



MINUTES
REGULAR BOARD MEETING

Wednesday, December 14, 2022, 12:00 P.M.
Board Room, UWCD Headquarters
1701 N. Lombard Street, Oxnard CA 93030

Board of Directors
Bruce E. Dandy, President
Sheldon G. Berger, Vice President
Lynn E. Maulhardt, Secretary/Treasurer
Mohammed A. Hasan
Catherine P. Keeling
Gordon Kimball
Daniel C. Naumann

General Manager
Mauricio E. Guardado, Jr.

Legal Counsel
David D. Boyer

DIRECTORS IN ATTENDANCE

Bruce E. Dandy, Board president
Sheldon G. Berger, Board vice president
Lynn E. Maulhardt, Board secretary/treasurer
Mohammed A. Hasan, director
Catherine P. Keeling, director
Gordon Kimball, director (arrived at 2:30pm)
Daniel C. Naumann, director (left meeting at 1:15 pm)

STAFF IN ATTENDANCE

Mauricio Guardado, general manager
David Boyer, legal counsel
Dr. Maryam Bral, chief engineer
John Carman, operations and maintenance program supervisor
Brian Collins, chief operations officer
Dan Detmer, water resources manager
Anthony Emmert, assistant general manager
Hannah Garcia-Wickstrum, associated environmental scientist
Robyn Gorecki, environmental services field technician
Tony Huynh, risk and safety manager
Tessa Lenz, environmental scientist-regulatory affairs
Craig Morgan, engineering manager
Josh Perez, chief human resource officer
Zachary Plummer, technology systems manager
Linda Purpus, environmental services manager
Ed Reese, technology systems specialist
Robert Richardson, senior engineer
Destiny Rubio, human resource generalist
Daryl Smith, controller
Kris Sofley, executive assistant/clerk of the Board
Clayton Strahan, chief park ranger
Ambry Tibay, senior accountant

PUBLIC IN ATTENDANCE

Dorothy Keeling
Oakley Keeling
Marsha Maulhardt
Roger Martinez, Vasquez & Company
Dan and Susan Pinkerton

1. FIRST OPEN SESSION 12:00 P.M.

President called the meeting to order at 12noon. He then asked District Legal Counsel David Boyer to outline the topics for discussion in Executive (Closed) Session.

Mr. Boyer stated that, pursuant to Government Code Section 54956.9(d)(2), one (1) case of anticipated litigation and, pursuant to Government Code Section 54956.9 (d)(1), five cases of existing litigation, including City of San Buenaventura v. United Water Conservation District, et al.; Wishtoyo Foundation, et al v. United Water Conservation District; OPV Coalition v Fox Canyon Groundwater Management Agency; United Water Conservation District v United States; and United Water Conservation District v. California Fish and Game Commission, would be discussed by the Board in Executive (Closed) Session.

**1.1 Public Comments
Information Item**

President Dandy asked if there were any public comments to be offered to the Board members. None were offered

1.2 Oath of Office Administered to Directors Gordon Kimball, Catherine P. Keeling, and Mohammed A Hasan

The Clerk of the Board administered the Oath of Office to newly elected Board member Catherine P. Keeling, representing Division 2; re-elected Board member Mohammed Hasan, representing Division 3; and appointed Director Gordon Kimball, representing Division 1, who was late in arriving, took his oath of office later in the meeting.

Director Keeling made a brief statement thanking voters as did Director Hasan

1.3 EXECUTIVE (CLOSED) SESSION 12:15 P.M.

President Dandy adjourned the meeting into Executive (Closed) Session at 12:15p.m.

2. SECOND OPEN SESSION AND CALL TO ORDER 1:21 P.M.

President Dandy called the second open session to order at 1:21p.m. He asked Director Keeling to lead everyone in reciting the Pledge of Allegiance.

2.1 Pledge of Allegiance
Led by Director Keeling

**2.2 Public Comment
Information Item**

President Dandy asked if there were any public comments for the Board members. None were offered.

2.3 Approval of Agenda

Motion

Motion to approve the agenda, Director Maulhardt; Second, Director Hasan. Voice vote: five ayes (Berger, Hasan, Keely, Maulhardt, Dandy), none opposed, two absent (Kimball, Naumann). Motion carries 5/0/2.

2.4 Oral Report Regarding Executive (Closed) Session

Information Item

President Dandy asked District Legal Counsel David D. Boyer to report the Board's actions during Executive (Closed) session. Mr. Boyer reported that the Board took no action during Executive (Closed) session that is reportable under the Brown Act.

2.5 Board Members' Activities Report

Information Item

President Dandy asked if there were any comments or questions regarding the Board members' monthly activities reports. Director Hasan reported that he received a letter of congratulations from Kai Luoma, executive officer of LAFCo, on Director Hasan's election to the Special District Alternate seat on the LAFCo Board. President Dandy added that Calleguas Water District's Raul Avila was elected to the primary Special District seat on the LAFCo Board.

2.6 General Manager's Report

Information Item

The General Manager reported that the District's federal legislative advocate Dennis Cardoza of Foley & Lardner, was voted "top lobbyist" of the year.

3. CONSENT CALENDAR: All matters listed under the Consent Calendar are considered routine by the Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board member pulls an item from the Calendar. Pulled items will be discussed and acted on separately by the Board. Members of the public who want to comment on a Consent Calendar item should do so under Public Comments. (ROLL CALL VOTE REQUIRED)

President Dandy asked if there were any questions or if any of the Board members required discussion of a particular Consent Calendar item. No requests were offered. President Dandy then asked for a motion.

Motion to approve the Consent Calendar, Director Hasan; Second, Director Keeling. Roll call vote: five ayes (Berger, Hasan, Keeling, Maulhardt, Dandy); none opposed; two absent (Kimball, Naumann). Motion carries unanimously 5/0/2.

A. Approval of Minutes

Motion

Approval of the Minutes for the Special Board Meeting of November 7, 2022, and the Regular Board Meeting of November 9, 2022.

B. Groundwater Basin Status Reports

Information Item

Receive and file Monthly Hydrologic Conditions Report for the District.

C. Monthly Investment Report

Information Item

Report on the District's investments and the availability or restriction of these funds. All investments are in compliance with the District's investment policy, which is reviewed and approved annually by the Board.

D. First Quarter Fiscal Year 2022-2023 Financial Reports (July 1, 2022 – September 30, 2022)

Information Item

The Board will receive a presentation from staff on the First Quarter 2022-2023 Financial Reports for the period of July 1, 2022, through September 30, 2022.

E. Resolution 2022-45 Subsequent Finding that the Governor of California issued a Proclamation of a State of Emergency on March 4, 2020 relating to the COVID-19 virus and local officials continue to recommend social distancing measures to mitigate the spread of the COVID-19 virus and Authorizing remote teleconference meetings of the legislative bodies of United Water Conservation District for the period of December 14, 2022, through January 13, 2023 pursuant to Brown Act provisions

Motion

Subsequent AB361 Findings May 11, 2022 through June 8, 2022 A Resolution Of The Board Of Directors Of United Water Conservation District Reaffirming That The Proclamation Of A State Of Emergency By The Governor Of California Issued On March 4, 2020 Relating To The Covid-19 Virus Remains In Effect And Local Officials Continue To Recommend Social Distancing Measures To Mitigate The Spread Of The Covid-19 Virus And Re-Authorizing Remote Teleconference Meetings Of The Legislative Bodies Of United Water Conservation District For The Period of December 14, 2022 through January 13, 2023 Pursuant To Brown Act Provisions

4. PRESENTATIONS AND MONTHLY STAFF REPORTS (By Department)

Operations and Maintenance Department – Brian Collins

4.1 Monthly Operation and Maintenance Department Report

Information Item

Chief Operations Officer Brian Collins introduced himself to Director Keeling and began his presentation (see attached slides), reporting on clean-up activities following the recent rain event, and ongoing efforts in the District's Sediment Management program under the existing CDFW permit. He also thanked Environmental Services' team for its support in this endeavor. Mr. Collins added that OH Well #12 had a VF drive failure and was being repaired. He also stated that staff is seeing slight increases in nitrates, but that increase is being offset by

the water that is currently being diverted. He reported a “catastrophic failure” of PTP Well #3 and staff is moving forward on repair, which should be completed by early January.

Park and Recreation Department – Clayton Strahan

4.2 Monthly Park and Recreation Department Report

Information Item

Chief Ranger Strahan stated that since there was no Recreation Committee meeting in December, he had no presentation but would answer any questions the Board may have regarding his summary report on monthly activities of the Park and Recreation Department. No comments or questions were offered.

Water Resources Department – Dan Detmer

4.3 Monthly Water Resources Department Report

Information Item

Water Resources Manager Dan Detmer stated that since there was no Water Resources Committee meeting in December, he had no presentation but would answer any questions the Board may have regarding his summary report on monthly activities of the Water Resources Department. No comments or questions were offered.

Administrative Services Department – Daryl Smith

4.4 Monthly Administrative Services Department Report –

Information Item

Controller Daryl Smith introduced Roger Martinez of the Vasquez & Company auditing firm to present the District’s final audit report to the Board. (see attached slides). Mr. Smith stated that the audit report includes input from the Board, staff, upper management and included examinations of IT specific control areas, the acquisition and disposal of capital assets and exposure to litigation.

Director Maulhardt stated that Mr. Martinez presented the report to the Finance and Audit Committee, adding that the District has been doing these audit reports for a long time and they are always clean. He said that a clean audit reflects well on management, staff and the Board and that all take the audit and the auditing process very seriously, and thanked staff and Mr. Martinez for their efforts.

Engineering Department – Dr. Maryam Bral

4.5 Monthly Engineering Department Report

Information Item

Chief Engineer Dr. Bral addressed the Board and began her presentation (see attached slides), which included updates on the Outlet Works project as well as regulatory compliance efforts for the Santa Felicia Dam, including functional exercise every five years, which is scheduled for February 2023. She also discussed the three phases of the Condor Point project at Lake Piru Recreation Area, including new shade structures in the picnic area, landscaping improvements and, by 2024, an improved swim beach. She also reported the anticipated completion of the Iron

and Manganese treatment project by Spring 2023 and staff's involvement in public outreach efforts including a FERC webinar on November 2, a tour of Pyramid Dam on November 15 and the California Coastal Commissions CalAm Desal tour on November 17.

She asked if there were any questions or comments from the Board. None were offered.

Environmental Services Department – Linda Purpus

4.6 Monthly Environmental Services Department Report

Information Item

Environmental Services Manager Linda Purpus addressed the Board and began her presentation (see attached slides). Ms. Purpus reported that this presentation was given to the Engineering and Operations Committee, who requested three key items be brought to the Board's attention. This included pre-implementation study of middle Piru Creek in early November, FERC Fish Passage feasibility assessment addressing engineering and biological issues and CDFW permitting which included a sampling at over 12 sites. Ms. Purpus also reported partnership building with the California Conservation Corp and that, during November, Park Services documented a rock slide on Piru Creek up above Piru Canyon Road, identifying some engineering feasibility issues. Other issues were discussed between Board members and Ms. Purpus which ended with Director Maulhardt thanking Mr. Purpus and staff for all of their efforts.

5. MOTION ITEMS (By Department)

Administrative Services Department – Brian Zahn and Josh Perez

5.1 Resolution 2022-38 Adopting UWCD Unmanned Aircraft System - Authorization and Operations Policy

Motion

Chief Human Resources Officer Josh Perez addressed the Board regarding adoption of Resolution 2022-38, approving an unmanned aircraft system (drone) authorization and operations policy for the District. Mr. Perez stated that the policy had been reviewed by the District's risk and safety manager, legal team and management and was brought to the Finance Committee, who recommended bringing the motion forward to the Board. Mr. Perez explained that the policy would mitigate risk of using drones and adopts the standard practices of both state and federal laws. Director Maulhardt stated that he was aware that this is a big issue with the FAA and that the Committee members agreed to recommend approval of the Resolution and adoption of the new policy.

Motion to adopt Resolution 2022-38, approving an unmanned aircraft system (drone) authorization and operations policy for the District, Director Hasan; Second, Director Berger. Roll call vote: five ayes (Berger, Hasan, Keeling, Maulhardt, Dandy); none opposed; two absent (Kimball, Naumann). Motion carries unanimously 5/0/2.

Engineering Department – Dr. Maryam Bral

5.2 Contract Award to Kennedy Jenks Consultants, Inc. for Design Services Related to the Phase 1 of the Extraction Barrier and Brackish Water Treatment Project (CIP 8019)

Motion

Dr. Bral addressed the Board, requesting they authorize the General Manager to execute a professional consulting services agreement with Kennedy Jenks Consultants, Inc. in the amount of \$2,069,912 [\$1,881,738 plus 10% contingency (\$188,174)] to complete the design and bid documents for Phase 1 of the Extraction Barrier and Brackish (EBB) Water Treatment Project (CIP 8019).

Director Hasan stated that the general liability insurance should be for \$2 million and not the \$1 million that the contract currently requests. Dr. Bral replied that design projects typically haven't required that level of liability insurance, but it is something that could be considered for the future. Director Hasan said he would not vote for the award of the contract until liability insurance is increased to \$2 million.

Director Maulhardt said that this motion was presented to the Engineering and Operations Committee and presents a long-range view of District projects. He added that the US Navy is on board, and while he appreciates Director Hasan's comments, he proposed that the Board pass the motion and address increasing liability insurance coverage at the next Engineering and Operations Committee meeting. General Manager Mr. Guardado commented that he appreciates the comments made by both Director Maulhardt and Director Hasan relating to this project but would like to remind the Directors that this is not a construction project and liability is low and the dollar amount was recommended by the District's insurance carriers and a good firm may not have that level of coverage for analysis and design services.

Motion to award contract to Kennedy Jenks Consultants for design services related to the Phase 1 of the Extraction Barrier and Brackish Water Treatment Project in the amount of \$2,069,912 to complete the design and bid documents for Phase I of the EBB Water Treatment project, Director Maulhardt; Second, Director Berger. Roll call vote: four ayes (Berger, Keeling, Maulhardt, Dandy); one opposed (Hasan); two absent (Kimball, Naumann). Motion carries 4/1/2.

Environmental Services Department – Linda Purpus

5.3 Authorize a Contract with Environmental Science Associates (ESA) to provide Consultant Services for California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) Documentation and Regulatory Permitting for the Phase 1 of the Extraction Barrier and Brackish Water Treatment Project

Motion

Environmental Scientist- Regulatory Affairs Tessa Lenz addressed the Board to request the Board's authorization of the General Manager to execute an agreement

with Environmental Science Associates (ESA) in the amount of \$908,256 [\$825,687 + 10% contingency (\$82,569)] to provide consultant services for the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) Documentation, Processing, and Regulatory Permitting for the Phase 1 of the Extraction Barrier and Brackish Water Treatment Project (EBB Water). Ms. Lenz stated that the permitting for this phase of the project was being done in collaboration with project partner US Navy. The job was posted and the District received five proposals, and from those, three firms were interviewed and Environmental Science Associates was determined to be the top candidate.

Director Maulhardt said this was discussed at the Engineering and Operations Committee meeting and the Committee was recommending approval. Director Hasan interjected, stating that again, he has the same problem with this agreement as he believes the level of liability insurance coverage should be \$2 million. District's Legal Counsel Mr. Boyer reminded Director Hasan that the contract was AALRR's standard template and the liability insurance is for bodily injury not professional negligence. Director Hasan said he doesn't agree with the comments made and while the District may not need or use it, even smaller firms carry general liability insurance at \$2million. Mr. Guardado replied that perhaps staff could clarify for the Board why liability levels were set at that amount in the District's professional consulting services agreements at a later date.

Motion to authorize a contract with Environmental Science Associates in the amount of \$908,256 to provide consulting services for CEQA and NEPA documentation and regulatory permitting for Phase 1 of the EBB Water Treatment Project, Director Maulhardt; Second, Director Berger. Roll call vote: four ayes (Berger, Keeling, Maulhardt, Dandy); one opposed (Hasan); two absent (Kimball, Naumann). Motion carries 4/1/2.

Operations and Maintenance Department – Brian Collins

5.4 Authorize an Amendment to the University of Iowa Contract for the Physical Modeling of the Vertical Slot for the Freeman Expansion Project

Motion

Mr. Collins addressed the Board, requesting it authorize an amendment to the University of Iowa contract for the operational and stress physical modeling of the Vertical Slot for the Freeman Expansion Project in the amount of \$387,165. Mr. Collins said that the Board previously approved an additional \$600,000 as part of the first amendment to this agreement, executed on March 4, 2022, which also extended the scope of work. He added that no additional funding was needed, but rather he is requesting \$387,000 of that amount be spent for a different purpose.

Director Maulhardt said he appreciates staff bringing this back to the Board and made a motion to authorize the amendment to the University of Iowa contract for the physical modeling of the Vertical Slot for the Freeman Expansion project. Second, Director Keeling. Roll call vote: six ayes (Berger, Hasan, Keeling, Kimball, Maulhardt, Dandy); none opposed; one absent (Naumann). Motion carries unanimously 6/0/1.

FUTURE AGENDA ITEMS

President Dandy asked if there were any suggested topics for future agenda discussions. Director Hasan asked that staff prepare a report on legal costs analysis. President Dandy stated that analysis discussion would be done in Executive (Closed) Session. Mr. Guardado stated that the monthly financial report includes a spreadsheet identifying and tracking legal costs as previously requested by the Board. Director Hasan clarified that he was asking for an analysis to reduce costs and Mr. Guardado replied that while staff is always looking to reduce costs, he would task staff to take a look at it. Director Hasan added that the Board has a fiduciary responsibility beyond staff reports that includes some understanding of how to minimize costs. Director Maulhardt stated that in raising issues of fiduciary responsibility, the District has mechanisms in place to watch for that and staff are required to track and report on those issues while also being conscious of the sensitivity of some of this legal work.

Director Hasan then asked Mr. Guardado when the Master Plan would be presented to the Board, adding that he asked for that at the meeting at Lake Piru. Mr. Guardado replied that the document he believed Director Hasan was referencing was referred to as a Facilities Improvement Plan, not a master plan, and would be presented first to the Recreation Committee at its February meeting. *Director Hasan asked that the Minutes be amended to reflect that he was, in fact, asking for access to review the District's Master Plan, a separate document required and approved by FERC. Director Maulhardt wanted to clarify that the Lake Piru Facilities Improvement Plan would be presented at the next Recreation Committee meeting (February) but that the Recreation Committee was not redoing the District's Master Plan.*

Director Maulhardt stated that over the past 37 years he has seen many plans, some not very well defined, including state and federal requirements, construction and personnel costs, subsidies et cetera, but the results come with making the plan work. Today, he added, we are in the best place we've ever been, thanks to Clayton Strahan's leadership. Financial reports are functioning exceedingly well. The District can't control regulatory agencies, but there is a logical plan converting camping spots into drive through RV units, Olive tree replacement and more. Then he addressed Director Hasan stating that this is an evolutionary process, including ongoing staff coordination and Mauricio Guardado's leadership. Five-to-ten-year plans don't work, because we need to be fluid and flexible in response to what's going on. Director Hasan replied that engineers know you need a plan, doing as you go isn't right. Mr. Guardado interrupted to say that a draft of the Facilities Improvement plan will be presented to the February Recreation Committee, which includes proposed improvements, costs associated with those improvements and timelines as well as alternatives. Director Maulhardt added that the first stop was the Recreation Committee.

ADJOURNMENT 3p.m.

President Dandy adjourned the Board meeting at 3p.m. to the next Regular Board Meeting scheduled for Wednesday, January 11, 2023, or call of the President.

I certify that the above is a true and correct copy of the minutes of the UWCD Board of Directors meeting of December 14, 2022.

ATTEST: 
Lynn E. Maulhardt, Board Secretary

ATTEST: 
Kris Sofley, Clerk of the Board



Board of Directors
Bruce E. Dandy, President
Sheldon G. Berger, Vice President
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Mohammed A. Hasan
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General Manager
Mauricio E. Guardado, Jr.

Legal Counsel
David D. Boyer

ATTENDANCE LIST

MEETING DATE: Wednesday, December 14, 2022 12noon

MEETING: UWCD Board of Directors Meeting

The signing or registering of your name on this sign-up form is not required but is voluntary. All persons may attend the meetings of the Board of Directors of United Water Conservation District without signing or registering their names on this form.

Name (Please Print)

Representing

MARCHE MAULHARDT

SCA



OPERATIONS AND MAINTENANCE DEPARTMENT MONTHLY UPDATE

December 14, 2022



Santa Felicia Dam

Rain Event 1.86 inches – Treatment Plant Filter Media





2

Freeman Diversion

Sediment Management Project



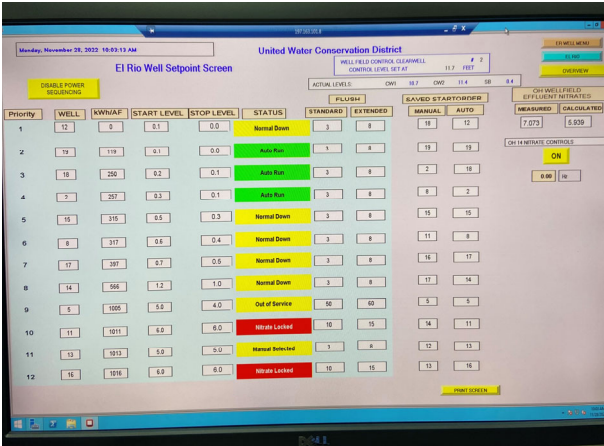




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OH Delivery

OH Well 12 VFD – Nitrate Blend Mode









4

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PTP

PTP Well #3



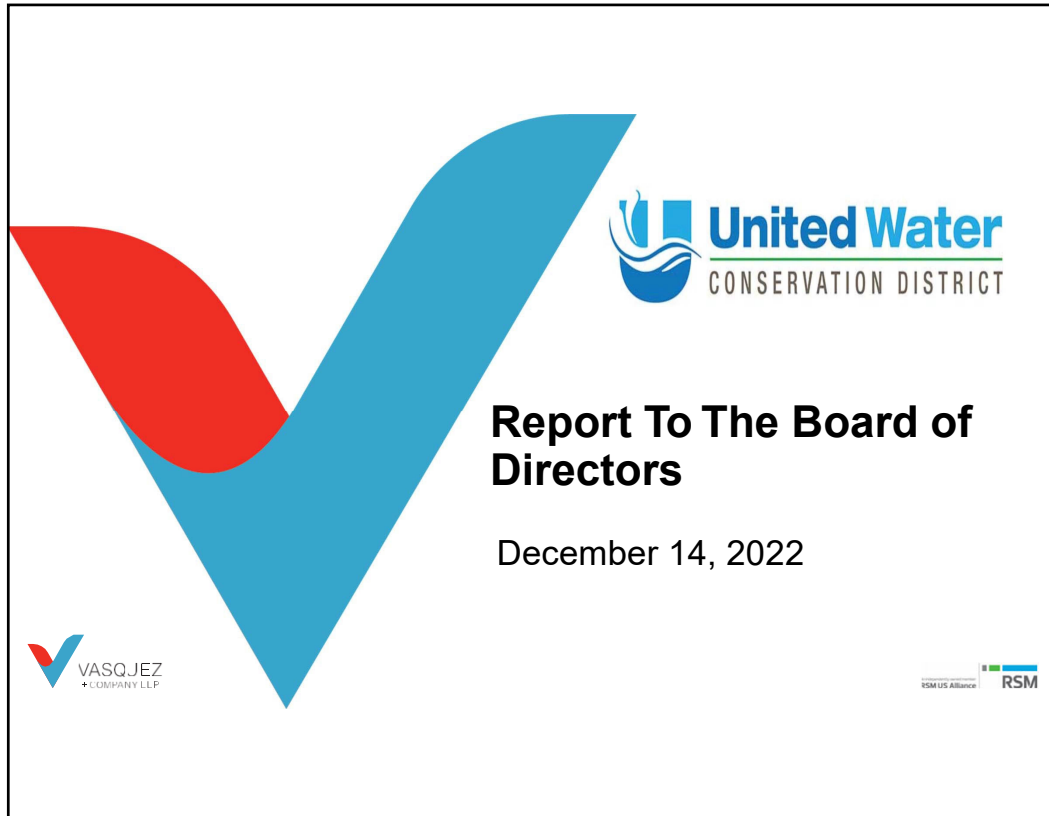


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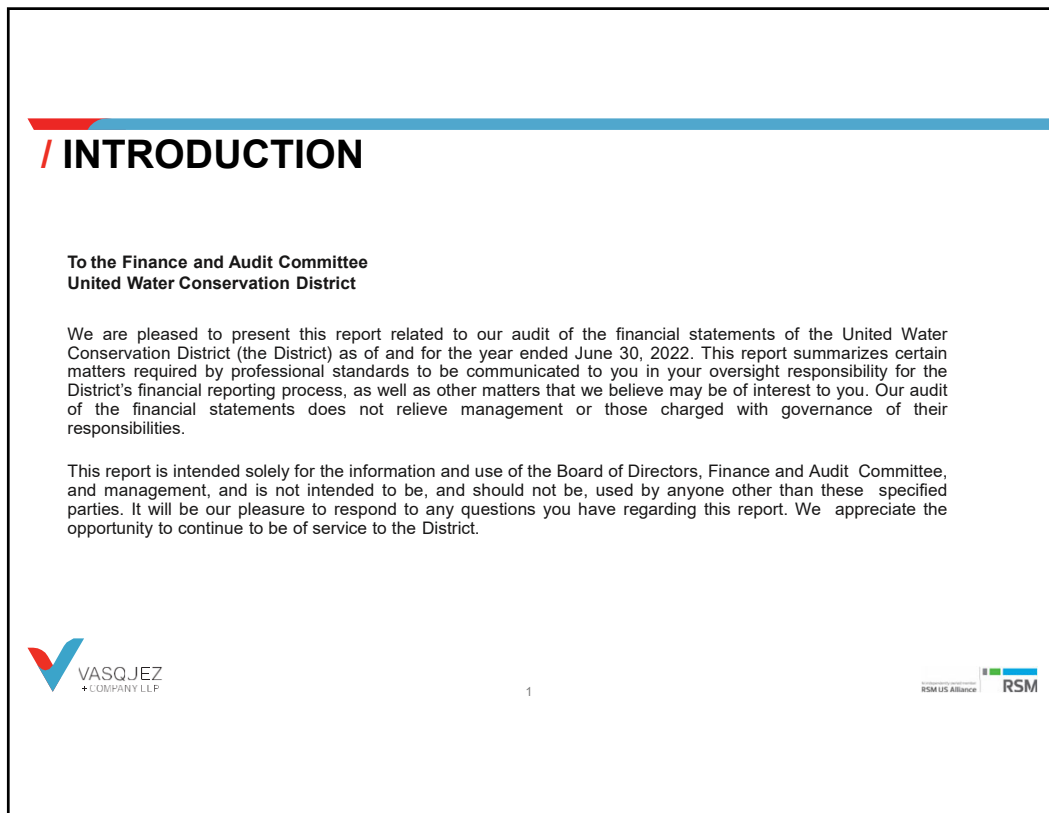
Questions?



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/ AGENDA

- ❑ The Engagement Team
- ❑ Independence
- ❑ Scope of Engagement
- ❑ Summary of Audit Results
 - Independent Auditor's Report
 - Audit Areas of Emphasis
- ❑ Performance Improvement Observations
- ❑ Financial Statements
- ❑ Recently Issued Accounting Standards
- ❑ AU-C 260 Communications

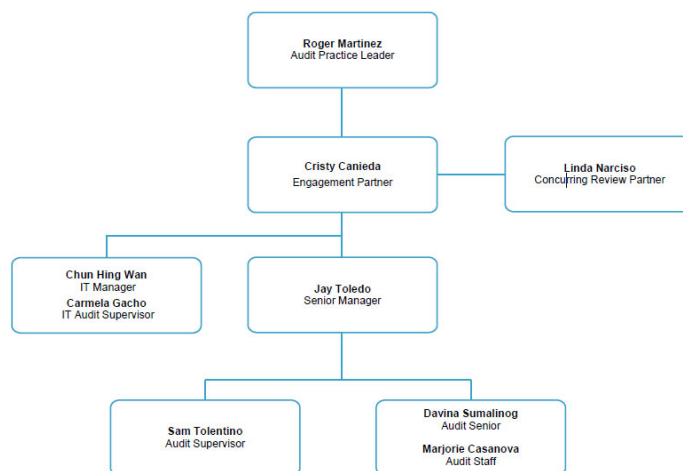


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/ THE ENGAGEMENT TEAM



3



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/ INDEPENDENCE

There are no relationships between any of our representatives and the District that in our professional judgment may reasonably be thought to bear on independence.

Vasquez & Company LLP meets the independence requirements of the *Government Accepted Auditing Standards* as it relates to the District.



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/ SCOPE OF ENGAGEMENT

Financial statement audit

- in accordance with Generally Accepted Government Auditing Standards and the State Controller's Minimum Audit Requirements for California Special Districts.
- as of and for the year ended June 30, 2022

Single audit

- To be completed and submitted to the Federal Audit Clearinghouse on or before March 30, 2023



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SUMMARY OF AUDIT RESULTS



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FINANCIAL STATEMENT AUDIT

• Independent Auditor's Report

Unmodified "Clean" Opinion on the financial statements.

- Audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts

The financial statements present fairly, in all material respects, the District's:

- Net Position
- Revenues, Expenses and changes in Net Position
- Cash flows



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/ SIGNIFICANT AUDIT AREAS

AN OVERVIEW

- ☐ Information Technology Controls
- ☐ Management Override of Controls – fraud risks
- ☐ Cash and Investments
- ☐ Receivables and Charges for Services, Property Taxes
- ☐ Capital Assets
- ☐ Net Pension Liability, Net OPEB Liability and the related accounts
- ☐ Contingencies and Claims



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/ SIGNIFICANT AUDIT AREAS

Information Technology Controls

- ☐ Updated our understanding of the General IT Controls of the District. The areas reviewed include the following:
 - IT Organization and Management
 - IT Policies and Procedures
 - Change Management
 - Information Security/ User Access Management
 - Computer Operations (e.g. capacity planning, network management, helpdesk)
 - Incident Management
 - Data Integrity (DRP, backup, restoration, retention)

Management Override of Controls (Fraud Risk)

- ☐ Obtained an understanding of the District's financial reporting process.
- ☐ Examined selected journal entries and other adjustments.
- ☐ Conducted procedures to evaluate fraud risks.



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/ SIGNIFICANT AUDIT AREAS, Continued

Cash and
Investments


- ☐ Tested controls over cash receipts and disbursements.
- ☐ Confirmed material cash and investment balances as of June 30, 2022.
- ☐ Tested bank reconciliation statements and transfers for proper cut-off.
- ☐ Reviewed valuation of investments.



No material exceptions were noted.

Receivables
and
Charges for
Services,
Property
Taxes

- ☐ Reviewed the revenues recognized during the fiscal year against the District's revenue recognition policy.
- ☐ Performed tests of controls over cash receipts process.
- ☐ Examined supporting documents for subsequent collections.

No material exceptions were noted.


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/ SIGNIFICANT AUDIT AREAS, Continued

Capital Assets

- ☐ Examined significant additions during the year.
- ☐ Tested the reasonableness of depreciation.

No material exceptions were noted.

Net Pension
Liability, Net
OPEB Liability,
and Deferred
Inflows/Outflows
of Resources
Related to
Pension and
OPEB


- ☐ Obtained and reviewed the valuation reports.
- ☐ Reviewed the actuarial assumptions used in the valuation reports.
- ☐ Recalculated the net pension liability using the CalPERS 68 tool.



No material exceptions were noted.

Contingencies and
Claims

- ☐ Reviewed legal responses for any commitments made subsequent to year end and evaluated if adjustment is necessary.
- ☐ All outstanding legal commitments are properly accrued and disclosed.

No material exceptions were noted.


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PERFORMANCE IMPROVEMENT OBSERVATIONS



1. Enhance the development, approval, and implementation of IT policies and procedures to address noted observations and to ensure that overall company objectives are met. *(Repeat Finding)*
2. Obtain and review annual Tyler Incode SOC report.
3. Create/assign specific user accounts for AD Administrator accounts.
4. Remove unused system accounts in Tyler Incode and AD.
5. Establish Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP), including performance of regular testing.
6. Perform regular user access reviews.



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FINANCIAL STATEMENTS



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/ STATEMENTS OF NET POSITION

	June 30		Increase (decrease)	
	2022	2021	\$	%
ASSETS				
Current assets				
Cash	\$ 2,174,016	\$ 2,046,318	127,698	6%
Investments	43,215,465	45,880,905	(2,665,440)	-6%
Receivables				
Accounts receivable, net	10,219,803	9,170,957	1,048,846	11%
Property taxes	535,072	97,703	437,369	448%
Interest	49,516	23,041	26,475	115%
Prepayments	258,845	246,693	12,152	5%
Total current assets	56,452,717	57,465,617	(1,012,900)	-2%
Noncurrent assets				
Restricted investments	-	-	-	-
Net OPEB asset	369,583	189,136	180,447	95%
Capital assets not being depreciated	53,578,645	39,699,185	13,879,460	35%
Capital assets being depreciated, net	61,437,137	60,997,221	439,916	1%
Total noncurrent assets	115,385,365	100,885,542	14,499,823	14%
Total assets	171,838,082	158,351,159	13,486,923	9%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	2,671,895	2,926,737	(254,842)	-9%
Deferred outflows of resources related to OPEB	27,490	29,651	(2,161)	-7%
Total deferred outflows of resources	2,699,385	2,956,388	(257,003)	-9%
	174,537,467	161,307,547	13,229,920	8%



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/ STATEMENTS OF NET POSITION

	June 30		Increase (decrease)	
	2022	2021	\$	%
LIABILITIES				
Current liabilities				
Accounts payable	4,932,531	2,456,890	2,475,641	101%
Deposits	39,766	44,247	(4,481)	-10%
Accrued interest payable	283,524	294,923	(11,399)	-4%
Accrued wages and benefits	292,129	250,452	41,677	17%
Unearned revenue	21,972	19,737	2,235	11%
Compensated absences	1,054,701	820,814	233,887	28%
Accrued legal liability	730,743	730,743	-	0%
Long-term debt - due within one year	1,105,197	1,196,353	(91,156)	-8%
Total current liabilities	8,460,563	5,814,159	2,646,404	46%
Noncurrent liabilities				
Net pension liability	6,491,456	11,546,367	(5,054,911)	-44%
Compensated absences	647,363	604,314	43,049	7%
Accrued legal liability	-	730,743	(730,743)	-100%
Long-term debt - due in more than one year	30,735,130	31,846,928	(1,111,798)	-3%
Total noncurrent liabilities	37,873,949	44,728,352	(6,854,403)	-15%
Total liabilities	46,334,512	50,542,511	(4,207,999)	-8%
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	6,164,159	743,354	5,420,805	729%
Deferred inflows of resources related to OPEB	142,378	6,362	136,016	2138%
Total deferred inflows of resources	6,306,537	749,716	5,556,821	741%
	52,641,049	51,292,227	1,348,822	3%
NET POSITION				
Net investment in capital assets	95,791,311	87,849,478	7,941,833	9%
Restricted for:				
Capital projects	11,510,659	19,000,000	(7,489,341)	-39%
State Water Import	4,851,640	2,170,847	2,680,793	114%
Unrestricted	9,942,808	994,995	8,947,813	899%
Total net position	\$ 121,896,418	\$ 110,015,320	\$ 11,881,098	11%



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/ STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Years Ended June 30		Increase (decrease)	
	2022	2021	\$	%
Operating Revenues				
Charges for services	\$ 29,633,974	\$ 28,392,365	1,241,609	4%
Total operating revenues	<u>29,633,974</u>	<u>28,392,365</u>	<u>1,241,609</u>	<u>4%</u>
Operating Expenses (income)				
Salaries and benefits	11,518,294	10,793,756	724,538	7%
Services and supplies	12,374,484	13,232,147	(857,663)	-6%
Depreciation	2,661,133	2,424,699	236,434	10%
Other (income) expenses	(168,564)	266,935	(435,499)	-163%
Total operating expenses	<u>26,385,347</u>	<u>26,717,537</u>	<u>(332,190)</u>	<u>-1%</u>
Operating income	<u>3,248,627</u>	<u>1,674,828</u>	<u>1,573,799</u>	<u>94%</u>
Non-operating revenues (expenses)				
Property taxes	6,552,274	4,265,948	2,286,326	54%
Grants and contributions	1,319,241	311,624	1,007,617	323%
Investment (loss) earnings	(298,789)	65,108	(363,897)	-559%
Other income	2,311,534	1,768,405	543,129	31%
Gain on sale of capital assets	-	12,151	(12,151)	-100%
Interest expense	(1,251,789)	(1,120,315)	(131,474)	12%
Non-operating revenues	<u>8,632,471</u>	<u>5,302,921</u>	<u>3,329,550</u>	<u>63%</u>
Change in net position	<u>11,881,098</u>	<u>6,977,749</u>	<u>4,903,349</u>	<u>70%</u>
Net position				
Net position, at beginning of year	110,015,320	103,037,571	6,977,749	7%
Net position, at end of year	<u>\$ 121,896,418</u>	<u>\$ 110,015,320</u>	<u>11,881,098</u>	<u>11%</u>



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RECENTLY ISSUED ACCOUNTING STANDARDS



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RECENTLY ISSUED ACCOUNTING STANDARDS

GASB Current Year Standards

GASB No. 87

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87 "Leases". The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB No. 89

In June 2018, the Governmental Accounting Standards Board issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB No. 92

In January 2020, the Governmental Accounting Standards Board issued Statement No. 92, "Omnibus 2020." The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB No. 93

In March 2020, the Governmental Accounting Standards Board issued Statement No. 93, "Replacement of Interbank Offered Rates." The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.



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RECENTLY ISSUED ACCOUNTING STANDARDS, CONTINUED

GASB No. 97

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan – an amendment of GASB Statements No. 14, 84, and a suppression of GASB Statement No. 32." The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

The implementation of the above statements had no significant impact on the financial statements of the District.

GASB Pending Accounting Standards (continued)

GASB No. 91

In May 2019, the Governmental Accounting Standards Board issued Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

GASB No. 94

In May 2020, the Governmental Accounting Standards Board issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.



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RECENTLY ISSUED ACCOUNTING STANDARDS, CONTINUED

GASB Pending Accounting Standards (continued)

GASB No. 96

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 99

In May 2022, the Governmental Accounting Standards Board issued Statement No. 99, "Omnibus" providing clarification guidance on several of its recent statements, including GASB Statement No. 87 Leases and GASB Statement No. 96 Subscription-Based Information Technology Arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 100

In May 2022, the Governmental Accounting Standards Board issued Statement No. 100, "Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62." The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

GASB No. 101

In May 2022, the Governmental Accounting Standards Board issued Statement No. 101, "Compensated Absences." The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.



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AUDITOR'S REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE (AU-C 260)



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REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

Management's Responsibility	Management has primary responsibility for the accounting principles used, including their consistency, application, clarity and completeness.
Consultations with Other Accountants	We are not aware of any consultations by management with other accountants about accounting or auditing matters.
Difficulties with Management	We did not encounter any difficulties with management while performing our audit procedures that require the attention of the Board.
Disagreements with Management	We encountered no disagreements with management on financial accounting and reporting matters as they relates to the current year financial statements.



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REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE, continued

Significant Accounting Policies	The District's significant accounting policies are appropriate, and management has applied its policies consistently with prior periods in all material respects.	
Management's judgments and accounting estimates	Significant items subject to estimates include:	The determination of estimated net pension liability and net OPEB liability and the related deferred inflows and deferred outflows of resources related to pension and OPEB,
		The collectability of receivable, and
		The determination of useful lives for depreciable assets.



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REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE, continued

Controversial issues	No significant or unusual transactions or accounting policies in controversial or emerging areas for which there is lack of authoritative guidance or consensus were identified.
Audit Adjustments	All adjustments that we proposed related to GASB 68 and GASB 75 were recorded by the District and are reflected in the financial statements.
Passed Audit Differences	There were no uncorrected misstatements (passed audit differences).
Conditions of Retention	No significant issues were discussed, or subject to correspondence, with management prior to retention.



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REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE, continued

Material Weakness and Significant Deficiency	There were no material weakness and/or significant deficiency identified.
Irregularities, Fraud or Illegal Acts	No irregularities, fraud or illegal acts or that would cause a material misstatement of the financial statements, came to our attention as a result of our audit procedures.
Management Representations	The District will provide us with a signed copy of the management representation letter prior to issuance of our audit report.



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QUESTIONS



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/ Contact Information

Vasquez + Company LLP has over 50 years of experience in performing audit, accounting, and consulting services for all types of private companies, nonprofit organizations, governmental entities, and publicly traded companies. Vasquez is a member of the RSM US Alliance.

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**Thank you for your time
and attention**

 VASQUEZ
+ COMPANY LLP

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 RSM



ENGINEERING DEPARTMENT MONTHLY UPDATE

December 14, 2022



Santa Felicia Dam Safety Improvement Project

Interagency Emergency Action Plan and Santa Felicia Dam Safety Improvement Project Coordination Workshop on Nov. 15

- DWR and United reviewed Santa Felicia Dam, Pyramid, and Castaic Emergency Action Plans.
- SFD Safety Improvement Project and proposed construction schedule, pre-construction risk reduction measures and hydrological risk assessment during construction, were discussed.
- Staff from several DWR divisions, LADWP, GEI, Catalyst, and United were in attendance.
- Next coordination meeting is tentatively scheduled for early 2023.





Santa Felicia Dam Safety Regulatory Compliance

Quinquennial SFD EAP Functional Exercise Feb. 23, 2023

- Staff e-filed the District Plan and Schedule for the exercise with FERC on November 18. Gannett Fleming will facilitate the exercise and ensure compliance with FERC guidelines.

Quinquennial ODSP External Audit

- Staff is currently reviewing the draft report that was prepared and submitted for review on October 28. The final copy is due to FERC by December 31, 2022.

Triennial Spillway Underdrain System Inspection

- The video inspection was conducted by HDR Engineering on November 17 and 18 and the draft inspection report will be ready for staff review by December 7.

3

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Condor Point Improvements



4

4

Iron and Manganese Treatment Facility



Nov. 14, 2022, at 11:58:20 AM
Oxnard CA 93036
United States



Nov. 14, 2022, at 2:32:13 PM
Oxnard CA 93036
United States

Filter vessel interior preparation prior to concrete pour



5

5

Iron and Manganese Treatment Facility



Nov. 16, 2022, at 11:04:25 AM
Oxnard CA 93036
United States



Nov. 15, 2022, at 2:02:20 PM
Oxnard CA 93036
United States

Underground piping and valving



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Iron and Manganese Treatment Facility



Installation of MCC in the Fe/Mn Building



Public Outreach

- ❑ FERC-D2SI Security Branch Fall 2022 Webinar (Nov 2)
- ❑ Pyramid Dam Tour (Nov 15)
- ❑ CA Coastal Commission Cal Am Desalination Hearing (Nov 17)

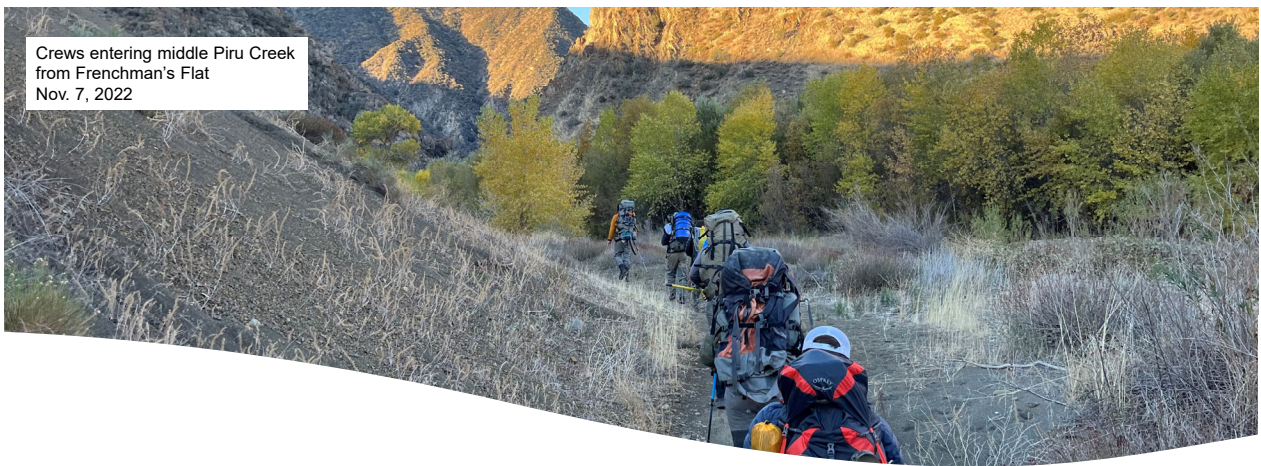


The DWR Southern Field Division provided a tour of Pyramid Dam to Staff from Engineering, Environmental Services and Water Resources departments

QUESTIONS



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ENVIRONMENTAL SERVICES DEPARTMENT MONTHLY UPDATE

December 14, 2022



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Department Summary Updates


- FERC Fish Passage Pre-implementation Study
 - Purpose: Resolve uncertainties related to 1) biological, and 2) engineering feasibility
 - Fall Monitoring
 - o 698 O. mykiss implanted with PIT tags
 - o 12 plus sites sampled
 - o Fyke and Screw Traps deployed
 - o Partnership building opportunity
 - Of note: Documented rockslide on Piru Canyon Road




2

Department
Summary Updates

- Permitting
 - Freeman Sediment Management Project - Complete



Nov. 22, 2022

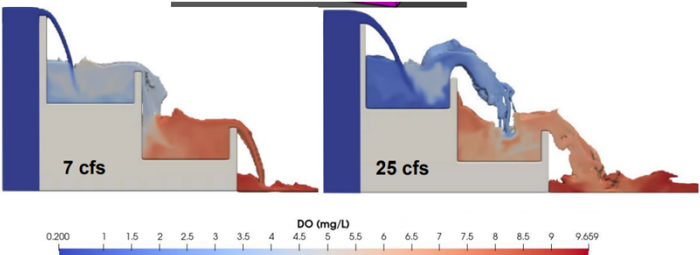


3

Department
Summary Updates

- SWRCB Approval of Dissolved Oxygen Monitoring Report
 - The Challenge
 - New outlet work design will resolve issue
 - District's proposal for interim period
 - Multiple agencies with conflicting interests
 - Interim measures approved by SWRCB

Santa Felicia Dam Safety Improvement Project
new outlet works design feature




7 cfs 25 cfs

DO (mg/L)

0.200 1 1.5 2 2.5 3 3.5 4 4.5 5 5.5 6 6.5 7 7.5 8 8.5 9 9.659

Figure 6. Photographs of a Typical Step Cascade Aerator, Dimensions of CFD Model, and Output for Flows of 7 cfs and 25 cfs



3

QUESTIONS





Fall monitoring middle Piru Creek, Nov. 2022

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Motion Item

5.2

Design Services Contract Award to Kennedy Jenks for Phase 1 of the Extraction Barrier and Brackish Water Treatment Project

- ☐ RFQ/P released on August 12
- ☐ Received one proposal on September 22
- ☐ Interview panel met with Kennedy Jenks (KJ) consultants on November 8 and selected KJ for design services
- ☐ Staff discussed PM and SOW with KJ on November 9
- ☐ Staff recommends approval of a contract with KJ for \$2,069,912 (includes 10% contingency)

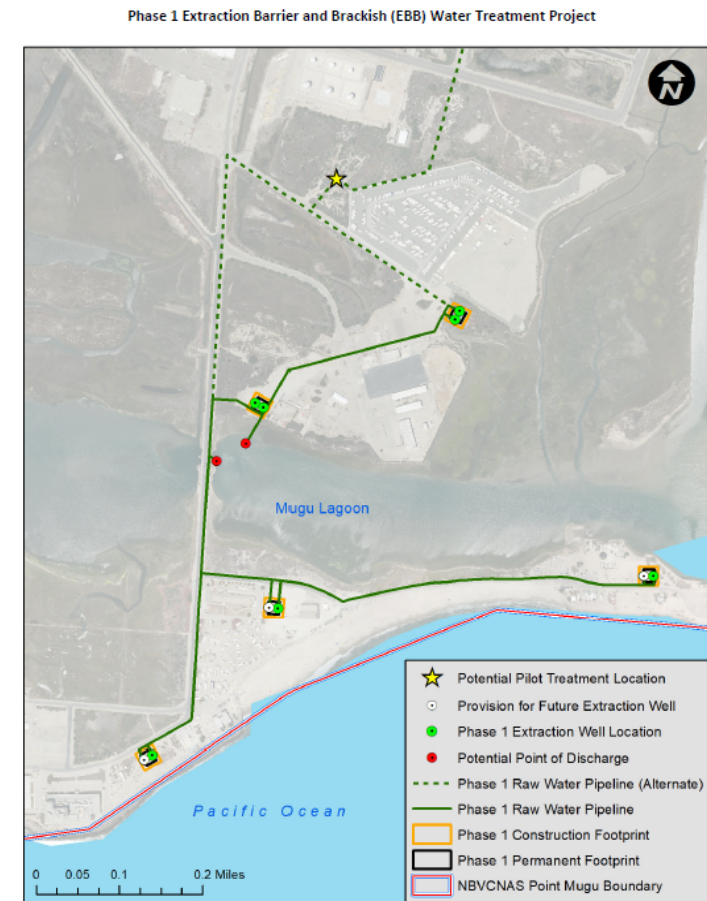



Figure 2 - Project Location Map

Motion Item 5.3

CEQA and NEPA Documentation and Regulatory Permitting Services Contract Award to Environmental Science Associates for Phase 1 of the Extraction Barrier and Brackish Water Treatment Project

- ☐ RFQ/P released on August 8, 2022
- ☐ Received five proposals on September 15, 2022
- ☐ Three firms were interviewed
- ☐ Environmental Science Associates (ESA) was selected by the interview panel
- ☐ Contract amount: \$908,256 (includes 10% contingency)





Motion Item 5.4

Amendment to the University of Iowa Contract for the Physical Modeling of the Vertical Slot for the Freeman Expansion Project

- ☐ Staff recommends approval of a contract amendment with the University of Iowa for \$387,165

