

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
Tuesday, January 11, 2022 – 9:00 A.M.
UWCD Headquarters, Board Room
1701 N. Lombard Street, Oxnard, CA 93030

COMMITTEE MEMBERS PRESENT:

Chair Sheldon G. Berger
Bruce Dandy
Lynn Maulhardt

STAFF PRESENT:

Mauricio E. Guardado, Jr., General Manager
Anthony Emmert, Assistant General Manager
Josh Perez, Chief Human Resources Officer
Zachary Plummer, Technology Systems Manager
Maryam Bral, Chief Engineer
Daryl Smith, Controller
Ambry Tibay, Senior Accountant
Jackie Lozano, Administrative Assistant

PUBLIC PRESENT:

None

OPEN SESSION 8:59 A.M.

Chair Berger called the meeting to order at 8:59 A.M.

Committee Members Roll Call

The Clerk called roll. Chair Berger as well as Director Maulhardt and Director Dandy were present.

1. Public Comment

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

2. Approval of the Agenda

The Committee received and reviewed the UWCD Finance and Audit Committee Agenda of January 11, 2022. Motion to approve the Committee meeting agenda, Director Dandy; Second, Director Maulhardt. Voice vote, three ayes (Berger, Dandy, Maulhardt); none opposed. Motion carried, 3/0.

3. Approval of Minutes

The Committee received and reviewed the draft Committee meeting minutes of December 7, 2021. Motion to approve the Committee meeting minutes, Director Maulhardt; Second, Director Dandy. Voice vote, three ayes (Berger, Dandy, Maulhardt); none opposed. Motion carried, 3/0.



4. January 12, 2022, Board Meeting Agenda Items

The Committee reviewed the following agenda items to be considered for approval at the January 12, 2022, Board of Directors meeting:

Agenda Item 5.1: Memorandum of Understanding with Palmdale Water District

Board Motion

Assistant General Manager Mr. Anthony Emmert summarized the motion item for the Committee. General Manager Mauricio Guardado, Jr., added when this item was presented at the Palmdale Water District (PWD) Board of Directors meeting, and it was voted Aye unanimously by their full board. There was excitement about the partnership and opportunity this will bring about between the two agencies. This MOU was highlighted as an excellent example of what all agencies should be looking to do in the region. The Committee members expressed approval and staff will look to build additional collaborative agreements with others. Having similar interests and goals, this partnership would eliminate some potential duplication of efforts and strengthen policies between agencies. Director Dandy also attended the Palmdale meetings and mentioned it was nice to hear what PWD had to say. After further discussion among Committee members and staff, Director Maulhardt thought it helpful if PWD staff made a presentation to the District's Board on what they do - to start a dialogue which could hopefully lead into a future joint Board of Directors meeting. He would like to see the momentum gained through this process continue. Follow up was scheduled to take place the next day at the monthly Board of Directors meeting at United. Director Maulhardt suggested, at the Committee or Board level, develop action markers/milestones, and determine how to meet those milestones along the way. He thought that this could become a model opportunity for other agencies.

No further comments or questions were offered by the Committee. The Committee would recommend approval of the motion item to the full Board.

No public comments were offered.

Agenda Item 5.2: Resolution 2022-03 Adding Chief Financial Officer as Signatory to United Water Conservation District's (District) Bank of Sierra Accounts and Remove Signatories No Longer Affiliated with the District

Board Motion

Controller Mr. Daryl Smith summarized the motion item for the Committee. There were no questions or comments from the Committee or staff. The Committee would recommend approval of Resolution 2022-03 to the full Board.

No public comments were offered.

5. Monthly Investment Report (November 2021)

Information Item

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

No comments or questions from the Committee. No action was taken by the Committee. No public comments or questions were offered.



6. Pipeline Delivery Report (November 2021)

Information Item

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

No further comments or questions from the Committee. No action was taken by the Committee. No public comments or questions were offered.

7. Board Requested Cost Tracking Items

Information Item

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.

Director Dandy requested clarification on where the asterisk on the City of Ventura Lawsuit Cost item tied into the comments. He also had a question regarding the Legal Fees and Other Professional Fees calculations, specifically the total of the two combined. He stated that the two should add up to approximately \$42 million, and appeared to him that there was an error in the worksheet. Mr. Smith agreed and stated that he would follow-up on both issues after the meeting.

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

8. Monthly Administrative Services Update

Information Item

Financial updates for the month of December 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).

Upon conclusion of Mr. Smith's summary of motion items with fiscal impact, Director Berger had some concerns about the out-of-pocket expenses relating to the proposed Motion Item 5.3 which would authorize the General Manager to approve proposed change orders in response to adjusted material and equipment costs related to the Buy American Act compliance for the Iron and Manganese Removal Project. Chief Engineer Dr. Maryam Bral provided a brief explanation to the Committee members. She explained that the buy American requirement was part of the recently received federal grant, and although it would increase the construction cost of the project, receiving the grant would still yield a net benefit to ratepayers of approximately \$3 million dollars. Upon further discussion among the Committee and staff, Director Maulhardt suggested there may be a need to explain this to District constituents, if a question arose.



Mr. Smith continued by presenting highlights on the benefits of water diversion at the Freeman facility. Mr. Guardado commented it is beneficial for the Committee and Board members to see more information like this which was adding value to the message of what United provides and the cost savings to the customers. The Committee concurred. There was some discussion on the water flows during the recent downpour of rain the area had experienced and if there were any negative impacts to United operations. There were none. Director Maulhardt expressed his concerns with the growing debris and vegetation growth along the local water channels that could reduce their capacity to convey flood flows.

During the Administrative Department update, there was discussion surrounding technology security measures and operating systems. Mr. Perez assured the Committee that the United team was taking a proactive approach in addressing these issues as well as training and educating the District's employees on the vulnerabilities. Director Berger questioned whether the Department of Homeland Security offers grants for the upgrade of security systems? Mr. Perez's response was that the District does look for opportunities for additional funding and/or grants. This brought up further discussion from Director Maulhardt regarding the District's financial institution security measures. He suggested as a future action item for United staff, to evaluate the current security measures the District has in place with its banking needs and what the risks are.

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

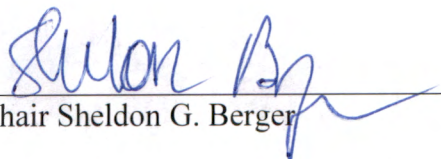
9. Future Agenda Items


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

ADJOURNMENT 10:02 A.M.

Chair Berger adjourned the meeting at 10:02 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 January 11, 2022.

ATTEST: 
Chair Sheldon G. Berger



United Water

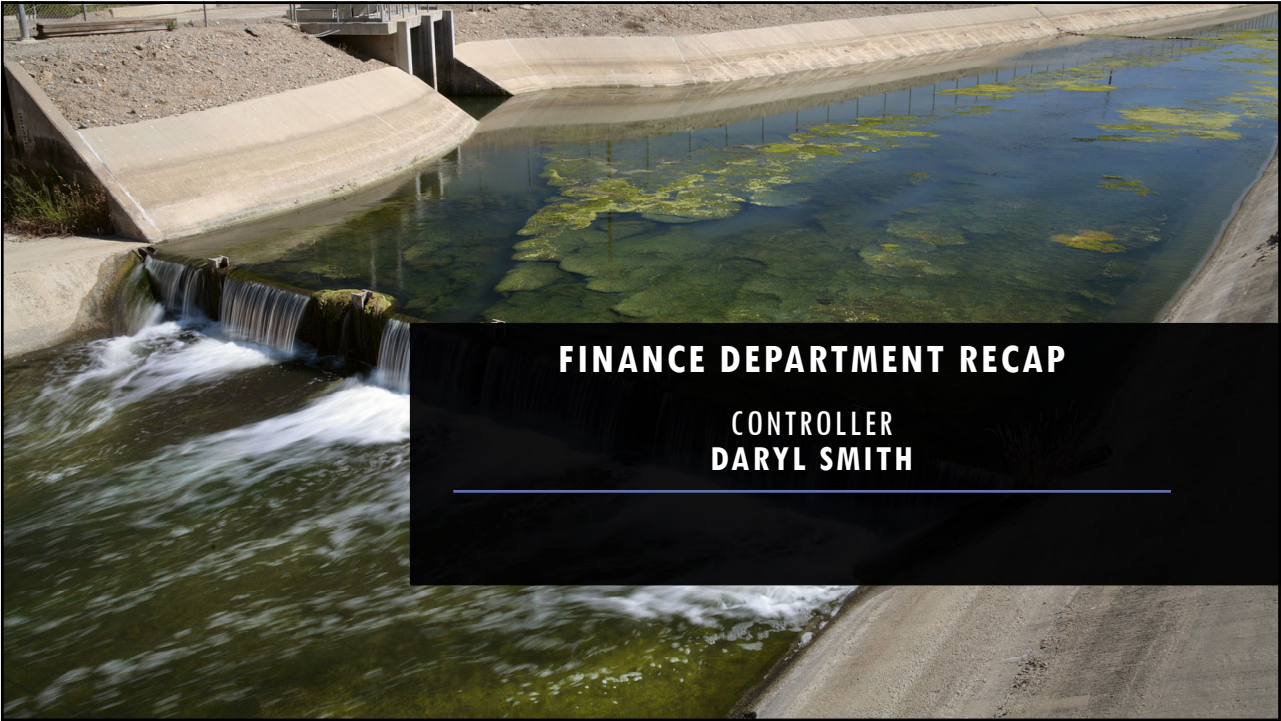
CONSERVATION DISTRICT

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


DECEMBER 2021 RECAP

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UPCOMING BOARD MOTION ITEMS						
Motion Number	Sponsor	Description/Summary	Budget Y/N	Funding Source	Cash Impact of Approval	Other Financial Impact
5.3	Engineering Department	Authorize the General Manager to approve proposed change orders in response to adjusted material and equipment costs related to the Buy American Act compliance for the Iron and Manganese Removal Project	Y	451-400-81060	\$1M	--
5.4	Engineering Department	Engineering Services to support the hardened ramp physical modeling	Y	421-400-81020	\$341,254	--
5.6	Park and Recreation Department	Approval of licensing agreement between UWCD and Tommy's Boats, LLC for the Operation of the Marina and Boat Rental Services at the Lake Piru Recreation Area	N	N/A	--	Positive cash flow
TOTAL					\$1.3M	

UNITED WATER CONSERVATION DISTRICT • FINANCE DEPARTMENT RECAP

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<div>ACCOUNTS PAYABLE</div> <div>430 payables processed with a total amount of \$1.8M</div> <div></div> <div>UNITED WATER CONSERVATION DISTRICT • FINANCE DEPARTMENT RECAP</div>	<div>PAYROLL</div> <div><ul style="list-style-type: none">• Paid 12 payroll-related vendors a total amount of \$519K• Gross: \$854K• Net: \$584K</div> <div></div> <div>4</div>
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CASH COLLECTIONS

Pipeline: \$ 1.1M


Groundwater: \$ 16K

Property Tax: \$ 3.3M

Rent: \$ 10K

Miscellaneous (Lake Piru): \$ 24K

Total: \$ 4.5M





UNITED WATER CONSERVATION DISTRICT • FINANCE DEPARTMENT RECAP

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LAKE PIRU
CASH COLLECTIONS

Day Use: \$ 4.1K

Concessions: \$ 900



Boating & Watercraft: \$ 450


Boat Storage: \$ 1.5K

Camping: \$ 10.9K

Miscellaneous: \$ 6.1K

Total: \$ 24K






UNITED WATER CONSERVATION DISTRICT • FINANCE DEPARTMENT RECAP

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Benefits of Water Diversion at Freeman

- Diverted surface water from recent rains has an approximate value of \$4,957M.
- Approximately 1,860 AF of water spread at El Rio to assist with nitrate challenges as well as water added to the aquifer.
- Additional savings from the reduction of pumping due to direct water deliveries. This includes the reduction of greenhouse gases from well pumps not running.




UNITED WATER CONSERVATION DISTRICT • FINANCE DEPARTMENT RECAP

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Finance Department Updates

- Completed FY 2020-21 Annual Comprehensive Financial Report (ACFR) and delivered to Board of Directors at December meeting.
- Submitted application to Government Financial Officers Association for award for excellence in financial reporting based on FY 2020-21 ACFR.
- Prepared groundwater statements for first half of fiscal year for 2021-22 and delivered to users.
- Began preparations for FY 2022-23 Budget.
- FY 2019-20 and FY 2020-21 Auditors Financial Reports for Mound Basin GSA and Fillmore and Piru Basins GSA have been completed.






UNITED WATER CONSERVATION DISTRICT • FINANCE DEPARTMENT RECAP

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- Prepared onboarding paperwork for new Chief Financial Officer to start on January 18.
- Prepared selection paperwork for Technology Systems Manager.
- Posted internal/external positions for Reservations Coordinator and Environmental Services Field Technician. Reviewing applications for the positions in coordination with management staff.
- Submitted and processed 2022 flexible spending plan for staff to be effective January 1, 2022, which also incorporated a change of provider because of a merger.
- Submitted Auditor’s annual Internal Controls Report to SDRMA.



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CURRENT EMPLOYEE
RECRUITMENTS

Recreation -
Reservations
Coordinator


Position posted
and interviews
pending


Environmental
Services – Field
Assistant

Position posted and
interviews pending

CFO

Selection made –
official start date will
be 01/18/22








UNITED WATER CONSERVATION DISTRICT • ADMINISTRATIVE DEPARTMENT RECAP

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- Obtained approval from Ventura County EMS on the District’s Public Safety-First Aid Naloxone Procedures and Protocol.
- Partnered with HR to review, evaluate, and incorporate pertinent legislative updates to Rangers Policy Manual.
- Supported Engineering Department with preparing Annual Security Compliance Certification with FERC.
- Coordinated/Secured eight hours of confined space refresher training for staff on site in February that would aid in minimizing travel costs and operational disruptions.
- Updated COVID-19 Prevention Program Plan and provided updates to staff at safety meeting and awareness messaging.



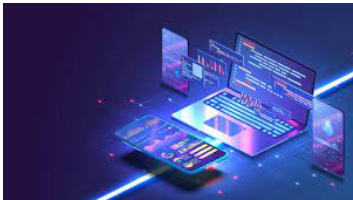



UNITED WATER CONSERVATION DISTRICT • ADMINISTRATIVE DEPARTMENT RECAP


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- Executive out-brief completed, and recommendations provided for continued improvement by the Department of Homeland Security for our Validated Architecture Design Review.
- Board of Directors adopted Technology Systems Use Policy.
- Actively working on integrating new servers for District-wide use.



UNITED WATER CONSERVATION DISTRICT • ADMINISTRATIVE DEPARTMENT RECAP

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Future Agenda Items





UNITED WATER CONSERVATION DISTRICT

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ADJOURNMENT

Thank you!

United Water Conservation District

"Conserving water since 1927"

UNITED WATER CONSERVATION DISTRICT

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