

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
Monday, May 31, 2022 – 10:00 a.m.
UWCD Headquarters, Board Room
1701 N. Lombard Street, Oxnard, CA 93030

COMMITTEE MEMBERS PRESENT:

Chair Lynn E. Maulhardt
Director Sheldon G. Berger
Director Mohammed A. Hasan

STAFF PRESENT:

Mauricio E. Guardado, Jr., general manager
Anthony Emmert, assistant general manager
Brian Zahn, chief financial officer
Josh Perez, chief human resources officer
Brian Collins, chief operations officer
Dr. Maryam Bral, chief engineer
Daryl Smith, controller
Dan Detmer, water resources manager
Zachary Plummer, technology systems manager
Ambry Tibay, senior accountant
Edward Reese, IT systems administrator
Jackie Lozano, administrative assistant

PUBLIC PRESENT:

None

OPEN SESSION 10:05 a.m.

Chair Lynn Maulhardt called the meeting to order at 10:05 a.m.

Committee Members Roll Call

The Clerk called roll. Chair Maulhardt as well as Directors Hasan and Berger were present.

1. Public Comment

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

2. Approval of the Agenda

Motion to approve the Committee meeting agenda, Director Berger; Second, Director Hasan. Voice vote, three ayes (Hasan, Berger, Maulhardt); none opposed. Motion carries, 3/0.

3. Approval of Minutes

The Committee received and reviewed the draft Committee meeting minutes of May 2, 2022. Motion to approve the Committee meeting minutes, Director Hasan; Second, Director Berger. Voice vote, three ayes (Hasan, Berger, Maulhardt); none opposed. Motion carries, 3/0.



4. June 8, 2022, Board Meeting Agenda Items

The Committee reviewed the following agenda items to be considered for approval at the June 8, 2022, Board of Directors meeting:

4a. Agenda Item 3.E: Resolution 2022-26 Approving The Addition of the Chief Financial Officer and Controller as Authorized Signatories to United Water Conservation District's (District) Accounts in the County's Treasury Investment Pool and the Ventura County Financial Management System

The Committee received and reviewed the staff report and attachment as provided in the Finance and Audit Committee agenda packet. Since this recommendation was general in nature, Chair Lynn Maulhardt motioned the Committee members who were all in agreement of recommending this motion item to the full Board for approval. There were no comments or questions from the Committee. No public comments or questions were offered.

4b. Agenda Item 5.2: Resolution 2022-24 Adopting the Proposed District Budget Plan, Financial Policies, Overhead Allocation Method, Staffing Levels and Salary Schedules for Fiscal Year 2022-23, and Appropriation Carryovers for Fiscal Year 2021-22

The Committee received and reviewed the staff report and attachment as provided in the Finance and Audit Committee agenda packet. Chief Financial Officer Brian Zahn provided a presentation of the final changes of the Financial Policies to the Committee members (attached). There was discussion among the Committee members and staff regarding the increase to the Petty Cash limit for the Lake Piru Recreational Area. Director Berger mentioned many locations were moving towards cashless transactions, including some sporting events that only accept credit and debit cards. He suggested the same could stand true for the District, should it choose to move in that direction. It was mentioned, District staff considers the demographics of who the visitors are and continually evaluates operations for efficiency.

Also discussed was the proposed increase of the PTP Pipeline Reserve to \$1M. Mr. Zahn provided the dollar amount of the current year's actual which is \$907K. Questions arose from the Committee members such as, "What happens whe the capped is reached?" and "Where do excess funds come from, if an emergency or catastrophic repair exceeds the \$1M?" Mr. Zahn explained that the reserve would be kept at a manageable amount to be reviewed annually during the budget cycle. Should repairs exceed the \$1M reserve, the District would be paying the additional funds required which they do have the authority to do. The District's Chief Operating Officer Brian Collins provided some examples of what a serious incident may resemble. Chair Maulhardt expressed his appreciation of staff's input.

With input from Directors Hasan and Berger, Director Maulhardt commented that the range can be set to \$900K to \$1M, and that Engineering and Operations had been good at looking ahead on preventative maintenance projects. The Committee would recommend approval to the full Board the adoption of Resolution 2022-24.



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

4c. Board Motion Item 5.3: Resolution 2022-25 Requesting the Auditor-Controller to Compute and Affix a Tax Rate for the Fiscal Period 2022-23 Sufficient to Satisfy the State Water Project Charges

The Committee received and reviewed the staff report and attachment as provided in the Finance and Audit Committee agenda packet. Mr. Zahn briefly summarized the request to the Committee members. The members were all in agreement to move this item forward for recommendation to the full Board for approval.

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

5. Monthly Investment Report (April 2022)

Information Item

The Committee members received and reviewed the monthly investment report as presented in the Finance and Audit Committee agenda packet. There were no comments or questions from the Committee. No public comments or questions were offered.

6. Pipeline Delivery Report (April 2022)

Information Item

The Committee members received and reviewed the pipeline delivery report as presented in the Finance and Audit Committee agenda packet. There were no comments or questions from 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) summary of Board motion item(s) with fiscal impact.

There were no 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 May 2022 were provided to the Committee by Mr. Zahn. Chief Human Resources Officer Josh Perez presented updates on Administration, Human Resources, Risk Management, and Information Technology (presentation attached).



During the presentation updates by Mr. Perez, there was discussion among the Committee members and staff relating to Casitas' handling of monitoring payments with the State Water Program. Also discussed was the likelihood of the District staying with the current auditing company. Controller Daryl Smith responded that staff would decide next year and evaluate whether the District would need to change.

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

9. Future Agenda Items

Chair Maulhardt polled the Committee as to any future agenda items. No agenda items were brought forward from the Committee.

ADJOURNMENT 10:58 a.m.

Chair Maulhardt adjourned the meeting at 10:58 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 May 31, 2022.

ATTEST:

A handwritten signature in blue ink, appearing to read 'Lynn E. Maulhardt', is written over a horizontal line. Below the line, the name 'Chair Lynn E. Maulhardt' is printed.


Chair Lynn E. Maulhardt



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Budget Transfers

Current Approval Limit

- \$0 - \$10K CFO
- \$10 - \$100K CFO and GM


Proposed Approval Limit

- \$0 - \$25K CFO
- \$25K - \$100K CFO and GM

BUDGET AMENDMENT POLICY

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Mileage


- IRS mileage as published in current policy \$0.56
- New IRS mileage \$0.585

EXPENSE POLICY

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CalOES Corrective Action Plan




- Adding standards of conduct related to conflicts of interest in accordance with the requirements contained in Title 2 CFR,220.318(c)(1)
- Adding federally required provisions per Title 2 CFR, Part 200 including:
 - a) Debarment and Suspension
 - b) Byrd Anti-Lobbying and Certification
 - c) Clean Air Act and Federal Water Pollution Control Act
 - d) Equal Employment Opportunity clause
- Adding language for solicitation of small and minority business in accordance with Title 2 CFR, Part 200.321 to the standard contract

PROCUREMENT POLICY

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PTP Pipeline Reserve



- Current \$200K - \$300K
- Proposed \$1.0M

Per our discussions with Operations, one serious incident (rupture, damaged pipe, etc.) on the PTP Pipeline would cost in excess of \$1.0M. All UWCD funds have reserves that reasonably cover any unforeseen incident.

RESERVE POLICY

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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.

ADMINISTRATIVE SERVICES DEPARTMENT

APR-MAY 2022
UPDATES

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FINANCIAL UPDATE

CHIEF FINANCIAL OFFICER
BRIAN H. ZAHN

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CASH COLLECTIONS

Pipeline: \$ 970K

Groundwater: \$ 24K

Property Tax: \$ 1.96M



2020 COP: \$ 4.25M


Grants: \$ 663K

Rent: \$ 55K

Lake Piru: \$ 98K

Total: \$ 8M





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LAKE PIRU
CASH COLLECTIONS

Day Use: \$ 23K

Concessions: \$5K



Boating & Watercraft: \$ 6K


Boat Storage: \$ 2K

Camping: \$ 58K

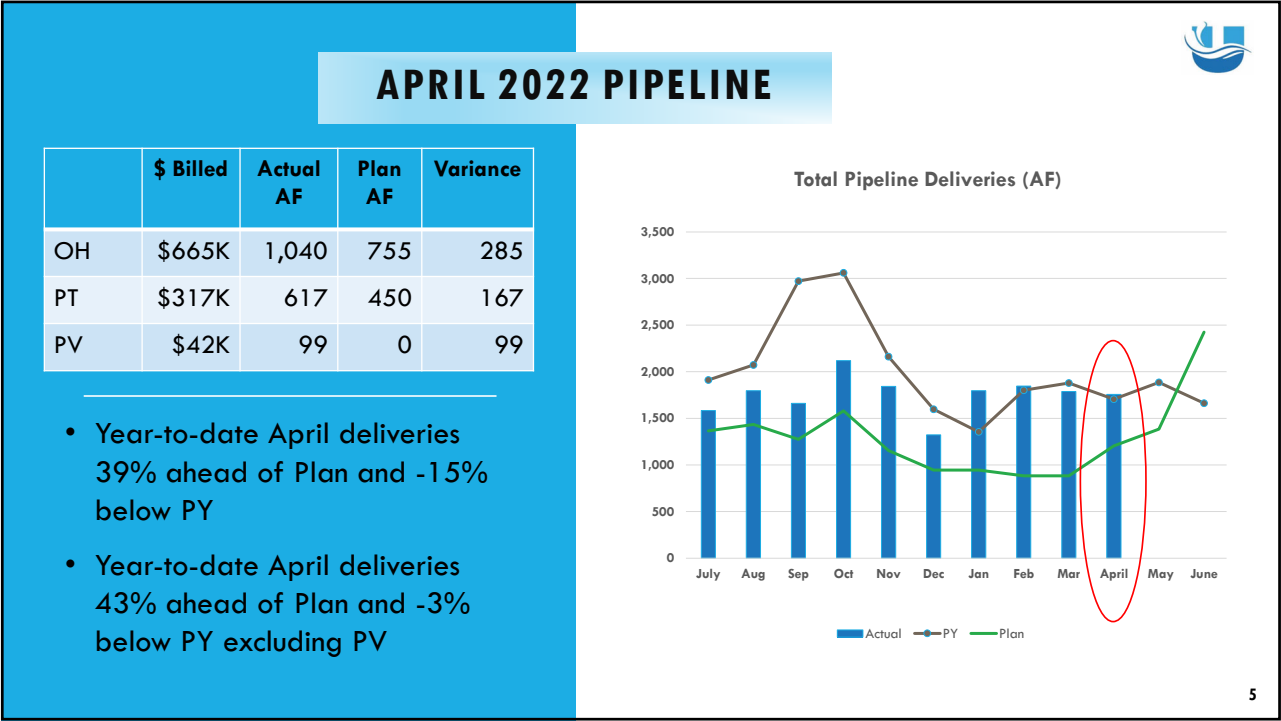
Miscellaneous: \$ 4K

Total: \$ 98K






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BOARD MOTION ITEMS with FISCAL IMPACT

Motion Number	Sponsor	Description/Summary	Budget Y/N	Funding Source	Cash Impact of Approval	Other Financial Impact
5.1	Water Resources	Conclusion of Annual Groundwater Hearing, Acceptance of Public Comment and Setting of 2022-23 Zones and Extraction Charges (Resolution No.'s 2022-22 and 2022-23)	N/A	N/A	Revenues	N/A
5.6	Operations and Maintenance	Authorize the Supplemental Appropriation of Funds to Purchase a Replacement Pump for the Pumping Trough Pipeline (PTP) Reservoir	N	PTP Reserves (Fund 470)	(189K)	N/A
TOTAL					(\$189K)	

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FINANCE DEPARTMENT



- Met with Department Managers to review their March YTD spend and created an updated projection and analysis of total FY 21-22 spend.
- Presented Proposed FY 22-23 Budget and Financial Policies at the May 11 Board meeting.
- Held meetings with the OH and PTP customers to discuss the FY 22-23 Budget and District activity.
- Held audit kickoff meeting and began interim fieldwork for the audit.
- Prepared FY 22-23 Proposed Budget for GSAs.
- Began recruitment for open Accounting Technician and Accountant II positions.
- Provided O&M with financial data needed for filling out the State Water Resources Control Board’s Electronic Annual Report for the OH Pipeline.


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ADMINISTRATIVE SERVICES UPDATE


CHIEF HUMAN RESOURCES OFFICER
JOSH PEREZ





- Working on completing PAFs for merit pay and administrative leave for selected eligible staff members.
- Processed exit documents for several full-time and part-time staff that submitted retirement notices or resignations during the month.
- In coordination with Water Resources Department, assisted in gathering Groundwater Hearing exhibits for the 2022 Groundwater/Workshop Hearings.
- Worked with Department managers on strategies to improve preparations for staff turnover and upcoming changes.
- Worked with SDRMA regarding several ongoing insurance claims submitted regarding vehicle damage.

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457 PLAN UPDATE

- As discussed in the March 31, 2022, Finance and Audit Committee meeting, we have reviewed and made the decision based on all the information available for consideration that the best course of action is to consolidate the 457 Plan with Lincoln Financial Group.
- This will dramatically lower the cost of investments for all current and future United staff participating in the plan and leverage assets under management resulting in modernization of accounts for employees.

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CURRENT EMPLOYEE RECRUITMENTS

Accounting Technician:

Selection made – pending GM approval of candidate

Accountant II:


Job posting closed – interviews being scheduled

Lead Field Technician:

Job posting closed – selection committee reviewing candidates

Human Resources Generalist:


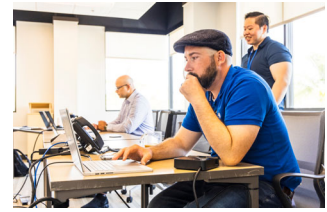


Job posting closed, selection committee reviewed candidates, interviews being scheduled



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- Led DHS Dams Sector Information Sharing Drill across multiple departments and partnered with IT Department on evaluating technology in District EOC.
- Trained and certified 10 new staff members in CRP/AED/First Aid at Lake Piru Recreation Area.
- Delivered Annual Heat Illness Prevention Training at monthly safety meeting.
- Continued respiratory fit testing efforts throughout O&M.
- Procured audiometric device for in-house hearing testing which will begin in July.
- Supported IT Department with cyber security efforts as needed.
- Supported HR Department with HR Generalist candidate screenings/reviews.



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- IT and Risk Management participated in a nationwide drill exercise. Internal staff had the opportunity to assess our readiness to activate the EOC and evaluate our responses to the simulated scenarios.
- Completed cybersecurity review with the DHS Vulnerabilities Detection team.
- IT staff provided technology support for several district-held hybrid meeting events as well as technical assistance to relocate computer and network equipment into the modernized Lake Piru entrance Kiosk.
- IT staff are continuing to recommend District employees to submit requests through the ticketing application allowing IT staff to prioritize support and security responses.

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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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