

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
Monday, December 5, 2022, at 9:00 a.m.
UWCD Headquarters, Board Room
1701 N. Lombard Street, Oxnard, CA 93030

COMMITTEE MEMBERS PRESENT:

Lynn E. Maulhardt, chair
Sheldon G. Berger, director
Mohammed A. Hasan, director

STAFF PRESENT:

Mauricio E. Guardado, Jr., general manager
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

PUBLIC PRESENT:

Roger Martinez, cpa, (Vasquez & Company LLP)

OPEN SESSION 9:00 a.m.

Chair Lynn Maulhardt called the meeting to order at 9:00 a.m.

Committee Members Roll Call

The Clerk called roll. All Committee members were in attendance.

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 Berger.
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 October 3, 2022.
Motion to approve the Committee meeting Minutes, Director Hasan; Second, Chair Maulhardt.
Voice vote, two ayes (Hasan, Maulhardt); none opposed; one abstained (Berger) as he was not present at the October 3, 2022, meeting. Motion carries, 2/0/1.



4. Annual Comprehensive Financial Report (ACFR) presented by the Districts' Auditor Vasquez & Co.

Information Item

The District's Controller Daryl Smith introduced this item and welcomed Certified Public Accountant Roger Martinez of Vasquez & Co. to the podium to present the ACFR (presentation attached). During the presentation, Chair Maulhardt asked Mr. Martinez to define "material exceptions" which was referenced on slide 13. Mr. Martinez explained their firm performs procedures to provide assurance that the financials are free from material errors or fraud. By looking at total assets and revenue, the auditor would come up with a percentage of auditing errors which also includes the quality. For example, if the auditor discovers there is fraud in upper management, that is considered very material. Mr. Martinez mentioned looking at fraud is a qualitative error that in itself is examined. Although it is not a forensic process, the auditor would apply their audit procedures if it were suggested there was fraud. Chair Maulhardt felt it was important for the public to know the meaning.

Mr. Martinez continued with the presentation through to slide 16. Director Berger inquired about the income, specifically, the non-operating revenues and expenses, the *Other Income* line included in this section being \$2.3 million. At some point in time, Director Berger said he would like to know where the classification or occurrence came from. He then asked if staff would provide a further breakdown of how those numbers have changed, where the extra income is coming from (i.e., what made up the difference), and because it wasn't easy to read, would staff take a closer look at the data? Mr. Smith responded that he currently couldn't recall this amount, but staff would be able to look into what makes up this amount to explain the year-over-year changes as presented in the slide.

General Manager Mauricio Guardado mentioned that during the annual review at the beginning of the year or during the budget workshop, staff can break down what those costs would be. Chair Maulhardt's suggestion was to give a deeper dive, maybe at the end of the year. Director Berger said he would like an overall bullet point recap of the line items that are significant on gain or loss – not every line item, but on the significant items that changed. He didn't expect those answers tomorrow from staff, but as staff looks at those numbers, the Committee would like answers. Director Hasan agreed with Director Berger and suggested staff possibly provide something the Directors can read. Overall, Chair Maulhardt was pleased with the audit.

Further, Mr. Martinez brought to the Committee's attention that there was one open item on page 25 of the draft ACFR that was blank. An updated copy would be provided before the Board of Directors meeting on December 14, 2022. In closing, Mr. Martinez thanked District staff for all the hours they put into this project.

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

As the Committee decided it did not need to discuss District personnel issues with the auditing firm, it was agreed that items 5 and 6 were no longer needed. Chair Maulhardt moved the Committee to agenda item 7.



7. December 14, 2022, Board Meeting Agenda Item(s)

The Committee reviewed and discussed the following agenda item to be considered for approval at the December 14, 2022, Board meeting:

**7a. Resolution 2022-38 Adoption of Unmanned Aircraft System – Authorization and Operations Policy
Board Motion**

The District's Chief Human Resources Officer Josh Perez presented the Board motion to the Committee for their consideration. Board approval of Resolution 2022-38 would officially adopt the use of an Unmanned Aircraft System (UAS) Policy for District employees and authorized third parties. The Committee members recommended approval of this motion to the full Board.

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

**8. First Quarter Fiscal Year 2022-2023 Financial Reports (July 1, 2022 – September 30, 2022)
Information Item**

The Committee received a presentation from Mr. Smith and reviewed the fiscal year 2022-2023 first quarter financial reports (presentation attached).

There was little discussion between Committee members and staff regarding operating revenue and personnel expenses. No further comments or questions were offered by the Committee. No public comments or questions were offered.

**9. First Quarter Fiscal Year 2022-2023 District Staff and Board Member Reimbursement Report (July 1, 2022 – September 30, 2022)
Information Item**

The Committee received and reviewed the expense reimbursement report for all reimbursements of business expenses to staff and board members for the first quarter of fiscal year 2022-2023. There were no comments or questions from the Committee. No public comments or questions were offered.

**10. Monthly Investment Report (October 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.

**11. Pipeline Delivery Report (October 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.



12. 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.

13. Monthly Administrative Services Update

Information Item

Financial updates for the previous month were presented by Mr. Smith. Mr. Perez presented updates on Administration, Human Resources, Risk Management, and Information Technology (presentation attached). There was some discussion among the Committee and staff regarding job vacancies.

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

14. Future Agenda Items

Chair Maulhardt asked the Committee members if there were any agenda items they wished to bring forward to future meetings.

- Director Hasan requested staff prepare a report on how legal costs can be decreased and/or controlled.
- Director Hasan recently attended an ACWA conference and stated he would like to be informed of more opportunities to attend important meetings and ensure they are budgeted for and reserved for interested Directors.
- Director Berger suggested hosting future Finance and Audit Committee meetings on Board days in lieu of regular Finance and Audit Committee meetings.

At the conclusion of Future Agenda Items, Mr. Guardado along with the Committee members thanked the Administrative Services staff for doing an incredible job, and also expressed their appreciation of all the hard work and energy staff put into this meeting and their presentations.

To clarify what was being presented to the Board of Directors, Director Maulhardt asked that the ACFR be moved from Consent Calendar to Departmental Updates in order to give the Finance staff an opportunity to present that it was a clean audit and to celebrate this achievement in open public. No need to go through every line item, per Chair Maulhardt, but would leave it up to staff to decide how they would like to present to the Board.


There were no further comments or questions from the Committee.



ADJOURNMENT 10:06 a.m.

Chair Maulhardt adjourned the meeting at 10:06 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 December 5, 2022.

ATTEST: 
Chair Lynn E. Maulhardt



/ INTRODUCTION

To the Finance and Audit Committee
United Water Conservation District

We are pleased to present this report related to our audit of the financial statements of the United Water Conservation District (the District) as of and for the year ended June 30, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process, as well as other matters that we believe may be of interest to you. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

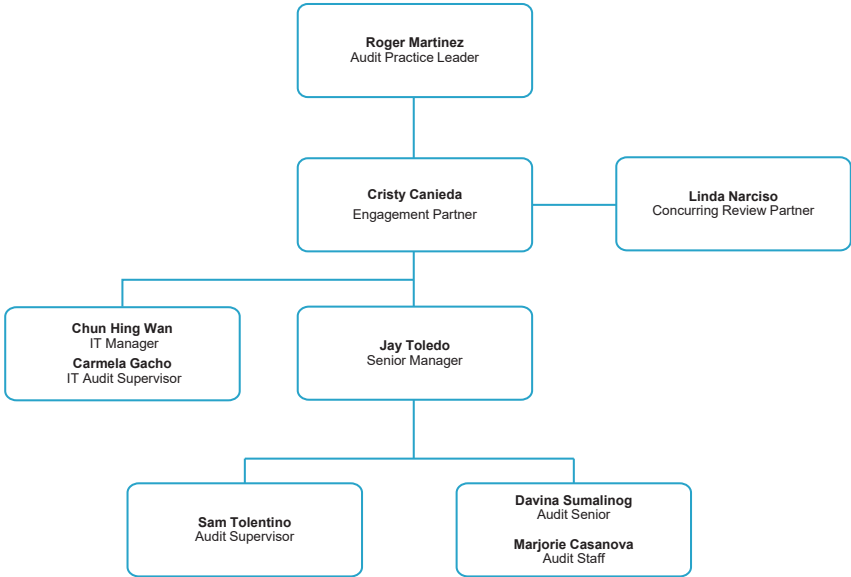
This report is intended solely for the information and use of the Finance and Audit Committee, Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the District.

/ 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





/ THE ENGAGEMENT TEAM



/ 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



/ 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



/ **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



/ **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.



/ 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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RSMUS Alliance

RSM

/ 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.

FINANCIAL STATEMENTS

/ 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	4,651,640	2,170,847	2,480,793	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	29,633,974	28,392,365	1,241,609	4%
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	26,385,347	26,717,537	(332,190)	-1%
Operating income	3,248,627	1,674,828	1,573,799	94%
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	8,632,471	5,302,921	3,329,550	63%
Change in net position	11,881,098	6,977,749	4,903,349	70%
Net position				
Net position, at beginning of year	110,015,320	103,037,571	6,977,749	7%
Net position, at end of year	\$ 121,896,418	\$ 110,015,320	11,881,098	11%



RECENTLY ISSUED ACCOUNTING STANDARDS



/ 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.



/ 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.



/ 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.

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

/

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.



/ 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.



/ 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.





/ 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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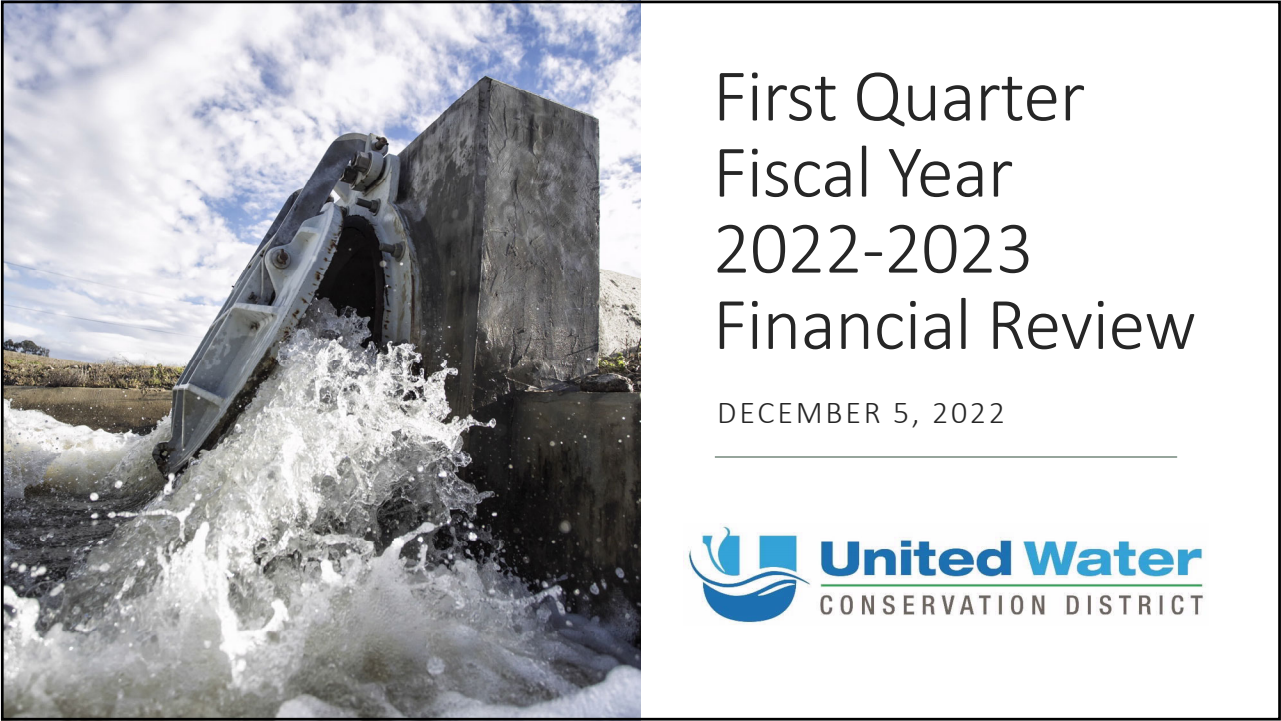


**Thank you for your time
and attention**



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Highlights

REVENUE UNFAVORABLE TO BUDGET WHILE AND OPERATING EXPENSES ARE FAVORABLE TO BUDGET



REVENUE

- Total operating revenue is \$1.4M or 19% unfavorable to budget
 - Pipeline revenues are unfavorable to budget by \$761K or 19%
 - Taxes are unfavorable to budget by \$118K or 77%
 - Grants are unfavorable to budget by \$952K or 33%
 - Other revenue are favorable to budget \$362K due to an unrealized gain/loss adjustment
 - Groundwater revenues for the year will begin in Q2

EXPENDITURE


- Total expenditures are \$5.1 or 43% favorable to budget
 - Personnel expenses are below budget \$538K or 14.0%
 - Professional and legal fees are below budget \$1.9M or 78.0% due to underspending across all departments. This is more of a timing difference than a savings.
 - Operating Expenses are below budget \$1.5M or 52.0%
 - Allocated Overhead is below budget \$641K or 38.0%

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Overview

WATER VOLUME AND TIMING OF GRANTS DRIVES REVENUE DOWNSIDE



in \$000's	FY22-23 Actual	FY22-23 Budget	FY21-22 Actual
Taxes	36	154	11
Water Delivery/Fixed Cost	3,189	3,951	3,124
Groundwater	(6)	-	2
Other Operating Revenue	267	229	20
Non-Operating Revenue	2,484	3,074	1,017
Total Revenue	\$ 5,970	\$ 7,407	\$ 4,174
Personnel Expense	3,178	3,716	2,258
Professional Fees	513	2,357	313
Operating Expense*	1,356	2,819	1,775
Allocated Overhead	1,045	1,686	867
Debt Service	61	634	124
Other	553	598	462
Total Expenditure	\$ 6,706	\$ 11,811	\$ 5,800
Net Surplus / (Shortfall)	\$ (736)		

*Includes Depreciation

REVENUE

- Revenue is less than budget \$1.4M
 - Pipeline unfavorable \$761K
 - Taxes unfavorable \$118K
 - Grants unfavorable \$952K
 - Other favorable \$362K


EXPENDITURE

- Total expenditures are \$4.5M better than budget
 - Professional Fees and Legal Fees are \$1.9M below budget
 - With depreciation included, total Operating Expense was \$1.5M favorable to budget
 - Allocated Overhead was \$641K favorable to budget

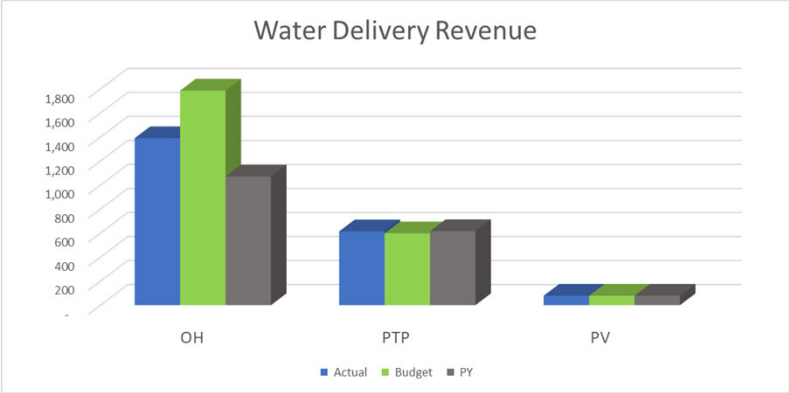
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Pipeline Revenue

EXCLUDING IN-LIEU OF PUMPING CHARGES



Water Delivery Revenue

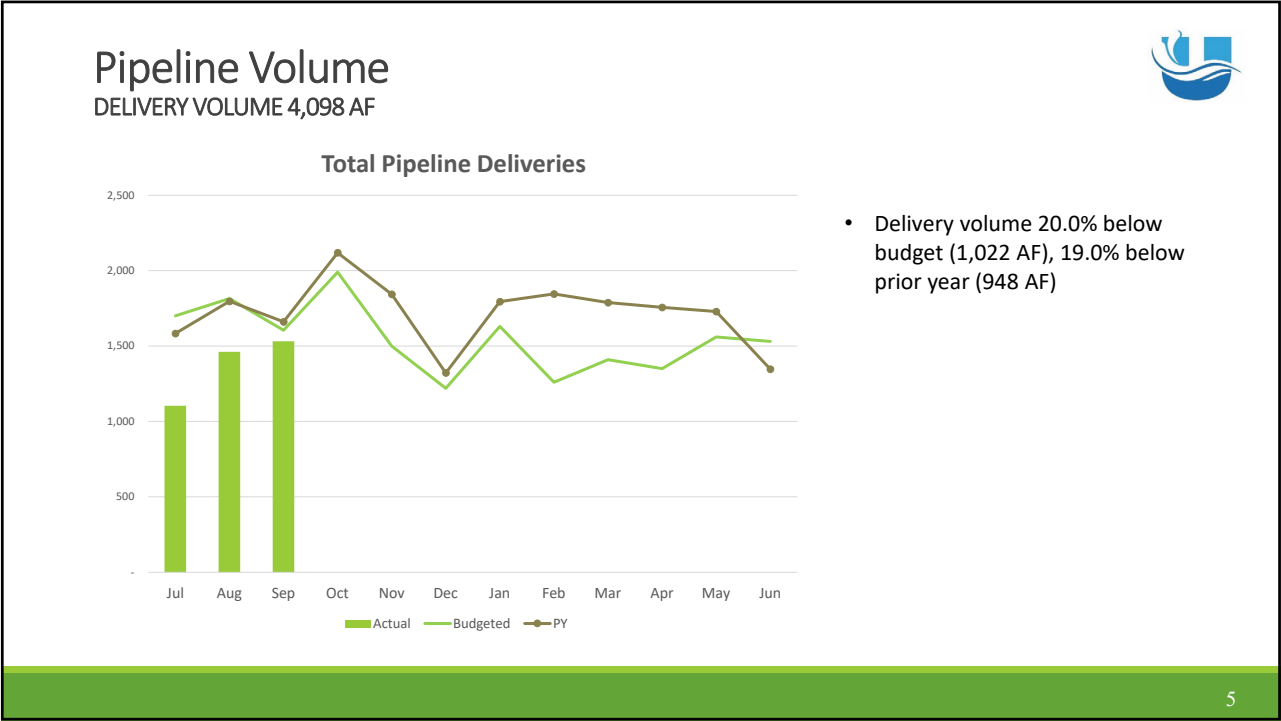


Category	Actual	Budget	PY
OH	1,390	1,786	1,071
PTP	614	598	616
PV	78	78	78

- Pipeline revenue down 15% from budget
- OH down 22% vs. budget
- PTP up 3% vs. budget
- PV volume forecasted to increase in December 2022

Pipeline	Actual	Budget	PY	vs Budget	vs PY	% var Budget	% var PY
OH	1,390	1,786	1,071	(396)	319	-22%	30%
PTP	614	598	616	16	(2)	3%	0%
PV	78	78	78	-	-	0%	0%
	\$ 2,082	\$ 2,462	\$ 1,765	\$ (380)	\$ 317	-15%	18%

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Personnel Expenses

\$000's	Q1 2022-23 Actual	Q1 2022-23 Budget	PY Actual	Var to Budget	% Var to Budget	Var to PY	% Var to PY
Regular Salary	1,500	1,837	956	-336	-18%	545	57%
Over-time Salary	38	53	20	-15	-29%	17	85%
Part-time	85	112	54	-27	-24%	31	57%
Salaries	\$ 1,623	\$ 2,002	\$ 1,030	-379	-19%	\$ 593	58%
Retirement- Classic	162	1,182	962	-1,020	-86%	-799	-83%
Retirement - PEPR	1,035	63	35	972	1546%	1,000	2878%
Soc Sec/457b Expense	92	111	66	-20	-18%	26	39%
Medicare Expense	24	29	15	-5	-18%	9	59%
SUI Expense	1	4	1	-3	-77%	0	58%
Medical Ins Exp	168	245	105	-77	-31%	63	60%
LTD	5	6	1	-1	-14%	4	695%
Life Insurance	4	7	3	-2	-36%	2	59%
Worker's Comp Expense	40	54	42	-13	-25%	-2	-5%
401(a)	17	17	-	-	-	-	-
OPEB	7	8	-	0	0%	7	100%
Employee Benefits	\$ 1,555	\$ 1,725	\$ 1,228	-170	-10%	\$ 327	27%
Personnel Expenses	\$ 3,178	\$ 3,727	\$ 2,258	-549	-15%	\$ 920	41%

- Salaries are favorable to budget
- Employee Benefits are positive to budget primarily due to:
 - Lower actuals in Medical Insurance Expense
 - Lower workers' Comp Insurance
 - Lower salaries are driving the majority of the savings

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Operating Expenses

PROFESSIONAL AND LEGAL FEES DRIVE BUDGET UNDERRUN



	Q1 2022-23 Actual	Q1 2022-23 Budget	PY Actual	Var to Budget	% Var to Budget	Var to PY	% Var to PY
\$000's							
Profess Fees - Engineering	48	127	35	(79)	-62%	13	37%
Prof. Fees - Environmental	91	584	80	(494)	-84%	11	14%
Prof. Fees - IT consulting	2	60	1	(58)	-96%	1	136%
Prof. Fees - GW Consulting	4	32	22	(28)	-87%	(18)	-81%
Prof. Fees - Other	98	415	54	(317)	-76%	44	81%
Professional Fees	\$ 243	\$ 1,219	\$ 192	\$ (975)	-80%	\$ 51	27%
Legal Fees	\$ 269	\$ 1,139	\$ 121	\$ (870)	-76%	\$ 148	123%
Utilities	212	495	216	(283)	-57%	(5)	-2%
Maintenance	252	553	393	(301)	-54%	(141)	-36%
Field Supplies	65	161	106	(96)	-60%	(41)	-39%
Insurance	695	89	549	605	677%	145	26%
Office Expenses	20	20	26	(0)	0%	(5)	-21%
Miscellaneous	266	398	52	(132)	-33%	214	410%
Travel, Trainings and Meetings	16	85	8	(69)	-81%	8	101%
Gasoline, Diesel, Fuel	51	51	31	(0)	0%	19	62%
Fox Canyon GMA	(375)	157	(176)	(532)	-338%	(199)	113%
Safety, supplies, clothing	43	34	13	9	27%	30	100%
Telephone	15	21	2	(6)	-28%	13	838%
General Operating Expenses	\$ 1,259	\$ 2,065	\$ 1,220	\$ (806)	-39%	\$ 40	3%
State Water Import Costs	\$ 428	\$ 373	\$ 272	\$ 55	15%	\$ 155	100%
Total Operating Expenses	\$ 2,200	\$ 4,795	\$ 1,806	\$ (2,595)	-54%	\$ 394	22%

- Professional Fees are favorable to budget by \$975K, primarily driven by Environmental \$495K and Other \$317K
- Legal fees are favorable to budget by \$870K
- Operating expenses \$806K favorable primarily driven by Maintenance \$301K, Utilities \$283K and Fox Canyon GMA \$532K off-set by and over-run in Insurance \$605K

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Top 10 Vendors



Vendor	FY 22-23 Q1	FY 21-22 Q1
SPECIAL DISTRICT RISK	\$ 806,497	\$ 550,253
ATKINSON, ANDELSON, LOYA, RUUD AND ROMO	\$ 583,344	\$ 571,877
SO. CALIFORNIA EDISON	\$ 531,750	\$ 710,587
TRAVIS AGRICULTURAL	\$ 96,489	\$ 87,034
CDW GOVERNMENT	\$ 57,351	\$ 64,328
ENVIRONMENTAL ADVOCATES	\$ 40,000	\$ 40,000
GANNETT FLEMING	\$ 35,762	\$ 12,198
DEMARIA ELECTRIC MTR SVCS	\$ 28,689	\$ -
BANK OF AMERICA	\$ 50,568	\$ 26,847
HF&H CONSULTANTS LLC	\$ 17,970	\$ 14,949
Top 10 Total	\$ 2,248,420	\$ 2,078,072

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Supplemental Water Purchase Fund	
STATUS UPDATE	
Beginning Balance - July 1, 2021	Revenue (\$000'S) \$2,740
REVENUES	
Surcharge Revenue	\$0
Water Delivery	\$48
LAIF Interest	\$6
EXPENDITURES	
2021 Carryover Water Purchase	\$0
Ending Balance September 30, 2022	\$2,794



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

December 5, 2022

1



FINANCIAL UPDATE

CONTROLLER
DARYL SMITH

2

CASH COLLECTIONS
OCTOBER

Pipeline: \$ 1.2M

Groundwater: \$ 98K



Property Tax: \$ 86K


Rent: \$ 14K

Lake Piru: \$ 47K

Grant: \$272K

Total: \$ 1.7M





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LAKE PIRU
CASH COLLECTIONS – OCTOBER

Day Use: \$ 6K

Concessions: \$ 3K

Boating & Watercraft: \$ 2K



Boat Storage: \$ 2K


Camping: \$ 23K

Miscellaneous: \$ 11K

Prior Year Total: \$ 43K

Total: \$ 47K





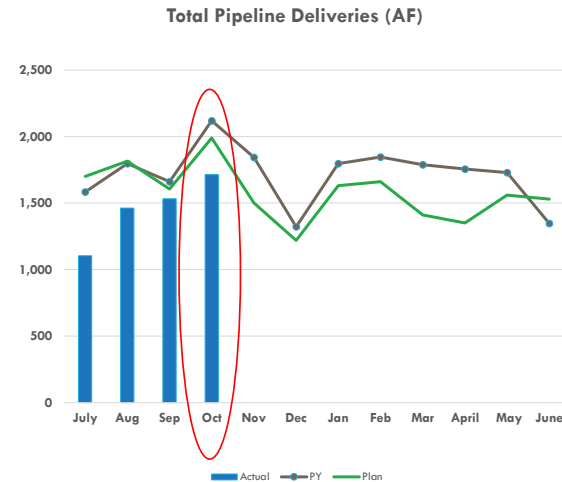
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4

OCTOBER 2022 PIPELINE

	\$ Billed	Actual AF	Plan AF	Variance
OH	\$830K	927	1,220	(293)
PT	\$426K	786	770	16
PV	\$26K	0	0	0

- Year-to-date October deliveries 18% below Plan and -1% below PY



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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
5.2	Environmental	Authorize a Contract with Environmental Science Associates (ESA) to provide Consulting Services for CEQA and NEPA Documentation and Regulatory Permitting for the Phase 1 of the Extraction Barrier and Brackish Water Treatment Project	Y	051-400-81080 8019-825	\$908,256	N/A
5.3	Engineering	Contract Award to Kennedy Jenks Consultants, Inc. for Design Services Related to the Phase 1 of the Extraction Barrier and Brackish Water Treatment Project	Y	051-400-81020 8019-815	\$841,700	N/A
5.4	Operations and Maintenance	Authorize an Amendment to the University of Iowa Contract for the Physical Modeling of the Vertical Slot for the Freeman Expansion Project (Approximately \$280K savings vs. the original contract)	Y	421-400-81020 8001-815	\$387,165	N/A
				TOTAL	\$2,137,121	

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FINANCE DEPARTMENT

- Continued work on FY 2021-2022 Annual Comprehensive Financial Report which will be completed by first week of December.
- Bank transfer process from Bank of the Sierra to Citizens Business Bank in progress. Bank of the Sierra account will be kept open until staff is able to ensure all deposits and checks issued are cleared.
- Started FY 2022-2023 Budget Development process. Budget kickoff meeting is scheduled for January 25, 2023.
- Finance completed all year end entries for Fillmore and Piru Basins GSA and Mound Basin GSA. Final FY 2021-2022 Financial Statements presented to the Boards in October.

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ADMINISTRATIVE SERVICES UPDATE

CHIEF HUMAN RESOURCES OFFICER
JOSH PEREZ







- Held interviews for the Environmental Services Manager
- Began onboarding process for new Lake Piru Ranger Cadet
- Continued enrollment for Health Equity FSA
- Provided health contribution spreadsheet numbers to Finance
- Processed exit documents for several part-time staff that submitted resignations as well as for one full time staff member
- Distributed total compensation sheets for all full-time employees for annual period 10/1/21 – 9/30/22
- Continued work on the salary survey
- Processed multiple annual evaluations for all staff (Step 5)
- Commenced process for employee service awards
- Completed conversion of 457 plan, routed all employee elections to Lincoln Financial Group
- Reposted Environmental Services Manager position
- Posted of Environmental Scientist Regulatory Affairs position


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CURRENT EMPLOYEE RECRUITMENTS

Environmental Services Manager
Interviews completed and position reposted




Park Ranger Cadet
Position posted and set to close in early December







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- Finalized District’s UAS Authorization and Operations Policy for Committee and Board Consideration.
- Managed Security Project Gate Upgrade Efforts with Security Systems Integrator in collaboration with IT and O&M staff.
- Researched and evaluated request from the Mountains Recreation and Conservation Authority (MRCA) to utilize SFD for emergency response access to Hathaway Ranch.
- Completed CSDA Ethics and Sexual Harassment Prevention trainings in compliance with state law.
- Provided safety supervision and periodic visits to Desilt Project in support of O&M Department.
- Coordinated internal webinar participation of FERC-D2SI Security Branch Fall Webinar.
- Finalized SFD Vulnerability Security Risk Assessment with Engineering Staff with additional support from IT and O&M staff.
- Coordinated enrollment of NFPA 70E (Electrical Safety for Qualified Workers).



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- Technology Systems staff have been assisting the Instrumentation's staff with IT Network and IT Security components associated with the Genetec Security System upgrades.
- Technology Systems staff is now providing Tech and A/V services during the events held in United's multipurpose Board Room. This included two large hybrid webinars with AWAVC Breakfast and Learn, and Ventura County Farm Bureau Workshop.
- Technology Systems staff and the Risk and Safety Manager assisted the Operations team with tech support during the replacement of modern gas monitor system as part of United's Safety Program enhancements.
- Began efforts with a vendor to enhance the audio and visual effects in the UWCD Board Room which will eventually relocate sound equipment and is anticipated to lead to improved video capability and hybrid options offered in the meeting space.

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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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