

with this 770 AF supply, there are no annual fees that must be paid to retain the ready-to-serve status of Contract, and there is no association of Contract 3 with the on-going USBR water contract renewal negotiations and annual costs described in the preceding subsection.

C. The combined total surface water supply available of 2,290 AF under Contract 1 (1,520 AF) and Contract 2 (Standby 1,520 AF) and Contract 3 (770 AF) has been allocated by the Board of Supervisors as follows:

- a. CSA 34-MNT is allocated 599 AF (Contracts 1/2) and 770 AF (Contract 3) for a total of 1,369 AF = 59.8% of 2,290 AF;
- b. CSA 34A is allocated 841 AF (Contracts 1/2) = 36.7% of 2,290 AF;
- c. CSA 34C is allocated 80 AF (Contracts 1/2) = 3.5% of 2,290 AF.
- d. Total of all allocations = 2,290 AF.
- e. These allocation percentages are the relative benefit factors used in spreading the fixed costs associated with maintaining the ready-to-serve status of Contract 1 and Contract 2 for the CSA 34-MNT, CSA 34A, and CSA 34C eligible to receive water pursuant to those two contracts (as further described herein).

### 3.3 Develop Enterprise Budgets Based on Functionalized Costs

The FY 2013-14 ("FY 13-14") final expenditures details for the CSA 34-MNT share of CSA 34 Water Contracts Administration and Maintenance operations was used as the baseline for preparing the FY 14-15 Continuing Prior-Ops Budgets for CSA 34-MNT, CSA 34A, and CSA 34C. As stated in subsection 2.2.2 item A, the Continuing Prior-Ops Budgets for CSA 34-MNT have been used as the source of individual budget account item cost details from which the Enterprise Budgets have been developed for the joint use operation of the CSA 34 Water Contracts Administration and Maintenance utility system. The joint use Enterprise Budgets for FY 14-15 through FY 18-19 CSA 34 Water Contracts Administration and Maintenance operations have been created as follows:

- A. FY 13-14 expenditure item amounts were multiplied by a Consumer Price Index ("CPI") factor of 1.0216 to calculate each item's estimated FY 14-15 Continuing Prior-Ops Budgets amount. The CPI factor has been estimated based on the California Consumer Price Index (1955-2013), with data extracted from the website of the California Department of Finance on that agency's website page for Financial and Economic Data at the address:  
[//www.dir.ca.gov/OPRL/CPI/EntireCCPI.PDF](http://www.dir.ca.gov/OPRL/CPI/EntireCCPI.PDF);
- B. By dividing each memo code account item amount in the Continuing Prior-Ops Budgets for only the CSA 34-MNT service area by 59.8% for those memo codes assigned to the Fixed Cost Category (as further described below in section 3.4.A.) to calculate that account item's total Enterprise Budget amount; and,
- C. By dividing each memo code account item amount by 39.4% for those memo codes assigned to the Variable Cost Category (as further described below in section 3.4.B.) to calculate that account item's total Enterprise Budget amount. Exhibit C presents the FY 14-15 through FY