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May 8, 2019

Board of Directors
United Water Conservation District

Subject: Fiscal Year 2018-19 Third Quarter Financial Report

Dear Board Members:

Enclosed for your review is the District's FY 2018-19 Third Quarter (July 1, 2018 through March 31, 2019) Financial Report. This report represents nine months of financial information for District operations (75% of the total fiscal year). The report includes budget to actual comparisons for District revenues, expenditures, water deliveries, and a discussion of any significant variances. The financial data is unaudited and therefore subject to revisions.

This report focuses primarily on the operating funds of the District and corresponding Capital Improvement Project (CIP) funds:

- General/Water Conservation Fund
 - Recreation & Ranger Activities Sub-fund
- Freeman Fund
- Oxnard/Hueneme Pipeline (OHP) Fund
- Pleasant Valley Pipeline (PVP) Fund
- Pumping Trough Pipeline (PTP) Fund
- State Water Import Fund
- Overhead Fund

Staff provides the Board's Finance & Audit Committee with monthly cash position and pipeline delivery activities reports throughout the fiscal year. Quarterly financial reports are submitted to the Board to provide information on the financial status of the District and to assure the Directors and our rate payers that staff is operating within the parameters of the annual adopted budget, including any supplemental appropriations. At the end of each fiscal year, an outside certified public accounting firm performs an independent financial audit to test staff's financial reporting accuracy and internal controls. It is staff's responsibility to ensure that the Board has received adequate financial information throughout the year so that there are no surprises, and so that fiscally prudent decisions can be made when the Board is asked to consider approval of budgeted and unbudgeted expenditure requests.

This report compares the revenues and budget appropriations projected for the entire fiscal year with actual data to provide the Board and our rate payers with a preliminary financial view (subject to audit adjustments). The following discussion will provide a summary of the District's projected revenues and approved spending plan compared to what actually occurred

throughout the year. It also provides an update on approved and funded capital improvement projects.

Operating Funds

Narrative and graphical analyses are provided by fund (and the Recreation sub-fund) on pages 1 through 8. Pipeline Water Delivery activity is provided on page 9.

CAPITAL IMPROVEMENT PROGRAM STATUS

A one-page summary of the District's current Five-Year Capital Improvement Program appears on page 10. As of March 31, 2019, all capital improvement projects (CIP) expenditures are within the total amount appropriated by the Board.

Most of the CIPs that have been funded are currently underway, in the planning, design or construction stages. An exception is the Santa Felicia Dam Sediment Management project which is on hold due to a backlog of other projects.

- *Well Replacement Program (CIP Project # 8000)* - This is an ongoing CIP to eventually replace all of the original groundwater wells serving the Oxnard-Hueneme Pipeline System. The project is funded by the Oxnard-Hueneme Pipeline Well Replacement Fund. The next well replacement project is scheduled for the 2020-21 Fiscal Year.
- *Ferro-Rose Recharge (CIP Project # 8018)* – Wellhead (WE) still plans on placing solar panels on the floors of the Ferro and Rose Basins. The solar project would accelerate the need to construct the partition levees per the Northwest Hydraulic Consultant's feasibility analysis for the Ferro-Rose Recharge Project.

The District intends to use the soil from the floor of Ferro Basin to construct the partition levees. The geological investigations conducted by Oakridge Geoscience in January 2019 determined that the fill materials occupy approximately 24-42 inches of the top soil layer in the Ferro Basin and the fill materials are expected to be suitable for levee construction/ maintenance. WE continues to pursue the Clean Power Alliance (CPA) or the Southern California Edison's approval of the project.

If selected, WE is planning to complete the installation of the solar field and start operating the system by the end of 2021. The partition levee portion of the project is funded by the Water Conservation Activities subfund (Zone A).

Staff was able to divert water into the Rose Basin during the winter storms. Unfortunately, there was an issue with one of the conveyance pipes so water was only diverted for a short time. Staff is working on a plan for the repair and the work will start during the summer.

- *Santa Felicia Dam Outlet Works Rehabilitation (CIP Project # 8002)* – Staff completed the review of the Phase II Design Study report for the Outlet Works Improvement

project in February 2019. GEI finalized the report incorporating staff review comments and subsequently staff submitted the final report to the Federal Energy Regulatory Commission (FERC) and the California Division of Safety of Dams (DSOD) in early March 2019. Staff discussed the scope of work for the preliminary design phase, including field investigations and developing the basis of design and preliminary design documents and received GEI's proposal in March. Staff will present the project to the Board in April to seek the Board's approval for entering into a professional services agreement with GEI in the amount of \$486,682.00 and is anticipating to start the field investigations in May 2019.

- *Santa Felicia Dam Probable Maximum Flood Containment (CIP Project # 8003)* – The District continues to work with the FERC and DSOD regarding the path forward on the site-specific “Probable Maximum Flood” (PMF). Staff completed the review of Phase II Design Study report for the Spillway Improvement project and submitted the report to FERC and DSOD in early March, 2019. Staff discussed the design phase with District's Consultant GEI and completed the review of their proposal for 10% design of the project. Staff will be seeking the Board's approval for executing a professional services agreement with GEI in the amount of \$553,605.00 to develop 10 percent design documents of the SFD Spillway Improvement Project. The work will begin in May 2019.

The Final EIR was adopted and the Dam Safety Improvement project was approved by the Board on February 13, 2019. A notice of determination (NOD) was filed with the State Clearinghouse on February 15, 2019. Staff reviewed proposals prepared by District's consultants Catalyst Environmental Solutions (Catalyst) and Rincon for the National Environmental Policy Act (NEPA) documentation and processing. The District is pursuing Federal and State funding for the project. Staff will be seeking the Board's approval to execute a Contract with Catalyst in the amount of \$321,912.00 for providing support with the federal processes associated with the preparation of the compliance documents required for implementation of the SFD outlet works and spillway projects that are collectively referred to as the Santa Felicia Dam Safety Improvement Project. This project is funded by the Water Conservation Activities subfund (Zone A).

- *Freeman Diversion Rehabilitation (CIP Project # 8001)* – Stantec continues the design of the vertical slot fish passage facility. A technical memorandum was produced that looked at three (3) different alternatives in depth. Staff had a project kickoff meeting and with NMFS and Stantec. NHC continues design work for both the hardened ramp and the notch fish passage facilities. Staff and NHC have held bi-weekly teleconferences to discuss the progress of the designs. This project is funded from the Freeman Diversion Fund (Zone B).
- *Lake Piru Asphalt Repairs (CIP Project # 8010)* – The annual maintenance budget for the Lake Piru Recreation includes a pavement maintenance program of the campground service roads, parking lots and campground roads. Several of the roadways in the park

and parking lot have been resurfaced since the program was implemented in 2011. A regular and systematic maintenance program provides a safe environment for park visitors and a positive impression of the park. The 2019 Pavement Maintenance Program project includes repair of approximately 4,000 linear feet of the adjacent roads along Olive Grove Campground. The project includes pavement repair and improvements to the Quagga Mussel Decontamination Area designated for decontamination of equipment and boats that have been in the lake for more than 96 hours. Furthermore, a new exit will be constructed to facilitate unobstructed turning radius and exit for large trailers that enter the decontamination area. Staff prepared the bid documents for this project through a competitive bidding process and selected the lowest responsive bidder. The construction work is expected to begin on April 22, 2019 and complete by May 24, 2019.

- *Park Service Officer Facility Replacement (CIP Project # 8009)* – Forty-one new trees were delivered and installed by Moon Valley Nursery on February 11, 2019. Fruit Growers Supply (FGS) completed the drip irrigation system on February 12, 2019 but needed to make some modifications the drip system. The FGS completed the modifications after a budget transfer. Following an inspection of the new trees, a completion report was prepared by EPCD and submitted to the County of Ventura on February 26, 2019. A 90-day inspection is due on April 24, 2019. A five-year monitoring and an annual reporting over the same five year period are also required by the Ventura County Planning.
- *Santa Felicia Dam Sediment Management (CIP Project # 8005)* - A milestone for this project was the recently completed 10-year sediment survey of the Lake Piru Reservoir. The current useable capacity of the reservoir is approximately 81,942 acre-feet. The sediment management project may be included in the SFD Outlet Works Improvement project.
- *Lower River Invasive Species Control (CIP Project # 8006)* – In order to prepare for the potential infestation of Quagga mussels at the Freeman Diversion, the District is investigating potential modifications to protect the Lower River System recharge basins, canals and pipelines. In September 2016, the District's engineering consultant (AECOM) prepared a feasibility study that reviewed multiple chemical, biological and physical treatment options for the control of quagga mussels in Lower River System infrastructure. Many of the projects proposed and reviewed in the feasibility study require pilot testing to validate treatment efficacy. In November 2018, Staff started discussing one or more pilot studies and has been working with a consultant to develop a pilot test plan. The goal of the proposed pilot study is twofold: (1) investigate the treatment efficacy of three chemical disinfectants (chlorine, copper sulfate and potassium permanganate) on quagga mussel veligers in water supplied by the Freeman Diversion and (2) determine the survivability of quagga mussel adults in 100% groundwater supplied by the PTP system.

- *Oxnard-Hueneme Pipeline Iron and Manganese Treatment (CIP Project # 8007)* - The Oxnard-Hueneme (O-H) pipeline is supplied from a wellfield within and near the El Rio Groundwater and Booster Pumping Plant facility. The wellfield includes twelve municipal water wells. Nine of the wells pump water from the upper aquifer system. Three of the wells (Well Nos. 12, 13, and 14) draw water from the Lower Aquifer System (LAS also referred to as Fox Canyon Aquifer). These deeper wells are primarily used as a backup source of water during peak demand periods, extended periods of drought, or emergencies. The overall water quality from the lower system wells is generally better but they include higher concentrations of dissolved iron and manganese. The current levels of these elements are not a health hazard but cause aesthetic water quality problems for the District's wholesale customers on the O-H Pipeline. Staff prepared an engineering feasibility report of the proposed project. The study was distributed to the O-H stakeholders. A professional services contract was awarded for the treatment plant design on July 11, 2018 to Kennedy/Jenks Consultants. The design is separated into two phases in order to optimize the existing infrastructure at the El Rio facility. The initial design phase is focusing on iron and manganese removal based on the current operating conditions. The second phase will integrate nitrate removal process for if and when groundwater conditions allow utilization of the upper aquifer system wells. Staff completed a two-month pilot study that evaluated the potential hazard and disposal options of iron and manganese treatment sludge and verified the efficiency of filtration process on waters from the three LAS wells. As of March 2019, 30% design is complete. In support of the on-going design work, the District's on-call consultants Stantec and Oakridge Geoscience completed surveying and geotechnical exploration services. The work will be incorporated into the final design plans, specifications and estimates which are expected to be ready for staff review in fall 2019.
- *Brackish Water Treatment (CIP Project # 8019)* - The proposed project would require a significant change in the Fox Canyon Groundwater Management Agency policy with regards to various approaches to abate the seawater intrusion problem near the coast. Staff continues to coordinate with other stakeholders in preparation for modeling potential configurations of a proposed coastal brackish-water extraction and treatment system. The District was invited to submit an application for the Proposition 1 Ground Water Grant Program. The full proposal for the Coastal Brackish Water Treatment Plant – Basin Impact and Benefits Analysis project was submitted to the State Water Resources Control Board on March 4, 2019. If approved, we anticipate to receive \$100K equivalent to a 50% match. Projects eligible for funding will most likely be announced in May-June 2019.
- *Solar Power Project (CIP Project # 8014)* – United is no longer pursuing a solar project at the Piru recharge basins as a capital improvement project. In 2018, the Board of Directors entered into a lease agreement with Wellhead Energy (WE), a private energy firm, to lease the air space over the District's approximately 700 acres of recharge basins for solar power generation. If the project is permitted and installed, the project will generate between \$400,000 and \$500,000 in lease revenues annually. In addition, United and Wellhead Energy are investigating the feasibility of behind the meter power

generation at the El Rio facility to reduce United's power utility costs and provide energy reliability. United staff and Board members met with the Ventura County Supervisors and Ventura County's Chief Executive Officer to discuss the project. On September 25, 2018 the Ventura County Board of Supervisors passed Resolution 18-118 conceptually supporting the solar project. Wellhead Energy was not selected by Southern California Edison (SCE) for the Local Capacity Requirements (LCR) Request for Proposals (RFP's). SCE has had challenges with bidders being able to meet their submitted objectives and therefore, SCE may reopen the RFPs. WE submitted a proposal to the Clean Power Alliance (CPA) in November 2018, with the expectation that the selection results would be expected in early 2019. The CPA has extended the deadline for submittals and is planning to continue evaluating the submittals. In the event that WE is not selected in the first phase, the dates would shift by one year. United will have up to 14 months from the project selection to get ready before construction begins by WE. WE and United are continuing efforts to move forward with the project in the event WE is selected in subsequent SCE LCR RFPs or if the solar power may be sold to another power provider. The next step is a complete environmental review of the project which will be prepared by Rincon Consultants.

- *Rice Ave Overpass PTP (CIP Project # 8021)* – At the Utility Coordination meeting with the Ventura County and the City of Oxnard on February 13, 2019, the County provided an overview of the project using a rendering presentation. The City of Oxnard's design firm, WKE distributed current plans and utility exhibits on CD. WKE presented the proposed utility corridors along the Rice Avenue and the proposed joint trench layout that would be used by dry (SCE, Frontier, AT&T, etc.) and wet utilities. SCE's underground distribution is currently being developed as additional design plans and project schedule developed by WKE become available. Kennedy Jenks (K/J) as a sub-consultant to WKE, is designing the relocation of wet utilities including the District's 30-inch pipeline. United Staff confirmed with K/J that the design includes relocation of the 30-inch pipeline, two turnouts, PTP Well #4 wellhead modifications, an isolation valve, and electrical and other facility modifications. K/J confirmed that they have accounted sufficient separation in their design between an abandoned oil well and United's pipeline and that there is no conflict between the two. K/J's opinion of probable construction cost excluding design and administration fees that prepared for WKE ranges from \$2.8M-\$3.3M. The Utility Coordination meeting minutes was distributed by WKE to the attendees on March 8. The County and the City of Oxnard are scheduled to meet with CalTrans District 7 on April 22 to present the design of water and sewer utilities relocation and request adding United's 30-inch pipeline relocation to the Rice Avenue Grade Separation project.
- *PTP Turnout Metering System (CIP Project # 8022)* – This project proposes to replace 62 meter turnouts on the PTP pipeline. Grant funding that provides 50% matching funds for the meter replacements has been approved by the Department of Water Resources, and a Board resolution to accept the funds was approved by the Board in February 2017.

Funding for a 50% portion of the project will be required by the PTP customers. Installation of the first phase of equipment by O&M personnel began in April 2018; 11 of the 62 units have been installed. District staff is planning on an additional 8 units installed by mid-2019 bringing the total to 19 installations. There are currently right-of-way issues that need to be resolved before proceeding with the remaining 43 meters. In April 2018, the District hired Jensen Design & Survey to assist with the acquisition of utility easements (providing surveying services only) at existing PTP system turnouts and work is currently underway. As of March 2019, the District has received two utility easement deeds signed by property owners which will be recommended for adoption by the Board of Directors and recorded by the County of Ventura. In an effort to make the process of easement acquisition more expeditious, District staff solicited for full easement acquisition service proposals from professional right-of-way consultants. District staff is currently reviewing, interviewing and negotiating with proposers.

- *District Pumping & Sequencing (CIP Project # 8017)* - This project is now complete. The Final 40% incentive payment that was under review by representatives from California Public Utilities Commission (CPUC) and Southern California Edison (SCE) has been released.
- *Day Use Pavilion Rehab (CIP Project # 8011)* – Staff used the ezIQC process to contract out the Day Use Pavilion Rehab project. The ezIQC process is a five-step process designed to effectively expedite the procurement of construction projects. ezIQC process utilizes cooperative purchasing networks with access to competitively awarded contractors. With the implementation of this process, Staff anticipates to streamline rehabilitation of a total of 20 ramada shades, 19 of which are over the picnic tables throughout the Day Use area and one is near the boat launch area. Upon the Board of Director's approval of the project, the rehabilitation of the ramada shades is planned to begin in April and be completed in May 2019.
- *Quagga Decontamination Station (CIP Project # 8008)* – Project has not yet begun. The District is seeking grant funding for the project. The grant funding may require special legislation to allow the use of funds set aside for monitoring activities to be used for construction of control facilities such as the decontamination station. In addition to the decontamination station, staff is considering constructing a boat and watercraft quarantine storage compound.
- *Pothole Trailhead (CIP Project # 8023)* – FERC issued an order approving the Recreation Trail Plan on January 6, 2017. Staff is coordinated with the US Forest Service (USFS) on their NEPA process for a companion project associated with realignment of the Pothole trail and trailhead. The final plan was submitted to stakeholders on November 1, 2017, who had 30 days to submit comments. The Negative Mitigated Declaration (NMD) was released for public review in May 2018. After the public comment period had ended, the Board of Directors adopted the Notice of Determination (NOD) approving the NMD on July 11, 2018. A professional services

contract for the parking lot design was awarded to Phoenix Civil Engineering in June 2018. District staff met with Ventura County Planning on March 28, 2019, and the Planning Department determined that the project is exempt from a CUP modification. The project will only require a building permit from Ventura County Building and Safety. Plans will be submitted to plan check once state approved drawings are received from the vault toilet manufacturer. The vault toilet unit was purchased on April 23, 2019. These plans will be submitted in conjunction with the civil drawings by Phoenix Civil Engineering. The site survey was performed on April 25, 2019. Construction could begin by September 2019 after bird nesting season.

- *Juan Fernandez Day Use (CIP Project # 8013)* – The District retained Stantec to prepare a Recreation Management Plan (RMP) for the Lake Piru Recreation area. Construction of the Juan Fernandez Day Use facilities is required to comply with Article 412 of the FERC license for Santa Felicia Dam project. The FERC license compliance division has requested that the RMP be revised and resubmitted with a license amendment. The recreation management plan assessed the public need to install these additional facilities and is recommending alternative improvements that are less costly and more appropriate. The license amendment application and the RMP were submitted to the FERC on September 20, 2018. In October 2018, United Board of Directors adopted the RMP. Staff is currently in the process of providing the details of the proposed alternatives to FERC.
- *New Headquarters (CIP Project # 8024)* – RNT Architects submitted the construction plans to the City of Oxnard's Building and Safety Department for plan check on April 7. Typical review time is thirty (30) business days. Staff oversaw the sealcoating and striping of the parking lot. Staff has also selected the ezIQC process via Gordian for selecting a contractor for the work. ezIQC is a competitively bid job order contract that utilizes cooperative purchasing networks, the bidding has already been done locally by other public agencies. Staff has reached out to local HVAC companies for proposals on replacing numerous roof AC units. It is estimated that we will be moving in sometime in early fall 2019.
- *Recycled Water Program (CIP Project # 8020)* – This project is for the distribution and use of recycled water for the purposes of groundwater recharge in the District's Saticoy basins and direct use by agricultural customers of the Pumping Trough Pipeline (PTP) and Pleasant Valley County Water District (PVCWD). The District prepared an engineering report for the permitting of the PTP system and received conditional approval from the Los Angeles Regional Water Quality Control Board (LA RWQCB) on October 6, 2017. The District is currently in the process of addressing the LA RWQCB's conditions that includes the removal of twenty-two (22) known cross-connections. To date, four (4) of the known cross-connections have been removed by customers. Additionally, cross-connection testing is underway for dual-plumbed properties without known cross-connections. For spreading and recharge of recycled water in the Saticoy basins, a Groundwater Replenishment Reuse Project (G.R.R.P.) permit is required with the LA RWQCB. The District's engineering consultant prepared

an Alternatives Analysis and Feasibility Study in March 2017 to evaluate potential pipeline conveyances for recycled water. Additionally, an initial study and mitigated negative declaration was prepared in accordance with the California Environmental Quality Act. The District presented a proposal to the City of Oxnard in July 2017 to construct a pipeline that would utilize all of its recycled water. Acceptance of the proposal is dependent on the City of Oxnard's findings from the preparation of its Water Business Plan. The City of Oxnard began soliciting the second phase of the Hueneme Road Pipeline project for construction bids on February 28, 2019. Currently, the plans include a stub-out for a future connection to the PTP system along Naumann Road, but do not include a pipeline. The District is exploring the possibility of a pipeline interconnection between PVCWD and the PTP system for the conveyance of recycled water through PVCWD's existing connection to the Salinity Management Pipeline (SMP) on Wood Road.

- *State Water Interconnection Project (CIP Project # 8025)* – United Water is partnering with the City of Ventura, Calleguas MWD and Casitas MWD to bring State Water Project water to western Ventura County. As part of the CEQA preparation, the Draft Environmental Impact Report (DEIR) was released on February 19, 2019 by the lead agency, the City of Ventura. The 45-day public review period will end on April 5, 2019. A preliminary State Water Interconnection Operation and Delivery Plan (ODP) prepared by Kennedy Jenks was also distributed along with the DEIR. The purpose of the ODP is to identify the key issues related to the Interconnection's operation, to establish the roles and responsibilities of Stakeholder Agencies and is subject to change during final design and as agreements are executed among the Stakeholder Agencies. The primary burden for the design and construction will be borne by the City of Ventura and Calleguas MWD.
- *Alternative Supply Assurance Supply Pipeline (CIP Project # 8030)* - Staff is completing a draft technical report on the conceptual design and benefits of ASAPP, and presented a summary of the evaluation to the Groundwater Committee on March 26. The TM is expected to be finalized in May 2019. The purpose of the ASAPP is to maximize surface water deliveries to the Oxnard Plain by conveying available surplus or purchased water from the State Water Project (SWP) stored at Lake Piru to the Oxnard Plain via a pipeline when demand is not met by the Freeman Diversion. Once the TM is complete, Staff will be working on conceptual alignments, project planning and comparing ASAPP to other water supply projects. A concept level cost estimate for a preliminary pipeline alignment is in order of \$100 million.

CASH POSITION AND INVESTMENTS OF THE DISTRICT

As of March 31, 2019, the District had a total of \$30.3M in cash and investments. As noted on the cash position report, some of the District's resources are readily available for use while other funds have restrictions that limit how they can be used. The District must adhere to any

legal, bond or contractual restrictions placed on funds. However, some restrictions are based on Board designations and can be redirected for other uses if the Board so determines.

The District's cash, cash equivalents and securities held in the various accounts as compared to the prior year are as follows:

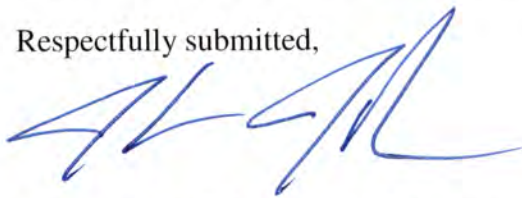
	Mar 31, 2019	Mar 31, 2018
Local Agency Investment Fund (LAIF)	\$ 28,725,613	\$ 14,265,051
Ventura County Investment Pool	\$ 82	\$ 15,504,060
Union Bank – 2009 COP Reserve Account	\$ 848,530	\$ 847,871
Union Bank – 2001, 2005 Account Balances	\$ 269	\$ 149
Union Bank Checking Account (UB)	\$ 0	\$ 771,373
Bank of the Sierra Checking Account	\$ 643,014	\$ 500
County Treasury	\$ 50,512	\$ 60,636
Petty Cash	\$ 400	\$ 450
Total	\$ 30,268,420	\$ 31,450,090

Approximately \$849K is held by Union Bank as trustee which is held in reserve for future debt payments. Any restrictions on the remaining \$29M are listed in this report.

The balance of the Local Agency Investment Fund (LAIF) and Ventura County Investment Pool (VCIP) account decreases of \$1.2M in March 2019, as compared to March 2018, is primarily the result of the New Headquarters purchase. Interest earnings on investment accounts increased by \$400K helping to offset this.

If you have any questions regarding this report on the financial position, please let me know.

Respectfully submitted,



Joseph Jereb, Chief Financial Officer

FY 2018-19 Third Quarter Financial Review

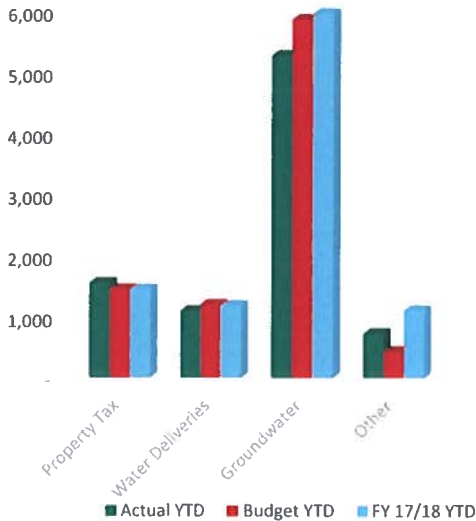
July 1, 2018 through March 31, 2019

75% of Fiscal Year Completed

General/Water Conservation Fund

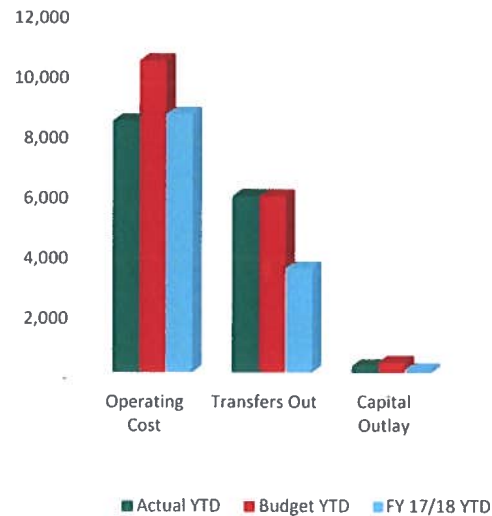
Revenues

(\$ thousands)



Expenses

(\$ thousands)



Revenue Status vs. Budget

- Revenue received through third quarter \$8.7M, down \$308K (3%)
- Primarily groundwater (\$593K) and water delivery (\$106K) due to higher rainfall and reduced water purchases
- Offsetting were higher rents & leases for new headquarters (\$135K), property tax revenue (\$96K), interest earnings (\$79K), and Mound & Fillmore-Piru GSA revenue (\$49K)
- ✓ Staff recommending budget modifications for both groundwater and pipeline delivery, plus lease and reimbursement revenue

Revenue Status vs. Prior Year

- Current year lower by \$1.1M (11%)
- Primarily groundwater (\$689K) and pipeline (\$89K) revenue, plus higher transfers-in (\$659K) last year from the CIP fund reconciliation
- Offsetting were higher investment earnings (\$127K), property tax revenue (\$102K), and rents & leases at Lombard (\$152K)

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$14.5M, lower by \$2.1M (13%)
- Main under-expenditures of professional fees (\$1.2M)
- Environmental for quagga costs (\$582K) to be carried over as agency delays prevented work from being addressed in the current FY
- Overhead (\$234K), maintenance costs (\$190K), assorted professional fees (\$263K) are timing issues
- Personnel costs (\$181K) lower, 4 FTE variance
- Reduced Piru water quality testing (\$95K)
- ✓ Staff recommending budget modifications for legal fees related to the new MOU

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures higher by \$2.3M (19%)
- Primarily new headquarters (\$3.1M), overhead (\$353K), and capital outlays (\$115K) for PIT antenna array and new trucks
- Offsetting were lower personnel costs (\$521K) in Groundwater and Environmental depts., year-end transfers-out (\$674K) multiple projects, an unfunded liability payment in FY 2017-18 (\$330K), plus lower PMC billbacks (\$150K)

Fund Balance

The beginning fund balance was approximately \$4.5M higher than anticipated, with \$951K designated for prior year carry-overs, netting a \$3.6M higher balance than projected. Assuming FY 2018-19 activity is consistent with the approved budget and recommended revisions, the ending working capital balance for the fund should be \$9.1M of which \$3.7M is undesignated.

The District's reserve policy requires a \$4 - \$5 million minimum undesignated balance which is not expected to be met. This is primarily due to the Fund financing the whole of the new headquarters and the purchase of Article 21 water.

FY 2018-19 Third Quarter Financial Review

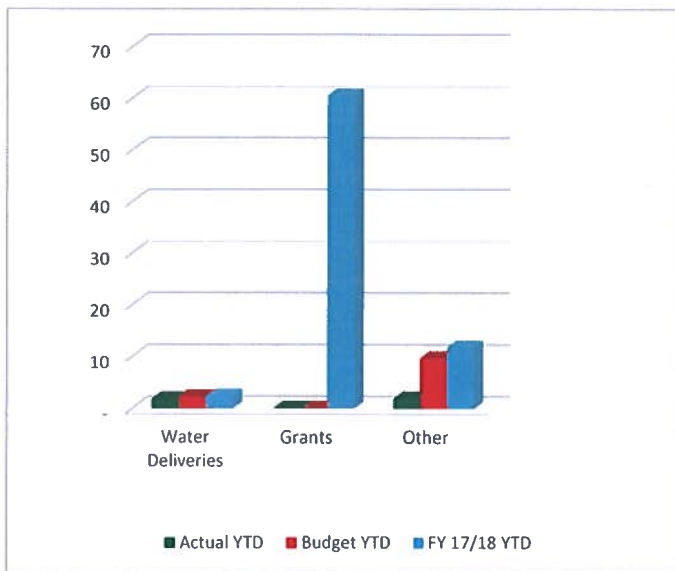
July 1, 2018 through March 31, 2019

75% of Fiscal Year Completed

Recreation Activities

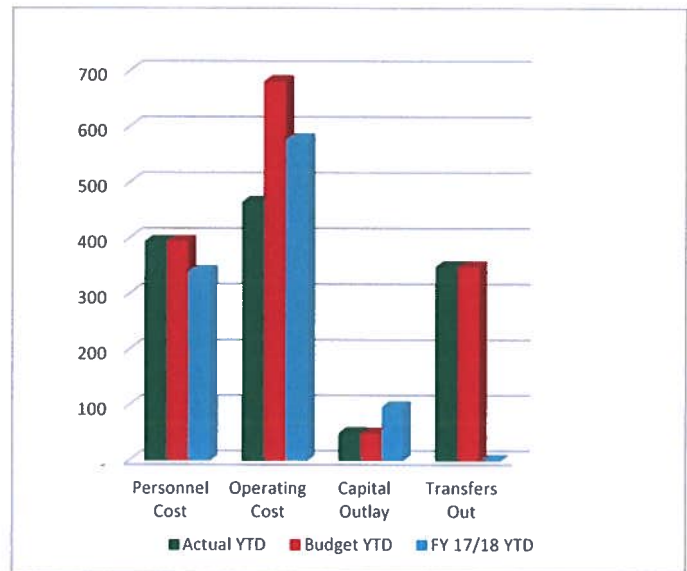
Revenues

(\$ thousands)



Expenses

(\$ thousands)



Revenue Status vs. Budget

- Revenue received through third quarter \$4K, lower by \$8K
- Primarily filming revenues
- ✓ *Staff recommending budget modification to account for decrease*

Revenue Status vs. Prior Year

- Current year lower by \$71K
- Due to grant revenue (\$61K) and filming fees (\$9K)

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$1.3M, under budget by \$217K (15%)
- Due to PMC operations (\$127K), primarily a timing issue, and operating expenses (\$71K)

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures higher by \$242K (24%)
- Primarily transfers-out for multiple CIP projects (\$348K) and higher personnel costs (\$53K)
- Offsetting were lower PMC billback costs (\$150K)

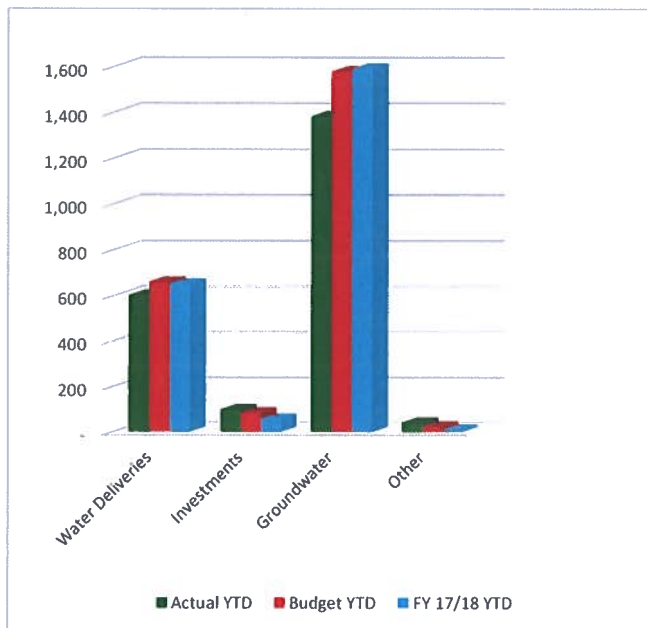
FY 2018-19 Third Quarter Financial Review

July 1, 2018 through March 31, 2019

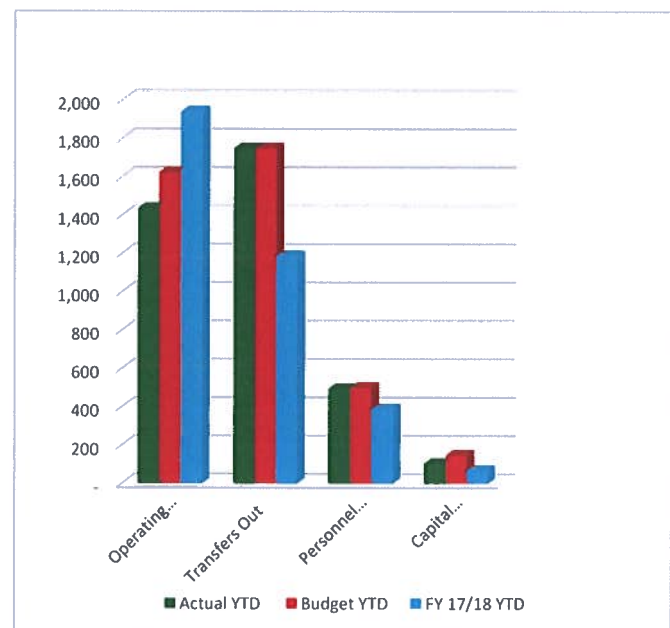
75% of Fiscal Year Completed

Freeman/Diversion Fund (Zone B)

Revenues (\$ thousands)



Expenses (\$ thousands)



Revenue Status vs. Budget

- Revenue received through third quarter \$2.1M, down \$223K (10%)
- Groundwater (\$195K); water delivery (\$58K)
- Reduced water purchases is due to the higher rainfall this year
- ✓ Staff recommending budget modifications for groundwater, pipeline delivery and rents & leases

Revenue Status vs. Prior Year

- Current year lower by \$185K (3%) with decreases in groundwater (\$208K) and pipeline delivery (\$50K)
- Offsetting were higher investment earnings (\$41K) and rents & leases at Lombard (\$31K)

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$3.8M, lower by \$238K (6%)
- Main under-expenditures professional fees (\$71K), overhead (\$62K), maintenance (\$44K), and capital outlays (\$43K), with most of these being timing issues

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures higher by \$200K (6%)
- Primarily transfers-out (new headquarters and Freeman Rehab \$562K), personnel costs (\$106K), and overhead (\$88K) which is a timing issue
- Main offset lower professional fees (\$631K) with Wishtoyo legal fees being primary

Fund Balance

The beginning working capital balance was approximately \$635K higher than anticipated due to operating expense underrun from budget. Assuming FY 2018-19 activity is consistent with the approved budget and requested modifications, the ending balance for the fund should be approximately \$2M of which \$1.8M is undesignated.

The District's reserve policy requires an undesignated balance of between \$800K and \$1M for this fund, which is projected to be met.



FY 2018-19 Third Quarter Financial Review

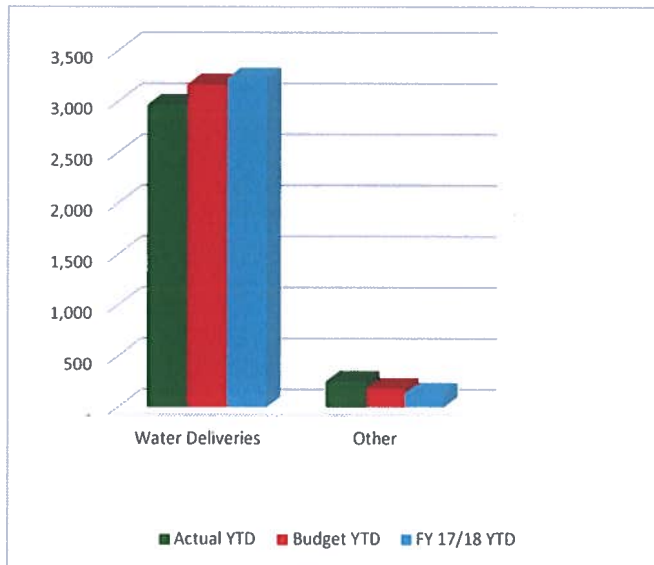
July 1, 2018 through March 31, 2019

75% of Fiscal Year Completed

Oxnard/Hueneme Pipeline Fund

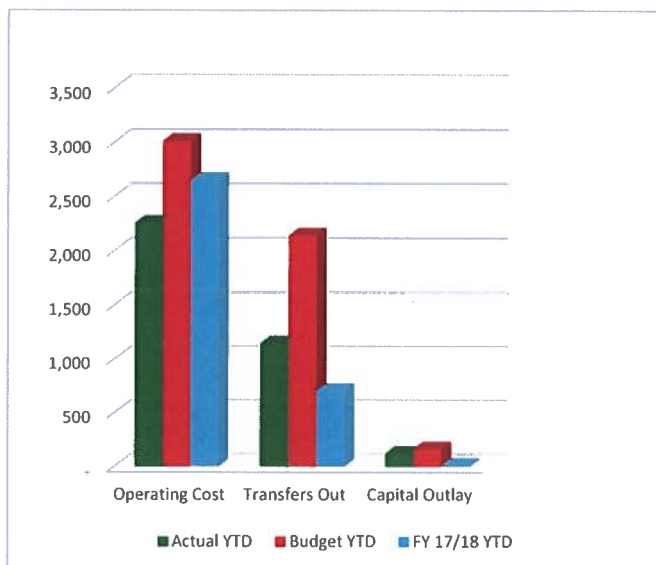
Revenues

(\$ thousands)



Expenses

(\$ thousands)



Revenue Status vs. Budget

- Revenue received through third quarter \$3.2M, lower by \$131K (4%)
- Primarily water delivery revenue (\$198K) due to higher rainfall; pipeline deliveries under by 591 AF (7.5%)
- Offsetting were higher transfers-in for completed projects (\$45K) and rents & leases (\$13K)
- ✓ *Staff recommending budget modifications to account for decrease in water deliveries along with higher lease revenues and transfers-in*

Revenue Status vs. Prior Year

- Current year lower by \$148K (3%)
- Water delivery revenue down \$262K (8%); pipeline deliveries down 681 AF (8%)
- Higher earnings on investment (\$32K), transfers-in (\$39K), and lease income (\$31K)

Appropriation/Expenditure Status vs. Budget

- Total expenditures through third quarter \$3.5M, lower by \$1.8M (34%) mainly due to timing of expenses
- Main areas under budget due to timing of transfers-out (\$995K), professional fees (\$99K), maintenance costs (\$87K), and timing of utility billing (\$200K)
- Staff expects expense timing variances to catch up to budgeted by year end
- Other areas substantially under budget include interest on financing for the iron/manganese project (\$80K), and personnel costs (\$79K)
- ✓ *Staff recommending budget modifications to better reflect utility costs and financing interest*

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures higher by \$148K (4%)
- Primarily the transfers-out for the new headquarters (\$438K)
- Other increases included capital outlays (\$110K) for OH Well #11 rehab and heavier maintenance costs (\$94K) on the OH pipeline and emergency callouts
- Offsetting the increases were personnel benefits (\$567K) due to a \$542K pension liability payment in FY 2017-18

Fund Balance

The beginning working capital was approximately \$871K more than anticipated, with \$78K designated for prior year carryovers, netting a \$792K higher balance than projected. Assuming FY 2018-19 activity is consistent with the approved budget and requested modifications, the ending working capital balance for the fund should be \$2M all of which is undesignated.

The District's calculated reserve policy requires a \$1.1M undesignated balance which is expected to be met.

FY 2018-19 Third Quarter Financial Review

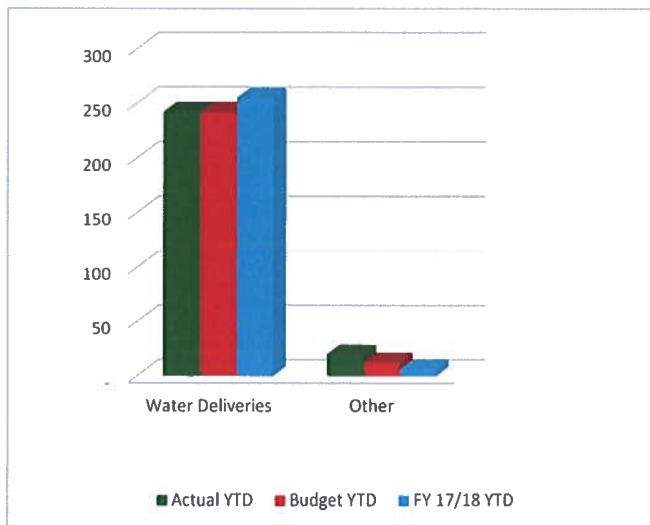
July 1, 2018 through March 31, 2019

75% of Fiscal Year Completed

Pleasant Valley Pipeline Fund

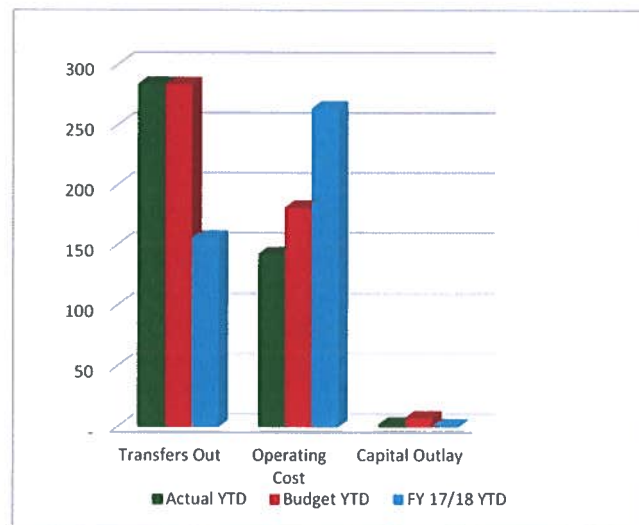
Revenues

(\$ thousands)



Expenses

(\$ thousands)



Revenue Status vs. Budget

- Revenue received through third quarter \$262K, plus 3%
- Primarily rents & leases (\$8K)
- ✓ Staff recommending budget modification to account for increase

Revenue Status vs. Prior Year

- Current year right on par with previous year revenues.

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$428K, down \$44K (9%)
- Under expenditures primarily in maintenance (\$19K), and overhead (\$12K) due to timing issue

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures higher by \$7K (2%)
- Last FY personnel costs higher due to \$130K payment for unfunded liability
- Variance in transfers out (\$127K) primarily due to new headquarter purchase

Fund Balance

The beginning working capital balance was approximately \$70K higher than anticipated, of which \$14K is designated for prior year carryovers, netting a \$56K higher balance than projected. Assuming FY 2018-19 activity is consistent with the approved budget and modifications, the ending working capital balance should be \$329K all of which is undesignated.

The District's calculated reserve policy requires a \$300K undesignated balance for this fund, which is projected to be met.

FY 2018-19 Third Quarter Financial Review

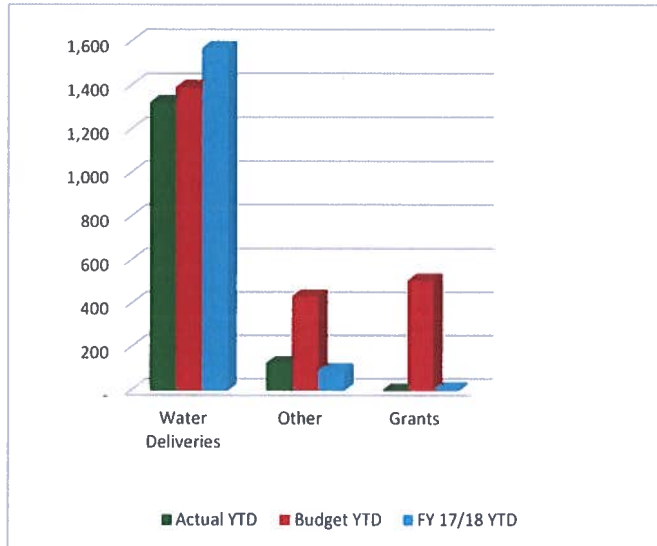
July 1, 2018 through March 31, 2019

75% of Fiscal Year Completed

Pumping Trough Pipeline Fund

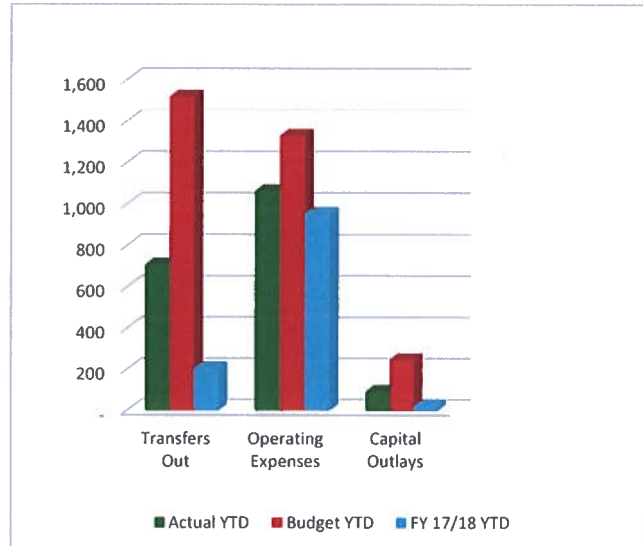
Revenues

(\$ thousands)



Expenses

(\$ thousands)



Revenue Status vs. Budget

- Revenue received through third quarter \$1.45M, down \$886K (38%)
- Primarily grants (\$508K), proceeds from financing (\$339K) and water deliveries (\$69K)
- Grants for PTP Metering and Rice Overpass projects not paid until expenditures made
- UWCD was anticipating issuing debt to finance the PTP Metering project which produced a \$333K short fall
- Reduced water purchase is due to higher rainfall this year
- ✓ *Staff recommending budget modification to account for decrease in water deliveries, grant monies and debt funding*

Revenue Status vs. Prior Year

- Current year revenues down \$223K (13%) due to water delivery decrease

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$1.9M, down \$1.2M (40%)
- Primarily due to lower transfers-out (\$811K) related to the Rice Ave. and PTP Metering projects
- Capital outlays (\$155K), maintenance (\$102K), utilities (\$61K) and overhead costs (\$43K) also lower due to timing

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures higher by \$681K (58%)
- Primarily transfers-out (\$502K) due to the new headquarters
- Capital outlays for equipment (\$70K) and overhead (\$67K) are also higher this year

Fund Balance

The beginning working capital approximately \$343K higher than anticipated, with \$109K designated for prior year carryovers, netting a \$234K higher balance. Assuming FY 2018-19 activity is consistent with approved budget and modifications, the ending working capital should be \$162K all of which is undesignated.

The District's calculated reserve policy requires a \$250K - \$300K undesignated balance for this fund, which is projected to not be met.

FY 2018-19 Third Quarter Financial Review

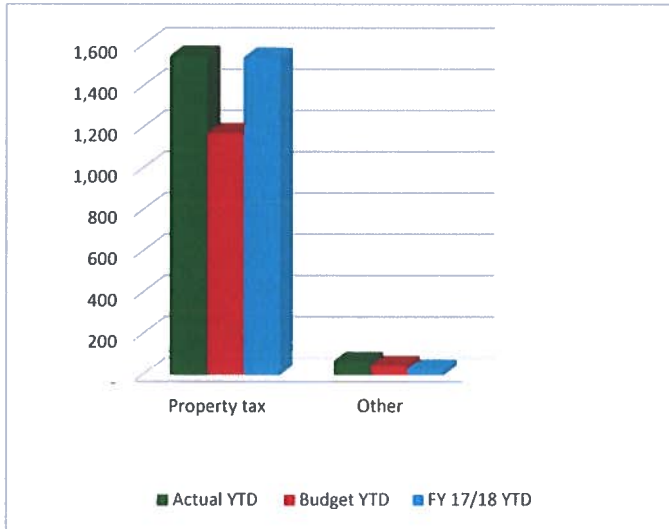
July 1, 2018 through March 31, 2019

75% of Fiscal Year Completed

State Water Fund

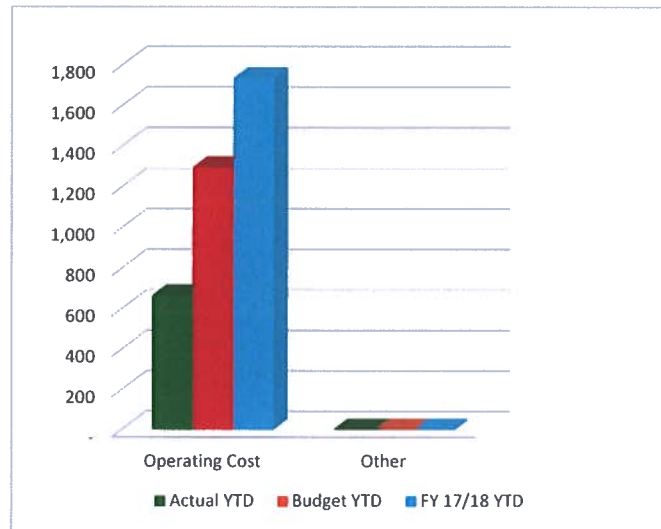
Revenues

(\$ thousands)



Expenses

(\$ thousands)



Revenue Status vs. Budget

- Revenue received through third quarter \$1.6M, plus \$395K (33%)
- Primarily property taxes (\$375K) and investment earnings (\$15K)
- ✓ Staff recommending budget modification to account for increase in property taxes

Revenue Status vs. Prior Year

- Current year marginally higher (3%) higher
- Earnings on investment (\$38K)

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$662K, down \$632K (49%)
- Due to variable charges which are hard to forecast month to month due to variances when billed each year.
- ✓ With the purchase of 15,000 AF of Article 21 water, staff is recommending a budget modification to account for increase in fourth quarter costs

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures higher by \$118K (46%)
- Primarily the new headquarters (\$155K)
- Partial offsets lower transfers-out (\$29K) operating costs (\$10K)

Fund Balance

The beginning fund balance was approximately \$1.3M higher than anticipated. Assuming FY 2018-19 activity is consistent with the approved budget and requested modifications, the ending balance for the fund should be approximately \$2.3M.

The District's reserve policy requires a \$1.6M minimum undesignated fund balance for this fund, which is expected to be met.

FY 2018-19 Third Quarter Financial Review

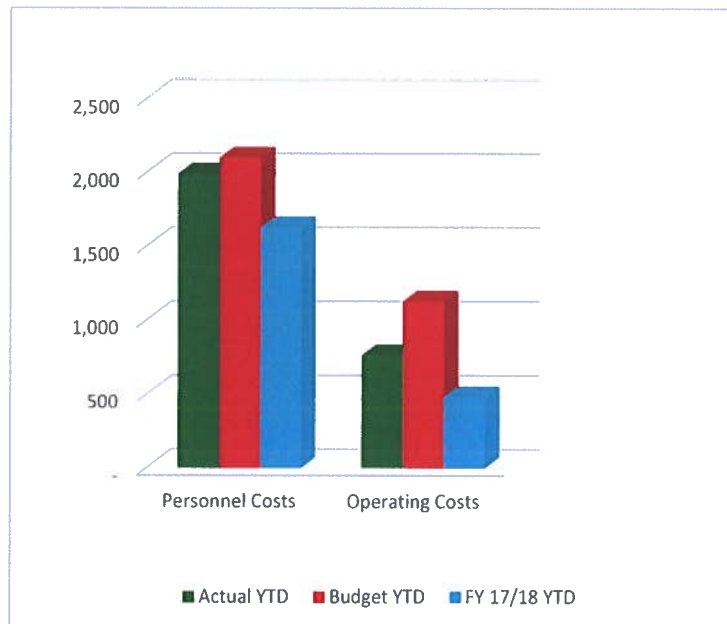
July 1, 2018 through March 31, 2019

75% of Fiscal Year Completed

Overhead Fund

Expenses

(\$ thousands)



Appropriation/Expenditure Status vs. Budget

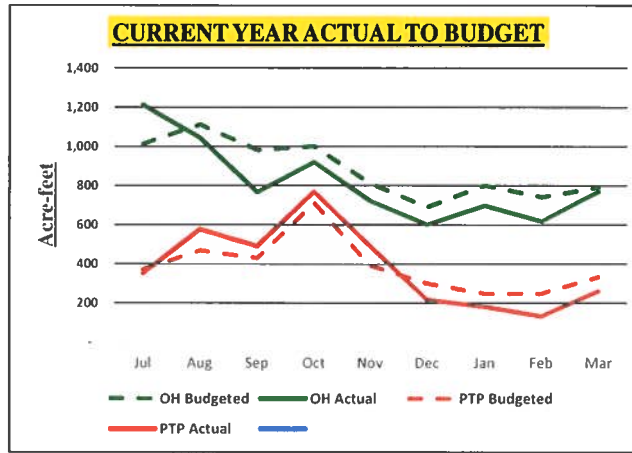
- Total expenditures \$2.7M, down \$475K (15%)
- Under expenditures primarily in professional fees (\$266K) and personnel costs (\$108K)
- Lower professional fees due to lower executive recruitment and grant solicitation costs, plus unused Autocad upgrade expenses
- ✓ *Staff recommending budget modification to account for decrease in professional fees*

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures higher by \$578K (27%)
- Personnel costs (\$361K) due to addition of new AGM & HR Director positions, plus executive severance pay
- Professional fees (\$222K) due to assorted legal fees, executive recruitment costs and temporary workers

**United Water Conservation District
Pipeline Water Deliveries (Acre-feet)
FY 2018-19 data thru March 31, 2019**

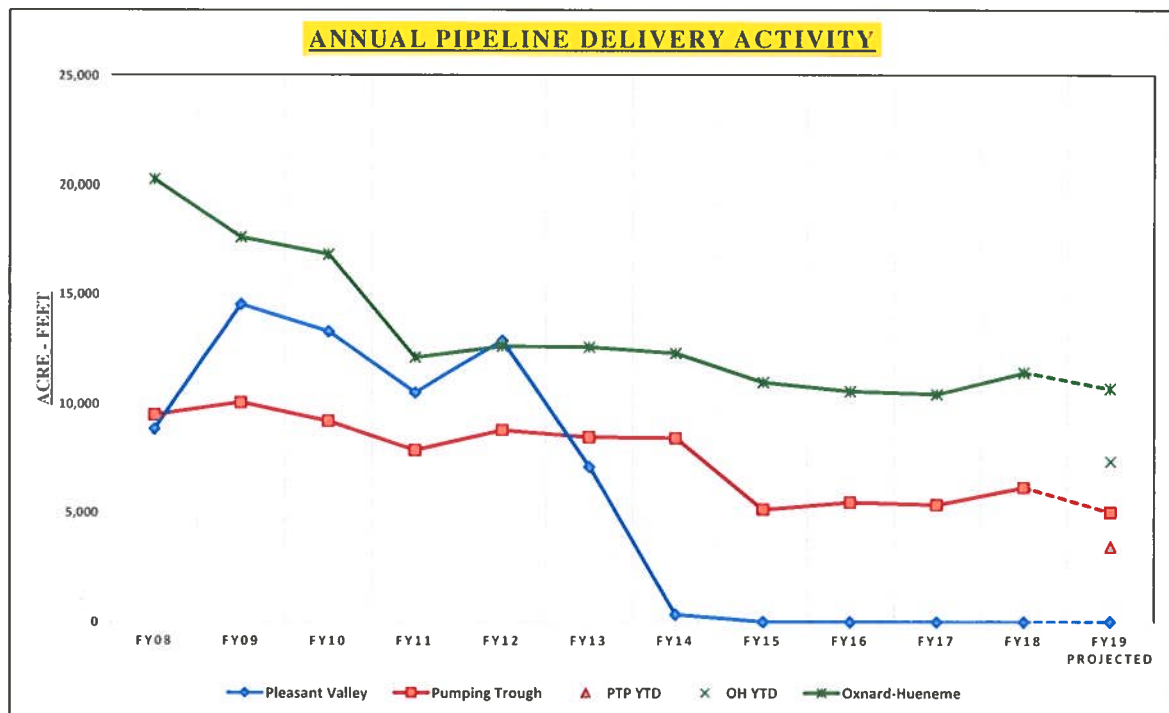
OH Pipeline 2018-19			
	Projection	Actual	Difference
Jul	1,010	1,211	201
Aug	1,110	1,042	(68)
Sep	980	765	(215)
Oct	1,000	918	(82)
Nov	810	720	(90)
Dec	690	600	(90)
Jan	800	697	(103)
Feb	740	617	(123)
Mar	790	769	(21)
Apr	900		(900)
May	970		(970)
Jun	840		(840)
Totals	10,640	7,339	(3,301)
YTD	7,930	7,339	(591)



PT Pipeline 2018-19			
	Projection	Actual	Difference
Jul	370	349	(21)
Aug	470	577	107
Sep	430	489	59
Oct	710	767	57
Nov	390	488	98
Dec	300	214	(86)
Jan	250	180	(70)
Feb	250	131	(119)
Mar	330	259	(71)
Apr	490		(490)
May	520		(520)
Jun	490		(490)
Totals	5,000	3,454	(1,546)
YTD	3,500	3,454	(46)

YTD Budget to Actual: -7.5%

YTD Budget to Actual: -1.3%



United Water Conservation District
CURRENTLY APPROPRIATED CAPITAL IMPROVEMENT PROJECT PLAN
FY 2018-19 Available Appropriations as of March 31, 2019

							Total	Appropriations			Expended and Encumbered			% of Total	
			1st	1st	Expected			Total Approp	Suppl	Total				Est Project	Remaining
	Fund	Proj	Budget	Activity	End		Est Project	Approved thru	Approp	Approp	Total as	Current	Total	costs spent	Appropriations
Project Description	#	#	Year	Date	Year	Class	Cost	FY 18-19	FY 18-19	to Date	of 6/30/18	FY 18-19	to date	to date	FY 18-19
Well Replacement Program Well #18	452	8000	2015-16	08/06/15	2021	I	1,684,854	831,854		831,854	631,078	1,056	632,134	37.52%	199,720
Freeman Diversion Rehab	421	8001	2009-10	03/23/11	2023+	II&IV	41,149,428	6,319,428		6,319,428	2,265,466	885,599	3,151,065	7.66%	3,168,363
SFD Outlet Works Rehab		8002	2007-08	04/20/11	2023+	I&II	67,929,181	3,778,106		3,778,106	1,680,582	298,352	1,978,933	2.91%	1,799,173
SFD PMF Containment		8003	2008-09	06/22/09	2023+	II	29,625,334	2,765,334		2,765,334	1,343,150	441,470	1,784,620	6.02%	980,714
SFD Sediment Management		8005	2013-14	05/28/14	2020	II	153,707	144,954		144,954	60,113	-	60,113	39.11%	84,841
Lower River Invasive Species Contro	471	8006	2015-16	08/06/15	2023+	IV	14,715,852	860,852		860,852	124,791	39,074	163,864	1.11%	696,988
OHP Iron and Manganese Treatmen	451	8007	2015-16	08/06/15	2020	III	5,064,874	1,083,783		1,083,783	114,436	692,615	807,050	15.93%	276,733
Quagga Decontamination Station		8008	2016-17	06/23/17	2019	II	289,050	289,050		289,050	826	210	1,036	0.36%	288,014
Park Service Officer Facility Replace		8009	2012-13	06/18/13	2019	I	788,111	777,485	10,626	788,111	504,673	279,842	784,515	99.54%	3,596
Lake Piru Asphalt Repairs		8010	2010-11	02/17/11	2021	I	1,827,528	1,511,528		1,511,528	1,115,419	6,888	1,122,308	61.41%	389,220
Day Use Pavillion Rehab		8011	2016-17	08/18/17	2019	I	237,679	237,679		237,679	9,281	352	9,633	4.05%	228,046
Juan Fernandez Day Use		8013	2016-17	06/30/17	2020	I	248,429	123,429	(10,626)	112,803	43,381	23,236	66,617	26.82%	46,186
Solar Project - Piru	451	8014	2015-16	01/04/16	2019	II	96,213	96,213		96,213	40,074	-	40,074	41.65%	56,139
Ferro-Rose Recharge		8018	2006-07	03/23/07	2021	III	3,446,577	1,896,577		1,896,577	1,099,994	7,195	1,107,189	32.12%	789,388
Brackish Water Treatment		8019	2015-16	07/08/15	2019	III	53,010	53,010		53,010	7,103	421	7,524	14.19%	45,486
Recycled Water Program	420	8020	2016-17	10/00/16	2023+	III	1,834,013	1,594,013		1,594,013	353,223	55,844	409,067	22.30%	1,184,946
Rice Ave Overpass PTP	471	8021	2016-17	08/17/18	2019	II	315,163	315,163		315,163	-	38,113	38,113	12.09%	277,050
PTP Turnout Metering System	471	8022	2016-17	03/10/17	2019	I	1,387,323	1,387,323		1,387,323	233,196	358,588	591,784	42.66%	795,539
Pothole Trailhead		8023	2016-17	02/14/17	2019	I	200,701	200,701		200,701	51,723	35,303	87,026	43.36%	113,675
New Headquarters		8024	2016-17	08/04/17	2019	II	8,000,000	7,300,000		7,300,000	42,265	6,022,286	6,064,551	75.81%	1,235,449
State Water Interconnection Project		8025	2016-17	06/15/17	2022	II	1,496,444	741,444		741,444	127,569	83,994	211,563	14.14%	529,881
Lower Piru Creek Habitat		8026	2017-18		2020	IV	635,525	425,526		425,526	-	19,960	19,960	3.14%	405,566
Alternative Supply Alliance Pipeline		8030	2018-19	06/08/18	2019	II	308,753	308,753		308,753	8,753	36,714	45,467	14.73%	263,286
SFD Spillway Floor Repair		8031	2018-19		2019	I	82,516	82,516		82,516		17,446	17,446	21.14%	65,071
TOTAL AMOUNT PER YEAR							181,570,265	33,124,721	-	33,124,721	9,857,097	9,344,556	19,201,653	10.58%	13,923,068
Class I = Infrastructure Repair or Replacement															
Class II = Structural/Hydraulic Improvement (no yield)															
Class III = Water Resource Improvement															
Class IV = ESA Improvement															

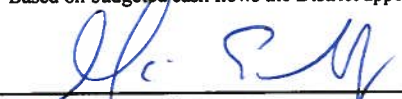
United Water Conservation District
Monthly Investment Report
March 31, 2019

<u>Investment Recap</u>	<u>G/L Balance</u>	<u>Weighted Avg Days to Maturity</u>	<u>Diversification Percentage of Total</u>
Bank of the Sierra	643,014	1	2.12%
Petty Cash	400	1	0.00%
County Treasury	50,512	1	0.17%
LAIF Investments	28,725,613	1	94.89%
VC Investment Pool	82	1	0.00%
Union Bank - 2001 revenue bond balance	149	1	0.00%
Union Bank - 2005 revenue bond balance	120	1	0.00%
Union Bank - 2009 COP Bond Reserve Account	848,530	7,381	2.80%
Total Cash, Cash Equivalents and Securities	30,268,420		100.00%
 Investment Portfolio w/o Trustee Held Funds	 29,419,621		
Trustee Held Funds	848,799		
Total Funds	30,268,420		

Local Agency Investment Fund (LAIF)	Beginning Balance	Deposits (Disbursements)	Ending Balance
	29,975,613	(1,250,000)	28,725,613
	Interest	Interest	
	Earned YTD	Received YTD	Qtrly Yield
	450,657	530,479	2.55%


Ventura County Investment Pool	Beginning Balance	Deposits (Disbursements)	Ending Balance
	0	82	82
	Interest	Interest	
	Earned YTD	Received YTD	Qtrly Yield
	12,348	82,003	2.45%

All District investments are shown above and conform to the District's Investment Policy. All investment transactions during this period are included in this report.
Based on budgeted cash flows the District appears to have the ability to meet its expenditure requirements for the next six months.


Mauricio E. Guardado, Jr., General Manager

5/15/19

Date Certified


Anthony Emmert, Assistant General Manager

06 MAY 2019

Date Certified


Joseph Jereb, Chief Financial Officer

05/06/19

Date Certified

United Water Conservation District			
Cash Position			
March 31, 2019			
Fund	Total	Composition	Restrictions/Designations
General/Water Conservation Fund:			Revenue collected for district operations
General/Water Conservation	8,491,098	2,858,310	Includes General, Rec & Ranger, Water Conservation
		848,530	Reserved for future debt repayment 2009 COP
		225,000	Reserved for legal expenditures
		4,559,258	Designated for replacement and capital improvements
General CIP Funds	6,588,106	6,588,106	Appropriated for capital projects
Special Revenue Funds:			Revenue collected for a special purpose
State Water Project Funds	3,726,062	3,726,062	Procurement of water/rights from state water project
Enterprise Funds:			Restricted to fund usage
Freeman Fund	400,109	(24,891)	Operations, Debt Service and Capital Projects
		-	Designated for replacement and capital improvements
		425,000	Reserved for legal expenditures
Freeman CIP Fund	5,074,309	5,074,309	Appropriated for capital projects
OH Pipeline Fund	2,093,275	2,093,275	Delivery of water to OH customers
OH CIP Fund	895,418	895,418	Appropriated for capital projects
OH Pipeline Well Replacement Fund	709,065	709,065	Well replacement fund
PV Pipeline Fund	317,482	317,482	Delivery of water to PV customers
PV CIP Fund	345,733	345,733	Appropriated for capital projects
PT Pipeline Fund	675,067	675,067	Delivery of water to PTP customers
PT CIP Fund	952,696	952,696	Appropriated for capital projects
Total District Cash & Investments	30,268,420	30,268,420	

Benchmark Yields

LAIF	3rd Quarter 2018-19	2.55%
Ventura County Investment Pool	March 31, 2019	2.45%
3mo Treasury Bills	March 31, 2019	2.40%

