

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
Tuesday, October 12, 2021 – 9:00 A.M.
UWCD Headquarters, Board Room
1701 N. Lombard Street, Oxnard, CA 93030

COMMITTEE MEMBERS PRESENT:

Chair Sheldon G. Berger
Bruce Dandy

COMMITTEE MEMBER ABSENT:

Lynn Maulhardt

STAFF PRESENT:

In person:

Mauricio Guardado, Jr., general manager
Anthony Emmert, assistant general manager
Daryl Smith, controller
Josh Perez, human resources manager
Zachary Plummer, information technology administrator
Ambry Tibay, Senior Accountant
Jackie Lozano, administrative assistant

Virtual:

David Boyer, legal counsel
Wendy Wiles, legal counsel

PUBLIC PRESENT:

None

OPEN SESSION 9:00 A.M.

Chair Berger called the meeting to order at 9:00 A.M.

Committee Members Roll Call

The Clerk called roll. Chair Berger as well as Director Dandy were present. Director Maulhardt was absent. Two of the three Committee members were present validating a quorum.

1. Public Comment

Chair Berger asked if there were any public comments. None were offered.

EXECUTIVE (CLOSED) SESSION: 9:02 A.M.

Chair Berger closed the Open Session and moved into Executive (Closed) Session at 9:02 A.M.

2. Conference with Legal Counsel-Anticipated Litigation

Pursuant to Government Code Section 54956.9(d)(2), two (2) cases.



SECOND OPEN SESSION 9:15 A.M.

3. Oral Report Regarding Executive (Closed) Session

Legal Counsel David. D. Boyer reported there was no action taken which was reportable under the Ralph M. Brown Act.

4. Approval of Minutes

The Committee received and reviewed the draft Committee meeting minutes of September 7, 2021. Motion to approve the Committee meeting minutes, Director Dandy; Second, Director Berger. Voice vote, two ayes (Berger, Dandy); none opposed; one absent (Maulhardt). Motion carried, 2/0/1.

5. October 13, Board Meeting Agenda Items

The Committee reviewed the following agenda items to be considered for approval at the October 13, 2021, Board meeting that have a fiscal impact to the District:

Agenda Item 4.1: Resolution No. 2021-20 A Resolution of the Board of Directors of United Water Conservation District Ordering the Operator(s) of Well No. 04N19W25J06S to Cease Extraction of Groundwater per Water Code Section 75637, Subdivision (b).

Motion

Controller Daryl Smith briefly summarized the Board motion item for the Committee members. The Committee members agreed to recommend full Board approval of Resolution No. 2021-20 ordering the operator(s) of Well No. 04N19W25J06S to cease extraction of groundwater due to delinquent groundwater extraction charges, following the Public Hearing.

No questions or comments from the Committee members. No public comments were offered.

Agenda Item 4.2: Amendment of 2019 Period 2, 2020 Period 1 and 2020 Period 2 Estimated Groundwater Production Statements (three statements total) for Fukutomi Farms dba El Rio Berry Farms (Fukutomi)

Motion

Controller Daryl Smith provided a summary of the Board motion item to the Committee members. Assistant General Manager Tony Emmert included clarification regarding the request. The Committee members agreed to recommend full Board approval allowing Fukutomi Farms dba El Rio Berry Farms (Fukutomi) to amend its estimated 2019 Period 2, 2020 Period 1 and 2020 Period 2 estimated groundwater production statements (three statements total).

No questions or comments from the Committee members. No public comments were offered.

6. Fiscal Year 2020-2021 Year End Financial Reports (July 1, 2020 – June 30, 2021)

Information Item

The Committee received and reviewed the FY 2020-2021 financial reports, Capital Improvement Projects status, and the Investment Benchmark report, as presented in the Finance and Audit Committee packet and as presented by Mr. Smith and Mr. Emmert (presentation attached).



There was discussion among the Committee and staff regarding pipeline revenue budget planning, allocation and reasoning for reserves, and liabilities. When reviewing the personnel slide, the Committee requested staff to depict a way to reflect the financials of the lake operations showing revenue offsetting what is going on at the lake and personnel expenses. A suggestion was to present the information on a separate slide. Staff would follow-up on the request after the meeting.

No further questions from the Committee. No public comments were offered.

7. Monthly Investment Report (August 2021)

The Committee members received and reviewed the monthly investment report as presented in the Finance and Audit Committee agenda packet.

Informational item. No comments or questions from the Committee. No action was taken by the Committee.

8. Pipeline Delivery Report (August 2021)

The Committee members received and reviewed the pipeline delivery report as presented in the Finance and Audit Committee agenda packet.

Informational item. No comments or questions from the Committee. No action was taken by the Committee.

9. Board Requested Cost Tracking Items

The Committee members received and 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, and District legal costs over the past several fiscal years;
- d) in relation to the professional fees over the past several fiscal years; and
- e) motion items with a fiscal impact.

Informational item. No comments or questions from the Committee. No action was taken by the Committee.

10. Monthly Administrative Services Update

Financial updates for the month of August 2021 were provided to the Committee by Mr. Smith. Human Resources Manager Josh Perez presented updates on Administration, Human Resources, Risk Management, and Information Technology (presentation attached).

Informational item. No further comments or questions from the Committee.

11. Future Agenda Items

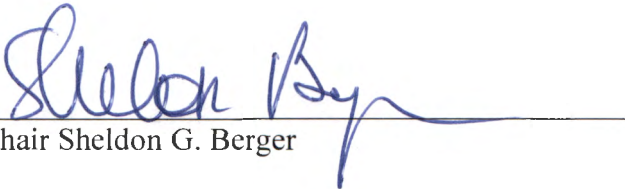
Chair Berger polled the Committee as to any future agenda items. None were offered.



ADJOURNMENT 10:00 A.M.

Chair Berger adjourned the meeting at 10:00 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 12, 2021.

ATTEST: 
Chair Sheldon G. Berger



United Water

CONSERVATION DISTRICT

United Water Conservation District shall manage, protect, conserve and enhance the water resources of the Santa Clara River, its tributaries and associated aquifers, in the most cost effective and environmentally balanced manner.

FINANCE & ADMINISTRATIVE DEPARTMENTS

SEPTEMBER 2021
RECAP

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ACCOUNTS PAYABLE

350 payables processed with a total amount of \$2.5M.



UNITED WATER CONSERVATION DISTRICT • FINANCE DEPARTMENT RECAP

PAYROLL

- Paid 12 payroll-related vendors a total amount of \$399K
- 284 hours of overtime worked
 - 2.5% of regular hours
 - 194 paid-out
 - 90 accrued as compensatory time
- Gross: \$ 584K
- Net: \$ 388K



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CASH COLLECTIONS

Pipeline: \$ 974K

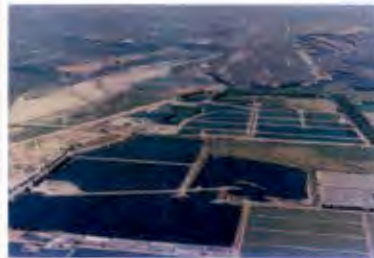
Groundwater: \$ 81K

Property Tax: \$ 12K

Rents: \$ 34K

Miscellaneous (Lake Profit): \$ 19K

Total: \$ 1.3M



UNITED WATER CONSERVATION DISTRICT • FINANCE DEPARTMENT RECAP

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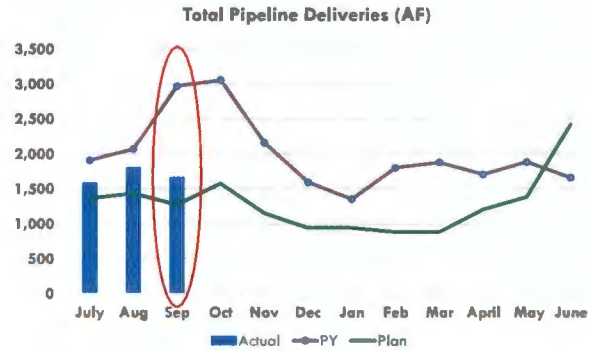
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SEPTEMBER 2021 PIPELINE

	\$ Billed	Actual AF	Plan AF	Variance
OH	\$761K	1,175	835	340
PT	\$276K	486	440	46
PV	\$26K	0	0	0

- Year-to-date September deliveries 24% ahead of Plan and 27% below PY
- Excluding Pleasant Valley deliveries, volume 24% ahead of Plan and 10% below PY

UNITED WATER CONSERVATION DISTRICT • FINANCE DEPARTMENT RECAP



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UPCOMING BOARD MOTION ITEMS

Motion Number	Sponsor	Description/ Summary	Budget Y/N	Funding Source (if not budgeted)	Cash Impact of Approval	Other Financial Impact
4.5	Engineering	Consider awarding contract (GEI Consultants, Inc.) to Develop the 60% Design Phase of the Santa Felicia Dam Outlet Works Improvement Project for \$1,715K	Y	N/A	Increase available cash by \$0	None
4.6	Engineering	Consider awarding contract (GEI Consultants, Inc.) to Develop the 30% Design Phase of the Santa Felicia Dam Spillway Improvement Project for \$580K	Y	N/A	Increase available cash by \$0	None

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UPCOMING BOARD MOTION ITEMS

Motion Number	Sponsor	Description/ Summary	Budget Y/N	Funding Source (if not budgeted)	Cash Impact of Approval	Other Financial Impact
4.2	Finance	Allow for the amendment of prior period estimated Groundwater Production Statements resulting in a credit of \$14K	N	Gen / WC Fund	Decrease available cash through decreased Revenue of \$14K	None
TOTAL					-14K	

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- Finalized groundwater extraction fee billing for the period of January 1 to June 30, 2021, during the first week of September
- Staff completed all year-end entries to close the books for FY 2020-21 in preparation for audit fieldwork
- Auditors began their year-end field work on September 9th in which staff has spent significant time providing auditors with requested backup documentation
- Completed groundwater extraction fee invoicing for Fillmore and Piru Basins GSAs and Mound Basin GSA



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- Provided administrative assistance of the following:
 - Drafting, finalizing, and distributing/posting materials for the UWCD's Water Resources Committee, Recreation Committee, Engineering and Operations Committee, and Finance and Audit Committee meetings
 - Additionally, for:
 - Fillmore and Piru Basins Groundwater Sustainability Agency's Board meeting as well as Groundwater Sustainability Plan workshops for the public
 - Mound Basin Groundwater Sustainability Agency's Board meeting and Groundwater Sustainability Plan workshop for the public
 - Ventura County Special District's Association
- Secured speakers and moderators for the upcoming Water Sustainability Summit II and worked with CV Strategies to develop promotional materials for the event




HUMAN RESOURCES

- Sent all staff e-mail regarding health care plan changes effective on January 1st, 2022
- Coordinating open enrollment requests from staff members for Health Care, FSA, and AFLAC to be effective January 1st of the next calendar year
- Hosting an All-Staff Health Care Overview presentation scheduled for October 6th
- Processed new employee onboarding paperwork for the following position:
 - Associate Environmental Scientist (Hannah Garcia-Wickstrum started on September 20)

UNITED WATER CONSERVATION DISTRICT • ADMINISTRATIVE DEPARTMENT RECAP

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EMPLOYEE RECRUITMENTS




Technology Systems Manager	Chief Financial Officer	Part Time Accountant
(Interviews completed September 28th and 29th)	(Interviews slated for next week – mid October)	(Resume reviews ongoing)

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- Trained and certified 12 District staff in Adult & Pediatric CPR/AED/First Aid
- Coordinated and organized Annual Fire Extinguisher Training
- Finalized update to Respiratory Protection Program
- Finalized update to HQ/Main Office Emergency Action Plan
- Supported District's participation in DHS CISA Validated Architecture Design Review (VADR) Assessment Planning
- Completed OSHA 2225 Respiratory Protection course as part of insurance's credit incentive program
- Collaborated with Engineering Department on providing physical and cyber security updates to FERC
- Provided COVID-19 Update to staff during monthly safety meeting


 UNITED WATER CONSERVATION DISTRICT • ADMINISTRATIVE DEPARTMENT RECAP

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- Worked towards completing the upgrade of the District's electronic filing software (this is the digital copies of the District's physical filing systems)
- Participated In the Project Kickoff with contractors preforming the SCADA Server Migration
- Technology, Security, and Safety and Risk Management staff participated in an assessment planning call with our partners at the Cyber Security and Infrastructure Security Agency (CISA)
- Initiated the formal Validated Architecture Design Review (VADR) program with CISA to effectively plan and support the assessment
- Tech Systems working through supply chain issues to continue the Tech Systems refresh program
- Information technology and network consultants facilitated plan to make changes necessary to support the new planned servers and technology systems upgrades


 UNITED WATER CONSERVATION DISTRICT • ADMINISTRATIVE DEPARTMENT RECAP

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Future Agenda Items





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ADJOURNMENT

Thank you!



United Water Conservation District
"Conserving water since 1927"



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Fiscal Year 2020-2021
Year End Financial Review

OCTOBER 12, 2021

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Highlights

REVENUE AND OPEX ACTUALS CONTINUE FAVORABLE TO BUDGET

REVENUE


- Operating revenue 24% ahead of plan on groundwater extraction and pipeline deliveries

EXPENDITURE

- Personnel slightly above budget (4%) due in part to increased staffing needs at Lake Piru as well as OT and CalPERS
- Professional fees, maintenance and travel drive underrun to budget
 - Partially offset by higher legal fees
- Allocated overhead below budget on lower OPEX

FUND BALANCE

- Freeman Fund below minimum balance – plan for remediation in development



UNITED WATER CONSERVATION DISTRICT

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Overview

WATER VOLUMES CONTINUE TO DRIVE REVENUE UPSIDE

In \$000's	4Q 20-21 Actual	4Q 20-21 Budget	4Q 19-20 Actual
Taxes	4,266	3,547	4,780
Water Delivery/Fixed Cost	11,907	9,024	10,343
Groundwater	15,919	13,820	13,936
Other Operating Revenue	447	505	2,463
Non-Operating Revenue	2,999	8,790	4,835
Total Revenue	35,538	35,686	36,357
Personnel Expense	7,075	6,822	6,900
Operating Expense*	13,648	15,014	15,870
Allocated Overhead	4,137	4,638	4,356
Debt Service	1,233	1,938	1,653
Other	639	585	1,441
Total Expenditure	26,732	28,997	30,220

*Includes Depreciation

REVENUE

- Revenue is at budget despite increased deliveries
- Mostly offset in Other Revenue as \$7M was budgeted for Debt Proceeds

EXPENDITURE

- Maintenance and Professional Fees combined are below budget \$1.3M, offset by the \$1.7M overrun of Legal Fees
- With depreciation included, Operating Expense increases \$1.2M favorably to budget

All funds, except for 420, above minimum reserve requirements at year end.



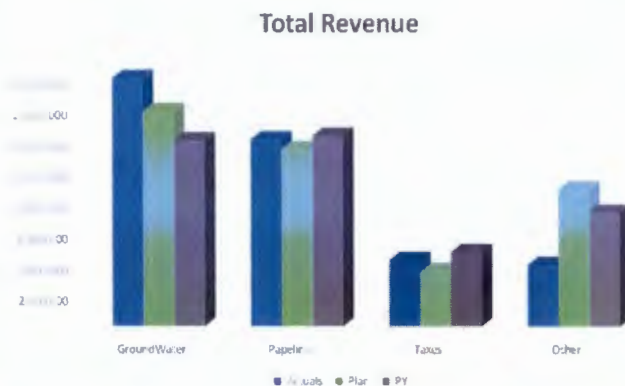
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Q4 2020-2021 Revenue

Q4 DOMINATED BY PIPELINE AND GROUNDWATER AHEAD OF BUDGET



TOTAL OPERATING REVENUE \$4.9M OVER BUDGET

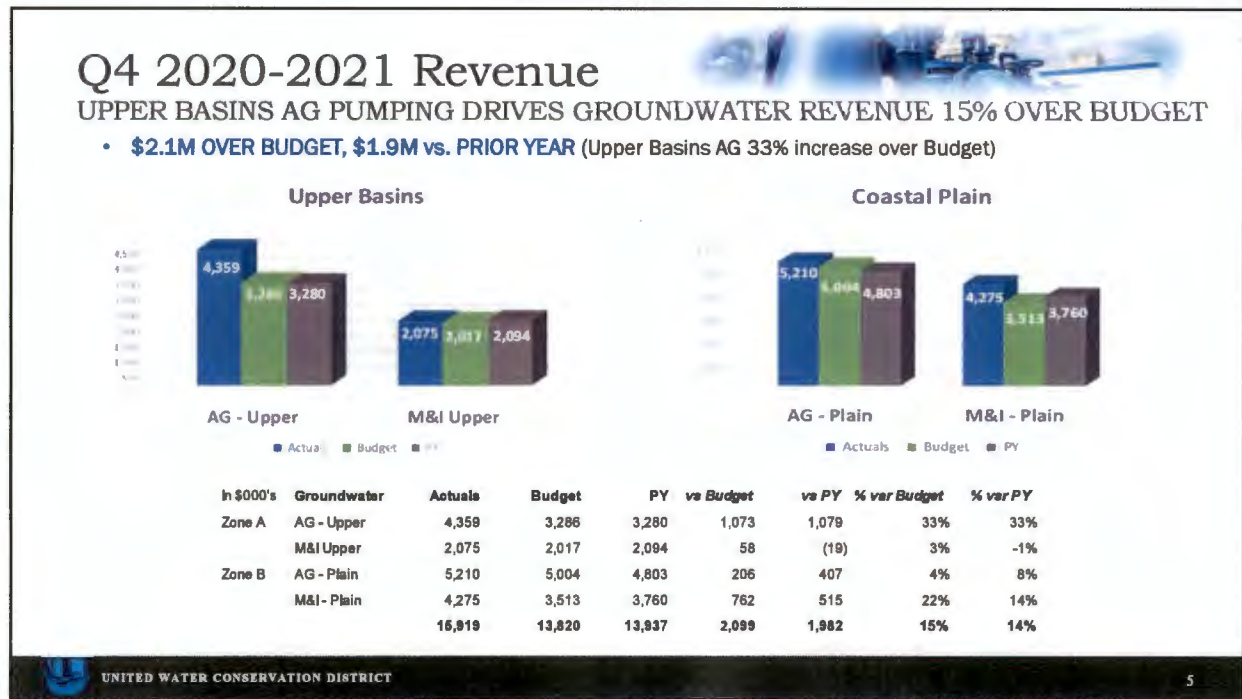
- Pipeline Revenue is \$2.8M above budget based on higher volumes as well as unbudgeted PV deliveries
- Groundwater Revenue is \$2.1M above budget from a 28% increase in Upper Basins volume
- Non-Operating Revenue offset the favorability of the increased volumes as budgeted Debt Proceeds were not recognized in Revenue



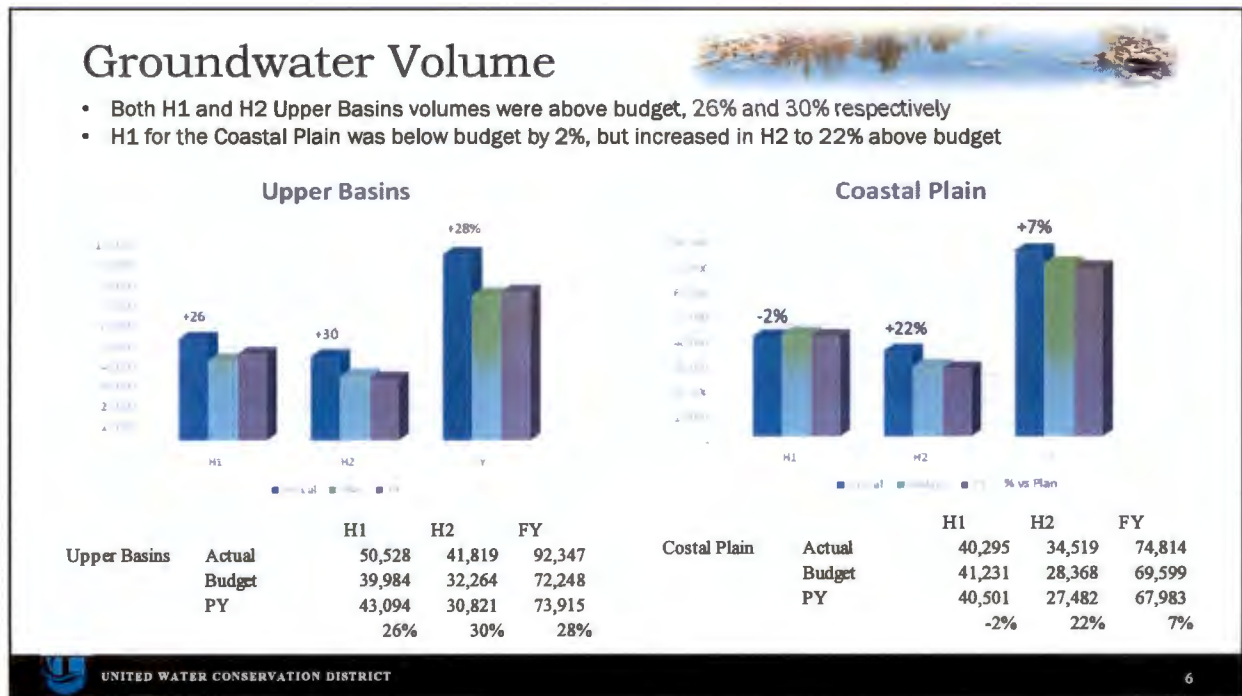
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Customer Name	FY 20-21	FY 19-20	% Change
FARMERS IRRIGATION CO,	10,996	8,424	31%
FISH AND WILDLIFE	8,303	2,943	182%
PLEASANT VALLEY CO WTR,	6,312	4,733	33%
SESPE AGRICULTURAL WATER,	6,200	4,609	35%
SOUTHLAND SOD FARMS,	4,971	4,757	5%
REITER BROTHER INC.	4,554	2,900	57%
DUDA FARM FRESH FOODS INC	4,207	4,126	2%
DEL NORTE WATER COMPANY,	2,497	2,046	22%
ALTA MUTUAL WATER CO,	2,452	2,058	19%
LAUBACHER FARMS INC	2,138	1,479	45%
Top 10 Total	52,629	38,075	38%
% of Billed AF	38%	33%	



Top Groundwater Pumpers



UNITED WATER CONSERVATION DISTRICT

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M&I



Customer Name	FY 20-21	FY 19-20	% Change
SAN BUENAVENTURA, CITY OF	9,243	8,716	6%
OXNARD - WTR DIV, CITY OF	8,089	7,026	15%
SANTA PAULA, CITY OF	4,469	4,155	8%
FILLMORE, CITY OF	2,193	1,960	12%
RIVER RIDGE GOLF COURSE	833	609	37%
CAMARILLO (A/P), CITY OF	468	970	-52%
WARRING WATER SERVICE,	457	408	12%
STERLING HILLS GOLF CLUB,	378	258	47%
VINEYARD AVE ACRES MUT,	259	173	50%
CALIFORNIA AMERICAN WATER	246	230	7%
Top 10 Total	26,635	24,506	9%
% of Billed AF	93%	90%	

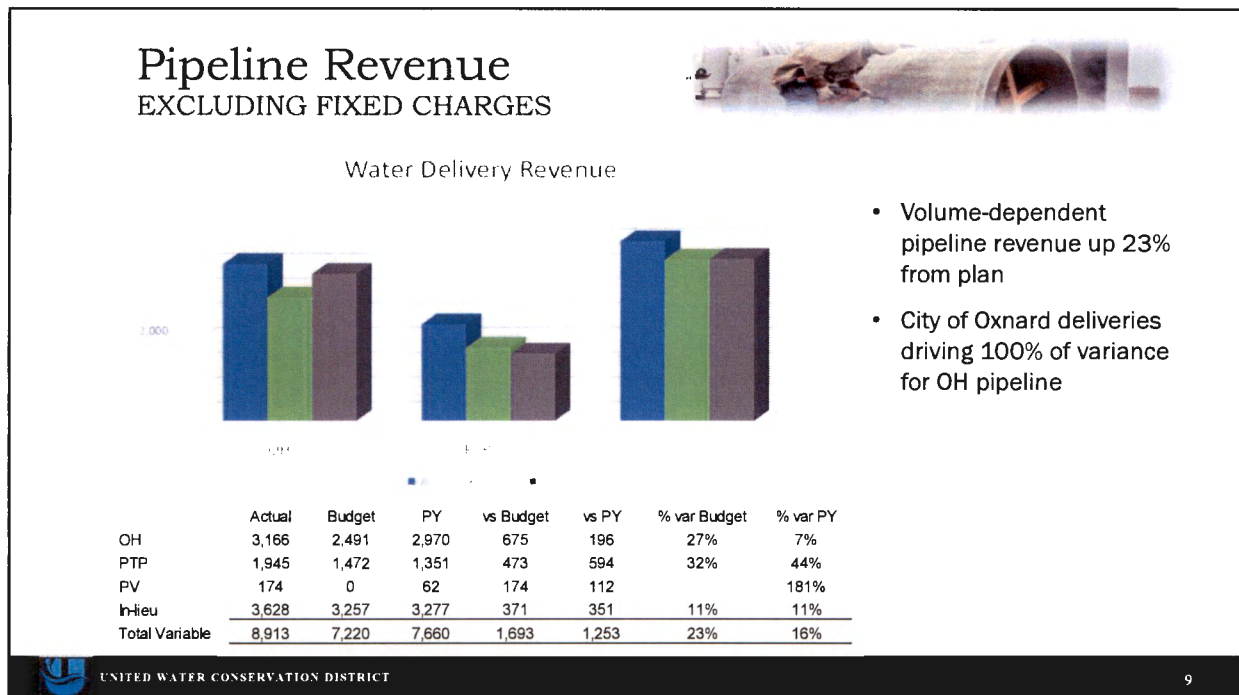
Top Groundwater Pumpers



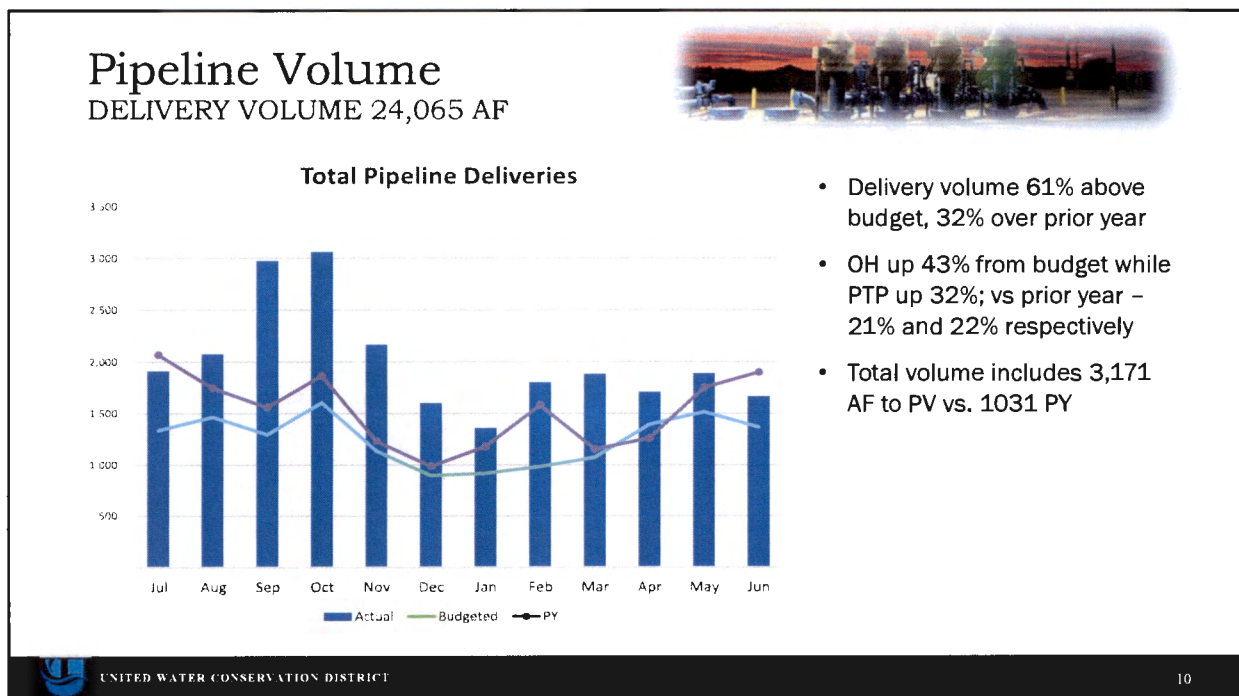
UNITED WATER CONSERVATION DISTRICT

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Personnel Expenses

\$250K 4% ABOVE BUDGET, 3% OVER PREVIOUS YEAR



\$000's	4Q 20-21 Actual	4Q 20-21 Budget	PY Actual	Var to Budget	% Var to Budget	Var to PY	% Var to PY
Regular Salary	4,343	4,054	4,164	289	7%	179	4%
Over-time Salary	129	99	133	30	30%	-4	-3%
Part-time	149	129	77	20	16%	72	94%
Salaries	4,621	4,282	4,374	339	8%	247	6%
Retirement- Classic	1,269	1,248	1,425	21	2%	-156	-11%
Retirement - PEPRA	122	108	111	14	13%	11	10%
Soc Sec/457b Expense	278	245	260	33	13%	18	7%
Medicare Expense	65	62	61	3	5%	4	7%
SUI Expense	11	12	10	-1	-8%	1	10%
Medical Ins Exp	516	561	511	-45	-8%	5	1%
LTD	3	5	3	-2	-40%	0	0%
Life Insurance	15	16	16	-1	-6%	-1	-6%
Worker's Comp Expens	82	138	129	-56	-41%	-47	-36%
OPEB	93	145	0	-52	-36%	93	100%
Employee Benefits	2,454	2,540	2,526	-86	-3%	-72	-3%
Personnel Expenses	7,075	6,822	6,900	253	4%	175	3%


- Increased staff needed for Lake Piru operations which was previously outsourced
- CalPERS benefits are over budget by \$34k and OT was above by \$30K

UNITED WATER CONSERVATION DISTRICT

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Operating Expenses

PROFESSIONAL FEES AND MAINTENANCE DRIVE PLAN UNDERRUN



\$000's	4Q 20-21 Actual	4Q 20-21 Budget	PY Actual	Var to Budget	% Var to Budget	Var to PY	% Var to PY
Prof Fees - Engineering	165	243	113	-78	-32%	52	46%
Prof Fees - Environmental	443	916	1,297	-473	-52%	-854	-66%
Prof Fees - IT consulting	79	43	25	36	84%	54	216%
Prof Fees - GW Consulting	95	40	157	55	138%	-62	-39%
Prof Fees - Other	857	1,145	902	-288	-25%	-45	-5%
Professional Fees	1,639	2,387	2,494	-748	-31%	-855	-34%
Legal Fees	4,489	2,715	5,408	1,774	65%	-919	-17%
Utilities	1,599	1,545	1,154	54	3%	445	39%
Maintenance	842	1,443	799	-601	-42%	43	5%
Field Supplies	393	487	327	-94	-19%	66	20%
Insurance	344	355	249	-11	-3%	95	38%
Office Expenses	163	167	71	-4	-2%	92	130%
Miscellaneous	2,554	3,268	3,348	-714	-22%	-794	-24%
Travel, Trainings and Meetings	25	188	93	-163	-87%	-68	-73%
Gasoline, Diesel, Fuel	110	179	130	-69	-39%	-20	-15%
Fox Canyon GMA	555	301	263	254	84%	292	111%
Safety, supplies, clothing	71	82	58	-11	-13%	13	100%
Telephone	13	21	14	-8	-38%	-1	-7%
General Operating Expenses	6,669	8,036	6,506	-1,367	-17%	163	3%
State Water Import Costs	851	1,876	1,462	-1,025	-55%	-611	100%
Total Operating Expense	13,648	15,014	15,870	-1,366	-9%	-2,222	-14%


- Planned Maintenance costs were \$600K favorable to budget
- Travel, Trainings and Meetings were below budget by \$160K, mostly due to travel restrictions resulting from COVID-19
- Combination of all Professional Fees are under budget by \$750K, Environmental makes up \$470K of this favorability
- Legal Fees offset the favorability by \$1,775K

UNITED WATER CONSERVATION DISTRICT

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Vendor	FY20-21	FY19-20	\$ Change	% Change
GEI CONSULTANTS, INC	2,959	1,138	1,821	160%
CITY OF VENTURA	2,078	324	1,754	541%
ATKINSON, ANDELSON, LOYA, RUUD AND ROMO	1,920	2,209	(289)	-13%
ENVIRONMENTAL ADVOCATES	1,192	1,061	131	12%
SO. CALIFORNIA EDISON	1,159	1,411	(252)	-18%
SPECIAL DISTRICT RISK	595	431	164	38%
PMC - LAKE PIRU RECREATION	502	306	196	64%
FOX CANYON GW MANAGEMENT AGENCY	499	228	271	119%
BEST DRILLING AND PUMP INC	433	-	433	0%
STANTEC CONSULTING SERVICE	369	282	87	31%
Top 10 Total	11,706	7,390	4,316	58%

Top Vendors
Excluding: SWP, Taxes,
Debt Service, and CIP




UNITED WATER CONSERVATION DISTRICT

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Capital Improvement Projects Update					
FREEMAN PHYSICAL MODELING AND FE AND MN CONSTRUCTION WILL PICK UP CIP PACE IN H2					
Project Description	Current FY 20-21	Budget FY 20-21	% FY Budget	Total to Date	% of Total Est. Project Cost spent to date
OHP Iron and Manganese Treatment Removal	205,349	4,039,156	5%	1,220,713	13%
SFD Outlet Works Rehab	1,598,412	1,297,194	123%	4,263,383	8%
SFD PMF Containment	1,692,037	1,052,369	161%	4,291,845	10%
OH System Emergency Generator	202,510	908,775	22%	202,510	22%
Well Replacement Program	558,692	714,429	78%	1,190,827	75%
Freeman Diversion Rehab	1,682,394	589,294	285%	5,818,750	8%
PTP Turnout Metering System	230,518	442,339	52%	1,022,222	58%
Pothole Trailhead	202,717	190,828	106%	402,552	80%
Lake Piru e-Kiosk	-	105,500	0%	-	0%
Others	686,850	402,197	171%	2,047,117	
Total	7,059,480	9,742,081	72%	20,459,918	48%



UNITED WATER CONSERVATION DISTRICT

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Supplemental Water Purchase Fund

STATUS UPDATE

	<u>Revenue (\$000'S)</u>
Beginning Balance - July 1, 2021	\$1,799
REVENUES	
Surcharge Revenue	\$507
Water Delivery	\$112
LAIF Interest	\$6
EXPENDITURES	
2021 Carryover Water Purchase (2)	\$825
Ending Balance June 30, 2021	\$1,599

