

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
Tuesday, October 13, 2020 – 9:00 A.M.
UWCD Headquarters, Board Room
1701 N. Lombard Street, Oxnard, CA 93030

In addition to its public Finance and Audit Committee Meeting, public members could choose to participate virtually using the Webex video conferencing application.

COMMITTEE MEMBERS PRESENT:

Sheldon G. Berger, Chair
Bruce Dandy
Patrick Kelley

STAFF PRESENT:

Mauricio Guardado, General Manager
Anthony Emmert, Assistant General Manager
Joseph Jereb, Chief Financial Officer
Erin Gorospe, Controller
Ambry Tibay, Senior Accountant
Josh Perez, Human Resources Manager
Zachary Plummer, Information Technology Administrator
Jackie Lozano, Administrative Assistant II
David Boyer, Legal Counsel

PUBLIC PRESENT:

David Brodsky, KNN Public Finance
Larry Lom, KNN Public Finance

OPEN SESSION 9:00 A.M.

The meeting was called to order by Chair Berger at 9:00 A.M.

Committee Members Roll Call

Chair Berger acknowledged the presence of the following Committee members: Director Dandy and Director Kelley. All Committee members were present.

1. Public Comment

Chair Berger asked if there were any public comments; none were offered.

2. Approval of September 8, 2020, Finance and Audit Committee Meeting Minutes

Motion to approve the Committee Minutes from September 8, 2020, Director Dandy; Second, Director Berger. Voice vote: two ayes (Dandy, Berger); none opposed; one abstained (Kelley); Director Kelley was not present during the last Committee meeting. Motion carried, 2/0/1.



3. October 14, 2020, Board Meeting Agenda Items

Agenda Item 3.E: Request from City of Fillmore to Waive Penalty Charges for Late Receipt of Statements

Chief Financial Officer Joseph Jereb summarized the request for the Committee. The Committee will recommend that the Board waive penalty charges of \$15,576 for late receipt of groundwater statements.

Agenda Item 3.F: Request from Department of Fish and Wildlife to Waive Penalties and Interest Charges for Late Payment

Mr. Jereb summarized the request to the Committee. The establishment had been struggling with having sufficient accounting staff due to COVID-19 restrictions. This was their first time asking for a waiver. The location is the Fillmore Fish Hatchery, which has four significant wells that pump from the Fillmore basin. The Committee will recommend that the Board waive penalty and interest charges of \$9,425 for a late filing and payment.

Agenda Item 3.G: Request from Duda Farm Fresh Foods Inc. to Waive Penalties for Late Receipt of Statements

Mr. Jereb summarized the request for the Committee. Duda Farm Fresh Foods was only one day past deadline. There was no prior history of late payment. The Committee will recommend that the Board waive penalty charges of \$13,417 for a late filing of groundwater production statements.

General Manager Mauricio Guardado mentioned that this practice of requesting the Committee's recommendation to the Board is consistent with UWCD policy. Requests over \$5,000 do require Board approval.

Agenda Item 3.H: Request from San Miguel Produce for a Payment Plan

Mr. Jereb summarized the request for the Committee. San Miguel Produce claims sales were adversely affected by the COVID-19 health and economic situation. There was no history of late payments. UWCD was notified in June 2020 of the request. San Miguel Produce has made monthly payments since its June 2020 request. The Committee will recommend that the Board consider a request from San Miguel Produce to enter into a payment plan for past due groundwater extraction fees and penalties of \$17,018 plus interest.

The Committee asked staff if UWCD sends secondary notices as reminders to pumpers that the due dates for payment are approaching? UWCD does not currently send notices in advance of due date of the fees. UWCD does sent out three late notices: 30, 60, and 90 days after the deadline for submission.

The Committee asked if there could be a way to have computer-generated emails alerting Finance staff and pumpers of approaching due dates. Mr. Jereb stated that it is his understanding that UWCD does have email addresses for a significant number of pumpers but not all. He stated that staff could work to obtain email addresses from all pumpers. He stated that he would research this and report back to the Committee. Mr. Guardado added, in light of today's climate and all of the



unknown issues impacting payments and knowing that many businesses are struggling, there is a benefit to providing advance notices, especially to those who appear to be struggling.

Chair Berger also suggested that calling the pumpers before the deadline would be ideal as it would allow the person an opportunity to respond before having to go through the request process. It would also provide Finance staff with the knowledge of what the issues are and allow for the District to work with the pumper. He reiterated that reminders of due dates would be helpful, and the Committee would be happy to know Finance is working with its' constituents.

Agenda Item 4.1: Resolution 2020-20 Stating the Board's Authorization of the Execution and Delivery of Revenue Certificates of Participation

Mr. Jereb provided an overview of the Resolution 2020-20 and the documents provided to the Committee (presentation attached). Per the request of Mr. Guardado, Mr. Jereb introduced UWCD's financial advisors for this financial transaction: Mr. David Brodsky and Mr. Larry Lom of KNN Public Finance.

Chair Berger inquired as to UWCD's credit rating. Mr. Jereb responded UWCD had a rating call with Standard and Poor's Global (S&P Global) last week, which went very well, and Finance is hoping to receive the credit rating this week. KNN financial advisor David Brodsky stated his cautious expectation that the credit rating would come back as double A.

Chair Berger also inquired if there were any questions about the lawsuits that UWCD is currently involved in. Mr. Brodsky said UWCD had a frank discussion about the challenges and risk of what the district does and that staff and counsel did a great job of putting the information in the proper context.

Director Kelley requested a change to his title in Attachment 4.1 E Preliminary Official Statement, page 18, to "Retired Bank Portfolio Manager."

Per the request of Mr. Guardado, Mr. Jereb summarized for the Committee the various sections that were reviewed during the S&P Global Zoom meeting. Chair Berger complimented the Finance team on a job well done.

The Committee will recommend that the Board consider adopting Resolution 2020-20, stating the Board's authorization of the execution and delivery of Revenue Certificates of Participation (RCPs), and approving the execution and delivery of certain agreements and document in connection therewith.

Agenda Item 4.2: Amendment of 2017 and 2018 Groundwater Reporting and Issuance of Refund

Mr. Jereb summarized the request for the Committee. The groundwater pumper discovered they overstated their pumping over several years because of an erroneous meter read and calculation of acre feet usage. Mr. Jereb stated that this error resulted in a reported usage of ten times that actual usage. He said that the staff reviewed photos of the meter reading at the beginning of the period in question and photos of the meter reading at the end of the period. After correction of the error, the



water usage is consistent with the usage expected for the crops grown over the period. The pumper was not asking for a cash refund, but to apply the credit to future billings.

The Committee will recommend that the Board consider allowing the customer to amend its 2017 and 2018 groundwater production statements and apply the overpayment to future billing.

4. FY 2019-20 Year End Financial Reports (July 1, 2019 – June 30, 2020)

Mr. Jereb provided a recap of the FY 2019-20 financial reports, Capital Improvement Projects statuses, and the Investment Benchmark report (presentation attached).

Director Kelley commented on the low level of the Freeman Fund working capital and asked about the timeframe being recommended by staff to get it back to a better level. Mr. Jereb responded that the recovery of the Freeman Fund will be dependent upon the pumping volumes and pipeline deliveries for the 2020 H2 period. If the Freeman Fund is still in a deficient in early 2021, then that would be a factor in the development of Zone B rates for the following budget year.

Chair Berger asked if there were further questions or comments; none were offered.

5. Monthly Investment and Pipeline Delivery Reports (August 2020)

The Committee reviewed the monthly investment and pipeline delivery reports as presented in the Finance and Audit Committee packet.

Informational item. No action was taken by the Committee.

6. Board Requested Cost Tracking Items

The Committee reviewed the costs to date that the District has incurred:

- a) as part of the licensing efforts and the probable maximum flood studies for the Santa Felicia Dam;
- b) in relation to environmental mandates;
- c) in relation to litigation with the City of Ventura, Wishtoyo Foundation complaint and District legal costs over the past several fiscal years; and
- d) in relation to professional fees over the past several fiscal years.

Informational item. No action was taken by the Committee.

7. District Staff and Board Member Reimbursement

The Committee reviewed the expense reimbursement report for all reimbursements of business expenses to staff and Board members for the fourth quarter FY 2019-20 as presented in the Finance and Audit Committee packet.

Informational item. No action was taken by the Committee.

8. Monthly Administrative Services Update

Prior to providing the update, Mr. Jereb brought to the attention of the Committee that on October 28, 2020, the Fox Canyon GMA will be holding a board meeting to consider an increase of up to 100% in



its groundwater rates. He said that there would be minimal impact to the UWCD finances, as the District passes through the increase to pumpers. If adopted, the increase would take effect January 1, 2021, and Finance would send a notice out to all affected pumpers.

Financial updates for the month of September 2020 were provided to the Committee by Mr. Jereb. Human Resources Manager Mr. Josh Perez presented updates on Administration, Human Resources and Risk Management (presentation attached).

Mr. Guardado added that coming soon, UWCD will be laying out a new museum located in the Library for staff and visitors to enjoy. The museum would display artifacts and historical news that otherwise would be in storage.

Director Kelley wanted to mention that at this time of year, employers offer health care choices and it had been a trying time especially when employees are busy. He commended the staff for getting the information out and readily available. Mr. Perez said that his team had asked for feedback from the employees on anything they felt the team could offer or do better in the future. The feedback received was very positive. Constructive and helpful suggestions would be incorporated into future presentations.

Chair Berger asked if there were any further questions or comments; none were offered.

9. Future Agenda Items

No future agenda items were requested by the Committee.

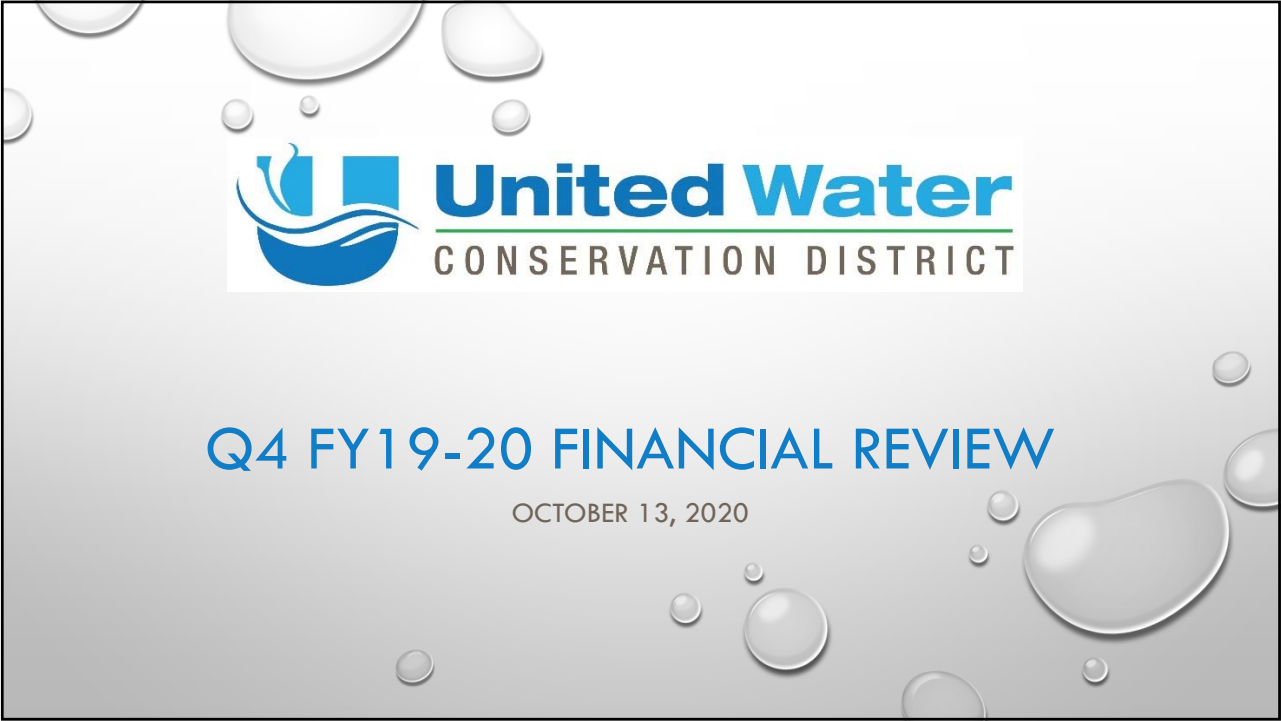
ADJOURNMENT 10:07 A.M.

Chair Berger thanked the UWCD staff for all the hard work they put into the presentation and adjourned the meeting at 10:07 A.M.

I certify that the above is a true and correct copy of the minutes of the UWCD Finance and Audit Committee Meeting of October 13, 2020.

A handwritten signature in blue ink, reading 'Sheldon G. Berger', is written over a horizontal line.

Committee Chair Sheldon G. Berger



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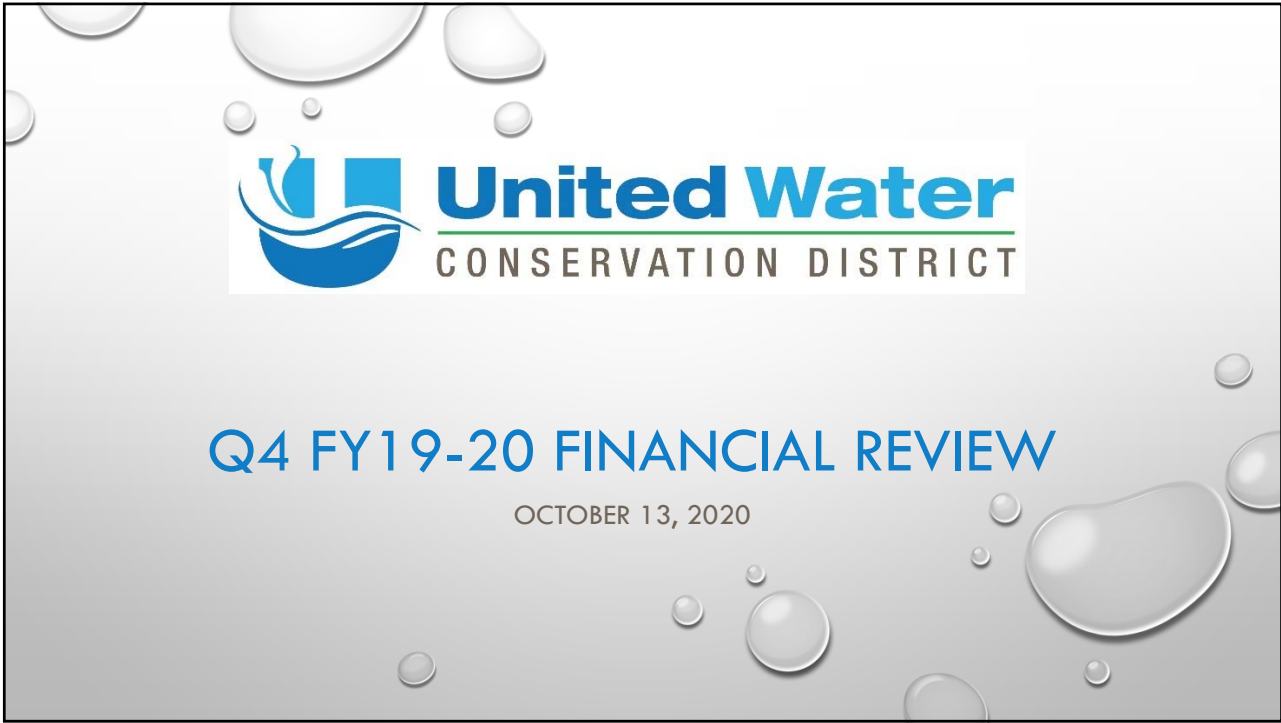
KEY DOCUMENTS

NET REVENUE AHEAD OF PLAN, EVEN WITH OPEX OVERRUNS

- 1. RESOLUTION**—AUTHORIZES DISTRICT STAFF TO EXECUTE DEBT INSTRUMENTS
- 2. TRUST AGREEMENT**—ESTABLISHES TERMS OF DELIVERY AND PAYMENT OF CERTIFICATES OF PARTICIPATION
- 3. INSTALLMENT PURCHASE AGREEMENT**—ESTABLISHES CONTRACT BETWEEN DISTRICT AND PUBLIC FACILITIES FINANCING CORPORATION
- 4. ESCROW AGREEMENT**—FACILITATES REFUNDING OF 2001, 2005 AND 2009 DEBT
- 5. PRELIMINARY OFFICIAL STATEMENT**—PRINCIPAL OFFERING DOCUMENT PROVIDES ALL OPERATIONAL AND FINANCIAL INFORMATION ON THE DISTRICT RELEVANT TO MARKETING 2020 CERTIFICATES

2

TIMELINE	
Date	Task
Wednesday, October 7, 2020	Rating Call with S&P
Week of October 12	Receive credit ratings
Wednesday, October 14, 2020	UWCD Public Facilities Financing Corp. and Board of Directors Meeting and approval
Tuesday, October 20, 2020	Post POS
Tuesday, October 27, 2020	Pricing
Wednesday, October 28, 2020	Issue Notice of Redemption
Monday, November 9, 2020	Pre-closing
Tuesday, November 10, 2020	Closing
Wednesday, December 2, 2020	Redemption of Bonds (30 day escrow)



1

FY19-20 HIGHLIGHTS

DRIVE HIGHER REVENUE AND OPEX

REVENUE

- OPERATING REVENUE AT PLAN DESPITE LARGE GROUNDWATER REVENUE MISS
 - PIPELINES DELIVERED 2,400AF OVER PLAN
- NON-OPERATING REVENUE 80% OVER PLAN AND 40% OVER PRIOR YEAR
 - FCGMA GRANT, REFUND OF LEGAL JUDGEMENT AND GAIN ON SALE OF SANTA PAULA HQ

EXPENDITURE

- WATER PURCHASES, COURT AWARD AND LEGAL FEES DRIVE OPEX 25% OVER PLAN
 - OFFSET BY LOWER CONSULTING MAINTENANCE AND UTILITIES

CAPITAL EXPENDITURE

- \$8.6M IN CIP OUT OF \$12.6M PLAN

2

Q4 OVERVIEW

NET REVENUE AHEAD OF PLAN, EVEN WITH OPEX OVERRUNS

in \$000's	4Q19-20 Actual	4Q19-20 Budget	4Q18-19 Actual	Actual vs Plan	Actual vs PY
Taxes	4,775	4,496	5,533	6%	-14%
Water Delivery/Fixed Cost	10,433	9,439	8,681	11%	20%
Groundwater	13,936	15,191	11,070	-8%	26%
Other Operating Revenue	2,739	913	1,473	200%	86%
Non-Operating Revenue	4,269	3,106	3,258	37%	31%
Debt Proceeds	-	6,917	-	-100%	0%
Total Revenue	36,153	40,062	30,014	-10%	20%
Personnel Expense	6,652	6,589	6,555	1%	1%
Operating Expense	14,588	11,303	10,657	29%	37%
Allocated Overhead	4,356	4,589	3,765	-5%	16%
Debt Service	1,708	2,890	1,681	-41%	2%
Other	2,000	3,114	2,059	-36%	-3%
Total Expenditure	29,304	28,485	24,717	3%	19%

REVENUE

- OPERATING REVENUE AHEAD OF PLAN ON DELIVERY VOLUMES
- NON-OPERATING REVENUE EXCESS DUE TO JUDGMENT REFUND

EXPENDITURE

- PROF FEES AND MAINTENANCE CONTRIBUTE UNDERRUN PARTIALLY OFFSET BY OVERRUN IN LEGAL EXPENSE AND COURT AWARD
- OTHER EXPENSE DOWN ON DEPRECIATION AND CAPITAL OUTLAY

ALL FUNDS EXCEPT 420 ABOVE MINIMUM RESERVE REQUIREMENTS AT YEAR END

3

Q4 19-20 REVENUE

PIPELINE DELIVERIES AND UNPLANNED ITEMS OFFSET LOWER GROUNDWATER VOLUMES

in \$000's

Total Revenue

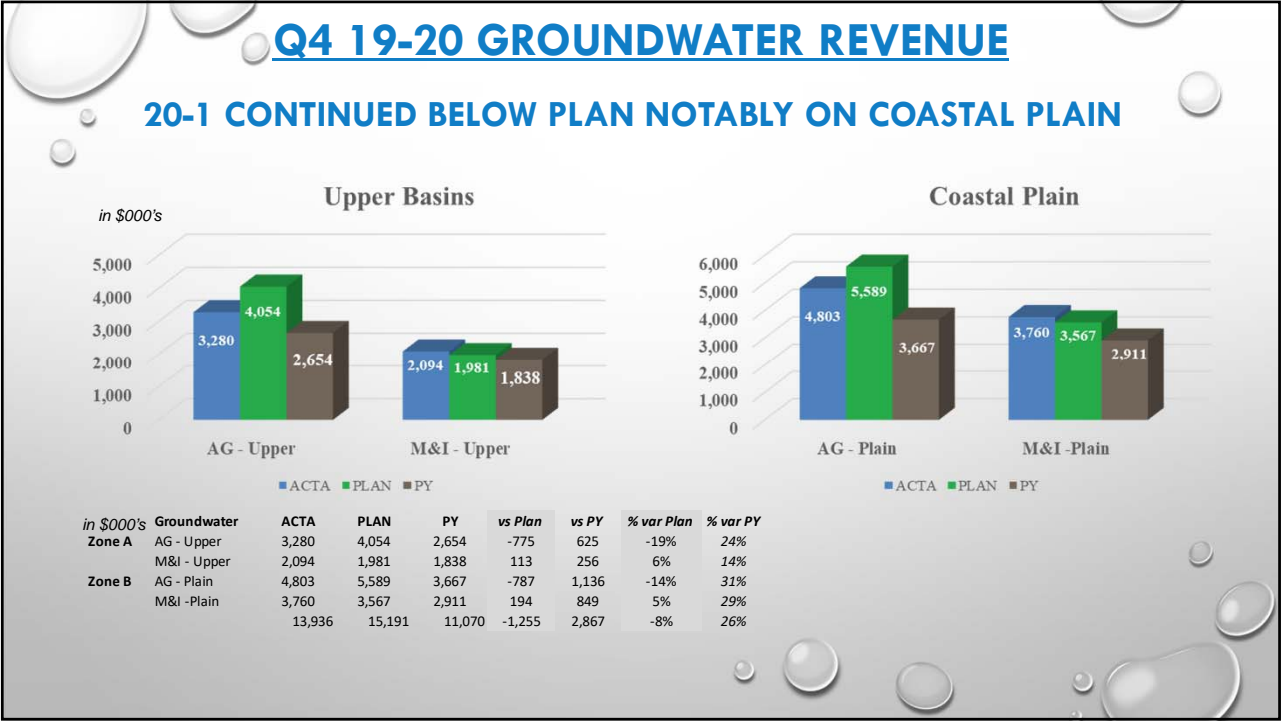
Category	ACTA	PLAN	PY
Groundwater	13,936	15,191	11,070
Pipeline	10,433	9,439	8,681
Taxes	4,775	4,496	5,533
Other	2,739	913	1,473

TOTAL REVENUE \$3.0M OVER PLAN*

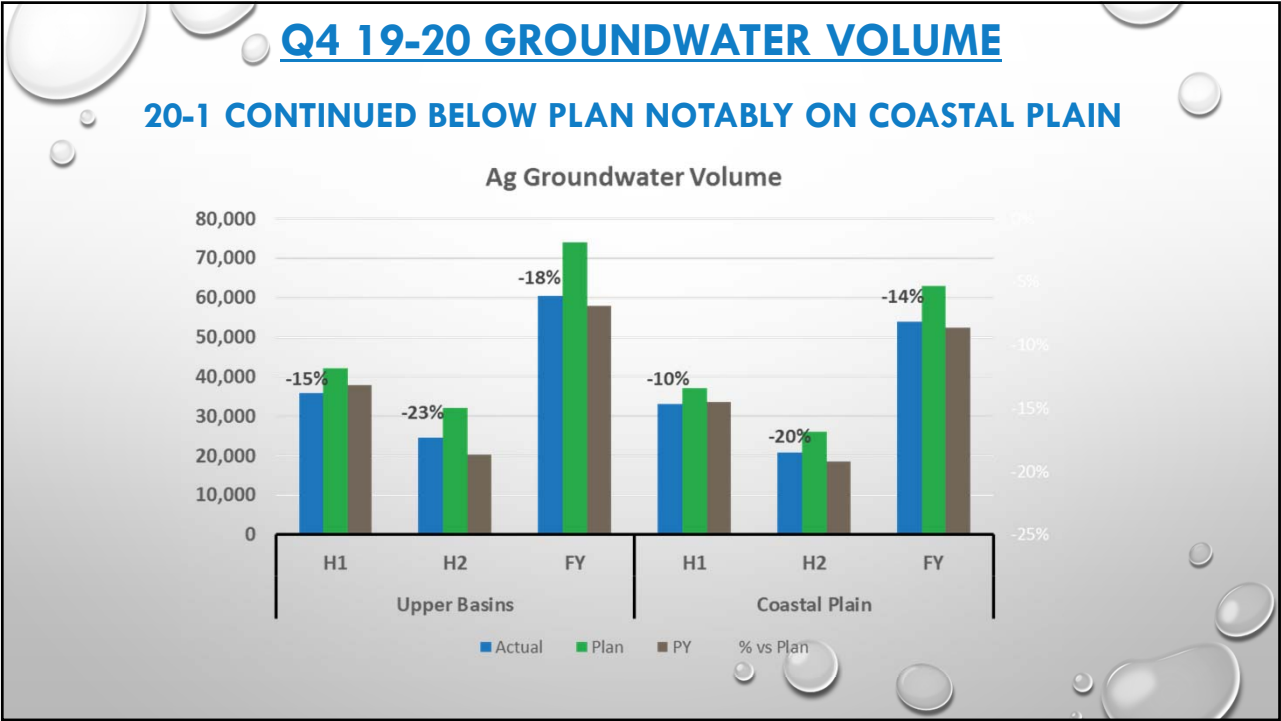
- PIPELINE REVENUE \$1M AHEAD OF PLAN ON HIGHER VOLUMES +PV DELIVERIES
- GROUNDWATER DOWN \$1.3M FROM PLAN ON LOWER VOLUME
- OTHER REVENUE INCLUDES JUNE DELIVERY OF FCGMA WATER (\$1.8M)

*EXCLUDING PLANNED DEBT PROCEEDS

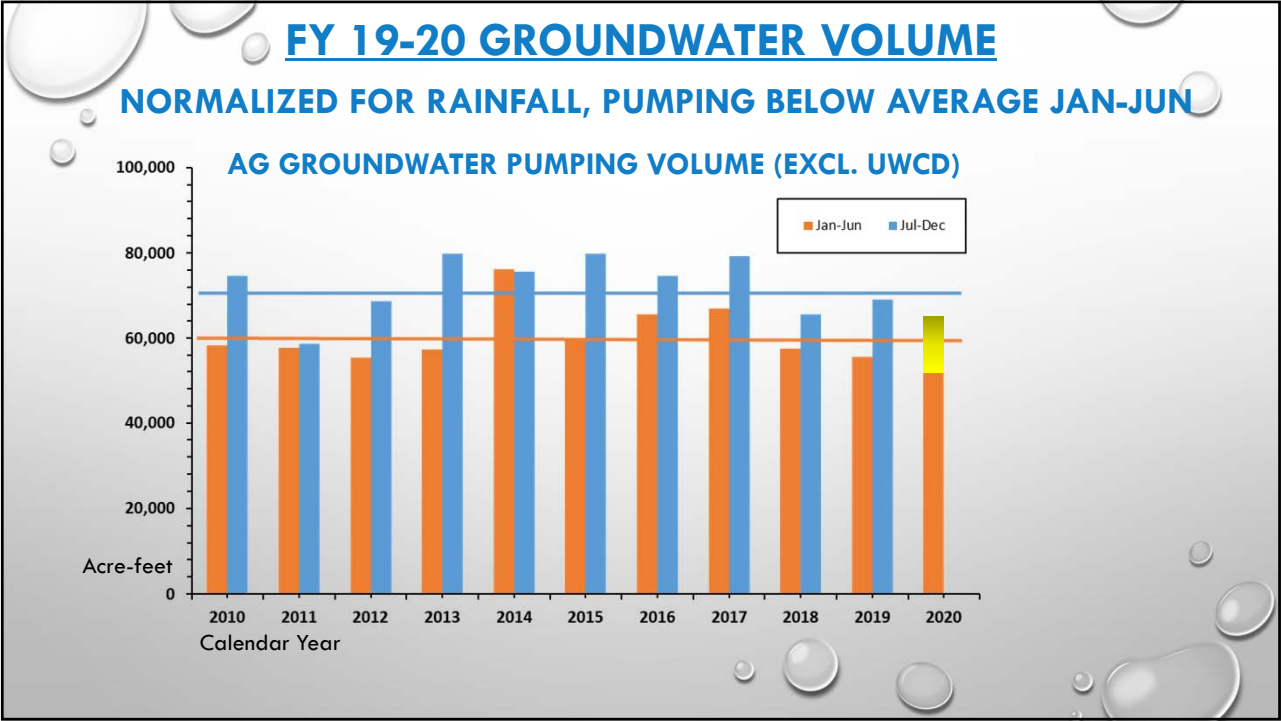
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TOP GROUNDWATER PUMPERS

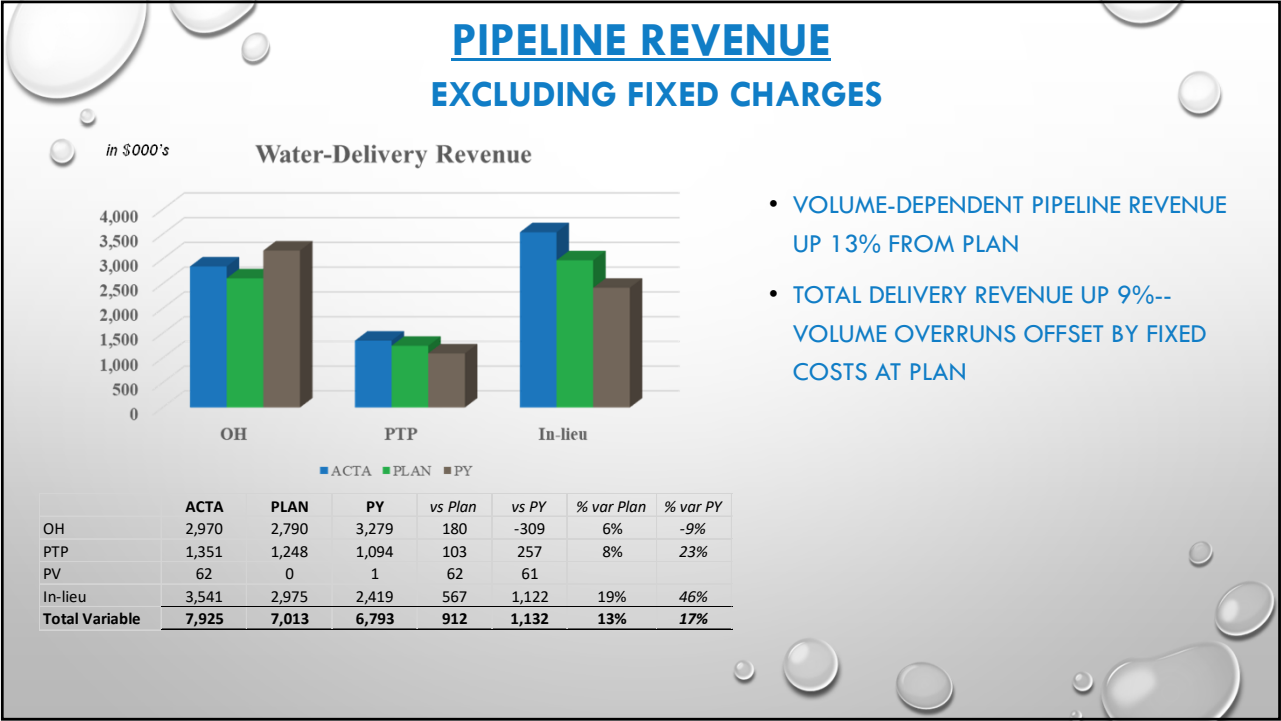
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Customer Name	FY19-20	FY18-19	% Change
FARMERS IRRIGATION CO	8,424	7,768	8%
SOUTHLAND SOD FARMS	4,757	3,242	47%
PLEASANT VALLEY CO WTR	4,733	5,926	-20%
SESPE AGRICULTURAL WATER	4,609	3,863	19%
DUDA FARM FRESH FOODS INC	4,126	3,604	14%
REITER BROTHERS	2,900	2,411	20%
ALTA MUTUAL WATER CO	2,058	1,939	6%
NAUMANN RANCH	2,050	2,086	-2%
DEL NORTE WATER COMPANY	2,046	1,908	7%
MARZ FARMS INC	1,925	1,735	11%
Top 10 Total	37,627	34,482	9%
% of Total Billed AF	33%	31%	

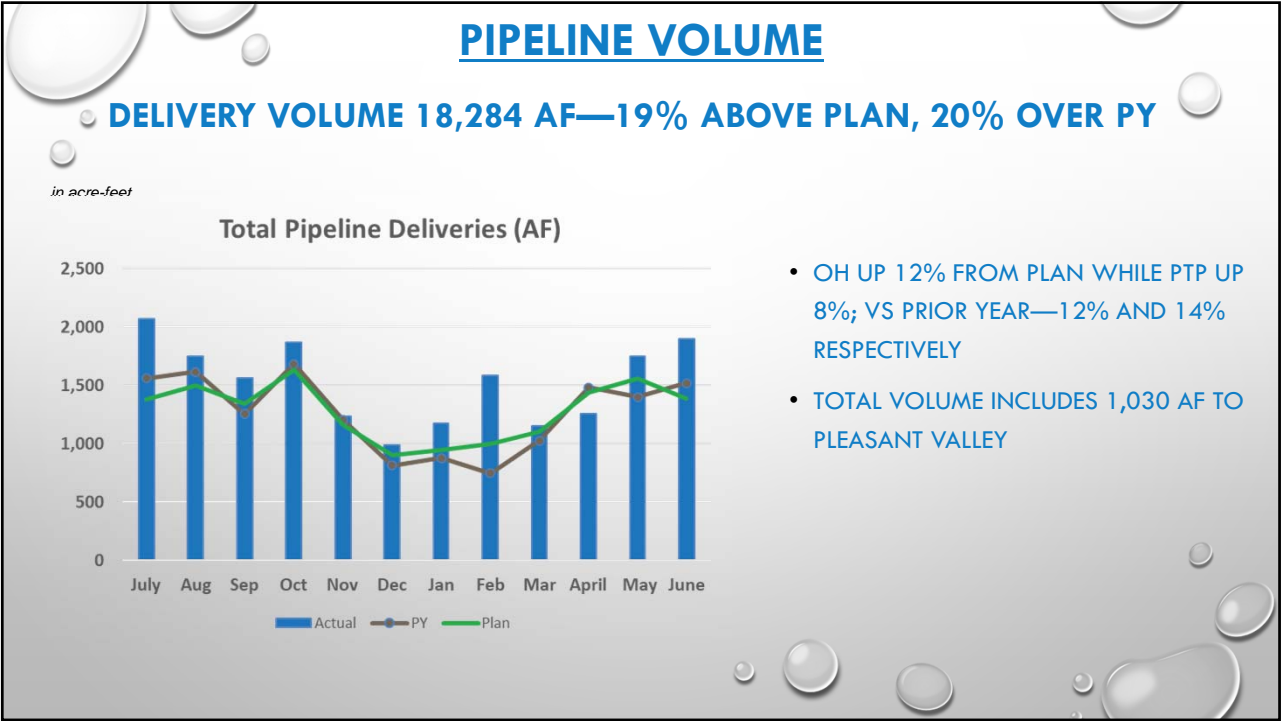
M&I

Customer Name	FY19-20	FY18-19	% Change
VENTURA	8,716	9,800	-11%
OXNARD	7,026	7,806	-10%
SANTA PAULA	4,155	3,956	5%
FILLMORE	1,960	1,876	4%
CAMARILLO	970	295	229%
RIVER RIDGE GOLF COURSE	609	16	3708%
HIGH TIDE & GREEN GRASS INC	380	453	-16%
BOSKOVICH FARMS INC	357	450	-21%
STERLING HILLS GOLF CLUB	258	178	45%
JOE ROLDAN (AMERICAN WATER)	230	245	-6%
Top 10 Total	24,662	25,075	-2%
% of Total Billed AF	90%	93%	

8



9



10

PERSONNEL EXPENSES							
SALARIES AT PLAN WITH UNDERRUN IN BENEFITS							
\$000's	Q419-20 Actual	Q4 19-20 Plan	PY Actual	Var to Plan	%Var to Plan	Var to PY	%Var to PY
Regular Salary	6,613	6,542	6,480	71	1%	133	2%
Over-time Sal	167	119	75	48	41%	92	122%
Part-time Sal	165	297	209	-131	-44%	-44	-21%
Salaries	6,946	6,958	6,765	-12	0%	181	3%
Retirement - Classic	1,310	811	1,184	499	61%	126	11%
Retirement - PEPPRA	193	169	226	24	14%	-32	-14%
Soc Sec/401a/457b	410	402	375	8	2%	35	9%
OPEB Expense	172	169	168	3	2%	4	2%
Retirement PEB Expense	28	662	28	-634	-96%	0	1%
Medical Ins Exp - Coverage	776	885	699	-108	-12%	78	11%
Medicare Expense	98	101	97	-3	-3%	2	2%
LTD	12	18	13	-6	-33%	-1	-7%
Life Insurance	23	17	15	6	37%	8	56%
SUI Expense	15	19	15	-4	-22%	-1	-5%
Worker's Comp	178	208	122	-30	-14%	56	46%
Employee Benefits	3,216	3,461	2,941	-246	-7%	275	9%
Total Personnel Expense	10,162	10,419	9,706	-258	-2%	456	5%

- RETIREMENT EXPENSE DRIVES UNDERRUN
 - CLASSIC EXPENSE FLAT
 - PEPPRA DOWN 17%
- INCREASES IN MEDICAL PREMIUMS LOWER THAN BUDGETED
- PAYMENT OF UAL = \$608K

11

OPERATING EXPENSES							
PROFESSIONAL FEES AND MAINTENANCE DRIVE PLAN UNDERRUN							
\$000's	Q4 19-20 Actual	Q4 19-20 Plan	PY Actual	Var to Plan	%Var to Plan	Var to PY	%Var to PY
Prof. Fees - Environmental	1,297	1,687	976	-389	-23%	321	33%
Prof. Fees - Other	1,072	1,099	830	-27	-2%	242	29%
Prof. Fees - Engineering	113	435	213	-322	-74%	-100	-47%
Profess Fees - Finance	139	232	99	-93	-40%	39	39%
Prof Fees - GW, IT, HR	310	271	330	39	15%	-20	-6%
Professional Fees	2,931	3,723	2,449	-792	-21%	482	20%
Legal Fees	5,800	1,543	2,073	4,257	276%	3,728	180%
Utilities	1,216	1,760	1,327	-544	-31%	-111	-8%
Maintenance	925	1,647	1,012	-722	-44%	-86	-9%
Field Supplies	492	653	444	-161	-25%	48	11%
Insurance	249	212	193	37	18%	56	29%
Office Expenses	253	412	184	-159	-39%	69	37%
Miscellaneous	225	342	151	-117	-34%	74	49%
Travel, Meetings, Training	128	232	150	-104	-45%	-22	-15%
Gasoline, Diesel, Fuel	139	161	137	-22	-14%	2	1%
Fox Canyon GMA	263	204	192	58	29%	71	37%
Safety, Supplies, Clothing	63	80	57	-17	-21%	6	10%
Telephone	75	60	54	15	26%	21	38%
General Operating Expenses	4,028	5,764	3,902	-1,736	-30%	126	3%
State Water Import Costs	3,183	1,632	3,463	1,551	95%	-281	-8%
Total Operating Expenses	15,942	12,661	11,887	3,281	26%	4,055	34%

- ALL BUT \$200K OF LEGAL FEES OVERRUN DUE TO SINGLE CASE
- MAINTENANCE BELOW ORIGINAL PLAN AS FUNDS REDEPLOYED
- UTILITIES DOWN ON SURFACE WATER DELIVERIES AND SYSTEM EFFICIENCIES

12

TOP VENDORS				
EXCLUDING SWP, TAXES, DEBT SERVICE AND CIP				
Vendor	FY19-20	FY18-19	\$ Change	% Change
ATKINSON, ANDELSON, LOYA, RUUD AND ROMO	2,221	1,526	695	45%
SO. CALIFORNIA EDISON	1,407	1,091	316	29%
QUINN COMPANY, INC	715	112	604	541%
PMC - LAKE PIRU RECREATIO	484	267	217	81%
SOMACH, SIMMONS & DUNN	360	286	73	26%
STILLWATER SCIENCES INC	324	108	216	199%
CITY OF VENTURA	316	63	253	404%
ASCENT ENVIRONMENTAL INC	310	21	288	1358%
RINCON CONSULTANTS INC	255	287	-32	-11%
FOLEY & LARDNER LLP	241	203	38	19%
Top 10 Total	6,632	3,965	2,667	67%

13

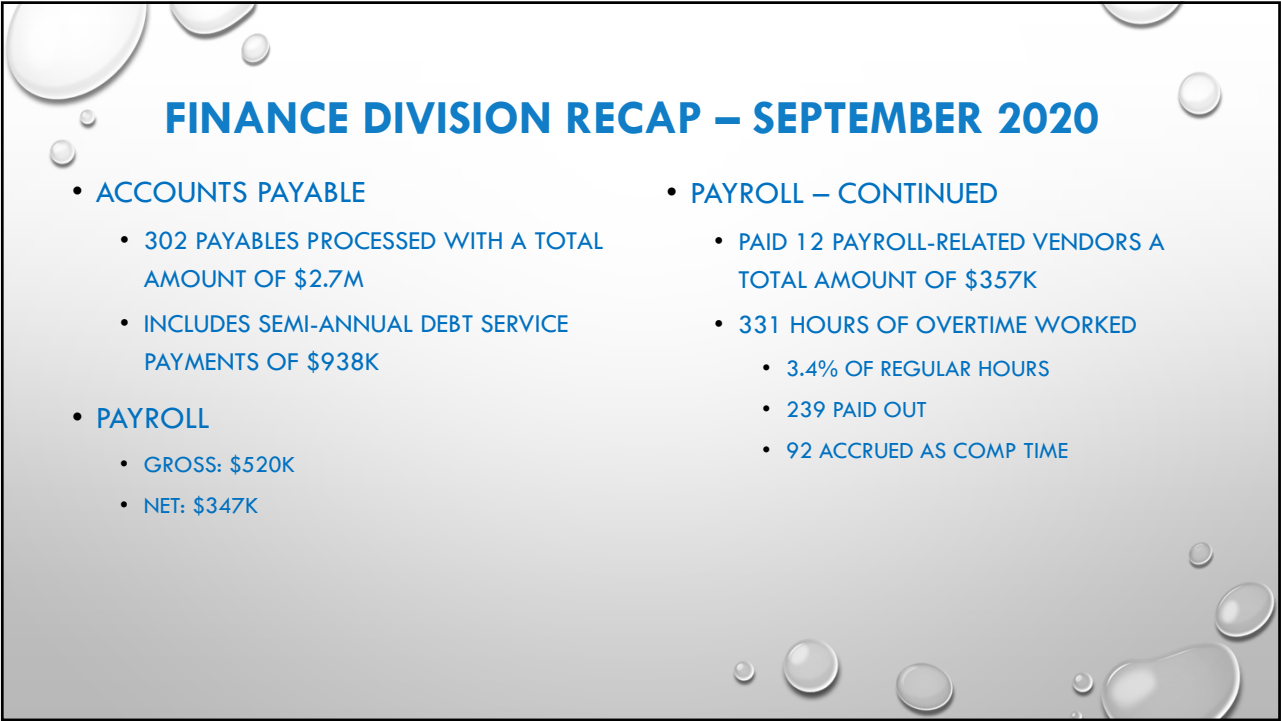
CIP EXPENDITURE BY PROJECT					
INCLUDES PERSONNEL ALLOCATED TO PROJECTS					
Project Description	Current FY 19-20	Budget FY19-20	% FY Budget	Total to date	% of Total Est Project costs spent to date
OHP Iron and Manganese Treatment	456,220	2,722,089	17%	1,100,607	17%
Freeman Diversion Rehab	1,080,938	2,057,186	53%	4,355,470	10%
New Headquarters	3,543,475	1,763,662	201%	9,563,788	106%
SFD PMF Containment	819,008	1,095,802	75%	2,606,920	7%
PTP System Emergency Generator	772,194	902,800	86%	772,194	86%
OH System Emergency Generator	-	898,800	0%	-	0%
SFD Outlet Works Rehab	650,168	748,572	87%	2,670,176	4%
Grand Canal Modifications	110,957	525,916	21%	115,821	9%
OH Booster Pump Overhaul	239,583	280,000	86%	239,583	86%
SP Microwave Communications Tower	326,244	267,280	122%	326,244	122%
PTP Turnout Metering System	357,714	220,959	162%	803,717	50%
Pothole Trailhead	116,138	111,310	104%	199,856	64%
Other	168,963	481,104	35%	3,770,587	
TOTAL	8,641,603	12,590,173		26,524,962	11%

14

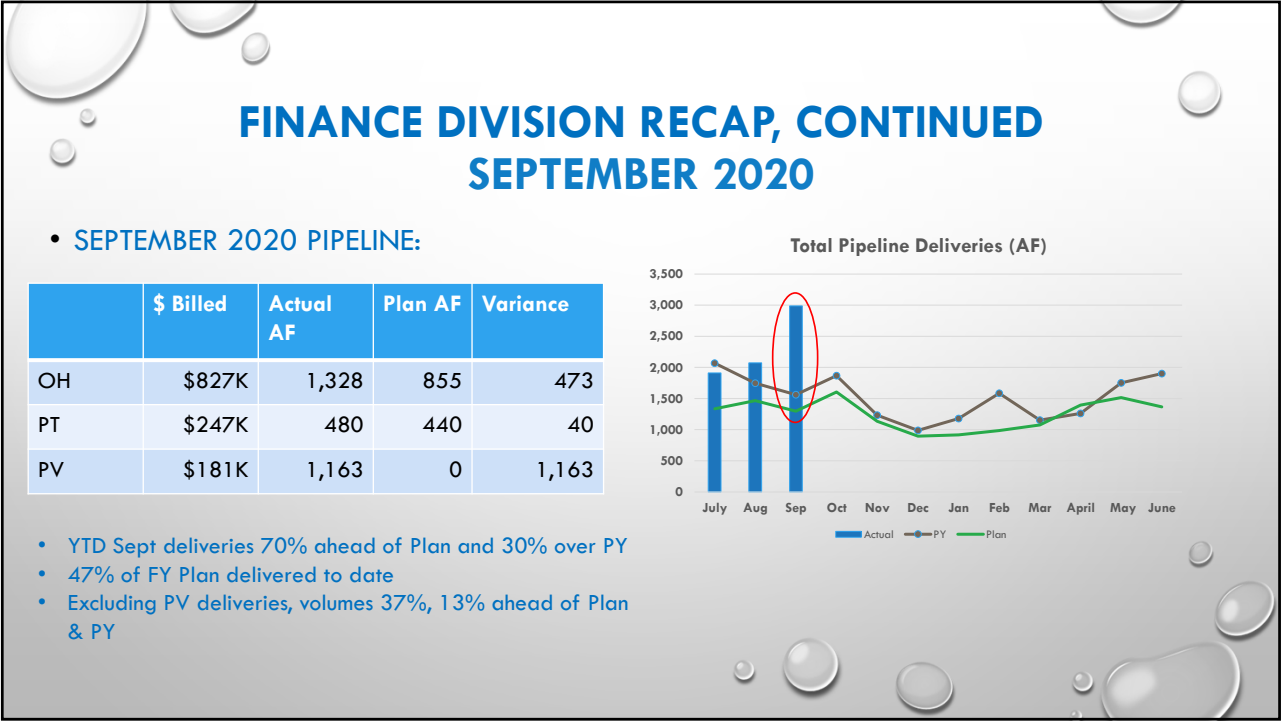
SUPPLEMENTAL WATER PURCHASE FUND			
STATUS UPDATE			
	REVENUE	EXPENSE	BALANCE
BEGINNING BALANCE (FCGMA-JUNE)			\$1,200K
INFLOWS			
FCGMA GRANT (JULY)	\$1,800		
SURCHARGE REVENUE (PIPELINE)	\$319		
OUTFLOWS			
SANTA CLARITA EXCHANGE		\$181	
VENTURA TRANSFER		\$1,548	
NET AVAILABLE			\$1,590
PROJECTED SURCHARGE	\$205		
6/30 BALANCE			\$1,799



1



2



3



FINANCE DIVISION RECAP, CONTINUED SEPTEMBER 2020

- FINALIZED GROUNDWATER EXTRACTION FEE BILLING FOR THE PERIOD OF JANUARY 1 TO JUNE 30, 2020 DURING THE FIRST WEEK OF SEPTEMBER.
- CLOSED THE BOOKS FOR FY 19-20
- AUDITORS BEGAN THEIR YEAR-END FIELD WORK ON SEPTEMBER 16
- CONTINUED TO WORK WITH FINANCIAL ADVISORS, BOND COUNSEL AND DISCLOSURE COUNSEL ON UPCOMING DEBT ISSUANCE.
- HIRED TEMPORARY ACCOUNTANT AND CONTINUED CROSS-TRAINING AMONG FINANCE STAFF TO PREPARE FOR UPCOMING CONTROLLER LEAVE OF ABSENCE.
- COMPLETED GROUNDWATER EXTRACTION FEE INVOICING FOR FILLMORE AND PIRU BASINS GSA AND MOUND BASIN GSA.

5

FINANCE DIVISION RECAP, CONTINUED SEPTEMBER 2020

- INTERVIEWED CONSULTANTS TO ASSIST DISTRICT WITH DEVELOPING AND EVALUATING NEW SOURCES OF REVENUE; CONTRACT AWARD ESTIMATED EARLY OCT 2020
- RESEARCHED DEFERRAL OF SOCIAL SECURITY TAX WITHHOLDING. NO CHANGE AT PRESENT TIME.
- REVIEWED ASSET LISTING IN FINANCIAL SOFTWARE TO ENSURE THAT ALL ASSETS COMPRISING THE FORMER SANTA PAULA HEADQUARTERS WERE DISPOSED AS OF JUNE 30, 2020.
- FINANCE STAFF CONTINUED TO WORK WITH OTHER DEPARTMENTS TO DETERMINE WHICH PURCHASE ORDERS FROM FY 19-20 ARE STILL OUTSTANDING AND WHICH CAN BE CLOSED OUT.
- COMPLETED SEMI-ANNUAL DEBT SERVICE PAYMENT FOR THE DISTRICT'S THREE OUTSTANDING DEBT ISSUANCES.

6

ADMINISTRATIVE SERVICES RECAP
SEPTEMBER 2020

- DISTRIBUTED E-INVITES TO SOME 150 KEY INFLUENCERS, ELECTED OFFICIALS AND STAKEHOLDERS TO TOUR THE FREEMAN DIVERSION AND SATICOY RECHARGE BASINS
- CREATED PRESENTATION FOR FREEMAN TOUR PARTICIPANTS HIGHLIGHTING THE CURRENT SFD RELEASE, SEDIMENT MANAGEMENT PROJECT AND FREEMAN DIVERSION EXPANSION PROJECT.
- FINALIZED THE LAYOUT, IMAGES AND DOCUMENTS ACCESSIBLE THROUGH THE NEW UWCD WEBSITE
- COORDINATED STAKEHOLDER ENGAGEMENT WORKSHOPS FOR BOTH THE MOUND BASIN GSA AND FILLMORE AND PIRU BASINS GSA.
- REIMAGINED THE UWCD LIBRARY ON THE 1ST FLOOR, WHICH IS NOW OPEN AND ACCESSIBLE TO ALL STAFF.
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Q4 OVERVIEW

NET REVENUE AHEAD OF PLAN, EVEN WITH OPEX OVERRUNS

	4Q19-20 Actual	4Q19-20 Budget	4Q18-19 Actual	Actual vs Plan	Actual vs PY
<i>in \$000's</i>					
Taxes	4,775	4,496	5,533	6%	-14%
Water Delivery/Fixed Cost	10,433	9,439	8,681	11%	20%
Groundwater	13,936	15,191	11,070	-8%	26%
Other Operating Revenue	2,739	913	1,473	200%	86%
Non-Operating Revenue	4,269	3,106	3,258	37%	31%
Debt Proceeds	-	6,917	-	-100%	0%
Total Revenue	36,153	40,062	30,014	-10%	20%
Personnel Expense	6,652	6,589	6,555	1%	1%
Operating Expense	14,588	11,303	10,657	29%	37%
Allocated Overhead	4,356	4,589	3,765	-5%	16%
Debt Service	1,708	2,890	1,681	-41%	2%
Other	2,000	3,114	2,059	-36%	-3%
Total Expenditure	29,304	28,485	24,717	3%	19%

REVENUE

- OPERATING REVENUE AHEAD OF PLAN ON DELIVERY VOLUMES
- NON-OPERATING REVENUE EXCESS DUE TO JUDGMENT REFUND

EXPENDITURE

- PROF FEES AND MAINTENANCE CONTRIBUTE UNDERRUN PARTIALLY OFFSET BY OVERRUN IN LEGAL EXPENSE AND COURT AWARD
- OTHER EXPENSE DOWN ON DEPRECIATION AND CAPITAL OUTLAY

ALL FUNDS EXCEPT 420 ABOVE MINIMUM RESERVE REQUIREMENTS AT YEAR END

3

Q4 19-20 REVENUE

PIPELINE DELIVERIES AND UNPLANNED ITEMS OFFSET LOWER GROUNDWATER VOLUMES

in \$000's

Total Revenue

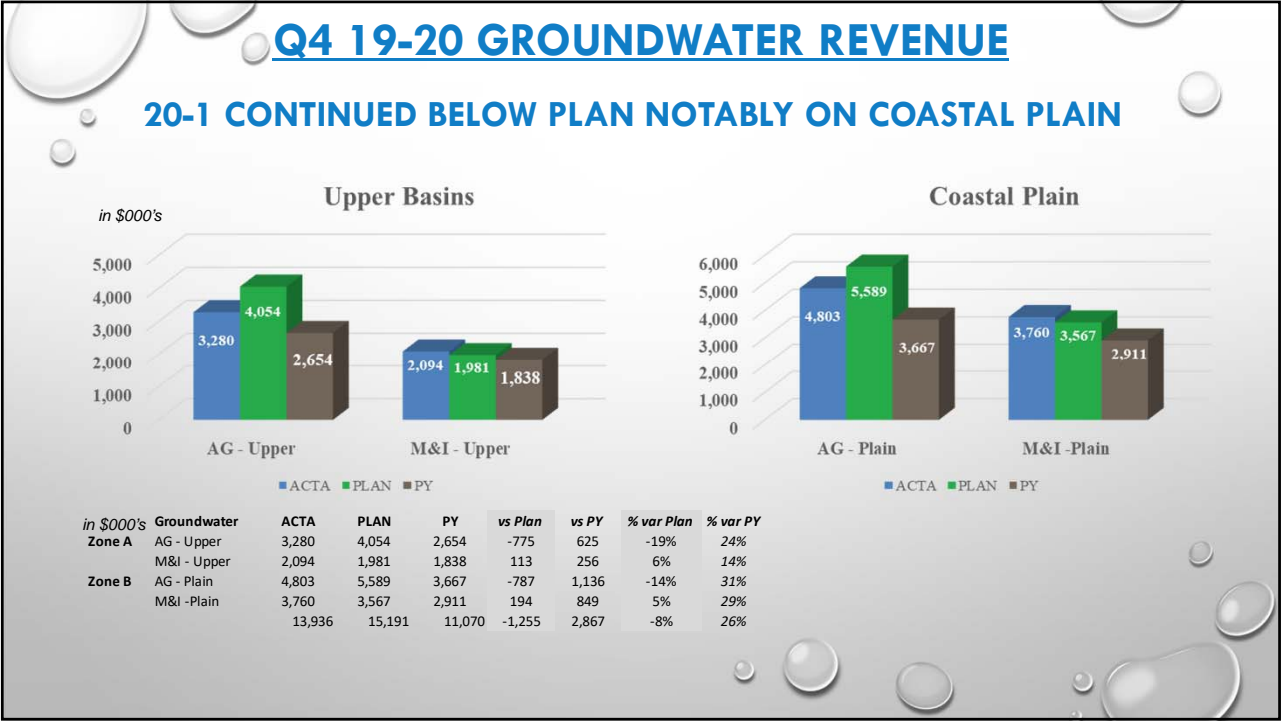
Category	ACTA	PLAN	PY
Groundwater	13,936	15,191	11,070
Pipeline	10,433	9,439	8,681
Taxes	4,775	4,496	5,533
Other	7,019	10,936	5,734

TOTAL REVENUE \$3.0M OVER PLAN*

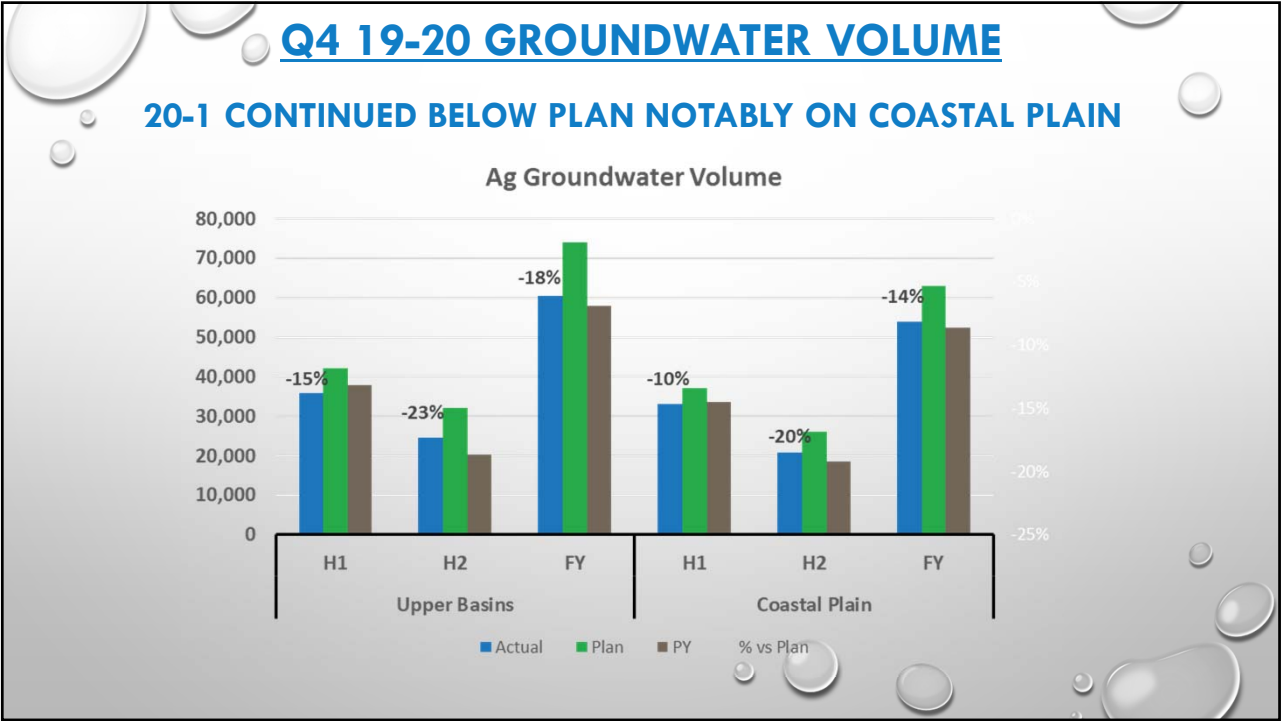
- PIPELINE REVENUE \$1M AHEAD OF PLAN ON HIGHER VOLUMES +PV DELIVERIES
- GROUNDWATER DOWN \$1.3M FROM PLAN ON LOWER VOLUME
- OTHER REVENUE INCLUDES JUNE DELIVERY OF FCGMA WATER (\$1.8M)

*EXCLUDING PLANNED DEBT PROCEEDS

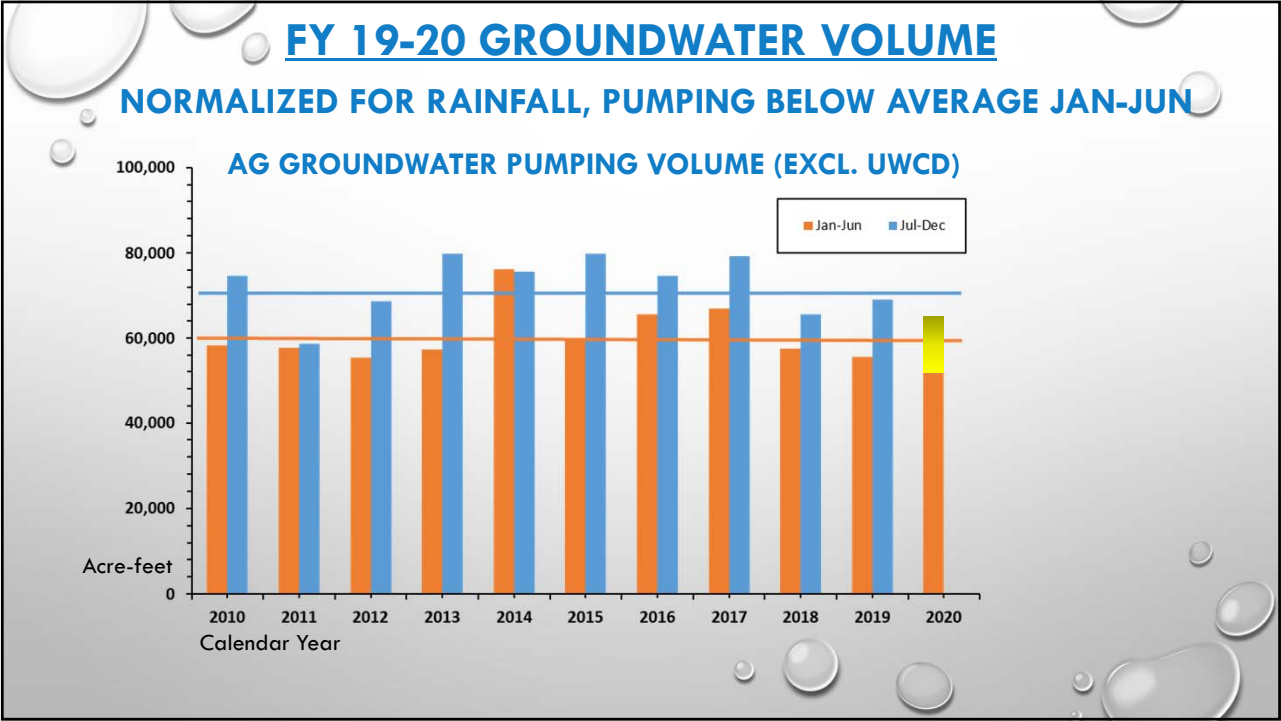
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TOP GROUNDWATER PUMPERS

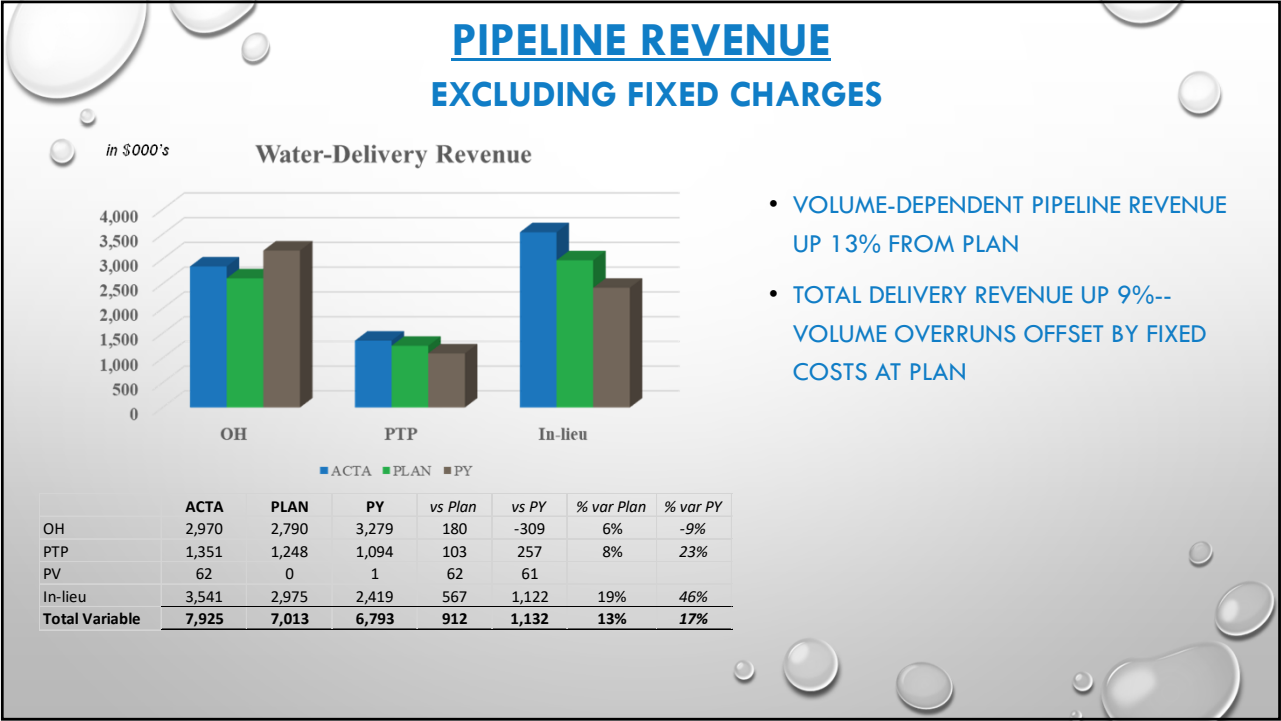
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Customer Name	FY19-20	FY18-19	% Change
FARMERS IRRIGATION CO	8,424	7,768	8%
SOUTHLAND SOD FARMS	4,757	3,242	47%
PLEASANT VALLEY CO WTR	4,733	5,926	-20%
SESPE AGRICULTURAL WATER	4,609	3,863	19%
DUDA FARM FRESH FOODS INC	4,126	3,604	14%
REITER BROTHERS	2,900	2,411	20%
ALTA MUTUAL WATER CO	2,058	1,939	6%
NAUMANN RANCH	2,050	2,086	-2%
DEL NORTE WATER COMPANY	2,046	1,908	7%
MARZ FARMS INC	1,925	1,735	11%
Top 10 Total	37,627	34,482	9%
% of Total Billed AF	33%	31%	

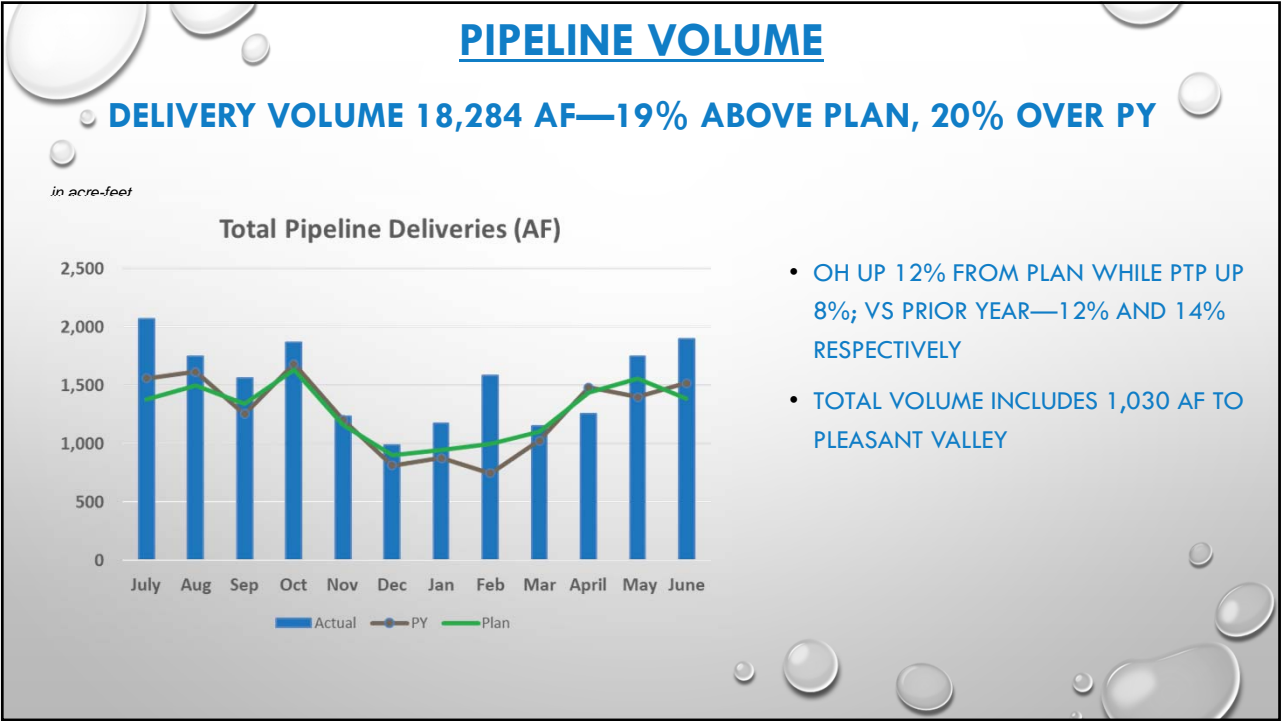
M&I

Customer Name	FY19-20	FY18-19	% Change
VENTURA	8,716	9,800	-11%
OXNARD	7,026	7,806	-10%
SANTA PAULA	4,155	3,956	5%
FILLMORE	1,960	1,876	4%
CAMARILLO	970	295	229%
RIVER RIDGE GOLF COURSE	609	16	3708%
HIGH TIDE & GREEN GRASS INC	380	453	-16%
BOSKOVICH FARMS INC	357	450	-21%
STERLING HILLS GOLF CLUB	258	178	45%
JOE ROLDAN (AMERICAN WATER)	230	245	-6%
Top 10 Total	24,662	25,075	-2%
% of Total Billed AF	90%	93%	

8



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PERSONNEL EXPENSES							
SALARIES AT PLAN WITH UNDERRUN IN BENEFITS							
\$000's	Q419-20 Actual	Q4 19-20 Plan	PY Actual	Var to Plan	%Var to Plan	Var to PY	%Var to PY
Regular Salary	6,613	6,542	6,480	71	1%	133	2%
Over-time Sal	167	119	75	48	41%	92	122%
Part-time Sal	165	297	209	-131	-44%	-44	-21%
Salaries	6,946	6,958	6,765	-12	0%	181	3%
Retirement - Classic	1,310	811	1,184	499	61%	126	11%
Retirement - PEPR	193	169	226	24	14%	-32	-14%
Soc Sec/401a/457b	410	402	375	8	2%	35	9%
OPEB Expense	172	169	168	3	2%	4	2%
Retirement PEB Expense	28	662	28	-634	-96%	0	1%
Medical Ins Exp - Coverage	776	885	699	-108	-12%	78	11%
Medicare Expense	98	101	97	-3	-3%	2	2%
LTD	12	18	13	-6	-33%	-1	-7%
Life Insurance	23	17	15	6	37%	8	56%
SUI Expense	15	19	15	-4	-22%	-1	-5%
Worker's Comp	178	208	122	-30	-14%	56	46%
Employee Benefits	3,216	3,461	2,941	-246	-7%	275	9%
Total Personnel Expense	10,162	10,419	9,706	-258	-2%	456	5%

- RETIREMENT EXPENSE DRIVES UNDERRUN
 - CLASSIC EXPENSE FLAT
 - PEPRA DOWN 17%
- INCREASES IN MEDICAL PREMIUMS LOWER THAN BUDGETED
- PAYMENT OF UAL = \$608K

11

OPERATING EXPENSES							
PROFESSIONAL FEES AND MAINTENANCE DRIVE PLAN UNDERRUN							
\$000's	Q4 19-20 Actual	Q4 19-20 Plan	PY Actual	Var to Plan	%Var to Plan	Var to PY	%Var to PY
Prof. Fees - Environmental	1,297	1,687	976	-389	-23%	321	33%
Prof. Fees - Other	1,072	1,099	830	-27	-2%	242	29%
Prof. Fees - Engineering	113	435	213	-322	-74%	-100	-47%
Profess Fees - Finance	139	232	99	-93	-40%	39	39%
Prof Fees - GW, IT, HR	310	271	330	39	15%	-20	-6%
Professional Fees	2,931	3,723	2,449	-792	-21%	482	20%
Legal Fees	5,800	1,543	2,073	4,257	276%	3,728	180%
Utilities	1,216	1,760	1,327	-544	-31%	-111	-8%
Maintenance	925	1,647	1,012	-722	-44%	-86	-9%
Field Supplies	492	653	444	-161	-25%	48	11%
Insurance	249	212	193	37	18%	56	29%
Office Expenses	253	412	184	-159	-39%	69	37%
Miscellaneous	225	342	151	-117	-34%	74	49%
Travel, Meetings, Training	128	232	150	-104	-45%	-22	-15%
Gasoline, Diesel, Fuel	139	161	137	-22	-14%	2	1%
Fox Canyon GMA	263	204	192	58	29%	71	37%
Safety, Supplies, Clothing	63	80	57	-17	-21%	6	10%
Telephone	75	60	54	15	26%	21	38%
General Operating Expenses	4,028	5,764	3,902	-1,736	-30%	126	3%
State Water Import Costs	3,183	1,632	3,463	1,551	95%	-281	-8%
Total Operating Expenses	15,942	12,661	11,887	3,281	26%	4,055	34%

- ALL BUT \$200K OF LEGAL FEES OVERRUN DUE TO SINGLE CASE
- MAINTENANCE BELOW ORIGINAL PLAN AS FUNDS REDEPLOYED
- UTILITIES DOWN ON SURFACE WATER DELIVERIES AND SYSTEM EFFICIENCIES

12

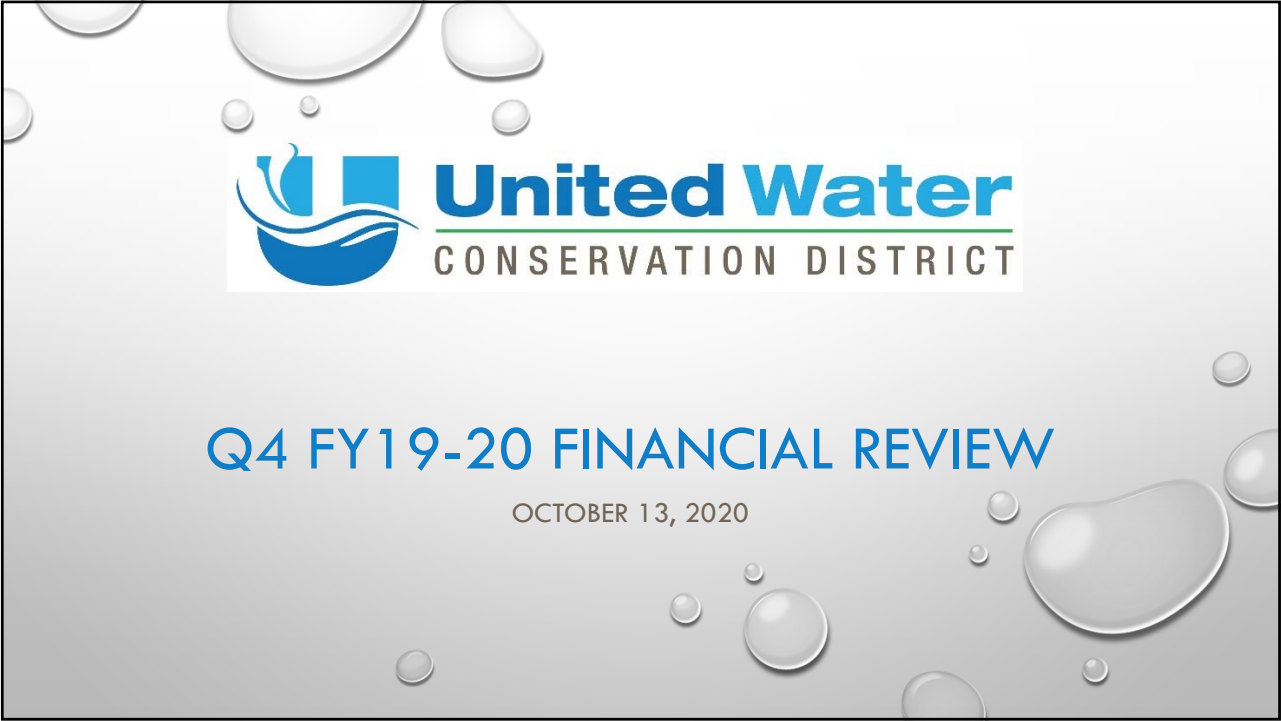
TOP VENDORS				
EXCLUDING SWP, TAXES, DEBT SERVICE AND CIP				
Vendor	FY19-20	FY18-19	\$ Change	% Change
ATKINSON, ANDELSON, LOYA, RUUD AND ROMO	2,221	1,526	695	45%
SO. CALIFORNIA EDISON	1,407	1,091	316	29%
QUINN COMPANY, INC	715	112	604	541%
PMC - LAKE PIRU RECREATIO	484	267	217	81%
SOMACH, SIMMONS & DUNN	360	286	73	26%
STILLWATER SCIENCES INC	324	108	216	199%
CITY OF VENTURA	316	63	253	404%
ASCENT ENVIRONMENTAL INC	310	21	288	1358%
RINCON CONSULTANTS INC	255	287	-32	-11%
FOLEY & LARDNER LLP	241	203	38	19%
Top 10 Total	6,632	3,965	2,667	67%

13

CIP EXPENDITURE BY PROJECT					
INCLUDES PERSONNEL ALLOCATED TO PROJECTS					
Project Description	Current FY 19-20	Budget FY19-20	% FY Budget	Total to date	% of Total Est Project costs spent to date
OHP Iron and Manganese Treatment	456,220	2,722,089	17%	1,100,607	17%
Freeman Diversion Rehab	1,080,938	2,057,186	53%	4,355,470	10%
New Headquarters	3,543,475	1,763,662	201%	9,563,788	106%
SFD PMF Containment	819,008	1,095,802	75%	2,606,920	7%
PTP System Emergency Generator	772,194	902,800	86%	772,194	86%
OH System Emergency Generator	-	898,800	0%	-	0%
SFD Outlet Works Rehab	650,168	748,572	87%	2,670,176	4%
Grand Canal Modifications	110,957	525,916	21%	115,821	9%
OH Booster Pump Overhaul	239,583	280,000	86%	239,583	86%
SP Microwave Communications Tower	326,244	267,280	122%	326,244	122%
PTP Turnout Metering System	357,714	220,959	162%	803,717	50%
Pothole Trailhead	116,138	111,310	104%	199,856	64%
Other	168,963	481,104	35%	3,770,587	
TOTAL	8,641,603	12,590,173		26,524,962	11%

14

SUPPLEMENTAL WATER PURCHASE FUND			
STATUS UPDATE			
	REVENUE	EXPENSE	BALANCE
BEGINNING BALANCE (FCGMA-JUNE)			\$1,200K
INFLOWS			
FCGMA GRANT (JULY)	\$1,800		
SURCHARGE REVENUE (PIPELINE)	\$319		
OUTFLOWS			
SANTA CLARITA EXCHANGE		\$181	
VENTURA TRANSFER		\$1,548	
NET AVAILABLE			\$1,590
PROJECTED SURCHARGE	\$205		
6/30 BALANCE			\$1,799



1

KEY DOCUMENTS

NET REVENUE AHEAD OF PLAN, EVEN WITH OPEX OVERRUNS

- 1. RESOLUTION**—AUTHORIZES DISTRICT STAFF TO EXECUTE DEBT INSTRUMENTS
- 2. TRUST AGREEMENT**—ESTABLISHES TERMS OF DELIVERY AND PAYMENT OF CERTIFICATES OF PARTICIPATION
- 3. INSTALLMENT PURCHASE AGREEMENT**—ESTABLISHES CONTRACT BETWEEN DISTRICT AND PUBLIC FACILITIES FINANCING CORPORATION
- 4. ESCROW AGREEMENT**—FACILITATES REFUNDING OF 2001, 2005 AND 2009 DEBT
- 5. PRELIMINARY OFFICIAL STATEMENT**—PRINCIPAL OFFERING DOCUMENT PROVIDES ALL OPERATIONAL AND FINANCIAL INFORMATION ON THE DISTRICT RELEVANT TO MARKETING 2020 CERTIFICATES

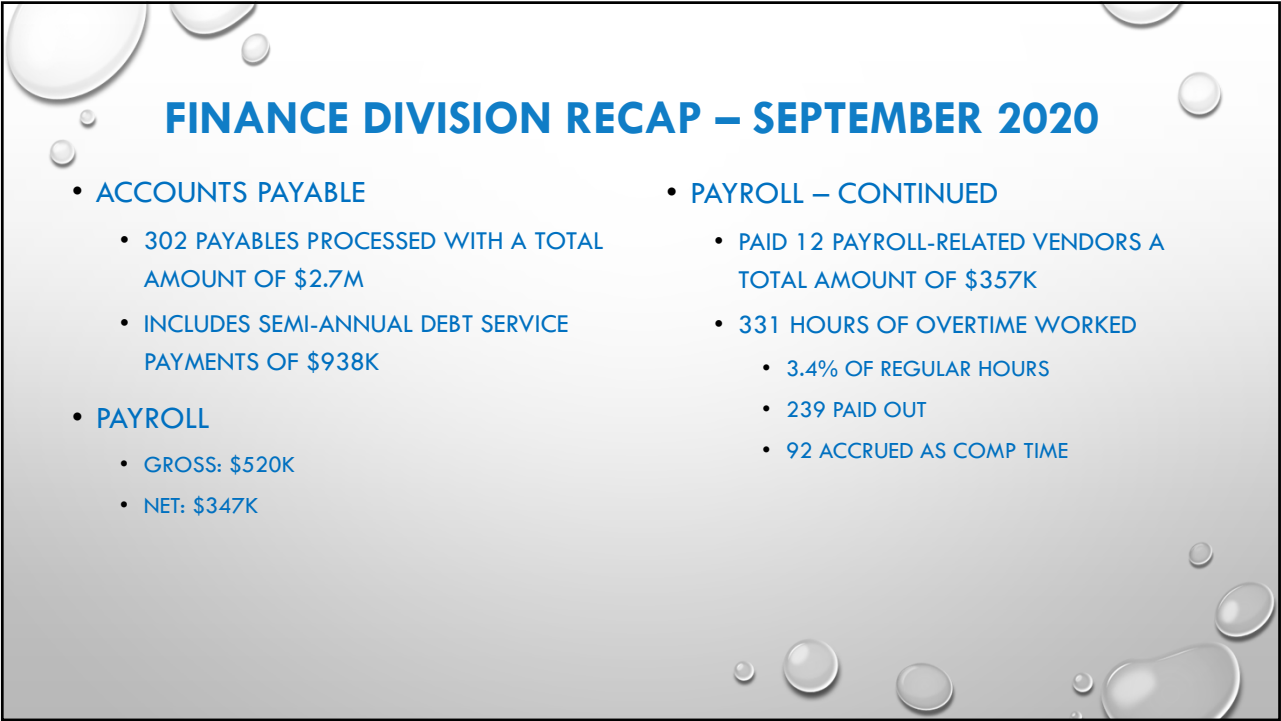
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TIMELINE

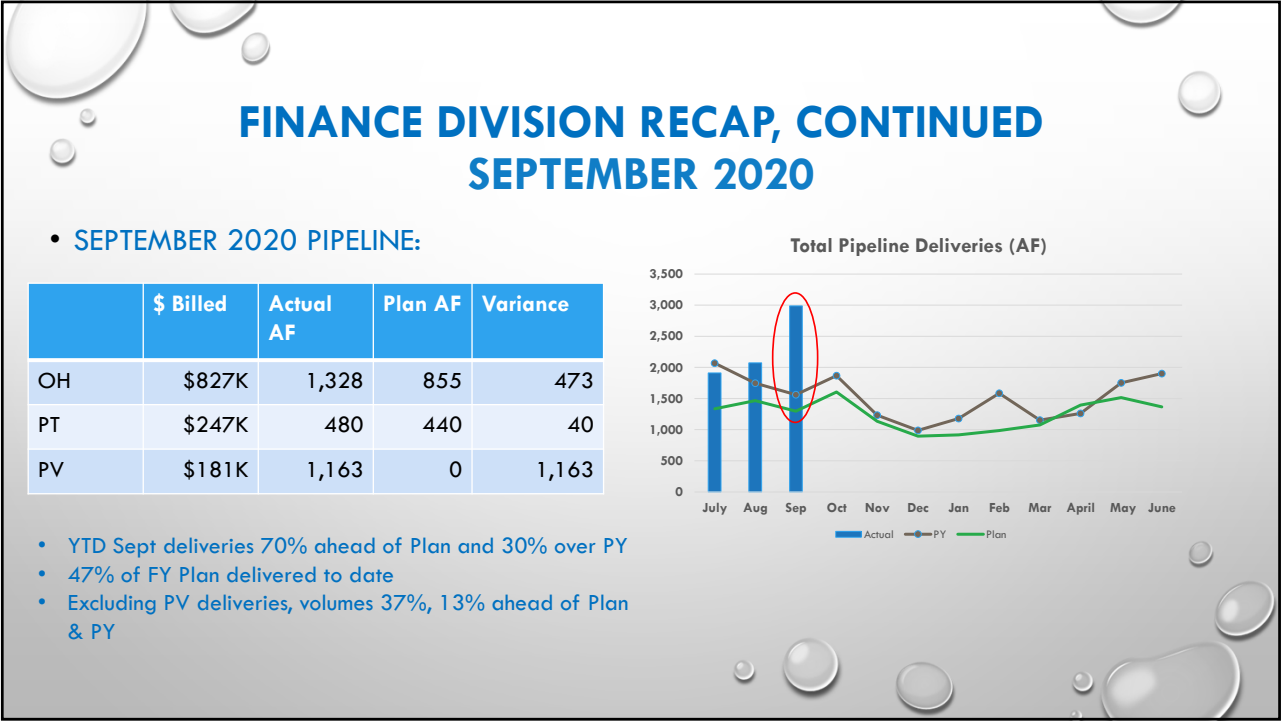
Date	Task
Wednesday, October 7, 2020	Rating Call with S&P
Week of October 12	Receive credit ratings
Wednesday, October 14, 2020	UWCD Public Facilities Financing Corp. and Board of Directors Meeting and approval
Tuesday, October 20, 2020	Post POS
Tuesday, October 27, 2020	Pricing
Wednesday, October 28, 2020	Issue Notice of Redemption
Monday, November 9, 2020	Pre-closing
Tuesday, November 10, 2020	Closing
Wednesday, December 2, 2020	Redemption of Bonds (30 day escrow)



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4

FINANCE DIVISION RECAP, CONTINUED SEPTEMBER 2020

- FINALIZED GROUNDWATER EXTRACTION FEE BILLING FOR THE PERIOD OF JANUARY 1 TO JUNE 30, 2020 DURING THE FIRST WEEK OF SEPTEMBER.
- CLOSED THE BOOKS FOR FY 19-20
- AUDITORS BEGAN THEIR YEAR-END FIELD WORK ON SEPTEMBER 16
- CONTINUED TO WORK WITH FINANCIAL ADVISORS, BOND COUNSEL AND DISCLOSURE COUNSEL ON UPCOMING DEBT ISSUANCE.
- HIRED TEMPORARY ACCOUNTANT AND CONTINUED CROSS-TRAINING AMONG FINANCE STAFF TO PREPARE FOR UPCOMING CONTROLLER LEAVE OF ABSENCE.
- COMPLETED GROUNDWATER EXTRACTION FEE INVOICING FOR FILLMORE AND PIRU BASINS GSA AND MOUND BASIN GSA.

5

FINANCE DIVISION RECAP, CONTINUED SEPTEMBER 2020

- INTERVIEWED CONSULTANTS TO ASSIST DISTRICT WITH DEVELOPING AND EVALUATING NEW SOURCES OF REVENUE; CONTRACT AWARD ESTIMATED EARLY OCT 2020
- RESEARCHED DEFERRAL OF SOCIAL SECURITY TAX WITHHOLDING. NO CHANGE AT PRESENT TIME.
- REVIEWED ASSET LISTING IN FINANCIAL SOFTWARE TO ENSURE THAT ALL ASSETS COMPRISING THE FORMER SANTA PAULA HEADQUARTERS WERE DISPOSED AS OF JUNE 30, 2020.
- FINANCE STAFF CONTINUED TO WORK WITH OTHER DEPARTMENTS TO DETERMINE WHICH PURCHASE ORDERS FROM FY 19-20 ARE STILL OUTSTANDING AND WHICH CAN BE CLOSED OUT.
- COMPLETED SEMI-ANNUAL DEBT SERVICE PAYMENT FOR THE DISTRICT'S THREE OUTSTANDING DEBT ISSUANCES.

6

ADMINISTRATIVE SERVICES RECAP
SEPTEMBER 2020

- DISTRIBUTED E-INVITES TO SOME 150 KEY INFLUENCERS, ELECTED OFFICIALS AND STAKEHOLDERS TO TOUR THE FREEMAN DIVERSION AND SATICOY RECHARGE BASINS
- CREATED PRESENTATION FOR FREEMAN TOUR PARTICIPANTS HIGHLIGHTING THE CURRENT SFD RELEASE, SEDIMENT MANAGEMENT PROJECT AND FREEMAN DIVERSION EXPANSION PROJECT.
- FINALIZED THE LAYOUT, IMAGES AND DOCUMENTS ACCESSIBLE THROUGH THE NEW UWCD WEBSITE
- COORDINATED STAKEHOLDER ENGAGEMENT WORKSHOPS FOR BOTH THE MOUND BASIN GSA AND FILLMORE AND PIRU BASINS GSA.
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