b>	<u>1,074,057</u>	<u>1,145,103</u>
<b><u>Non-Operating Expenses</u></b>		
Interest	1,314,904	-
<b>Total Non-Operating Expenses</b>	<u>1,314,904</u>	<u>-</u>
<b>Net Income (Loss)</b>	<u>(193,024)</u>	<u>1,971,306</u>
<b><u>Retained Earnings</u></b>		
Retained earnings at beginning of year	9,340,036	7,368,730
Retained earnings at end of year	\$ <u>9,147,012</u>	\$ <u>9,340,036</u>

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



# Statements of Cash Flows

	<u>June 30, 1997</u>	<u>June 30, 1996</u>
<b>Cash Flows From Operating Activities</b>		
Operating Income	\$47,823	\$826,203
Adjustments to reconcile operating income to cash flows:		
Depreciation and amortization	1,150,851	62,188
(Increase) Decrease in accounts receivable	2,586,290	(1,402,773)
(Increase) in other assets	(89,925)	-
Increase (Decrease) in accounts payable	(2,263,017)	1,662,688
Increase in other liabilities	451,172	-
Increase in prepaid member assessments	5,085,098	675,991
Net cash provided by operating activities	<u>6,968,292</u>	<u>1,824,297</u>
<b>Cash Flows from Non-Capital Financing Activities</b>		
Increase (Decrease) in cash received for deposits	(3,876,068)	4,636,993
Increase in deferred compensation payable	77,860	51,214
Net cash provided (used) by non-capital financing activities	<u>(3,798,208)</u>	<u>4,688,207</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition of capital assets	(16,036,392)	(41,210,470)
Proceeds from 1996 Revenue bonds	198,015,000	-
Deposit to escrow fund to defease 1992 Revenue bonds	(189,019,244)	-
Cash payments for bond issuance costs-1996 Revenue bonds	(8,514,261)	-
Increase (Decrease) in contributed capital	(142,185)	576,664
Decrease in accrued interest payable	(326,830)	-
Interest paid on long-term debt	(1,314,904)	-
Increase (Decrease) in retainage payable	918,179	(470,222)
Net cash used by capital and related financing activities	<u>(16,420,637)</u>	<u>(41,104,028)</u>
<b>Cash Flows from Investing Activities</b>		
Decrease in cash with fiscal agent	15,444,790	41,104,034
Interest and dividends on investments	1,074,057	1,145,103
(Increase) Decrease in accrued interest receivable	(149,248)	194,064
Net cash provided from investing activities	<u>16,369,599</u>	<u>42,443,201</u>
Net increase in cash and cash equivalents	3,119,046	7,851,677
Cash and cash equivalents, beginning of year	<u>13,266,973</u>	<u>5,415,296</u>
Cash and cash equivalents, end of year	<u>\$16,386,019</u>	<u>\$13,266,973</u>

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





# Notes to Financial Statements

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## Note 1: Summary of Significant Accounting Policies

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

### A. Reporting Entity

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

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

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

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

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

### Facilities That Have Been Constructed

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

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

### Contractual Relationships

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

In 1983, Santa Barbara County entered into a series of Water Supply Retention Agreements ("WSRAs") with local water purveyors and users within Santa Barbara County. These



# Notes to Financial Statements

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

## The Water Supply Agreements

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

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

not conditioned upon performance by the Authority or any other Project Participant under any agreement.

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

## B. Basis of Accounting

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

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

This report has been prepared in conformance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Additionally, all Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board (APB) opinions, and Accounting Research Bulletins (ARB's) are applied unless those pronouncements conflict with or contradict GASB pronouncements.

The Authority will implement GASB #27 "Accounting for Pensions by State and Local Governmental Employer" for the year beginning July 1, 1997.

## C. Investments

The Authority has developed an investment policy that exceeds the minimum requirements established by the State of California. The Authority believes that it has adhered to established policies for all investment activities. Investments are classified as held-to-maturity and are stated at amortized cost. Investments have been purchased with maturity dates to



# Notes to Financial Statements

coincide with cash needs. As of June 30, 1997, the investment portfolio has a weighted average maturity of 391 days.

## D. Property, Plant and Equipment

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

Buildings	20-50 years
Improvements other than buildings	10-100 years
Equipment	3-12 years

## E. Inventories

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

## F. Unamortized Bond Issuance Costs

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

## G. Deposits

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

## H. Operating Reimbursements from Project Participants

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

## I. Unexpended Operating Assessments

It is the policy of the Authority to return unexpended operating assessments and interest income to the project participants after

the close of the fiscal year. As such, a liability is recorded for the amount payable to the project participants at year-end.

## J. Use of Estimates

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

## Note 2: Cash and Investments

### A. Demand Deposits

The Authority's demand deposits with a central California regional bank totaled \$3,774,584 and \$8,055,481 at June 30, 1997 and 1996, respectively. Such deposits are insured up to a maximum of \$100,000 by the Federal Deposit Insurance Corporation.

### B. Cash and Investments

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

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

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

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



# Notes to Financial Statements

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

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

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

### C. Cash and Investments with Fiscal Agent

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

### D. Cash Equivalents

The Authority considers all pooled cash and investments, except funds with fiscal agents, to be cash equivalents.

### E. Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under the terms of this plan, employees may defer amounts of income up to a maximum of twenty five percent of salary or \$7,500 per year, whichever is less. Amounts so deferred may not be paid to the employee during employment with the Authority except for a catastrophic circumstance creating an undue and unforeseen financial hardship for the employee.

The plan provides for a wide range of investment alternatives, including deposits to savings and loan institutions, investments in mutual funds and insurance company annuity programs. Investments of the deferred compensation fund are stated at market value in accordance with the deferred compensation agreement.

It is the opinion of the Authority's legal counsel that the Authority has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor.

### F. Pooling

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

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

	1997		1996
	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Carrying Amount</u>
Cash and Investments			
Cash in bank	\$3,774,584	\$3,774,584	\$8,055,481
Petty cash	667	667	1,200
Local Agency Investment Fund	6,619,525	6,619,525	5,210,292
Money Market Funds	5,991,243	5,991,243	-
	<u>16,386,019</u>	<u>16,386,019</u>	<u>13,266,973</u>
Less: cash and investments held for deposits	<u>(4,633,290)</u>	<u>(4,633,290)</u>	<u>(8,509,358)</u>
Total Cash and Investments	<u>11,752,729</u>	<u>11,752,729</u>	<u>4,757,615</u>
Cash and Investments with Fiscal Agents			
Money market funds	2,304,919	2,304,982	2,653,301
Deferred compensation	238,550	238,550	160,690
Commercial paper	7,558,172	7,481,489	13,546,159
U.S. Government securities	43,343,589	43,331,364	49,342,810
Local Agency Investment Fund	9,429,629	9,429,629	12,538,829
Total Cash and Investments with Fiscal Agents	<u>62,874,859</u>	<u>62,786,014</u>	<u>78,241,789</u>
Total	<u>\$79,260,878</u>	<u>\$79,172,033</u>	<u>\$91,508,762</u>



# Notes to Financial Statements

## Note 3: Property, Plant and Equipment

Construction in progress includes \$10,181,095 and \$6,569,457 of capitalized interest for June 30, 1997 and 1996, respectively. Property, plant and equipment is as follows at June 30,

	1997	1996
Equipment	\$ 319,227	\$ 356,647
Construction in progress	155,660,049	139,586,237
Total property, plant and equipment	155,979,276	139,942,884
Accumulated depreciation	(193,480)	(140,875)
Net property, plant and equipment	<u>\$155,785,795</u>	<u>\$139,802,009</u>

## Note 4: Long-Term Debt

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

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$14.1 million. This difference, reported in the accompanying financial statements as unamortized bond issuance costs, is being charged to operations through the year 2022 in proportion to the bond interest expense incurred for each fiscal year. The Authority completed the advance refunding to reduce its total debt service payments over the next 25 years by \$10.3 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$5.97 million.

The 1992 Revenue Bonds were issued by the Authority for the benefit of its participants to finance a portion of the costs of developing a pipeline and water treatment plant, to reimburse certain project participants for costs incurred in connection with the State Water Project, and to finance certain other facilities. Each of the participants in the financing held elections

authorizing issuance of revenue bonds for the construction of the State Water Project. In order to reduce issuance costs and insure the proceeds are available on a timely basis, the Authority issued the bonds for all the participants requiring financing.

The City of Santa Maria, Southern California Water Company, Vandenberg AFB, Avila Valley Mutual Water Company, San Luis Coastal Unified School District, and San Miguelito Mutual Water District contributed cash for their proportionate share of capital costs. Such net contributions totaling \$35,438,760 and \$35,580,945 at June 30, 1997 and 1996, respectively, have been accounted for as contributed capital. Under the Water Supply Agreements, each Project Participant is obligated to make payments to the Authority, with the payments pledged to secure the payment of the principal and interest of the bonds. The 1996 bonds are backed by a municipal bond insurance policy issued by AMBAC Indemnity. The Central Coast Water Authority Note, issued June 1992 in the amount of \$23,545,000, was advance refunded from proceeds of the 1992 revenue bond issue. The October 1992 revenue bonds were sold at interest rates ranging from 4.85% to 6.60%.

The annual requirements to pay all debt outstanding, as of June 30, 1997, are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
1998	9,865,258	4,040,000	13,905,258
1999	9,704,102	4,085,000	13,789,102
2000	9,532,073	4,250,000	13,782,073
2001	9,345,181	4,425,000	13,770,181
2002	9,142,772	4,615,000	13,757,772
2003-2007	41,854,233	26,640,000	68,494,233
2008-2012	33,398,559	34,795,000	68,193,559
2013-2017	23,173,254	44,705,000	67,878,254
2018-2023	10,337,309	70,460,000	80,797,309
Total	<u>\$156,352,741</u>	<u>\$198,015,000</u>	<u>\$354,367,741</u>

The 1996 Revenue Bonds were issued in two series: Series A bonds totaled \$173,015,000 and Series B bonds totaled \$25,000,000. It is the Authority's intent to call the Series B bonds on October 1, 1998 with excess construction funds. As a result, the bond issuance costs associated with the Series B bonds are being amortized on the straight-line basis through October 1, 1998.

Series A bonds outstanding bear interest ranging from 4.00% to 6.00%.



# Notes to Financial Statements

## Note 5: Defined Benefit Pension Plan

The Central Coast Water Authority contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The Authority's payroll for employees covered by PERS for the year ended June 30, 1997 and 1996 was \$1,147,615 and \$631,084 respectively. All employees of the Authority are included in the plan so that the salary amounts listed above represent the actual payroll amount for PERS contribution calculation purposes.

All full-time Authority employees are eligible to participate in PERS. Employees who retire are entitled to an annual retirement benefit based on the 2.00% at 60 formula, using final compensation equal to the average monthly pay during the last 36 (or any other 36) consecutive months of work. The formula has a benefit percent per year of service ranging from 1.092% to 2.418% per year. PERS also provides death and disability benefits.

Authority employees are required to contribute 7.0% of their monthly earnings to PERS. However, the Authority pays this amount on behalf of the employees without requiring a contribution from the employees. The Authority is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by the PERS actuaries and actuarial consultants and adopted by the Board of Administration.

### B. Employer and Related Party Securities

There were no securities of the employer and related parties included in plan assets with PERS or in loans from the PERS.

### C. Funding Status and Progress.

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of PERS on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to PERS.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1995 (note that due to the timing of the receipt of the actuarial valuation performed by PERS, the information presented below is the latest information available.) Significant actuarial assumptions used in the valuation include:

Actuarial interest rate=8.50% per annum

#### Salary scale:

Rate of inflation	4.50%
Across the board real salary increases	0.00%
Merit raises	0.00%
Total	<u>4.50%</u>

The total net assets in excess of the pension benefit obligation applicable to the employees was \$18,466 at June 30, 1995 as follows:

#### Pension benefit obligation

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$806
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#### Current Employees:

Accumulated employee contributions including allocated investment earnings:	\$80,720
Employer-financed earnings	\$0
Employer-financed non-vested	<u>\$69,047</u>
Total pension benefit obligation	<u>\$150,573</u>

Net assets available for benefits at cost (market value = \$179,689)	<u>\$169,039</u>
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Net assets in excess of pension benefit obligation	<u>\$ 18,466</u>
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### D. Actuarially Determined Contribution Requirements and Contribution Made

PERS uses the Entry Age Normal Actuarial Cost Method which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued.

According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from the date of employment until



# Notes to Financial Statements

retirement. PERS uses a modification of the Entry Age Cost Method in which the employer's total normal cost is expressed as a level percentage of payroll method to amortize any unfunded actuarial liabilities. The amortization period of the unfunded actuarial liability ends in 2000. The dates are June 30 of the years specified on the rate sheets of the PERS Actuarial Valuation Report.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation, as previously described.

The contributions to PERS for 1997 and 1996 of \$163,413 and \$84,044 respectively were made in accordance with actuarially determined requirements computed through an actuarial valuation performed at the beginning of each year. For 1997 and 1996, the Authority contributions were calculated at the rate of 7% of the adjusted covered payroll plus 7.114% and 6.27% respectively, less credits allowed by PERS. The Authority pays the entire contribution.

## E. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Systemwide ten-year trend information is not yet available.

Trend information for the Authority is available only for 1993 through 1995. Net available assets were sufficient to fund 54.8%, 105.7%, and 112.3%, respectively, of the pension benefit obligation. Unfunded/(overfunded) pension benefit obligation represented (2.8%), (.07%) and 4.1% of the annual payroll for employees covered by PERS for 1993 through 1995. Note that prior to 1994, assets were shown at book value. The 1994 assets and after are shown at actuarial value (smoothed market value). The Authority's contributions to PERS, all made in accordance with actuarially determined requirements, were 7.114%, 6.27%, 6.27%, 6.27% and 6.27% of annual covered payroll for 1997, 1996, 1995, 1994 and 1993

## Note 6: Commitments and Uncertainties

The Authority has entered into long-term contracts with prime contractors for consultation and the construction of the facilities described in Note 1. Remaining balances on construction contracts signed total \$2,649,270 at June 30, 1997. The Authority leases its main office facility under an operating lease expiring July 31, 2000. Rent expense under the

arrangement is \$7,451 per month. The lease provides for an annual CPI adjustment.

The Authority leases other equipment under non-cancelable operating leases.

Minimum rental commitments for these operating leases in effect at June 30, 1997 were \$6,660 (1998) and \$3,885 (1999) resulting in total minimum payments of \$10,545.

Rental expense for fiscal year 1997 and 1996 was \$89,412 and \$84,345, respectively.

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

The Authority is also involved in a lawsuit, *City of Solvang v. Santa Ynez River Water Conservation District, Improvement District No. 1* (Santa Barbara County Superior Court No. SM 93289). Defendant in this action is one of many members of the Authority and obligated to take 2,000 acre feet per year from the State Water Project under a contract with the Authority. Plaintiff city seeks to limit or avoid its obligations under a separate contract it has with defendant to take 75% of defendant's entitlement from the State Water Project. In substance, plaintiff's primary contention is that it was misled or not fully informed of the extent of its financial obligations under the contract with defendant and seeks to limit those obligations to 75% of \$18.4 million (which plaintiff argues was a cap amount on costs), or avoid them entirely, on a variety of legal theories. If plaintiff prevails on one of its legal theories, the contract will be void and all other contracts for payment of water between the Authority and its members may also be void. In such event, the Authority would be unable to meet its obligation to pay bondholders and litigation and enforcement activity would likely ensue. If plaintiff prevails on other theories, it will have limited or no obligations under its contract with defendants. In that event, defendant may have difficulties in satisfying its obligations to the Authority to pay for its water entitlement and certain members of the Authority may have to pay up to 25% more for their water entitlements under their respective similar contracts with the Authority. For these reasons, the Authority intervened as a party to the litigation. After a trial ending in June, the trial court issued a tentative decision in favor of defendant. No judgement has yet been entered. Any such judgement will be subject to appeal.



# Notes to Financial Statements

While it is not possible to predict with certainty the outcome of any case, it is the opinion of management that the lawsuits, claims and proceedings which are pending against the Authority are without merit or will not have a material adverse effect on the Authority's operating results, liquidity or financial position.

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

**Note 7: Contributed Capital**

The following schedule provides changes in contributed capital for the fiscal year ended June 30, 1997:

	Beginning Balance 7/1/96	Additions	Refunds	Ending Balance 6/30/97
Avila Valley	\$ 23,920			23,920
San Luis Schools	8,372			8,372
San Miguelito	328,900			328,900
Santa Maria	19,549,000			19,549,000
Vandenberg AFB	14,447,127			14,447,127
SoCal Water	1,000,322			1,000,322
Santa Ynez	142,185		(142,185)	0
Guadalupe	81,119			81,119
Totals	\$35,580,945		(142,185)	35,438,760

**Note 8: Joint Powers Insurance Authority**

The Authority participates in the liability insurance program organized by the Association of California Water Agencies ("ACWA"). ACWA is a Joint Powers Authority ("JPA") created to provide a self-insurance program to water agencies in the State of California.

ACWA provides liability, property and workers' compensation insurance for approximately 291 water agencies for losses in excess of the members' specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial carriers. ACWA is governed by a board composed of members from participating members. The board controls the operations of ACWA, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the board. Each member shares surpluses and deficiencies proportionately to its participation in ACWA.

As of September 30, 1996, the Joint Powers Authority had designated equity of approximately \$12.45 million.







**Statistical Section**





TABLE 1

General Governmental Revenues by Source

Fiscal Year	Operating Assessments	Debt Service Assessments	Other Revenues	Interest Income	Total Revenues
1991/92	\$ 912,390	\$ -	\$ 63,384	\$ 22,947	\$ 998,721
1992/93	1,463,823	-	655,252	1,109,523	3,228,598
1993/94	1,176,743	-	295,333	1,541,382	3,013,458
1994/95	1,364,258	-	1,142	1,665,769	3,031,169
1995/96	1,798,493	-	2,713	1,145,103	2,946,309
1996/97	1,495,834	2,081,902	9,118	1,074,057	4,660,911

Total Revenue Comparison

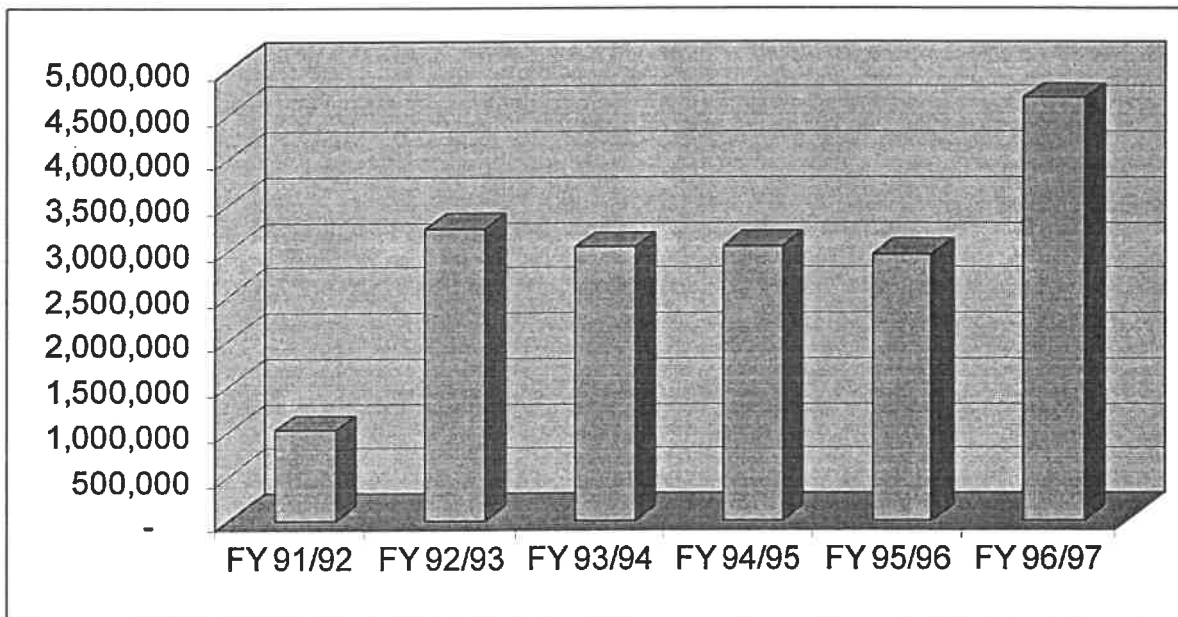




TABLE 2

General Governmental Expenditures by Function

Fiscal Year	Operating Expenses	Capital Improvements	Interest Expense	Total Expenditures
1991/92	\$ 504,256	\$ 4,031,498	\$ -	\$ 4,535,754
1992/93	742,716	11,416,026	-	12,158,742
1993/94	893,418	18,288,545	-	19,181,963
1994/95	762,826	66,888,392	-	67,651,218
1995/96	975,003	39,318,423		40,293,426
1996/97	3,539,031	16,036,392	1,314,904	20,890,327

Total Expenditures Comparison

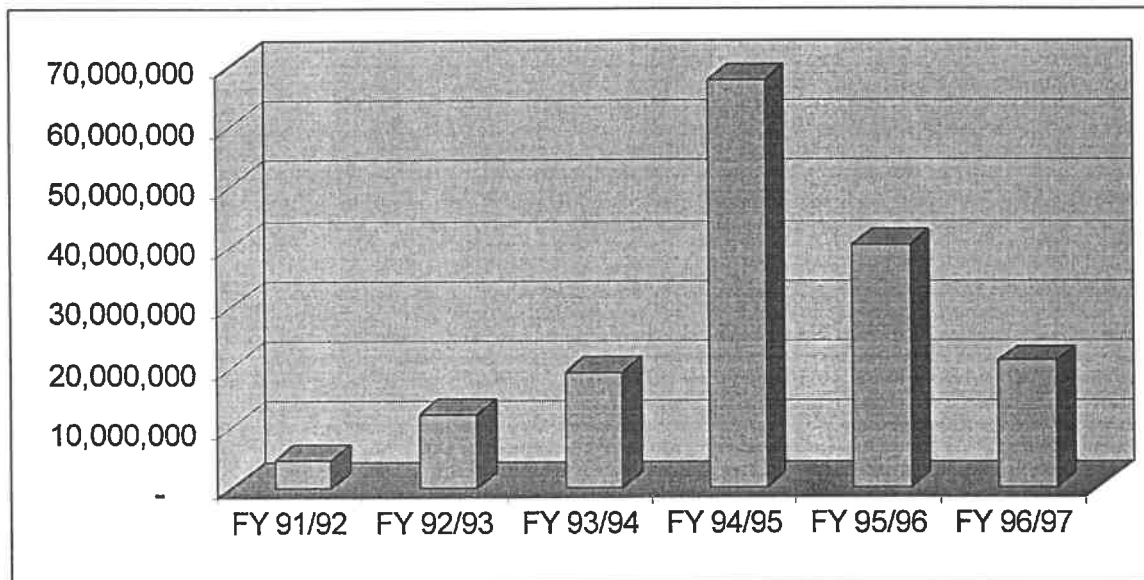




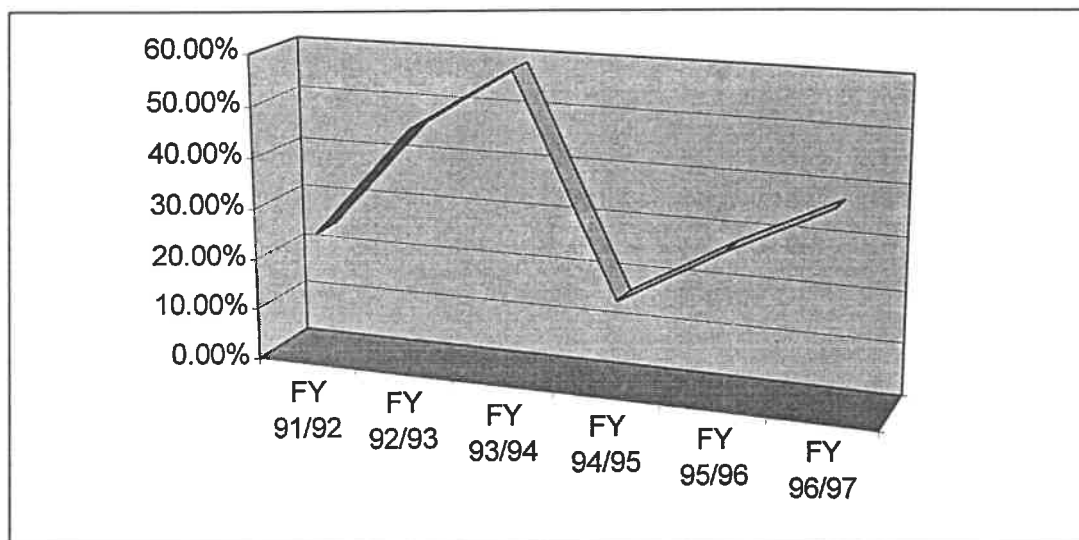
TABLE 3

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

Fiscal Year	Bond Issue	Principal	Interest <sup>(1)</sup>	Total Debt Service	Total Expenditures	Ratio of Debt Service to Total Expenditures
1991/92	92 Note	-	1,118,388	1,118,388	4,535,754	24.66%
1992/93	92 Bonds	-	5,645,065	5,645,065	12,158,742	46.43%
1993/94	92 Bonds	-	11,290,130	11,290,130	19,181,963	58.86%
1994/95	92 Bonds	-	11,290,130	11,290,130	67,651,218	16.69%
1995/96	92 Bonds	-	11,290,130	11,290,130	40,293,426	28.02%
1996/97	92 & 96 Bonds	-	7,922,882	7,922,882	20,890,327	37.93%

(1) Represents actual cash payment without regard to payments from the capitalized interest fund.  
Source: Central Coast Water Authority

**Ratio of Debt Service to Total Expenditures**





**TABLE 4**  
**Selected Demographic Information**

<u>Description</u>	<u>Santa Barbara County</u>
Reporting Period, January 1996 Population	396,871
White	77.20%
Black	2.80%
Hispanic	26.60%
Male	50.20%
Female	49.80%
Population enrolled in primary & secondary schools	16.90%
College & Universities	12.80%
Population with BA or graduate degrees	17.70%
Median Age	31.6
Employed Population	48.50%
Income	35,677
Per capita income	17,155

Source: University of Santa Barbara Economic Forecast Project



**TABLE 5**  
**Santa Barbara County**  
**Civilian Labor Force, Employment and Unemployment**  
**Annual Averages**  
 (Amounts in Thousands)

	1992	1993	1994	1995	1996
Civilian Labor Force <sup>(1)</sup>	192.44	194.97	196.89	193.33	192.74
Employment	178.12	180.14	182.77	180.37	181.78
Unemployment	14.32	14.82	14.12	12.97	10.96
Unemployment Rate	7.43%	7.60%	7.17%	6.71%	5.70%
Wage and Salary Employment <sup>(2)</sup>					
Total, all Industries	156.34	156.31	157.02	156.85	161.16
Agriculture	11.57	11.57	13.28	13.04	14.57
Non-Agriculture	144.74	144.74	143.74	143.81	146.58
Construction	5.92	5.92	5.03	4.97	1.11
Mining	1.06	1.06	0.95	1.02	5.82
Manufacturing	19.20	19.20	17.26	16.57	16.20
Transportation & Public Utilities	5.28	5.28	4.91	4.92	5.33
Trade	33.71	33.71	34.47	34.94	34.97
Finance, Ins. & Real Estate	7.61	7.61	7.62	7.33	7.10
Services	42.72	42.72	44.05	44.04	46.42
Government	29.24	29.24	29.46	30.00	29.63
Federal Government	4.10	4.10	4.15	4.06	3.30

Notes:

<sup>(1)</sup> Based on place of residence.

<sup>(2)</sup> Based on place of employment.

Source: Economic Sciences Corporation





**TABLE 6**  
**Schedule of Insurance**  
**Valued June 30, 1997**

<u>Company</u>	<u>Policy Period</u>	<u>Limits</u>	<u>Coverages</u>
Hartford Insurance	4-1-97 to 4-1-98	\$ 1,000,000	Dishonesty and forgery coverage \$1,000,000 Faithful performance of duties to \$100,000
ACWA Joint Powers Insurance Authority	10-1-97 to 10-1-98	\$ 2,000,000	Commercial general liability, contractual liability
ACWA Joint Powers Insurance Authority	10-1-97 to 10-1-98	\$ 2,000,000	Auto liability, hired autos and non-owned autos.
ACWA Joint Powers Insurance Authority	4-1-97 to 4-1-98	\$ 36,270,300	Buildings (\$25,572,500); Personal property (\$240,000); Fixed Equipment (\$10,457,800)
ACWA Joint Powers Insurance Authority	10-1-97 to 10-1-98	\$ 500,000	Liability JPIA pooled layer
Insurance Co. of the State of Pennsylvania #4191-2442	10-1-97 to 10-1-98	\$ 4,500,000	Liability umbrella policy
Insurance Co. of the State of Pennsylvania #4191-2445	10-1-97 to 10-1-98	\$ 5,000,000	Liability umbrella policy
AIU Insurance Co. # 4265554	10-1-97 to 10-1-98	\$ 20,000,000	Liability umbrella policy
Insurance Co. of the State of Pennsylvania #4195-4416	10-1-97 to 10-1-98	\$ 10,000,000	Liability umbrella policy

Source: Central Coast Water Authority.



**TABLE 7**  
**Miscellaneous Statistical Information**

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	25.6
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day
Authority pipeline (in miles)	42.50
Coastal Branch pipeline (in miles)	100.60
Number of water storage tanks	5
Number of turnouts	10

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

Note: \* Excludes CCWA drought buffer entitlement of 3,908 AFY



# Statistical Section Avila Beach County Water District

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	153	\$ 61,500	51
1993	153	62,500	57
1994	155	75,693	55
1995	155	76,627	54
1996	156	93,209	61
1997	Not Yet Available		

## Largest Customers as of June 30, 1996

	Water Usage <sup>(1)</sup>	Annual Payment
Surfside Apartments	159	\$ 6,317
Villa Avila Apartments	147	5,461
Mr. Ricks	123	5,087
Custom House Restaurant	81	3,287
Port San Luis Harbor District Beach Showers	66	2,652
Port San Luis Harbor District Beach Restrooms	63	2,517
Beach Property M/Park	60	2,444
Beach Property M/Park	57	2,410
Dun Sailing Apartments	53	2,151
Grand Terrace Apartments	41	1,653
Total	850	\$ 33,979

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1992	71,745	61,844	9,901	-	N/A
1993	81,939	79,379	2,560	12,271	0.21
1994	94,364	88,760	5,604	10,589	0.53
1995	88,831	64,988	23,843	21,198	1.12
1996	101,209	70,129	31,080	51,600	0.60
1997	Not Yet Available				

Source: Avila Beach County Water District



# Statistical Section City of Pismo Beach

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	4,068	\$ 1,077,307	1,831
1993	4,147	1,192,029	1,822
1994	4,162	1,294,703	1,843
1995	4,227	1,312,946	1,742
1996	4,257	1,424,523	1,803
1997	Not Yet Available		

## Largest Customers as of June 30, 1996

	Water Usage <sup>(1)</sup>	Annual Payment
Pismo Coast village R.V. Parks	13,447	\$ 21,669
Cliffs Hotel	13,968	21,507
Pismo Beach Mobile Home Park	11,489	17,953
Oxford Suites	9,986	15,668
Seacrest Motel	9,322	14,441
Motel 6	8,812	13,672
Shore Cliff Lodge	8,333	12,867
Whalers Inn	7,699	12,193
Kon Tiki Inn	6,187	9,682
Hacienda del Pismo	4,655	7,565
Total	93,898	\$ 147,217

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Parity Debt	Coverage
1992	1,273,022	992,808	280,214	-	125,000	N/A
1993	1,402,310	1,000,975	401,335	119,005	125,000	1.64
1994	1,561,195	1,030,813	530,382	123,003	123,381	2.15
1995	1,660,079	1,009,780	650,299	374,526	123,544	1.31
1996	2,040,334	1,053,606	986,728	746,228	123,479	1.13
1997	Not Yet Available					

Source: City of Pismo Beach



# Statistical Section City of Morro Bay

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	4,629	\$ 1,258,757	1,270
1993	4,722	1,433,350	1,375
1994	4,749	1,854,168	1,432
1995	4,810	2,355,151	1,409
1996	4,825	3,426,536	1,475
1997	Not Yet Available		

## Largest Customers as of June 30, 1996

	Water Usage <sup>(1)</sup>	Annual Payment
Morro Bay High School	1,615,805	\$ 191,260
Pacific Care Center	1,023,200	115,773
Inn at Morro Bay	769,900	96,961
Mission Linen Supply	541,000	60,688
Del Mar Park	568,300	58,673
San Luis CST. School District	601,500	51,488
Morro Dunes Trailer Park	462,900	46,181
Silver City Manor	377,000	40,122
Dept. of Parks & Recreation	386,500	37,784
Albertsons	203,900	20,203
<b>Total</b>	<b>6,550,005</b>	<b>\$ 719,133</b>

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Parity Debt	Coverage
1992	1,402,563	786,000	616,563	-	5,000	N/A
1993	1,592,350	828,000	764,350	-	5,000	N/A
1994	1,903,743	928,300	975,443	154,816	5,000	6.10
1995	2,424,026	979,967	1,444,059	279,470	5,000	5.08
1996	3,489,231	719,098	2,770,133	1,789,687	7,000	1.54
1997	Not Yet Available					

Source: City of Morro Bay



# Statistical Section Oceano Community Services District

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	1,771	\$ 451,213	725
1993	1,757	573,268	799
1994	1,778	633,020	802
1995	1,811	655,289	767
1996	1,817	758,775	818
1997	Not Yet Available		

## Largest Customers as of June 30, 1996

	Water Usage <sup>(1)</sup>	Annual Payment
Rancho Del Arroyo Mobile Home Park	11,504	\$ 20,126
Sand and Surf (Transient RV Park)	11,010	24,762
Lucia Mar Unified School District	9,025	22,952
Duna Vista Mobile Home Park	6,736	10,838
Oceano 1 Condo Home Owners Assoc.	6,665	11,670
Porticos Mobile Home Park	5,828	10,294
State of California (Park Facility)	3,880	7,236
US Vacation Resorts (Transient RV Park)	3,304	12,250
Pismo Oceano Vegetable Exchange	2,984	9,800
Grand Terrace Apartments	2,613	8,100
<b>Total</b>	<b>63,549</b>	<b>\$ 138,028</b>

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Parity Debt	Coverage
1992	1,503,864	475,220	1,028,644	-	85,914	N/A
1993	705,833	485,260	220,573	-	85,580	N/A
1994	735,953	540,650	195,303	74,397	114,243	1.04
1995	830,054	526,257	303,797	158,986	80,203	1.27
1996	1,026,334	512,893	513,441	387,646	79,953	1.10
1997	Not Yet Available					

Source: Oceano Community Services District



# Statistical Section

## San Luis Obispo County Imp. Dist. #1

### Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	215	\$ 71,646	206
1993	230	76,587	180
1994	232	81,696	190
1995	236	122,699	202
1996	237	134,483	203
1997	Not Yet Available		

### Largest Customers as of June 30, 1996

	Water Usage <sup>(1)</sup>	Annual Payment
Shandon Unified School District	3.36	\$ 6,177
Shandon Park	2.10	3,955
Department of Water Resources	1.22	1,881
Caltrans	0.99	1,689
Residence	1.04	1,369
Residence	0.76	1,243
Residence	0.79	1,217
Residence	0.75	1,145
Residence	0.73	1,136
Residence	0.69	1,073
<b>Total</b>	<b>12.43</b>	<b>\$ 20,885</b>

(1) In acre-feet

### State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1992	80,581	80,105	476	-	N/A
1993	97,421	101,349	(3,928)	9,598	-
1994	94,489	103,171	(8,682)	10,392	-
1995	126,520	84,536	41,984	25,382	1.65
1996	153,587	81,174	72,413	40,083	1.81
1997	Not Yet Available				

Source: San Luis Obispo County Imp. District #1



# Statistical Section City of Guadalupe

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Municipal Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	1,579	\$ 260,751	598
1993	1,592	277,259	580
1994	1,637	375,331	541
1995	1,638	509,491	566
1996	1,705	573,212	562
1997	Not yet available		

## Largest Customers as of June 30, 1996

	Water Usage <sup>(1)</sup>	Annual Payment
Apio Coller	13,924	\$ 38,859
Guadalupe Union School	5,337	30,454
Coastal Valley Packing	8,178	25,139
Jose Guadalupe Alvarez	2,586	8,852
P&M Properties	2,410	6,698
Simplot Soil Builders	1,842	6,411
Far Western Tavern	1,714	5,944
Playa, Inc.	1,242	5,752
Mira Buena Car Wash	850	3,583
Southern Pacific Co.	856	3,049
<b>Total</b>	<b>38,939</b>	<b>\$ 134,741</b>

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1992	322,649	222,975	99,674	58,847	1.69
1993	415,276	202,830	212,446	32,201	6.60
1994	402,334	189,326	213,008	60,044	3.55
1995	569,345	203,581	365,764	138,671	2.64
1996	649,169	274,814	374,355	258,396	1.45
1997	Not Yet Available				

Source: City of Guadalupe





# Statistical Section City of Santa Maria

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	15,372	\$ 5,336,584	11,925
1993	15,415	5,941,248	11,778
1994	15,655	7,475,162	12,124
1995	15,864	6,899,319	11,750
1996	16,006	8,797,200	12,999
1997	Not yet available		

## Largest Customers as of June 30, 1996

	Water Usage <sup>(1)</sup>	Annual Payment
City of Santa Maria	180,129	\$ 281,289
Allan Hancock College	66,267	109,632
Pictsweet Frozen Foods	55,169	86,920
Casa Grande Mobile Homes	69,978	81,156
R. I. Management	34,015	54,732
Gallup & Whelan	36,906	59,626
Mission Linen Supply	24,786	38,797
Culligan Water	24,929	38,604
Ramada Suites	22,133	37,465
El Capitan Trailer Park	19,317	23,480
<b>Total</b>	<b>533,629</b>	<b>\$ 811,701</b>

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1992	5,813,594	4,045,530	1,768,064	367,562	4.81
1993	6,243,663	3,286,457	2,957,206	816,427	3.62
1994	7,881,235	3,372,763	4,508,472	2,153,735	2.09
1995	8,396,554	3,102,670	5,293,884	3,248,105	1.63
1996	13,075,742	4,608,906	8,466,836	5,082,855	1.67
1997	Not Yet Available				

Source: City of Santa Maria



# Statistical Section City of Buellton

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	949	\$ 367,839	964
1993	947	404,290	959
1994	950	456,120	918
1995	950	601,372	870
1996	965	769,590	922
1997	993	1,022,800	992

## Largest Customers as of June 30, 1997

	Water Usage <sup>(1)</sup>	Annual Payment
Ranch Club Mobile Estates	25,750	\$ 69,202
Zaca Creek Golf Course	26,841	49,295
Flying Flags Recreation Park	15,760	31,734
Rancho S B Marriott	12,740	26,360
Rivergrove Mobile Home Park	9,640	25,762
Andersen's Restaurant	9,960	20,790
Buellton Union School District	9,420	18,979
Andersen's Inn	7,219	14,912
Windmill Motor Inn	4,704	10,426
Motel 6	4,873	9,886
<b>Total</b>	<b>126,907</b>	<b>\$ 277,346</b>

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1992	322,649	222,975	99,674	58,847	1.69
1993	415,276	202,830	212,446	32,201	6.60
1994	402,334	189,326	213,008	60,044	3.55
1995	569,345	203,581	365,764	138,671	2.64
1996	649,169	274,814	374,355	258,396	1.45
1997	1,352,761	375,187	977,573	638,885	1.53

Source: City of Buellton



# Statistical Section City of Solvang

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	1,704	\$ 780,631	1,917
1993	1,757	927,667	1,852
1994	1,778	942,899	1,807
1995	1,810	1,246,985	1,710
1996	1,821	1,459,267	1,611
1997	Not Yet Available		

## Largest Customers as of June 30, 1996

	Water Usage <sup>(1)</sup>	Annual Payment
Alisal Guest Ranch	23,777	\$ 46,895
RSY Mobile Estates	26,829	41,294
Alisal Golf Course	18,716	27,884
Royal Scandinavian Inn	7,235	20,530
Lutheran Home	7,671	19,254
Solvang School	11,429	14,958
Danish County Inn	5,827	13,035
Alisal Oaks Condos	6,391	11,973
Oak Park Apartments	5,482	11,723
Solvang Condo Homeowners' Assn.	3,320	10,227
<b>Total</b>	<b>116,677</b>	<b>\$ 217,774</b>

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1992	830,478	591,550	238,928	-	N/A
1993	856,987	792,654	64,333	138,343	0.47
1994	1,074,895	759,676	315,219	186,670	1.69
1995	1,566,935	747,567	819,368	422,594	1.94
1996	1,526,135	897,583	628,552	642,551	0.98
1997	Not Yet Available				

Source: City of Solvang



# Statistical Section

## Santa Ynez River Water Conservation District, Improvement District #1

### Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	2,103	\$ 1,198,864	5,644
1993	2,112	1,306,240	5,607
1994	2,160	1,524,806	5,750
1995	2,163	1,633,570	5,386
1996	2,157	1,926,000	5,979
1997	2,183	2,181,317	6,582

### Largest Customers as of June 30, 1997

	Water Usage <sup>(1)</sup>	Annual Payment
City of Solvang <sup>(2)</sup>	247	\$ 96,421
Ramirez Bros.	647	63,584
Gainey Ranch/Vineyard	494	55,749
Bettencourt/Old College Ranch	276	38,752
Dunn School	90	27,221
Lupin Hill Farm	102	18,941
Bautista Produce	198	17,796
Douglas Herthel	122	16,199
S.Y. Valley Union High School	81	15,465
A F J Farming	147	13,509
<b>Total</b>	<b>2,404</b>	<b>\$ 363,637</b>

(1) In hundred cubic feet.

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

### State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1992	2,208,488	1,613,430	595,058	200,000	2.98
1993	2,456,342	1,707,708	748,634	167,786	4.46
1994	2,955,216	1,440,247	1,514,969	280,128	5.41
1995	4,639,999	1,357,614	3,282,385	347,539	9.44
1996	4,152,336	1,604,014	2,548,322	912,287	2.79
1997 <sup>(1)</sup>	5,469,712	1,557,787	3,911,925	3,067,026	1.28

(1) Includes State water payment for the City of Solvang in the amount of \$1,666,389.

Source: Santa Ynez Improvement District #1



# Statistical Section Goleta Water District

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	14,338	\$ 9,643,479	9,076
1993	14,388	11,328,524	12,172
1994	14,280	11,561,508	11,773
1995	14,281	12,077,792	11,701
1996	14,442	12,372,767	12,345
1997	14,489	13,505,373	13,508

## Largest Customers as of June 30, 1997

	Water Usage <sup>(1)</sup>	Annual Payment
University of California-Santa Barbara	381,361	\$ 1,003,330
County of Santa Barbara	140,912	338,188
George Cavalletto	233,908	218,665
Applied Magnetics	68,853	208,251
Sierra Pacific Farm	195,511	164,798
LaCumbre Mutual Water Co.	258,077	122,019
Francisco Torres	32,677	110,945
Glen Parks/Rancho Tres Canadas	138,846	104,571
Sandpiper Golf Course	148,023	102,965
La Cumbre Golf Course	79,822	81,681
Total	1,677,990	\$ 2,455,413

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1992	10,119,612	6,087,982	4,031,630	558,102	7.22
1993	11,838,118	5,375,407	6,462,711	559,957	11.54
1994	12,221,845	5,215,154	7,006,691	510,533	13.72
1995	13,107,864	5,778,337	7,329,527	789,345	9.29
1996	14,089,421	7,316,341	6,773,080	1,523,313	4.45
1997	16,165,256	13,725,235	2,440,021	1,703,439	1.43

Source: Goleta Water District



# Statistical Section La Cumbre Mutual Water Co.

## Historic Water Connections and Sales Revenues

Fiscal Year Ending Dec. 31,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1991	1,343	\$ 880,518	1,010
1992	1,357	898,358	1,270
1993	1,383	1,043,531	1,276
1994	1,388	1,115,247	1,334
1995	1,391	1,188,044	1,238
1996	1,391	1,492,547	1,375

## Largest Customers as of December 31, 1996

	Water Usage <sup>(1)</sup>	Annual Payment
La Cumbre Golf & County Club	23,421	\$ 50,691
ELK Trust	8,852	24,109
Stephen Redding	7,774	20,937
Barney Klinger	13,106	20,743
Aaron Kotler	6,522	18,606
Laguna Blanca School	6,788	15,455
Carriage Hill Association	4,644	14,449
Stanford Farms Trust	3,974	11,098
Mark Steinman	3,198	8,790
Godwin Pelissero	4,716	8,666
<b>Total</b>	<b>82,995</b>	<b>\$ 193,544</b>

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending Dec. 31,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1991	1,046,539	1,021,241	25,298	66,853	0.38
1992	1,056,863	675,732	381,131	146,408	2.60
1993	1,219,519	667,019	552,500	88,301	6.26
1994	1,296,090	660,413	635,677	149,401	4.25
1995	1,426,908	641,474	785,434	233,241	3.37
1996	1,794,966	799,628	995,338	420,166	2.37

Source: La Cumbre Mutual Water Co.



# Statistical Section City of Santa Barbara

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Average Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	24,473	\$14,017,897	9,520
1993	24,609	15,690,162	11,071
1994	24,653	15,841,994	11,438
1995	24,631	16,807,644	12,337
1996	24,702	17,979,681	13,055
1997	24,971	19,173,771	13,916

## Largest Customers as of June 30, 1997

	Water Usage <sup>(1)</sup>	Annual Payment
Cottage Hospital	57,447	\$ 206,660
Santa Barbara Municipal Golf Course	96,158	132,209
Fess Parker's Red Lion Inn	32,638	117,578
Montecito County Club	63,843	87,573
Santa Barbara Zoo	15,256	54,498
St. Francis Hospital	11,091	39,642
Naim Obei (Apt. Complex)	10,864	35,541
Samarkand, Inc.	9,789	35,482
St. Francis Hospital	8,805	31,460
La Cumbre Convalescent Hospital	7,696	27,503
<b>Total</b>	<b>313,587</b>	<b>\$ 768,146</b>

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Parity Debt Service	Coverage
1992	18,234,000	9,552,760	8,681,240	88,200	2,490,425	3.37
1993	24,501,675	10,743,067	13,758,608	278,068	2,492,090	4.97
1994	24,505,519	10,853,926	13,651,593	552,394	1,732,171	5.98
1995	25,304,124	11,800,957	13,503,167	526,222	2,637,835	4.27
1996	26,423,864	11,763,687	14,660,177	728,922	2,399,248	4.69
1997	26,602,042	9,850,917	16,751,125	1,842,755	2,419,146	3.93

Source: City of Santa Barbara



# Statistical Section Montecito Water District

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	3,509	\$ 3,256,273	2,866
1993	3,559	4,055,272	3,640
1994	3,595	3,780,815	3,544
1995	3,640	3,887,695	3,695
1996	4,118	4,627,755	4,369
1997	4,199	5,282,394	4,974

## Largest Customers as of June 30, 1997

	Water Usage <sup>(1)</sup>	Annual Payment
Four Seasons Hotel	37,248	\$ 164,288
Westmont College	38,496	100,176
Valley Club of Montecito	59,937	96,252
Casa Dorinda	19,749	57,571
Gawzner Corp. (Miramar Hotel)	12,966	57,546
Alisos Ranch	28,154	46,147
Daniel Drown	32,991	44,214
Harold Simmons	15,606	42,701
Santa Barbara Cemetary Assn.	14,300	38,584
Montecito Shores	10,640	34,594
<b>Total</b>	<b>270,087</b>	<b>\$ 682,073</b>

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1992	4,239,831	2,734,657	1,505,174	126,918	11.86
1993	6,999,902	3,037,466	3,962,436	132,016	30.01
1994	5,190,442	2,410,016	2,780,426	320,726	8.67
1995	5,864,997	2,129,633	3,735,364	614,523	6.08
1996	6,219,739	2,585,257	3,634,482	1,284,698	2.83
1997	7,448,346	2,962,077	4,486,269	1,449,168	3.10

Source: Montecito Water District





# Statistical Section Carpinteria Valley Water District

## Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30,	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	3,991	\$ 1,773,358	3,974
1993	4,019	2,312,030	4,179
1994	4,019	2,583,104	4,249
1995	4,042	2,650,897	4,097
1996	4,036	3,096,261	4,177
1997	4,074	4,989,024	4,445

## Largest Customers as of June 30, 1997

	Water Usage <sup>(1)</sup>	Annual Payment
Ocean Breeze (Nursery)	85,578	\$ 132,339
B&H Flowers (Nursery)	76,396	110,521
Casitas Village (Home Owners' Assn)	30,517	89,298
Villa Del Mar (Home Owners' Assn)	31,411	85,908
Cate School	23,793	59,889
Sandpiper Village (Mobile Home Park)	26,865	59,808
Norman's Nursery	36,850	54,815
H&M Roses (Nursery)	31,254	44,597
William Van Wingerden (Nursery)	23,932	38,863
Westerley Roses (Nursery)	26,107	37,700
<b>Total</b>	<b>392,703</b>	<b>\$ 713,738</b>

(1) In hundred cubic feet.

## State Water Payment Coverage Calculations

Fiscal Year Ending June 30,	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Coverage
1992	2,191,208	1,545,480	645,728	272,980	2.37
1993	2,990,475	1,722,886	1,267,589	138,491	9.15
1994	3,343,760	1,919,052	1,424,708	191,233	7.45
1995	3,699,032	1,825,006	1,874,026	316,275	5.93
1996	4,464,274	2,152,633	2,311,641	683,621	3.38
1997	5,544,376	2,430,834	3,113,542	1,318,072	2.36

Source: Carpinteria Valley Water District



# Financial Statements Agency Allocation Shandon

## ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 632
Cash and investments-Debt service account	3,617
Accounts receivable	659
Accrued interest receivable	93
<b>Total Current Assets</b>	<u>5,000</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	543
Cash and investments held for DWR and Warren Act payments	-
<b>Total Restricted Assets</b>	<u>543</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	93,310
Mission Hills II	-
Santa Ynez I	-
Santa Ynez II	-
General overhead	-
Finance costs	24,244
Local projects	31,072
Retention	427
<b>Total Construction in Progress</b>	<u>149,054</u>
Fixed assets (net of accumulated depreciation)	27
<b>Total Property, Plant and Equipment</b>	<u>149,081</u>
<b><u>Other Assets</u></b>	
Other assets	44
Unamortized bond issuance costs	-
<b>Total Other Assets</b>	<u>44</u>
<b>Total Assets</b>	<u>\$ 154,669</u>



# Financial Statements Agency Allocation Shandon

## LIABILITIES AND FUND EQUITY

June 30, 1997

Accounts payable	\$	183
Deposits		-
Accrued interest payable		3,025
Other liabilities		1,337
Retainage payable		819
Bonds payable		-
Prepaid member assessments		3,618
		<u>8,982</u>

### Fund Equity

Contributed capital, net		-
Retained earnings		145,687
<b>Total Fund Equity</b>		<u>145,687</u>

**Total Liabilities and Fund Equity** \$ 154,669

### Revenues

Fixed operating assessments	\$	2,761
Variable operating assessments		-
Debt service assessment income		12,596
Other revenues		4
Interest income-CCWA general accounts		98
Interest income-construction accounts		-
<b>Total Revenues</b>		<u>15,459</u>

### Expenses

Fixed operating expenses		2,320
Interest expense		-
Other expenses		16
Depreciation and amortization		11
<b>Total Expenses</b>		<u>2,347</u>

**Net Income (Loss)** \$ 13,112



# Financial Statements Agency Allocation Chorro Valley

## ASSETS

June 30, 1997

### Current Assets

Cash and investments-CCWA general accounts	\$ 14,779
Cash and investments-Debt service account	314,967
Accounts receivable	27,192
Accrued interest receivable	79,337
<b>Total Current Assets</b>	<b>436,275</b>

### Restricted Assets

Cash and investments with fiscal agent	8,100,457
Cash and investments held for DWR and Warren Act payments	-
<b>Total Restricted Assets</b>	<b>8,100,457</b>

### Property, Plant and Equipment

Construction in progress	
Water treatment plant	2,181,586
Mission Hills II	-
Santa Ynez I	-
Santa Ynez II	-
General overhead	-
Finance costs	996,810
Local projects	8,420,087
Retention	34,037
Total Construction in Progress	11,632,521
Fixed assets (net of accumulated depreciation)	631
<b>Total Property, Plant and Equipment</b>	<b>11,633,152</b>

### Other Assets

Other assets	3,657
Unamortized bond issuance costs	2,325,956
<b>Total Other Assets</b>	<b>2,329,613</b>

**Total Assets** \$ **22,499,497**



# Financial Statements Agency Allocation Chorro Valley

## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 4,272
Deposits	-
Accrued interest payable	278,883
Other liabilities	79,014
Retainage payable	65,395
Bonds payable	20,524,255
Prepaid member assessments	297,432
	<u>21,249,252</u>
 <u>Fund Equity</u>	
Contributed capital, net	-
Retained earnings	1,250,246
<b>Total Fund Equity</b>	<u>1,250,246</u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$ 22,499,497</u></u>

## Revenues

Fixed operating assessments	\$ 35,756
Variable operating assessments	(5,493)
Debt service assessment income	1,096,983
Other revenues	339
Interest income-CCWA general accounts	3,752
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>1,131,336</u>

## Expenses

Fixed operating expenses	54,252
Interest expense	136,290
Other expenses	366
Depreciation and amortization	114,085
<b>Total Expenses</b>	<u>304,993</u>
<b>Net Income (Loss)</b>	<u><u>\$ 826,343</u></u>



# Financial Statements Agency Allocation

## Lopez

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### ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 17,640
Cash and investments-Debt service account	60,655
Accounts receivable	15,153
Accrued interest receivable	17,104
<b>Total Current Assets</b>	<u>110,552</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	950,470
Cash and investments held for DWR and Warren Act payments	-
<b>Total Restricted Assets</b>	<u>950,470</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	2,231,973
Mission Hills II	-
Santa Ynez I	-
Santa Ynez II	-
General overhead	-
Finance costs	332,297
Local projects	575,395
Retention	22,910
<b>Total Construction in Progress</b>	<u>3,162,575</u>
 Fixed assets (net of accumulated depreciation)	 645
<b>Total Property, Plant and Equipment</b>	<u>3,163,220</u>
<b><u>Other Assets</u></b>	
Other assets	2,503
Unamortized bond issuance costs	477,534
<b>Total Other Assets</b>	<u>480,036</u>
 <b>Total Assets</b>	 \$ <u>4,704,278</u>



# Financial Statements Agency Allocation Lopez

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## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 4,518
Deposits	-
Accrued interest payable	58,082
Other liabilities	27,626
Retainage payable	35,322
Bonds payable	4,213,759
Prepaid member assessments	55,524
	<u>4,394,832</u>
<b><u>Fund Equity</u></b>	
Contributed capital, net	361,192
Retained earnings	(51,746)
<b>Total Fund Equity</b>	<u>309,446</u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$ 4,704,278</u></u>

## Revenues

Fixed operating assessments	\$ 39,470
Variable operating assessments	(25,821)
Debt service assessment income	211,251
Other revenues	92
Interest income-CCWA general accounts	2,851
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>227,843</u>

## Expenses

Fixed operating expenses	56,428
Interest expense	27,981
Other expenses	374
Depreciation and amortization	23,629
<b>Total Expenses</b>	<u>108,412</u>
<b>Net Income (Loss)</b>	<u><u>\$ 119,431</u></u>



# Financial Statements Agency Allocation City of Guadalupe

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<b>ASSETS</b>	
	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 44,580
Cash and investments-Debt service account	39,903
Accounts receivable	2,437
Accrued interest receivable	11,074
<b>Total Current Assets</b>	<u>97,994</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	1,381,700
Cash and investments held for DWR and Warren Act payments	13,576
<b>Total Restricted Assets</b>	<u>1,395,276</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	513,205
Mission Hills II	-
Santa Ynez I	-
Santa Ynez II	-
General overhead	31,218
Finance costs	146,520
Local projects	440,286
Retention	3,251
<b>Total Construction in Progress</b>	<u>1,134,480</u>
Fixed assets (net of accumulated depreciation)	1,751
<b>Total Property, Plant and Equipment</b>	<u>1,136,231</u>
<b><u>Other Assets</u></b>	
Other assets	1,237
Unamortized bond issuance costs	296,439
<b>Total Other Assets</b>	<u>297,676</u>
<b>Total Assets</b>	<u>\$ 2,927,177</u>

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# Financial Statements Agency Allocation City of Guadalupe

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## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 6,155
Deposits	13,576
Accrued interest payable	35,967
Other liabilities	10,708
Retainage payable	6,233
Bonds payable	2,615,778
Prepaid member assessments	68,067
	<u>2,756,483</u>
 <b>Fund Equity</b>	
Contributed capital, net	81,119
Retained earnings	89,575
<b>Total Fund Equity</b>	<u>170,694</u>
 <b>Total Liabilities and Fund Equity</b>	 <b>\$ <u>2,927,177</u></b>

## Revenues

Fixed operating assessments	\$ 24,657
Variable operating assessments	9,355
Debt service assessment income	129,943
Other revenues	33
Interest income-CCWA general accounts	6,117
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>170,105</u>

## Expenses

Fixed operating expenses	27,960
Interest expense	17,370
Other expenses	86
Depreciation and amortization	15,241
<b>Total Expenses</b>	<u>60,656</u>
 <b>Net Income (Loss)</b>	 <b>\$ <u>109,448</u></b>



# Financial Statements Agency Allocation City of Santa Maria

## ASSETS

June 30, 1997

### Current Assets

Cash and investments-CCWA general accounts	\$ 1,325,926
Cash and investments-Debt service account	-
Accounts receivable	71,781
Accrued interest receivable	97,066
<b>Total Current Assets</b>	<u>1,494,773</u>

### Restricted Assets

Cash and investments with fiscal agent	4,506,967
Cash and investments held for DWR and Warren Act payments	347,506
<b>Total Restricted Assets</b>	<u>4,854,473</u>

### Property, Plant and Equipment

Construction in progress	
Water treatment plant	15,116,207
Mission Hills II	-
Santa Ynez I	-
Santa Ynez II	-
General overhead	919,504
Finance costs	-
Local projects	2,161,051
Retention	52,312
<b>Total Construction in Progress</b>	<u>18,249,074</u>
Fixed assets (net of accumulated depreciation)	51,589
<b>Total Property, Plant and Equipment</b>	<u>18,300,662</u>

### Other Assets

Other assets	31,070
Unamortized bond issuance costs	-
<b>Total Other Assets</b>	<u>31,070</u>

**Total Assets** \$ 24,680,979



# Financial Statements Agency Allocation City of Santa Maria

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## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 182,213
Deposits	347,506
Accrued interest payable	-
Other liabilities	125,444
Retainage payable	100,281
Bonds payable	-
Prepaid member assessments	725,762
	<u>1,481,206</u>
<b><u>Fund Equity</u></b>	
Contributed capital, net	19,548,999
Retained earnings	3,650,773
<b>Total Fund Equity</b>	<u>23,199,773</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 24,680,979</u>

## Revenues

Fixed operating assessments	\$ 738,504
Variable operating assessments	(32,712)
Debt service assessment income	-
Other revenues	532
Interest income-CCWA general accounts	175,679
Interest income-construction accounts	287,664
<b>Total Revenues</b>	<u>1,169,666</u>

## Expenses

Fixed operating expenses	839,209
Interest expense	-
Other expenses	2,534
Depreciation and amortization	21,592
<b>Total Expenses</b>	<u>863,334</u>
<b>Net Income (Loss)</b>	<u>\$ 306,332</u>



# Financial Statements Agency Allocation So. California Water Co.

## ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 279,681
Cash and investments-Debt service account	-
Accounts receivable	2,215
Accrued interest receivable	1,000
<b>Total Current Assets</b>	<u>282,896</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	85,643
Cash and investments held for DWR and Warren Act payments	199,825
<b>Total Restricted Assets</b>	<u>285,468</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	466,550
Mission Hills II	-
Santa Ynez I	-
Santa Ynez II	-
General overhead	28,380
Finance costs	-
Local projects	422,153
Retention	2,630
<b>Total Construction in Progress</b>	<u>919,713</u>
Fixed assets (net of accumulated depreciation)	1,592
<b>Total Property, Plant and Equipment</b>	<u>921,305</u>
<b><u>Other Assets</u></b>	
Other assets	1,035
Unamortized bond issuance costs	-
<b>Total Other Assets</b>	<u>1,035</u>
<b>Total Assets</b>	<u>\$ 1,490,705</u>



# Financial Statements Agency Allocation So. California Water Co.

## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 5,624
Deposits	199,825
Accrued interest payable	-
Other liabilities	4,598
Retainage payable	5,042
Bonds payable	-
Prepaid member assessments	72,363
	<u>287,451</u>
<b><u>Fund Equity</u></b>	
Contributed capital, net	1,000,322
Retained earnings	202,932
<b>Total Fund Equity</b>	<u>1,203,254</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 1,490,705</u>

## Revenues

Fixed operating assessments	\$ 22,793
Variable operating assessments	(1,808)
Debt service assessment income	-
Other revenues	27
Interest income-CCWA general accounts	5,486
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>26,498</u>

## Expenses

Fixed operating expenses	25,904
Interest expense	-
Other expenses	78
Depreciation and amortization	666
<b>Total Expenses</b>	<u>26,648</u>
<b>Net Income (Loss)</b>	<u>\$ (150)</u>



# Financial Statements Agency Allocation Vandenberg Air Force Base

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<b>ASSETS</b>	
	<b>June 30, 1997</b>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 2,707,574
Cash and investments-Debt service account	-
Accounts receivable	24,370
Accrued interest receivable	91,806
<b>Total Current Assets</b>	<b>2,823,750</b>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	5,040,432
Cash and investments held for DWR and Warren Act payments	1,844,066
<b>Total Restricted Assets</b>	<b>6,884,498</b>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	5,132,045
Mission Hills II	5,097,440
Santa Ynez I	-
Santa Ynez II	-
General overhead	312,177
Finance costs	-
Local projects	1,535,431
Retention	163,332
<b>Total Construction in Progress</b>	<b>12,240,426</b>
Fixed assets (net of accumulated depreciation)	17,515
<b>Total Property, Plant and Equipment</b>	<b>12,257,941</b>
<b><u>Other Assets</u></b>	
Other assets	10,987
Unamortized bond issuance costs	-
<b>Total Other Assets</b>	<b>10,987</b>
<b>Total Assets</b>	<b>\$ 21,977,176</b>

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# Financial Statements Agency Allocation Vandenberg Air Force Base

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## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 63,518
Deposits	1,844,066
Accrued interest payable	-
Other liabilities	54,476
Retainage payable	194,851
Bonds payable	-
Prepaid member assessments	711,772
	<u>2,868,683</u>
<b><u>Fund Equity</u></b>	
Contributed capital, net	14,447,127
Retained earnings	4,661,365
<b>Total Fund Equity</b>	<u>19,108,493</u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$ 21,977,176</u></u>

## Revenues

Fixed operating assessments	\$ 267,451
Variable operating assessments	(47,864)
Debt service assessment income	-
Other revenues	350
Interest income-CCWA general accounts	60,874
Interest income-construction accounts	338,998
<b>Total Revenues</b>	<u>619,809</u>

## Expenses

Fixed operating expenses	312,918
Interest expense	-
Other expenses	860
Depreciation and amortization	7,331
<b>Total Expenses</b>	<u>321,108</u>
<b>Net Income (Loss)</b>	<u><u>\$ 298,700</u></u>



# Financial Statements Agency Allocation City of Buellton

## ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 53,748
Cash and investments-Debt service account	73,167
Accounts receivable	2,561
Accrued interest receivable	18,524
<b>Total Current Assets</b>	<u>148,000</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	1,085,973
Cash and investments held for DWR and Warren Act payments	19,187
<b>Total Restricted Assets</b>	<u>1,105,160</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	539,331
Mission Hills II	535,695
Santa Ynez I	1,114,484
Santa Ynez II	-
General overhead	32,807
Finance costs	509,711
Local projects	506,001
Retention	9,308
<b>Total Construction in Progress</b>	<u>3,247,337</u>
Fixed assets (net of accumulated depreciation)	1,841
<b>Total Property, Plant and Equipment</b>	<u>3,249,177</u>
<b><u>Other Assets</u></b>	
Other assets	1,455
Unamortized bond issuance costs	510,745
<b>Total Other Assets</b>	<u>512,200</u>
<b>Total Assets</b>	<u>\$ 5,014,538</u>





# Financial Statements Agency Allocation City of Buellton

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## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 6,924
Deposits	19,187
Accrued interest payable	61,962
Other liabilities	19,398
Retainage payable	17,842
Bonds payable	4,506,821
Prepaid member assessments	92,136
	<u>4,724,271</u>
<b>Fund Equity</b>	
Contributed capital, net	-
Retained earnings	290,267
<b>Total Fund Equity</b>	<u>290,267</u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$ 5,014,538</u></u>

## Revenues

Fixed operating assessments	\$ 31,328
Variable operating assessments	(4,355)
Debt service assessment income	227,958
Other revenues	95
Interest income-CCWA general accounts	6,880
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>261,907</u>

## Expenses

Fixed operating expenses	35,281
Interest expense	29,927
Other expenses	90
Depreciation and amortization	25,766
<b>Total Expenses</b>	<u>91,065</u>
<b>Net Income (Loss)</b>	<u><u>\$ 170,841</u></u>



# Financial Statements Agency Allocation City of Solvang

## ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 146,622
Cash and investments-Debt service account	-
Accounts receivable	6,646
Accrued interest receivable	48,610
<b>Total Current Assets</b>	<u>201,878</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	3,840,581
Cash and investments held for DWR and Warren Act payments	11,765
<b>Total Restricted Assets</b>	<u>3,852,345</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	1,188,955
Mission Hills II	1,180,938
Santa Ynez I	2,456,878
Santa Ynez II	-
General overhead	72,323
Finance costs	1,555,285
Local projects	731,639
Retention	20,659
<b>Total Construction in Progress</b>	<u>7,206,677</u>
 Fixed assets (net of accumulated depreciation)	 4,777
<b>Total Property, Plant and Equipment</b>	<u>7,211,454</u>
<b><u>Other Assets</u></b>	
Other assets	2,938
Unamortized bond issuance costs	1,423,393
<b>Total Other Assets</b>	<u>1,426,330</u>
 <b>Total Assets</b>	 \$ <u>12,692,007</u>



# Financial Statements Agency Allocation City of Solvang

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## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 17,969
Deposits	11,765
Accrued interest payable	156,576
Other liabilities	22,931
Retainage payable	39,602
Bonds payable	12,560,027
Prepaid member assessments	93,894
	<u>12,902,764</u>
 <b><u>Fund Equity</u></b>	
Contributed capital, net	-
Retained earnings	(210,756)
<b>Total Fund Equity</b>	<u>(210,756)</u>
 <b>Total Liabilities and Fund Equity</b>	 <b>\$ <u>12,692,007</u></b>
 <b><u>Revenues</u></b>	
Fixed operating assessments	\$ 81,301
Variable operating assessments	22,533
Debt service assessment income	-
Other revenues	210
Interest income-CCWA general accounts	17,155
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>121,200</u>
 <b><u>Expenses</u></b>	
Fixed operating expenses	91,560
Interest expense	83,404
Other expenses	235
Depreciation and amortization	71,661
<b>Total Expenses</b>	<u>246,859</u>
 <b>Net Income (Loss)</b>	 <b>\$ <u>(125,660)</u></b>



# Financial Statements Agency Allocation Santa Ynez River Water Conservation District, Improvement District #1

## ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 33,062
Cash and investments-Debt service account	-
Accounts receivable	2,215
Accrued interest receivable	26,909
<b>Total Current Assets</b>	<u>62,186</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	2,185,716
Cash and investments held for DWR and Warren Act payments	83,522
<b>Total Restricted Assets</b>	<u>2,269,238</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	677,243
Mission Hills II	672,677
Santa Ynez I	1,399,468
Santa Ynez II	-
General overhead	41,196
Finance costs	885,909
Local projects	421,080
Retention	11,767
<b>Total Construction in Progress</b>	<u>4,109,341</u>
 Fixed assets (net of accumulated depreciation)	 1,592
<b>Total Property, Plant and Equipment</b>	<u>4,110,933</u>
<b><u>Other Assets</u></b>	
Other assets	6,280
Unamortized bond issuance costs	810,782
<b>Total Other Assets</b>	<u>817,061</u>
 <b>Total Assets</b>	 \$ <u>7,259,420</u>



# Financial Statements Agency Allocation Santa Ynez River Water Conservation District, Improvement District #1

## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 5,990
Deposits	83,522
Accrued interest payable	89,192
Other liabilities	11,136
Retainage payable	22,558
Bonds payable	7,154,346
Prepaid member assessments	222,909
	<u>7,589,653</u>
 <u>Fund Equity</u>	
Contributed capital, net	-
Retained earnings	(330,233)
<b>Total Fund Equity</b>	<u>(330,233)</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 7,259,420</u>

## Revenues

Fixed operating assessments	\$ 27,100
Variable operating assessments	(54,527)
Debt service assessment income	-
Other revenues	120
Interest income-CCWA general accounts	17,139
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>(10,167)</u>

## Expenses

Fixed operating expenses	30,520
Interest expense	47,508
Other expenses	78
Depreciation and amortization	40,346
<b>Total Expenses</b>	<u>118,453</u>
<b>Net Income (Loss)</b>	<u>\$ (128,620)</u>



# Financial Statements Agency Allocation Goleta Water District

## ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 456,676
Cash and investments-Debt service account	-
Accounts receivable	19,939
Accrued interest receivable	193,400
<b>Total Current Assets</b>	<u>670,015</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	12,636,758
Cash and investments held for DWR and Warren Act payments	223,520
<b>Total Restricted Assets</b>	<u>12,860,278</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	4,198,946
Mission Hills II	4,170,633
Santa Ynez I	8,676,780
Santa Ynez II	5,337,767
General overhead	255,418
Finance costs	5,964,369
Local projects	2,950,699
Retention	90,726
<b>Total Construction in Progress</b>	<u>31,645,338</u>
Fixed assets (net of accumulated depreciation)	14,330
<b>Total Property, Plant and Equipment</b>	<u>31,659,668</u>
<b><u>Other Assets</u></b>	
Other assets	12,466
Unamortized bond issuance costs	5,707,064
<b>Total Other Assets</b>	<u>5,719,530</u>
<b>Total Assets</b>	<u>\$ 50,909,491</u>



# Financial Statements Agency Allocation Goleta Water District

## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 55,665
Deposits	223,520
Accrued interest payable	563,460
Other liabilities	89,365
Retainage payable	173,918
Bonds payable	50,359,175
Prepaid member assessments	(26,411)
	<u>51,438,692</u>
<b><u>Fund Equity</u></b>	
Contributed capital, net	-
Retained earnings	(529,201)
<b>Total Fund Equity</b>	<u>(529,201)</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 50,909,491</u>

## Revenues

Fixed operating assessments	\$ 261,698
Variable operating assessments	83,837
Debt service assessment income	-
Other revenues	923
Interest income-CCWA general accounts	50,984
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>397,442</u>

## Expenses

Fixed operating expenses	296,149
Interest expense	334,407
Other expenses	704
Depreciation and amortization	285,304
<b>Total Expenses</b>	<u>916,563</u>
<b>Net Income (Loss)</b>	<u>\$ (519,121)</u>



# Financial Statements Agency Allocation Morehart Land Co.

## ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 23,101
Cash and investments-Debt service account	-
Accounts receivable	886
Accrued interest receivable	12,316
<b>Total Current Assets</b>	<u>36,303</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	474,612
Cash and investments held for DWR and Warren Act payments	1,979
<b>Total Restricted Assets</b>	<u>476,590</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	186,620
Mission Hills II	185,361
Santa Ynez I	385,635
Santa Ynez II	237,234
General overhead	11,352
Finance costs	247,957
Local projects	12,390
Retention	3,642
<b>Total Construction in Progress</b>	<u>1,270,190</u>
Fixed assets (net of accumulated depreciation)	637
<b>Total Property, Plant and Equipment</b>	<u>1,270,827</u>
<b><u>Other Assets</u></b>	
Other assets	388
Unamortized bond issuance costs	224,854
<b>Total Other Assets</b>	<u>225,242</u>
<b>Total Assets</b>	<u>\$ 2,008,962</u>





# Financial Statements Agency Allocation Morehart Land Co.

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## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 2,474
Deposits	1,979
Accrued interest payable	22,202
Other liabilities	348,854
Retainage payable	6,981
Bonds payable	1,984,110
Prepaid member assessments	(937)
	<u>2,365,663</u>
<b>Fund Equity</b>	
Contributed capital, net	-
Retained earnings	(356,701)
<b>Total Fund Equity</b>	<u>(356,701)</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 2,008,962</u>

## Revenues

Fixed operating assessments	\$ 11,631
Variable operating assessments	909
Debt service assessment income	-
Other revenues	37
Interest income-CCWA general accounts	2,288
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>14,866</u>

## Expenses

Fixed operating expenses	13,162
Interest expense	13,175
Other expenses	31
Depreciation and amortization	11,271
<b>Total Expenses</b>	<u>37,640</u>
<b>Net Income (Loss)</b>	<u>\$ (22,774)</u>



# Financial Statements Agency Allocation La Cumbre Mutual Water Co.

## ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 813,807
Cash and investments-Debt service account	393,801
Accounts receivable	4,431
Accrued interest receivable	38,395
<b>Total Current Assets</b>	<u>1,250,434</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	2,364,879
Cash and investments held for DWR and Warren Act payments	370,308
<b>Total Restricted Assets</b>	<u>2,735,187</u>
 <b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	933,099
Mission Hills II	926,807
Santa Ynez I	1,928,173
Santa Ynez II	1,186,170
General overhead	56,760
Finance costs	1,247,940
Local projects	61,948
Retention	18,231
<b>Total Construction in Progress</b>	<u>6,359,130</u>
Fixed assets (net of accumulated depreciation)	3,184
<b>Total Property, Plant and Equipment</b>	<u>6,362,314</u>
 <b><u>Other Assets</u></b>	
Other assets	2,933
Unamortized bond issuance costs	1,124,268
<b>Total Other Assets</b>	<u>1,127,201</u>
 <b>Total Assets</b>	 <u>\$ 11,475,136</u>



# Financial Statements Agency Allocation La Cumbre Mutual Water Co.

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## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 12,360
Deposits	370,308
Accrued interest payable	111,010
Other liabilities	18,478
Retainage payable	34,949
Bonds payable	9,920,552
Prepaid member assessments	379,094
	<u>10,846,750</u>
<b><u>Fund Equity</u></b>	
Contributed capital, net	-
Retained earnings	628,385
<b>Total Fund Equity</b>	<u>628,385</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 11,475,136</u>

## Revenues

Fixed operating assessments	\$ 58,155
Variable operating assessments	(24,657)
Debt service assessment income	-
Other revenues	185
Interest income-CCWA general accounts	13,557
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>47,241</u>

## Expenses

Fixed operating expenses	65,811
Interest expense	65,877
Other expenses	156
Depreciation and amortization	56,355
<b>Total Expenses</b>	<u>188,199</u>
<b>Net Income (Loss)</b>	<u>\$ (140,958)</u>



# Financial Statements Agency Allocation Santa Barbara Research Center

## ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 51,338
Cash and investments-Debt service account	38,378
Accounts receivable	222
Accrued interest receivable	1,845
<b>Total Current Assets</b>	<u>91,782</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	106,768
Cash and investments held for DWR and Warren Act payments	18,784
<b>Total Restricted Assets</b>	<u>125,551</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	46,655
Mission Hills II	46,340
Santa Ynez I	96,409
Santa Ynez II	59,309
General overhead	2,838
Finance costs	52,861
Local projects	18,053
Retention	927
<b>Total Construction in Progress</b>	<u>323,392</u>
Fixed assets (net of accumulated depreciation)	159
<b>Total Property, Plant and Equipment</b>	<u>323,551</u>
<b><u>Other Assets</u></b>	
Other assets	161
Unamortized bond issuance costs	50,715
<b>Total Other Assets</b>	<u>50,877</u>
<b>Total Assets</b>	<u>\$ 591,761</u>



# Financial Statements Agency Allocation Santa Barbara Research Center

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## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 615
Deposits	18,784
Accrued interest payable	6,150
Other liabilities	1,895
Retainage payable	1,777
Bonds payable	447,514
Prepaid member assessments	36,722
	<u>513,457</u>
<b><u>Fund Equity</u></b>	
Contributed capital, net	-
Retained earnings	78,304
<b>Total Fund Equity</b>	<u>78,304</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 591,761</u>

## Revenues

Fixed operating assessments	\$ 2,908
Variable operating assessments	(1,517)
Debt service assessment income	22,267
Other revenues	9
Interest income-CCWA general accounts	709
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>24,376</u>

## Expenses

Fixed operating expenses	3,291
Interest expense	2,972
Other expenses	8
Depreciation and amortization	2,549
<b>Total Expenses</b>	<u>8,819</u>
<b>Net Income (Loss)</b>	<u>\$ 15,557</u>



# Financial Statements Agency Allocation City of Santa Barbara

## ASSETS

	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 1,812,559
Cash and investments-Debt service account	-
Accounts receivable	13,293
Accrued interest receivable	119,778
<b>Total Current Assets</b>	<u>1,945,630</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	7,696,091
Cash and investments held for DWR and Warren Act payments	879,833
<b>Total Restricted Assets</b>	<u>8,575,924</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	2,799,298
Mission Hills II	2,780,422
Santa Ynez I	5,784,520
Santa Ynez II	3,558,511
General overhead	170,279
Finance costs	3,813,855
Local projects	631,844
Retention	56,178
<b>Total Construction in Progress</b>	<u>19,594,906</u>
Fixed assets (net of accumulated depreciation)	9,553
<b>Total Property, Plant and Equipment</b>	<u>19,604,459</u>
<b><u>Other Assets</u></b>	
Other assets	4,303
Unamortized bond issuance costs	3,517,097
<b>Total Other Assets</b>	<u>3,521,400</u>
<b>Total Assets</b>	<u>\$ 33,647,413</u>



# Financial Statements Agency Allocation City of Santa Barbara

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## LIABILITIES AND FUND EQUITY

	<u>June 30, 1997</u>
Accounts payable	\$ 37,110
Deposits	879,833
Accrued interest payable	426,589
Other liabilities	56,495
Retainage payable	107,691
Bonds payable	31,034,891
Prepaid member assessments	1,429,786
	<u>33,972,396</u>
<b><u>Fund Equity</u></b>	
Contributed capital, net	-
Retained earnings	(324,982)
<b>Total Fund Equity</b>	<u>(324,982)</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 33,647,413</u>
<b><u>Revenues</u></b>	
Fixed operating assessments	\$ 174,466
Variable operating assessments	-
Debt service assessment income	-
Other revenues	571
Interest income-CCWA general accounts	31,084
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>206,121</u>
<b><u>Expenses</u></b>	
Fixed operating expenses	197,433
Interest expense	206,085
Other expenses	469
Depreciation and amortization	176,127
<b>Total Expenses</b>	<u>580,113</u>
<b>Net Income (Loss)</b>	<u>\$ (373,993)</u>



# Financial Statements Agency Allocation Montecito Water District

## ASSETS

June 30, 1997

### Current Assets

Cash and investments-CCWA general accounts	\$ 376,344
Cash and investments-Debt service account	265,000
Accounts receivable	13,293
Accrued interest receivable	125,514
<b>Total Current Assets</b>	<b>780,150</b>

### Restricted Assets

Cash and investments with fiscal agent	8,291,240
Cash and investments held for DWR and Warren Act payments	(17,184)
<b>Total Restricted Assets</b>	<b>8,274,055</b>

### Property, Plant and Equipment

Construction in progress	
Water treatment plant	2,799,298
Mission Hills II	2,780,422
Santa Ynez I	5,784,520
Santa Ynez II	3,558,511
General overhead	170,279
Finance costs	3,924,128
Local projects	1,321,531
Retention	58,478
<b>Total Construction in Progress</b>	<b>20,397,165</b>
Fixed assets (net of accumulated depreciation)	9,553
<b>Total Property, Plant and Equipment</b>	<b>20,406,719</b>

### Other Assets

Other assets	4,303
Unamortized bond issuance costs	3,697,294
<b>Total Other Assets</b>	<b>3,701,597</b>

**Total Assets** \$ **33,162,522**





# Financial Statements Agency Allocation Montecito Water District

## LIABILITIES AND FUND EQUITY

June 30, 1997

Accounts payable	\$ 37,070
Deposits	(17,184)
Accrued interest payable	406,736
Other liabilities	58,141
Retainage payable	112,100
Bonds payable	32,624,951
Prepaid member assessments	255,945
	<u>33,477,759</u>
<b>Fund Equity</b>	
Contributed capital, net	-
Retained earnings	(315,238)
<b>Total Fund Equity</b>	<u>(315,238)</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 33,162,522</u>

## Revenues

Fixed operating assessments	\$ 174,466
Variable operating assessments	-
Debt service assessment income	-
Other revenues	595
Interest income-CCWA general accounts	31,084
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>206,144</u>

## Expenses

Fixed operating expenses	197,433
Interest expense	216,644
Other expenses	469
Depreciation and amortization	184,945
<b>Total Expenses</b>	<u>599,491</u>
<b>Net Income (Loss)</b>	<u>\$ (393,347)</u>



# Financial Statements Agency Allocation Carpinteria Valley Water District

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<b>ASSETS</b>	
	<u>June 30, 1997</u>
<b><u>Current Assets</u></b>	
Cash and investments-CCWA general accounts	\$ 591,717
Cash and investments-Debt service account	1,811,218
Accounts receivable	8,862
Accrued interest receivable	93,142
<b>Total Current Assets</b>	<u>2,504,939</u>
<b><u>Restricted Assets</u></b>	
Cash and investments with fiscal agent	4,125,590
Cash and investments held for DWR and Warren Act payments	638,843
<b>Total Restricted Assets</b>	<u>4,764,432</u>
<b><u>Property, Plant and Equipment</u></b>	
Construction in progress	
Water treatment plant	1,866,198
Mission Hills II	1,853,615
Santa Ynez I	3,856,347
Santa Ynez II	2,372,341
General overhead	113,519
Finance costs	3,112,852
Local projects	804,336
Retention	40,193
<b>Total Construction in Progress</b>	<u>14,019,401</u>
Fixed assets (net of accumulated depreciation)	6,369
<b>Total Property, Plant and Equipment</b>	<u>14,025,770</u>
<b><u>Other Assets</u></b>	
Other assets	4,166
Unamortized bond issuance costs	2,274,343
<b>Total Other Assets</b>	<u>2,278,509</u>
<b>Total Assets</b>	<u>\$ 23,573,650</u>

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# Financial Statements Agency Allocation Carpinteria Valley Water District

## LIABILITIES AND FUND EQUITY

June 30, 1997

Accounts payable	\$ 24,605
Deposits	638,843
Accrued interest payable	275,869
Other liabilities	116,265
Retainage payable	77,049
Bonds payable	20,068,820
Prepaid member assessments	2,100,499
	<u>23,301,948</u>
<b>Fund Equity</b>	
Contributed capital, net	-
Retained earnings	271,702
<b>Total Fund Equity</b>	<u>271,702</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 23,573,650</u>

## Revenues

Fixed operating assessments	\$ 116,310
Variable operating assessments	30,049
Debt service assessment income	380,903
Other revenues	409
Interest income-CCWA general accounts	21,658
Interest income-construction accounts	-
<b>Total Revenues</b>	<u>549,330</u>

## Expenses

Fixed operating expenses	131,622
Interest expense	133,266
Other expenses	313
Depreciation and amortization	113,973
<b>Total Expenses</b>	<u>379,173</u>
<b>Net Income (Loss)</b>	<u>\$ 170,157</u>





**Central Coast Water Authority**

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