

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
Monday, October 3, 2022, at 9:00 a.m.
UWCD Headquarters, Board Room
1701 N. Lombard Street, Oxnard, CA 93030

COMMITTEE MEMBERS PRESENT:

Lynn E. Maulhardt, chair
Bruce E. Dandy, director (on behalf of Director Berger)
Mohammed A. Hasan, director

COMMITTEE MEMBER ABSENT:

Sheldon G. Berger, director

STAFF PRESENT:

Anthony Emmert, assistant general manager
Jackie Lozano, administrative assistant
Josh Perez, chief human resources officer
Zachary Plummer, technology systems manager
Daryl Smith, controller
Ambry Tibay, senior accountant
Brian Zahn, chief financial officer

PUBLIC PRESENT:

None

OPEN SESSION 9:04 a.m.

Chair Lynn Maulhardt called the meeting to order at 9:04 a.m.

Committee Members Roll Call

The Clerk called roll. Chair Maulhardt and Director Hasan were present as well as Director Dandy who was sitting in for Director Berger.

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 Hasan; Second, Director Dandy. Voice vote, three ayes (Hasan, Maulhardt, Dandy); none opposed; one absent (Berger). Motion carries, 3/0/1.

3. Approval of Minutes

The Committee received and reviewed the draft Committee meeting minutes of September 6, 2022. Motion to approve the Committee meeting minutes, Director Hasan; Second, Chair Maulhardt. Voice vote, two ayes (Hasan, Maulhardt); none opposed; one abstained (Dandy); one absent (Berger). Motion carries, 2/0/1/1.



4. October 12, 2022, Board Meeting Agenda Items

There were no motions for the Finance and Audit Committee members to review in advance of the October 12, 2022, UWCD Board of Directors meeting.

5. Fiscal Year 2021-2022 Year End Financial Reports (July 1, 2021 – June 30, 2022)
Information Item

The Committee reviewed and discussed with staff the fiscal year 2021-2022 financial reports, status of Capital Improvement Projects, and Investment Benchmark report, and as provided in a presentation by Chief Financial Officer Brian Zahn. Regarding Revenue and Expenditure (slide 3), Chair Maulhardt requested staff to revise the slide to show the delta between revenue increase and expenditure decrease, before bringing presentation to the Board. Also, there was some discussion between staff and the Committee regarding agriculture groundwater pumping (slide 7). Due to the sensitive nature of the discussion, the Committee requested an Executive (Closed) Session to continue the conversation at a later date. Upon the conclusion of discussion regarding Vendors (slide 13), Chair Maulhardt would like staff to give more thought into solar electricity when feasible for the District.

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

6. Monthly Investment Report (August 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.

7. Pipeline Delivery Report (August 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.

8. Board Requested Cost Tracking Items

Information Item

The Committee members received and reviewed the costs-to-date that the District had incurred:

- a) as part of the licensing efforts and the probable maximum flood studies for the Santa Felicia Dam;
- b) in relation to general environmental mandates, and CESA;
- c) in relation to litigation with the City of Ventura, Wishtoyo Foundation, Fifth Amendment takings, 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) a 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.



9. Monthly Administrative Services Update

Information Item

Financial updates for the previous month were presented by Mr. Zahn. Human Resources Officer Josh Perez presented updates on Administration, Human Resources, Risk Management, and Information Technology (presentation attached). At the conclusion of the presentation, Chair Maulhardt asked staff to have on standby the updated Year End Financial Report presentation for the Board. No other presentations or highlights were requested to be brought forward. Mr. Zahn addressed the Committee to mention that the Board may see public representation from a groundwater user who would like to discuss their overdue account. It would be staff's recommendation to hold the action taken by the Board and not rescind any order in order to keep things moving forward.

In closing, Director Dandy asked staff when they would be providing the Board with a status update of all the significant dollar projects. Mr. Zahn answered, staff is reviewing these projects with the General Manager, and they are working on a forecast.

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

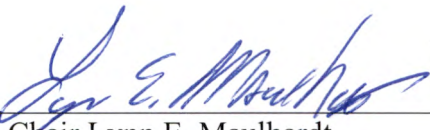
10. Future Agenda Items


No agenda items were brought forward from the Committee.

ADJOURNMENT 9:59 a.m.

Chair Maulhardt adjourned the meeting at 9:59 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 3, 2022.

ATTEST: _____
Chair Lynn E. Maulhardt



Fourth Quarter Fiscal Year End 2021-2022 Financial Review


OCTOBER 3, 2022



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Highlights

REVENUE AND OPERATING EXPENSES ACTUALS CONTINUE FAVORABLE TO BUDGET




REVENUE

- Total operating revenue is \$2.9M or 8% ahead of budget
 - Pipeline revenues are favorable to budget by \$1.4M or 12%
 - Groundwater revenues are favorable to budget by \$479K or 3%
 - Taxes are favorable to budget by \$1.7M or 34%
 - Other revenue was unfavorable to budget by \$603K or 66% due to an increase in Allowance for Doubtful Accounts

EXPENDITURE

- Personnel expenses are below budget \$300K or 3.0% due in part to open positions
- Professional and legal fees are below budget \$2.1M or 30.0% due to underspending across all departments
- Utilities are over budget \$316K or 17% primarily due to higher electricity prices
- Operations/Maintenance are below budget \$1.2M or 24.5%
- Allocated overhead is below budget \$194K on lower operating expenses

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Overview

WATER RATES AND VOLUME CONTINUE TO DRIVE REVENUE UPSIDE

in \$000's	FY21-22 Actual	FY21-22 Budget	FY20-21 Actual
Taxes	6,552	4,879	4,266
Water Delivery/Fixed Cost	12,531	11,147	11,907
Groundwater	18,139	17,660	15,919
Other Operating Revenue	1,823	1,918	447
Non-Operating Revenue	327	835	2,999
Total Revenue	\$ 39,372	\$ 36,440	\$ 35,538
Personnel Expense	10,703	11,003	7,075
Professional Fees	4,768	6,826	6,128
Operating Expense*	7,355	9,748	7,520
Debt Service	1,078	1,333	1,233
Other	2,047	2,005	639
Total Expenditure	\$ 25,950	\$ 30,915	\$ 22,595

*Includes Depreciation

REVENUE


- Revenue is better than budget \$2.9M
 - Pipeline favorable \$1.4M
 - Taxes favorable \$1.7M.
 - Groundwater favorable \$0.5M

EXPENDITURE

- Professional fees, legal fees, and maintenance combined are below budget \$2.8M
- With depreciation included, total Operating expense was \$2.4M favorable to budget

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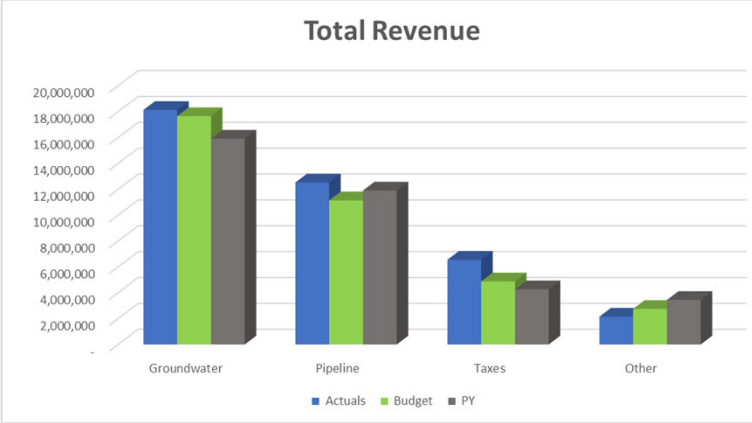
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FY2021-2022 Revenue

GROUNDWATER, PIPELINE AND TAX REVENUE AHEAD OF BUDGET

Total Revenue



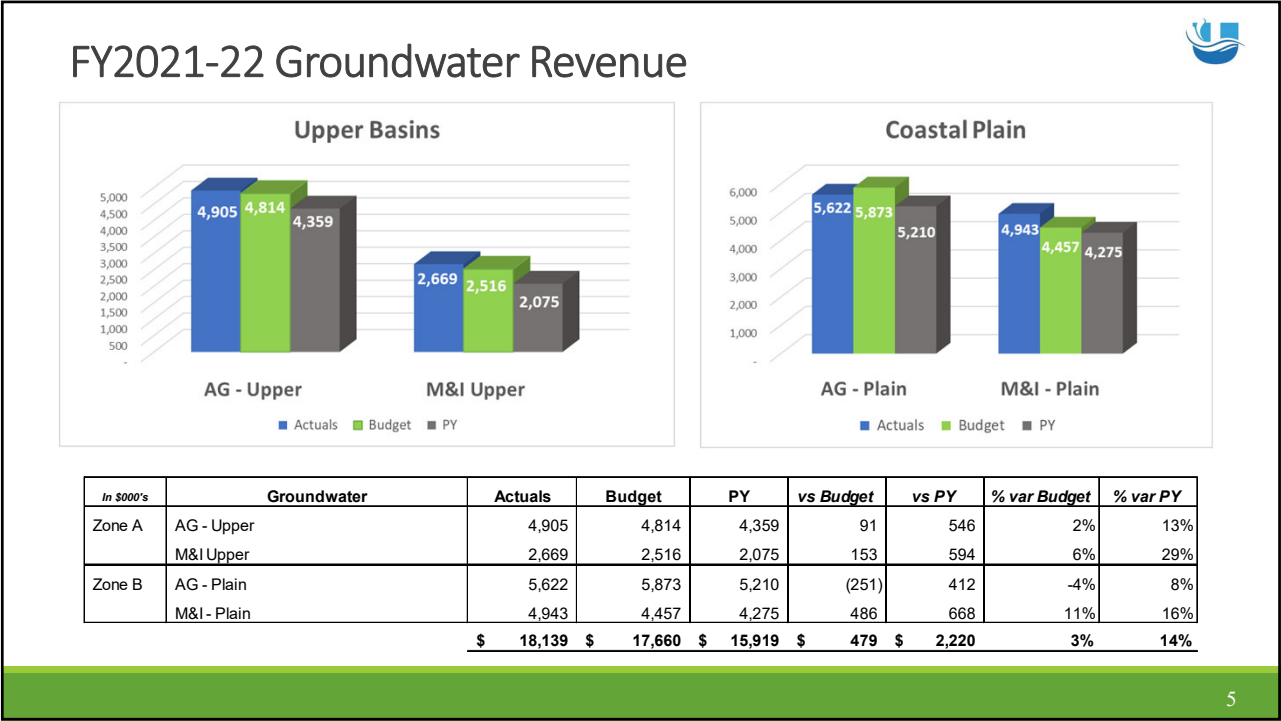
Category	Actuals	Budget	PY
Groundwater	18,139	17,660	15,919
Pipeline	12,531	11,147	11,907
Taxes	6,552	4,879	4,266
Other	1,823	1,918	447

TOTAL OPERATING REVENUE \$2.9M OVER BUDGET

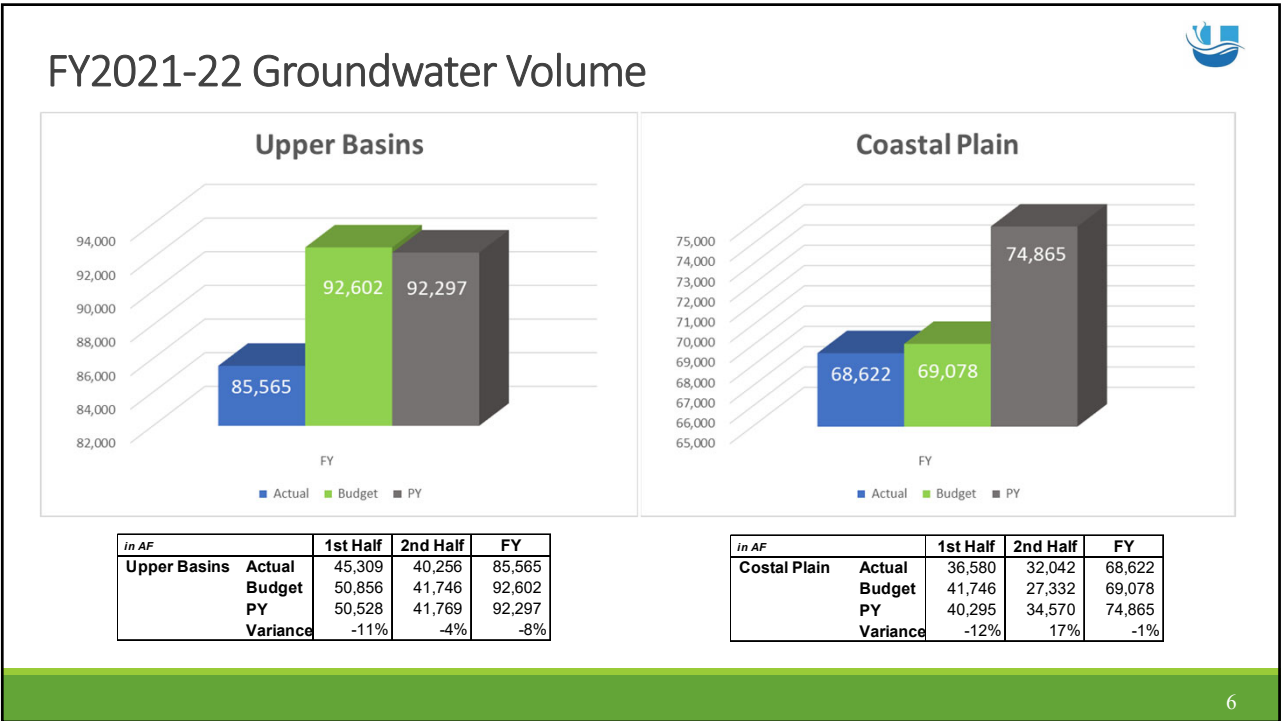
- Pipeline revenue is \$1.4M above budget due to higher rates and volumes
- Tax revenue is \$1.7M favorable to budget due to higher property values
- Groundwater is \$0.5M favorable to budget due to volume
- Other revenue is slightly unfavorable to budget \$0.6M

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Top-10 Groundwater Pumpers - AG

Customer Name	Total AF 2021-2022	Total AF 2020-2021	Difference	% Change
FARMERS IRRIGATION CO.	10,075.01	10,995.63	(920.62)	-8%
PLEASANT VALLEY CO WTR,	8,273.85	6,311.71	1,962.14	31%
FILLMORE FISH HATCHERY,	8,242.56	8,303.06	(60.50)	-1%
SESPE AGRICULTURAL WATER,	4,434.61	6,199.92	(1,765.31)	-28%
REITER BROTHERS INC.	4,233.01	4,553.64	(320.63)	-7%
SOUTHLAND SOD FARMS,	3,935.35	4,971.49	(1,036.14)	-21%
DUDA FARM FRESH FOODS INC	3,674.66	4,206.81	(532.15)	-13%
SAN CAYETANO MUTUAL WTR,	2,221.12	2,336.63	(115.51)	-5%
DEL NORTE WATER COMPANY,	2,195.23	2,497.27	(302.04)	-12%
ALTA MUTUAL WATER CO,	2,138.94	2,451.61	(312.67)	-13%

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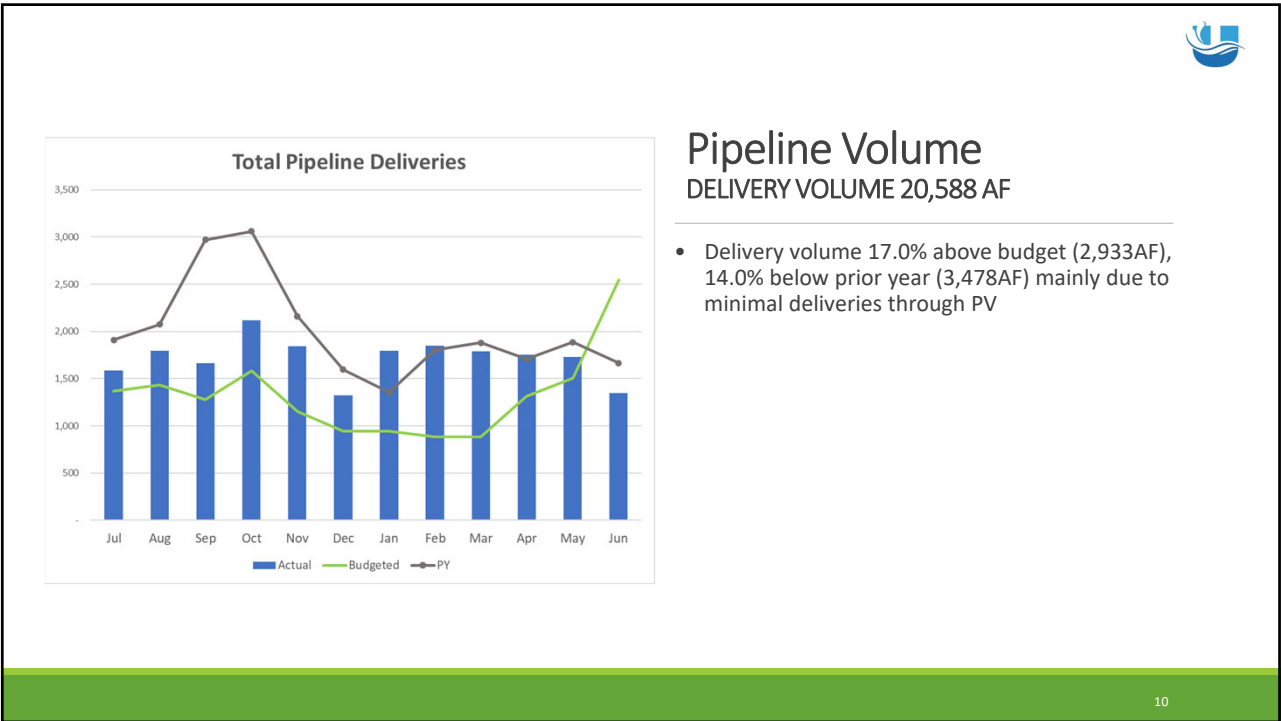
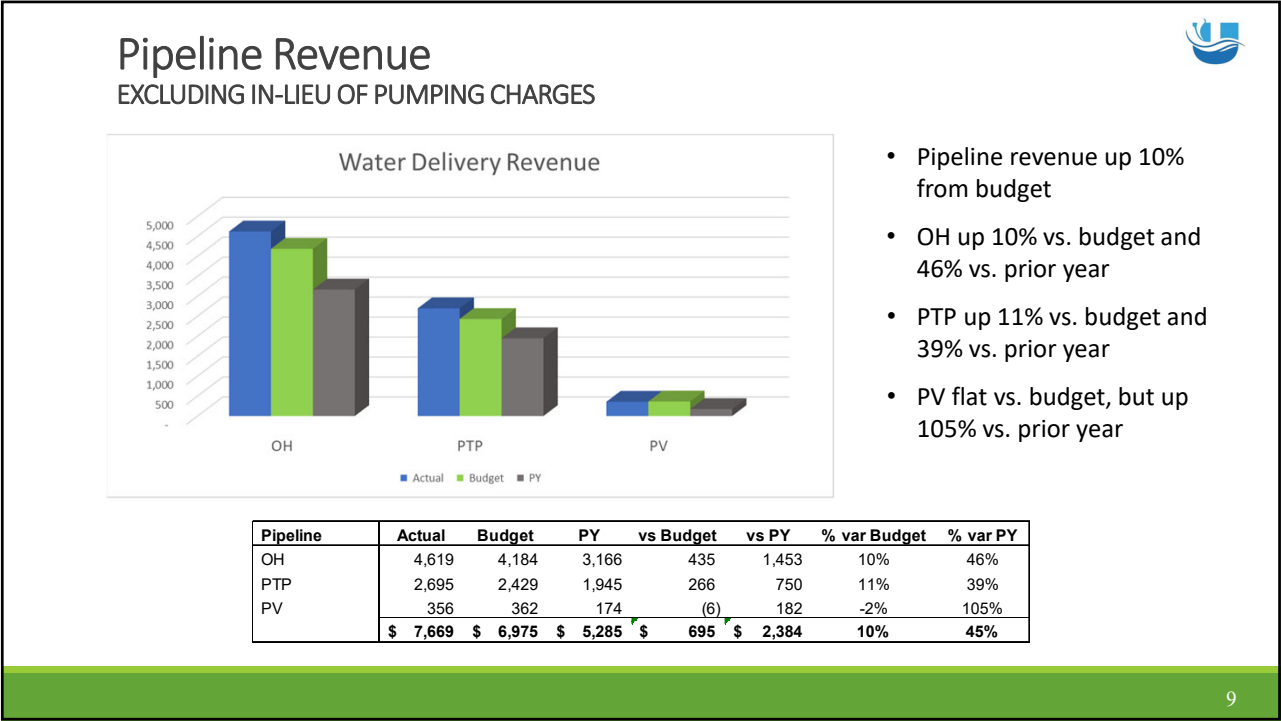


Top-10 Groundwater Pumpers - M&I

Customer Name	Total AF 2021-2022	Total AF 2020-2021	Difference	% Change
SAN BUENAVENTURA, CITY OF	10,476.45	9,243.44	1,233.01	13%
OXNARD - WTR DIV, CITY OF	6,218.18	8,088.79	(1,870.61)	-23%
SANTA PAULA, CITY OF	4,484.30	4,468.87	15.43	0%
FILLMORE, CITY OF	2,167.99	2,193.05	(25.06)	-1%
CAMARILLO (A/P), CITY OF	1,201.59	468.07	733.52	157%
RIVER RIDGE GOLF COURSE	728.95	833.13	(104.18)	-13%
WARRING WATER SERVICE,	494.09	456.77	37.32	8%
STERLING HILLS GOLF CLUB,	341.21	378.17	(36.96)	-10%
CALIFORNIA AMERICAN WATER	223.13	246.34	(23.21)	-9%
BOSKOVICH FARMS INC,	211.59	151.89	59.70	39%

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Personnel Expenses

\$000's	FY 2021-22 Actual	FY2021-22 Budget	PY Actual	Var to Budget	% Var to Budget	Var to PY	% Var to PY
Regular Salary	6,839	6,801	4,343	38	1%	2,496	57%
Over-time Salary	134	190	129	-56	-30%	5	4%
Part-time	352	356	149	-4	-1%	203	136%
Salaries	7,325	7,347	4,621	-22	0%	2,704	59%
Retirement- Classic	1,601	1,656	1,269	-55	-3%	332	26%
Retirement - PEPR	218	211	122	7	3%	96	78%
Soc Sec/457b Expense	412	399	278	13	3%	134	48%
Medicare Expense	105	109	65	-4	-4%	40	61%
SUI Expense	12	22	11	-10	-46%	1	8%
Medical Ins Exp	791	934	516	-142	-15%	275	53%
LTD	19	16	3	3	16%	16	525%
Life Insurance	24	27	15	-3	-13%	9	58%
Worker's Comp Expense	89	205	82	-116	-57%	7	9%
OPEB	107	78	93	30	38%	14	100%
Employee Benefits	3,378	3,656	2,454	-278	-8%	924	38%
Personnel Expenses	10,703	11,003	7,075	-301	-3%	3,628	51%

- Salaries are basically flat to budget
- Employee Benefits are positive to budget primarily due to:
 - Lower actuals in medical insurance
 - Lower workers compensation insurance

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Operating Expenses

PROFESSIONAL FEES AND MAINTENANCE DRIVE PLAN UNDERRUN



\$000's	FY 21-22 Actual	FY 21-22 Budget	PY Actual	Var to Budget	% Var to Budget	Var to PY	% Var to PY
Profess Fees - Engineering	58	325	165	(267)	-82%	(107)	-65%
Prof. Fees - Environmental	782	1,429	443	(647)	-45%	339	76%
Prof. Fees - IT consulting	55	164	79	(109)	-66%	(24)	-30%
Prof. Fees - GW Consulting	54	127	95	(73)	-57%	(41)	-43%
Prof. Fees - Other	901	1,674	857	(773)	-46%	44	5%
Professional Fees	\$ 1,850	\$ 3,719	\$ 1,639	\$ (1,869)	-50%	\$ 211	13%
Legal Fees	\$ 1,798	\$ 2,165	\$ 4,489	\$ (367)	-17%	\$ (2,691)	-60%
Utilities	2,078	1,752	1,599	326	19%	479	30%
Maintenance	1,659	2,543	842	(884)	-35%	817	97%
Field Supplies	663	916	393	(253)	-28%	270	69%
Insurance	560	358	344	202	56%	216	63%
Office Expenses	399	508	163	(110)	-22%	236	145%
Miscellaneous	38	139	2,554	(101)	-73%	(2,516)	-99%
Travel, Trainings and Meetings	112	238	25	(125)	-53%	87	350%
Gasoline, Diesel, Fuel	213	187	110	26	14%	103	94%
Fox Canyon GMA	747	629	555	118	19%	192	35%
Safety, supplies, clothing	157	158	71	(0)	0%	86	100%
Telephone	73	83	13	(10)	-12%	60	462%
General Operating Expenses	\$ 6,699	\$ 7,510	\$ 6,669	\$ (811)	-11%	\$ 30	0%
State Water Import Costs	\$ 795	\$ 1,802	\$ 1,462	\$ (1,007)	-56%	\$ (667)	100%
Total Operating Expenses	\$ 11,143	\$ 15,197	\$ 14,259	\$ (4,054)	-27%	\$ (3,116)	-22%

- Professional Fees are favorable to budget by \$1.9M, primarily driven by Engineering \$267K, Environmental \$646K, and Finance \$119K
- Legal fees are favorable to budget by \$367K
- Utilities are \$326K unfavorable to budget due to electricity rates
- Operations is \$1.1M favorable primarily driven by \$842K in maintenance savings and \$128K in license and permitting savings
- State Water import costs are favorable to budget by \$1.0M

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Top 10 Vendors

Excluding SWP, Taxes, Debt Service, and CIP

Vendor	FY 2021-22	FY 2020-21	\$ Change
ATKINSON, ANDELSON, LOYA, RUUD AND ROMO	\$ 2,509,646.00	\$ 1,919,648.42	\$ 589,997.58
SO. CALIFORNIA EDISON	\$ 1,974,506.80	\$ 1,151,332.39	\$ 823,174.41
ENVIRONMENTAL ADVOCATES	\$ 923,541.37	\$ 1,191,996.83	\$ (268,455.46)
SPECIAL DISTRICT RISK	\$ 563,115.96	\$ 594,862.61	\$ (31,746.65)
FOLEY & LARDNER LLP	\$ 473,523.15	\$ 504,187.60	\$ (30,664.45)
SOMACH, SIMMONS & DUNN	\$ 284,849.44	\$ 411,947.05	\$ (127,097.61)
R & B AUTOMATION, INC	\$ 265,166.86	\$ 63,564.34	\$ 201,602.52
SAWYER PETROLEUM	\$ 208,691.35	\$ 122,468.01	\$ 86,223.34
PACIFIC VISTA LANDSCAPE SERVICES, INC.	\$ 203,531.00	\$ 67,845.00	\$ 135,686.00
ROBERT HALF INTERNATIONAL, INC.	\$ 148,583.57	\$ 107,292.52	\$ 41,291.05
Top 10 Total	\$ 7,555,155.50	\$ 6,135,144.77	\$ 1,420,010.73

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Supplemental Water Purchase Fund

Status Update

	<u>Revenue (\$000'S)</u>
Beginning Balance - July 1, 2021	\$1,600
REVENUES	
Surcharge Revenue	\$934
Water Delivery	\$205
LAIF Interest	\$1
EXPENDITURES	
2021 Carryover Water Purchase	\$0
Ending Balance June 30, 2022	\$2,740

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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
MONTHLY UPDATE

October 3, 2022

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FINANCIAL UPDATE

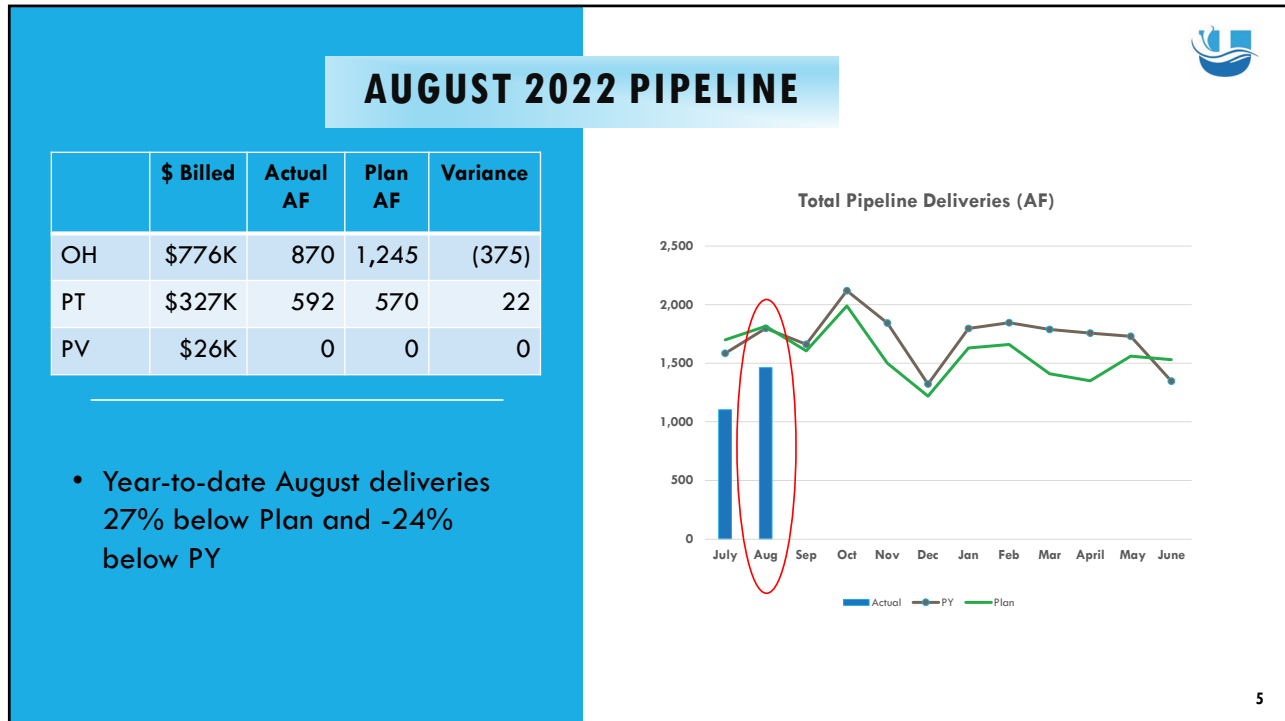
CHIEF FINANCIAL OFFICER
BRIAN H. ZAHN

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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	Engineering	Contract with Northwest Hydraulic Consultants for the Freeman Diversion Hardened Ramp Additional Modeling and Design Updates	Y	421-400-81020 CIP 8001	\$645,515	N/A
5.2	Environmental	Pre-implementation Studies in Support of FERC Fish Passage Assessment – Amendment to Professional Consulting Services Agreement with Cramer Fish Sciences	Y	050-600-52220 4340-300	\$425,633	N/A
TOTAL					1,071,148	

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FINANCE DEPARTMENT

- Finalized groundwater extraction fee billing for the period of January 1 to June 30, 2022, during the first week of September
- Completed groundwater extraction fee invoicing for Fillmore and Piru Basins GSA, and Mound Basin GSA
- Completed all year-end entries to close the books for fiscal year 2021-22 in preparation for audit fieldwork
- Completed fiscal year 2021-22 Fourth Quarter Financial Reports and Analysis of Total Year Spend
- Auditors began their year-end field work on September 12, 2022, and staff has spent significant time providing auditors with requested backup documentation
- Completed fiscal year 2020-21 Purchase Order and CIP Budget rollovers and closed outstanding Purchase Orders that needed to be closed-out per Finance Department instructions

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ADMINISTRATIVE SERVICES UPDATE

CHIEF HUMAN RESOURCES OFFICER
JOSH PEREZ

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- Coordinating open enrollment for Health Care, Flexible Spending Account and AFLAC Insurance to be effective January 1, 2023
- Sent out open enrollment emails to all staff members and calculated new rates
- Prepared for All-staff Health Care Overview presentation scheduled for September 20
- Prepared for All-staff 457 Plan presentation by Lincoln Financial for September 22
- Continued transition of 457 Plan and finalized payroll process for transition period
- Finalized Governmentjobs.com UWCD new recruitment tool and centralized system for all future job applicants
- Processed fiscal yearend annual evaluations
- Onboarded and began training the new Administrative Assistant III Vanessa Vasquez
- Onboarded Part Time Engineer Kaili Taniguchi

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CURRENT EMPLOYEE RECRUITMENTS


Environmental Services Manager

Position closed, resumes being review and interview planned

Park Ranger Cadet





Physical Agility exam 9/23 and 10/15 for candidates







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- Coordinated annual fire extinguisher training and service of all existing extinguishers Districtwide
- Participated in Dam Safety Owner Program Audit
- Supported Engineering staff with EAP Tabletop Exercise Planning
- Conducted hearing tests for remaining Engineering and Ranger staff as part of Hearing Conservation Program
- Delivered HQ Security and Emergency Response training to Administrative staff
- Collaborated with O&M Control Systems and District IT staff on implementing new security system migration
- Coordinated meeting with Ventura County Sheriff's Office on security system integration for Lake Piru and Santa Felicia Dam as part of the federated integration plan
- Partnered with legal counsel on refinement of draft Unmanned Aircraft Systems (UAS) policy to be presented to the Board upon General Manager review and concurrence

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- Established fiber optics wiring Build-out in headquarters server room
- Relocated the visual presentation equipment in the Board Room to the LAN room for noise reduction as well as future Board Room improvements
- Created Genetec camera, area, and user schematics, and provided access to the system to various subgroups. This will inevitably serve to enhance our security throughout all sites at the District.
- Met with Ventura County Sheriff's Office/Fillmore Police Department to discuss access to Genetec cameras post-server migration
- Continued contribution to IT portion of the annual Audit process.
- Continued efforts with our Cybersecurity Vulnerability Assessments.

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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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