

AGENDA
FINANCE AND AUDIT COMMITTEE MEETING

Monday, July 3, 2023, at 9:00 a.m.

**UWCD Headquarters, First Floor, Board Room
1701 N. Lombard Street, Oxnard, CA 93030**

CALL TO ORDER – OPEN SESSION 9:00 a.m.

Committee Members Roll Call

1. Public Comment

The public may address the Finance and Audit Committee on any matter not on the agenda within the jurisdiction of the Committee. All comments are subject to a five-minute time limit.

**2. Approval of Agenda
Motion**

**3. Approval of Minutes
Motion**

The Committee will review the Minutes from the June 5, 2023, Finance and Audit Committee meeting and approve as submitted or direct staff to revise as necessary to accurately reflect the discussion and action(s) taken during the meeting.

**4. July 12, 2023, Board Meeting Agenda Motions
Motions**

The Committee will review and discuss the following Board agenda motion items to be considered for approval at the July 12, 2023, Board meeting. Based on its discussion with staff, the Committee will consider making a recommendation for each motion item to the entire Board. The July 12, 2023, Board motion items being considered are:

- 4a. Resolution 2023-13 Approving the Planning and Design portion of the Water Infrastructure Finance and Innovation Act (WIFIA) Loan in the amount of \$13,594,645 to support the Santa Felicia Dam Safety Improvement Project**
The Committee will review and consider recommending the adoption of Resolution 2023-13 approving the Planning and Design portion of the Water Infrastructure Finance and Innovation Act (WIFIA) low interest loan for \$13,594,645 and associated loan documents to the full Board.

**5. Monthly Investment Report (May 2023)
Information Item**

The Committee will receive, review and discuss the Districts' investment portfolio and cash position as of May 31, 2023.



6. Monthly Pipeline Delivery Report (May 2023)

Information Item

The Committee will receive, review and discuss the Districts' pipelines' water activities as of May 31, 2023.

7. Board Requested Cost Tracking Items

Information Item

The Committee will receive and review the costs through May 31, 2023, that the District has incurred:

- a) as part of the licensing efforts and the probable maximum flood studies for the Santa Felicia Dam;
- b) in relation to 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 professional fees over the past several fiscal years; and
- e) summary of Board motion item(s) with fiscal impact.

8. Monthly Administrative Services Department Update

Information Item

The Committee will receive and review the monthly report from the Administrative Services team as well as receive a verbal presentation of its highlights.

9. Future Agenda Items

The Committee will suggest topics or issues for discussion at future meetings.

ADJOURNMENT

Directors:

Bruce E. Dandy (substitute for
Chair Maulhardt)
Sheldon G. Berger
Mohammed Hasan (substitute
for Director Keeling)

Staff:

Mauricio E. Guardado, Jr.
Josh Perez
Tony Huynh
Zachary Plummer
Ed Reese

Anthony Emmert
Brian H. Zahn
Bobby Diaz
Sara Guzman
Jackie Lozano

The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's services, programs or activities because of any disability. If you need special assistance to participate in this meeting, or if you require agenda material in an alternative format, please contact the District Office at (805) 525-4431. Notification of at least 48 hours prior to the meeting will enable the District to make appropriate arrangements.

Approved: _____

Mauricio E. Guardado Jr., General Manager

Approved: _____

Brian Zahn, Chief Financial Officer

Posted: (date) June 29, 2023

(time) 3:30 p.m.

(attest) Jackie Lozano

At: www.unitedwater.org

Posted: (date) June 29, 2023

(time) 3:45 p.m.

(attest) Jackie Lozano

At: United Water Conservation District 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

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING

Monday, June 5, 2023, at 9:00 a.m.
UWCD Headquarters, First Floor, Board Room
1701 N. Lombard Street, Oxnard, CA 93030

COMMITTEE MEMBERS PRESENT:

Lynn E. Maulhardt, chair
Sheldon G. Berger, director
Catherine P. Keeling, 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
Clayton Strahan, chief park ranger
Brian Zahn, chief financial officer

PUBLIC PRESENT:

Burt Handy

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

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

3. Approval of Minutes

Motion

The Committee received and reviewed the draft Finance and Audit Committee meeting Minutes of May 1, 2023. Motion to approve the Committee meeting Minutes, Director Keeling; Second, Director Berger. Voice vote, three ayes (Berger, Keeling, Maulhardt); none opposed. Motion carries, 3/0.



4. June 14, 2023, Board Meeting Agenda Items

The Committee reviewed and discussed the following agenda items to be considered for approval at the June 14, 2023, Board meeting:

4a. Resolution 2023-09 Adopting the Proposed District Budget Plan, Overhead Allocation Method, Staffing Levels, and Salary Schedules for Fiscal Year 2023-24, and Appropriation Carryovers for Fiscal Year 2022-23

Board Motion

Chief Financial Officer Brian Zahn presented this motion to the Committee for their consideration. He also provided an update on the new process for approving amended sections of the District's Financial Policies. After discussion, all Committee members were in favor of recommending approval of this motion to the full Board. No questions or further comments were offered by the Committee. No public comments or questions were offered.

4b. Resolution 2023-10 Request for County Auditor-Controller to Compute and Affix a Tax Rate for the Fiscal Year 2023-24 Sufficient to Satisfy the State Water Project Charges

Board Motion

Mr. Zahn presented this motion to the Committee for their consideration. There was a brief discussion between the Directors and staff regarding the rates, estimated revenue, and the State Water Project purchase. After discussion, all Committee members were in favor of recommending approval of this motion to the full Board. No further questions or comments were offered by the Committee. No public comments or questions were offered.

5. District Staff and Board Member Reimbursement Report (January 1 through March 31, 2023)

Information Item

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

6. Monthly Investment Report (April 2023)

Information Item

The Committee received, reviewed, and discussed the Districts' investment portfolio and cash position as of April 30, 2023. Director Berger had an inquiry regarding Bond proceeds. Mr. Zahn mentioned there was still a small amount in the District's US Bank account. There were also questions regarding the Districts' business rating and Mr. Zahn explained the impacts if a rating were to change. Director Berger expressed the importance of keeping an eye on the rating to know when the District would be ready to buy and be prepared to take action. No further questions or comments were offered by the Committee. No public comments or questions were offered.

7. Monthly Pipeline Delivery Report (April 2023)

Information Item

The Committee received and reviewed the Districts' pipelines' water activities as of April 30, 2023. 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 received and reviewed the costs through April 30, 2023, that the District has incurred:

- a) as part of the licensing efforts and the probable maximum flood studies for the Santa Felicia Dam;
- b) in relation to 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 professional fees over the past several fiscal years; and
- e) summary of Board motion item(s) with fiscal impact.

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

9. Monthly Administrative Services Department Update

Information Item

The Finance Department monthly update was presented by Mr. Zahn. Chief Human Resources Officer Josh Perez presented updates on Administration, Human Resources, Risk Management, and Information Technology (presentation attached).

During the Lake Piru Recreation Area revenue slide, Chief Park Ranger Clayton Strahan added that the Memorial Day holiday revenue was the highest they had seen since he had been working there (over 17 years). He expects to beat the 2021-22 gross revenue numbers at the lake this year overall. Also discussed with the Committee that he had seen a shift in visitors than the ones they had seen before (i.e., more families, etc.). He attributed some of the change in deterring bad behavior due to ranger staff being outfitted with uniforms and badges. Visitors are taking ranger staff more seriously. All the changes that the Board has instituted over the years fundamentally changed what the recreation area is today. Chair Maulhardt added the Board recognized that we need to manage issues that arise and in this technological era the public can get a sense of who Lake Piru is and Mr. Strahan agreed.

Chair Maulhardt went on to state social media may be an gateway on how to partner with some of our local colleges such as Channel Islands or California Lutheran by looking at ways to intern and leverage one or two of their students to learn their latest techniques on this platform. He felt there was a huge opportunity between the colleges that would place the District out in the marketplace to become an outreach organization. Director Keeling added it may be helpful to take some of that responsibility away from Mr. Strahan and pass it along to a student with a social media degree. Chair Maulhardt agreed. Director Keeling mentioned she would reach out to someone she knew and would report back. On that same subject, Chair Maulhardt suggested there would be a benefit for those college students to shadow our highly educated District employees and it should be part of the District's public outreach campaign. Director Berger added the District should find someone who can take responsibility off of its executive assistant by tapping into a college or university's resources. This would be beneficial and should be pursued and investigated. Mr. Perez offered to assist with this request and will report back his findings to the Committee.



Mr. Zahn continued with his presentation. During the April 2023 Pipeline summary, the Committee and staff discussed pipeline and surface deliveries. Mr. Strahan summarized for the Committee the motion going to the Board requesting their approval of facility improvements at Lake Piru. Chair Maulhardt's experience was that it may be challenging to get through the County of Ventura's (County) approval process. He suggested to Mr. Strahan to be strategic in finding a contact in the County to keep this moving, so it doesn't turn into a two-year process. Mr. Strahan mentioned he does have a reliable County contact who has been very helpful and is confident that the process would not take two years to complete. He is forwarding the plan to the County in stages to engage them early in the process. Chair Maulhardt stated Mr. Strahan had the full support of the Board to keep this project moving forward. He also added there is a huge need to have a recreation area. It had been a long strategic process and he would not like to have any financial issues arise. He continued to advise Mr. Strahan to utilize the support of the Board when needed.

Continuing, the Committee had questions regarding the WIFIA loan. Mr. Zahn mentioned he would map out who should be present at the meeting and if the questions were in-depth then he'd like a loan bond representative present. Director Berger felt the Committee didn't need to micromanage the WIFIA loan but just to receive a better understanding of how Mr. Zahn is going to manage it. He was comfortable with Mr. Zahn being present and answering the questions. Mr. Zahn replied that he would not have an answer on the rates at that time, but when the loan documents are executed, the rates will be locked in. Director Keeling was unfamiliar with the need for the loan and asked Mr. Zahn what it was for. Director Berger suggested Mr. Zahn provide background on the process and work for the loan since this was the first time Director Keeling had heard of it. Mr. Zahn also provided background on how funding and grants affect the loan and the variables which may impact them.

After staff provided their monthly updates, the Committee requested that the Risk Management slide be presented to the Board. They felt it was important to understand if the Board was engaged in their processes. Mr. Strahan added, there was a significant cost of \$6K plus for the playground maintenance, as an example of ensuring equipment complies with safety standards.

10. Future Agenda Items

Mr. Zahn mentioned that the District's WIFIA loan for the Santa Felicia Dam Safety Improvement Project would be brought to the Committee next month.

10:01 AM

ADJOURNMENT

I certify that the above is a true and correct copy of the minutes of the UWCD Finance and Audit Committee Meeting of June 5, 2023.

ATTEST: _____
Chair Lynn E. Maulhardt



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

ATTENDANCE LIST

MEETING DATE: Monday, June 5, 2023

MEETING: UWCD Finance and Audit Committee 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.

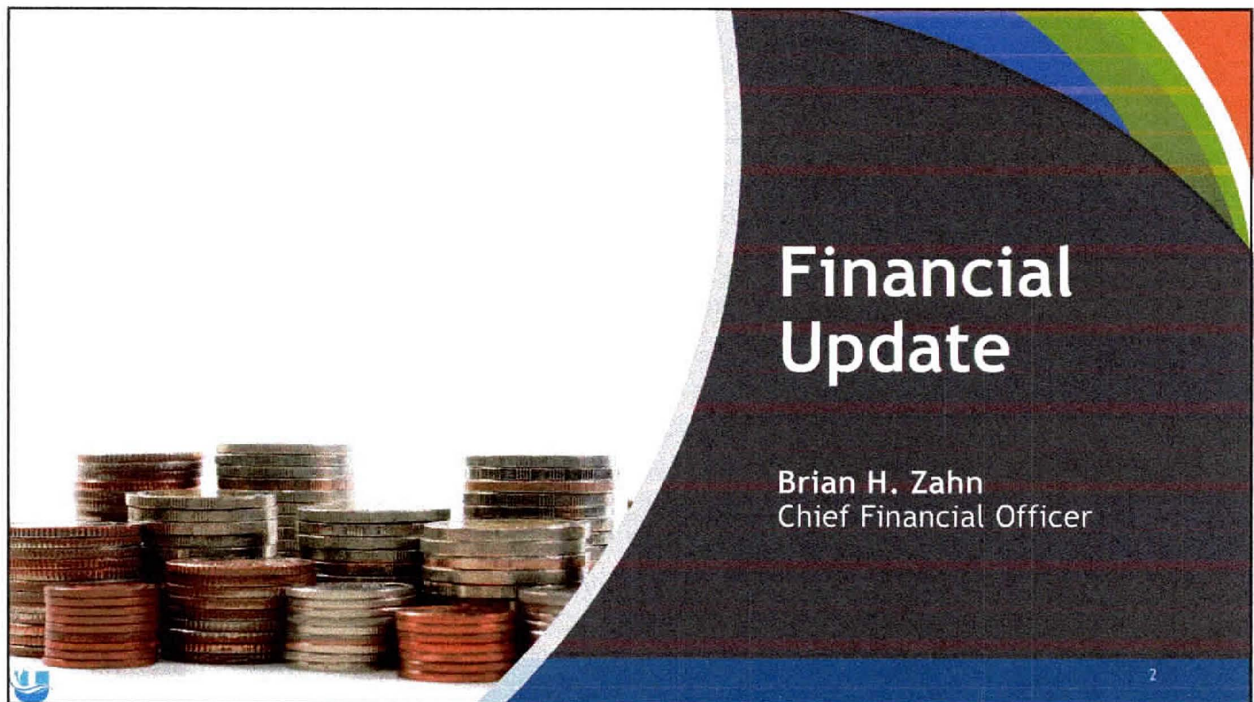
Name (Please Print)

Representing

Bruce Dandy



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UWCD Cash Collections - April

Pipeline: \$ 1.3M
Groundwater: \$ 26K
Rent: \$ 30K
Lake Piru: \$ 116K
Misc.: \$ 2M
TOTAL: \$ 3.5M



Lake Piru Cash Collections - April

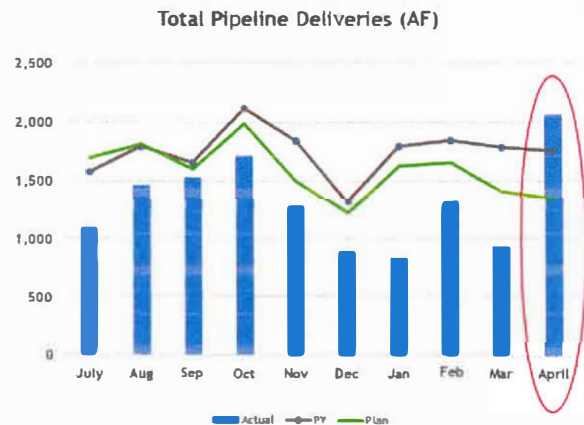
Day Use: \$ 22K
Concessions: \$ 6K
Boating & Watercraft: \$ 1K
Boat Storage: \$ 1K
Camping: \$ 81K
Miscellaneous: \$ 5K
Prior Year Total: \$ 98K
TOTAL: \$ 116K



April 2023 Pipeline

	\$ Billed	Actual AF	Plan AF	Variance
OH	\$890 K	985	870	115
PT	\$255 K	477	480	(3)
PV	\$127 K	599	0	599

- Year-to-date March deliveries are 17% below Plan and 25% below PY



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Board Motion Items with Fiscal Impact

Motion No.	Sponsor	Description/Summary	Budget Y/N	Funding Source	Cash Impact of Approval	Other Financial Impact
3.1	Engineering and Operations	Santa Felicia Dam Safety Improvement Project-Outlet Works Improvement Project Construction Management and Inspection Services Award of Contract and Funds Transfer	Y	8002-850	\$1,498,623	-
3.3	Engineering and Operations	Contract Award to Jacobs Engineering Group Inc. for EBB Water Treatment Project Phase 1	Y	051-400-81060-8019-835	\$412,316	-
4.	Recreation	Lake Piru Draft Conceptual Facilities Improvement Plan	Y	051-400-8055 *(carry over from FY22-23)	\$557,868* \$427,838	
TOTAL					\$2,896,645	




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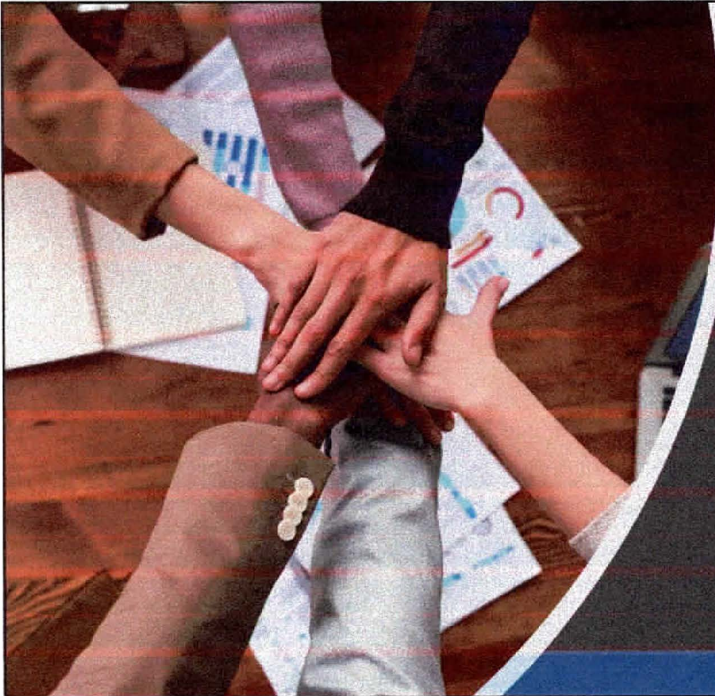
Finance Department Updates

- Interim Financial audit to commence June 19th
- 2023-24 Budget ready for June 14th Board Meeting
- Sr. Accountant interviews done and selection process underway
- WIFIA loan documents will be available for the July meetings



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Administrative Update

Josh Perez
Chief Human Resources Officer

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Human Resources

- Labor Agreement progress
- Successfully onboarded new employees
- Developed recruitments
- Finalized annual administrative leave and merit pay
- Continued to assemble groundwater hearing exhibits for the 2023 groundwater/workshop hearings



Current Employee Recruitments

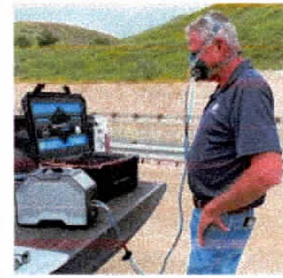


Risk Management

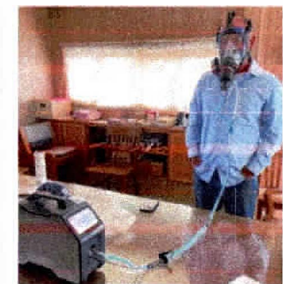
- Certified Lake Piru Recreation staff on Adult & Pediatric CPR/First Aid/AED.
- Conducted annual respirator fit testing for current O&M staff and hearing test for newly hired staff.
- Participated with Engineering Department on joint outreach efforts with Santa Paula Police Department's new Emergency Manager on SFD Emergency Action Plan.
- Supported Water Resources with deployment of stream safety signs deployment.
- Assessed Piru Dam Siren testing, equipment, and training with new Ranger staff.
- Coordinated Playground Safety Inspection at Lake Piru and supported the implementation of recommendations.



First Aid, CPR Training



Fit Testing



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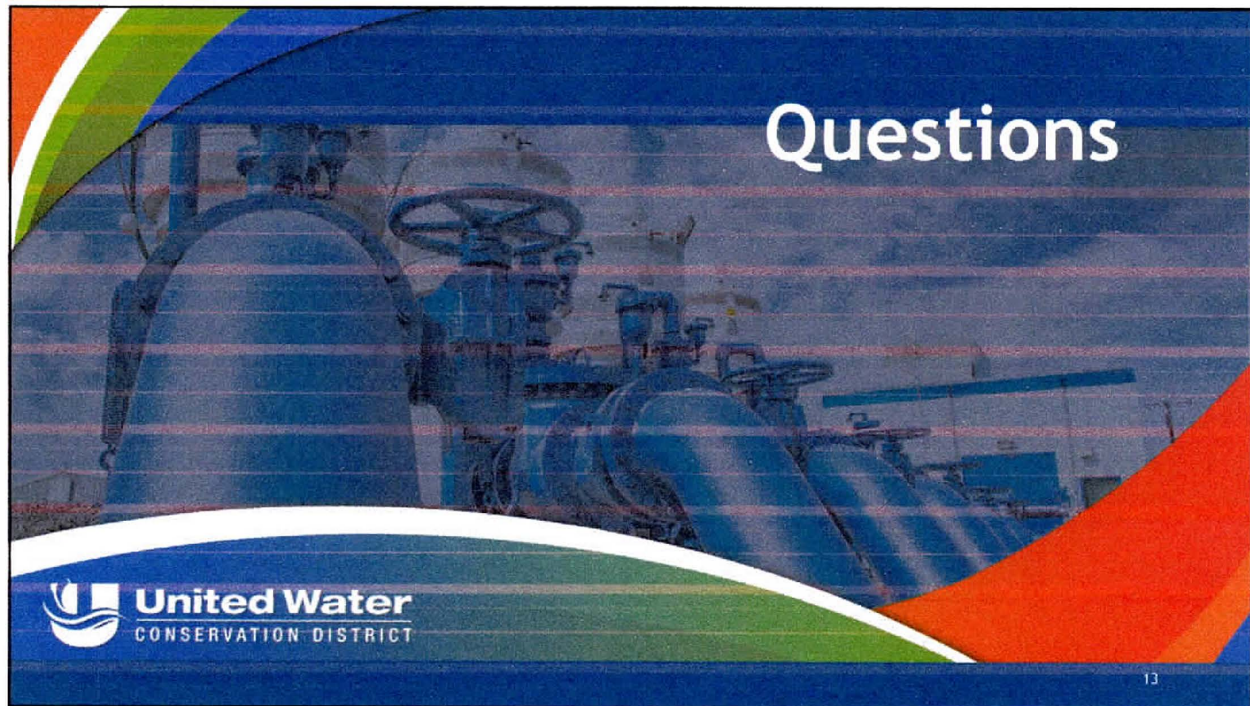
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Technology Systems

- Technology Systems and Operational staff held kickoff meeting with vendors supporting the install of the "Continuous threat detection monitoring" for SCADA. Equipment was shipped and has been installed.
- Provided to Lake Piru Recreation support for semi-regular interruptions to Wi-Fi service related to Radio Power Supply, an AT&T Server Outage, and SoCal Edison Planned Maintenance activities.
- Performed a review of the mobile devices deployed throughout the district.
- Worked with printer and copier services vendor to review Districts printing capabilities and recommended enhancements.
- Control Systems personnel worked with staff to deploy a modernized way for operators to acknowledge alarms.
- Presented at an HR-sponsored "Brown Bag" session on how to create strong passwords, the use of password managers, and how multi-factor authentication benefits staff and the District.

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Staff Report

To: UWCD Finance and Audit Committee Members

Through: Mauricio E. Guardado, Jr., General Manager

From: Brian Zahn, Chief Financial Officer

Date: June 26, 2023 (July 3, 2023, meeting)

Agenda Item: 4a. **Resolution 2023-13** Approving the Planning and Design portion of the Water Infrastructure Finance and Innovation Act (WIFIA) Loan in the amount of \$13,594,645 to support the Santa Felicia Dam Safety Improvement Project
Board Motion

Staff Recommendation:

The Committee will review and consider recommending the adoption of Resolution 2023-13 approving the Planning and Design portion of the Water Infrastructure Finance and Innovation Act (WIFIA) low interest loan for \$13,594,645 and associated loan documents to the full Board.

Background:

Staff has been actively pursuing funding opportunities and financial support of the planning, design and construction fees for the Santa Felicia Dam Safety Improvement Project. While the search for state and federal grant funding opportunities is ongoing, the WIFIA low-interest loan program will provide funds to cover up to 49% of the costs of the Santa Felicia Safety Improvement Project, including planning, design and construction costs.

In 2014, Congress passed the Water Resources Reform and Development Act (WRRDA) which established the WIFIA program. The WIFIA loan program is offered by the EPA to accelerate investment in the nation's water and wastewater infrastructure by providing long-term, low-interest supplemental credit assistance under customized terms to creditworthy water and wastewater projects of national and regional significance. Projects are selected for low-interest WIFIA loans in a competitive process based on the national significance of the proposed water or wastewater infrastructure to be constructed.

The EPA has selected the Santa Felicia Dam Safety Improvement Project for the WIFIA loan program and proposes to enter into a Master Agreement with the District, with each phase of the project governed by individual loans to the United Water Conservation Public Facilities Financing Corporation which will be payable from installment payments made by the District to the Financing Corporation under individual Installment Purchase Agreements. Under this approach, once the Master Agreement is in place, the District can take draws under the loan program at the time and in the amount needed to carry out the individual project phases.

Agenda Item: 4a. Resolution 2023-13 Approving the Planning and Design portion of the Water Infrastructure Finance and Innovation Act (WIFIA) Loan in the amount of \$13,594,645 to support the Santa Felicia Dam Safety Improvement Project
Board Motion

The first phase of the project, which consists of planning and design fees, will be governed by a Term Sheet, the Master Agreement, a WIFIA Loan Agreement and a WIFIA Installment Purchase Agreement. In addition, the Financing Corporation will issue a bond to the EPA to evidence the loan repayment obligation. The sole source of repayment of the bond will be payments made by the District under the WIFIA Installment Purchase Agreement from net water system revenues.

Once the District is prepared to move to the construction phase of the Santa Felicia Dam Safety Improvement Project, the District will return to the EPA to apply for construction funds. The loan process will be much abbreviated due to the due diligence performed during the first (current) stage of the loan. At that time the EPA will decide if the two loans can be combined or if they will exist as two separate loans. The amount of the construction loan will be based on funds available to the EPA at that time.

The District's payments under the Installment Purchase Agreement will be on parity with the 2020 Certificate of Participation financing. The EPA has agreed to use the additional debt test and rate covenant set forth in the 2020 Certificate of Participation financing in connection with the District's WIFIA loans, so the District is not compelled to adopt significant new financial covenants to participate in the WIFIA loan program. In addition, the April 1 (interest) and October 1 (principal and interest) payment dates under the WIFIA loan program match the 2020 Certificate of Participation payment dates.

Fiscal Impact:

Expenses for the WIFIA loan program to date have been approximately \$150,000, consisting of the application fee and costs associated with financial, legal advisors and administrative tasks. It is estimated that an additional \$50,000 will be required to cover costs that exceeded the \$150,000 deposit. Additionally, there will be a rating agency fee estimated at \$35,000.

The initial WIFIA loan is expected to generate approximately \$13.6 million in proceeds, with repayments commencing in 2030 and continuing to 2060, prepayable at any time without penalty. With an estimated fixed interest rate of 4.05%, total debt service is estimated to be approximately \$24 million.

RESOLUTION NO. 2023-13

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNITED WATER CONSERVATION DISTRICT, COUNTY OF VENTURA, STATE OF CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT PROVIDING FOR THE ACQUISITION AND COMPLETION OF CERTAIN IMPROVEMENTS AND THE EXECUTION OF CERTAIN OTHER DOCUMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the United Water Conservation District (the “**District**”) is a water conservation district that is organized and operating pursuant to the provisions of the California Water Code (the “**Water Code**”) within the County of Ventura (the “**County**”), State of California (the “**State**”); and

WHEREAS, the District proposes to acquire and complete certain improvements, betterments, renovations and expansions of facilities within its System, as more particularly described in the WIFIA Master Agreement (as such term is defined and referenced below) (the “**Project**”); and

WHEREAS, in order to finance the acquisition and completion of a portion of the Project, the District proposes to enter into an Installment Purchase Agreement (the “**Installment Purchase Agreement**”) with United Water Conservation District Public Facilities Financing Corporation, a nonprofit public benefit corporation that is duly organized and existing under and by virtue of the laws of the State (the “**Corporation**”), pursuant to which the Corporation will finance the acquisition and completion of such portion of the Project and convey such portion of the Project to the District and the District will make installment payments to the Corporation in consideration thereof; and

WHEREAS, in order to fulfill its obligation to the District under the Installment Purchase Agreement, the Corporation proposes to obtain a loan under the authority of the Water Infrastructure Finance and Innovation Act (the “**WIFIA Loan**”) from the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”), pursuant to a WIFIA Master Agreement (the “**WIFIA Master Agreement**”) and a WIFIA Loan Agreement (the “**WLA**”), each entered into by and among the Corporation, the WIFIA Lender and the District; and

WHEREAS, the terms of the proposed WIFIA Loan are set forth in a term sheet (the “**WIFIA Term Sheet**”), the WIFIA Master Agreement and the WLA; and

WHEREAS, the District has agreed to execute the Installment Purchase Agreement, execute and perform certain obligations under the WIFIA Master Agreement and the WLA and execute the WIFIA Term Sheet, in each case to provide certain assurances with respect to the Project to the WIFIA Lender; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the Installment Purchase Agreement is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE UNITED WATER CONSERVATION DISTRICT HEREBY RESOLVES, DETERMINES AND ORDERS AS FOLLOWS:

Section 1. The foregoing recitals are true and correct, and are incorporated herein by this reference.

Section 2. The Installment Purchase Agreement is hereby approved in substantially the form on file with the Secretary of the Board, with such additions thereto and changes therein as are approved by District General Legal Counsel (“**General Counsel**”) and the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation (“**Special Counsel**”). The President, the General Manager or the written designee thereof, or the Secretary of the Board of Directors (each, an “**Authorized Officer**”), are each hereby individually authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Special Counsel and approved by the person executing the same, said execution being conclusive evidence of such approval; provided, however, that the principal components of the installment payments which are payable under the Installment Purchase Agreement shall not exceed \$13,594,645.

Section 3. The WIFIA Term Sheet, the WLA and the WIFIA Master Agreement are hereby approved in substantially the forms on file with the Secretary of the Board, with such additions thereto and changes therein as are approved by General Counsel and Special Counsel. The Authorized Officers are each hereby individually authorized and directed to execute and deliver such WIFIA Term Sheet, WLA and WIFIA Master Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Special Counsel and approved by the person executing the same, said execution being conclusive evidence of such approval.

Section 4. Notwithstanding anything to the contrary set forth in this Resolution, the WIFIA Term Sheet, the WLA or the WIFIA Master Agreement, the District is not a borrower with respect to the WIFIA Loan, the WLA or the WIFIA Master Agreement and the District has no obligation to make any payment or provision for payment of the WIFIA Loan. The WIFIA Master Agreement and the WLA shall not constitute contracts between the District and the WIFIA Lender by which the District incurs an indebtedness.

Section 5. The Authorized Officers and any other proper officer of the District, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Installment Purchase Agreement, the WIFIA Term Sheet, the WLA, the WIFIA Master Agreement and this Resolution, and all actions heretofore taken by any committee of the Board of Directors, or any official, officer, employee, representative or agent of the District, in connection with the authorization, execution, delivery, or performance of the District’s obligations under the documents and instruments approved or authorized by this Resolution, and the other actions contemplated by this Resolution, are hereby ratified, approved and confirmed. In the event that the President of the Board of Directors is unavailable to sign any of the agreements described herein, any other director of the Board of Directors may sign such agreement and, in the event that the Secretary of the Board of Directors is unavailable or unable to execute and deliver any of the above-referenced documents, any deputy or assistant secretary may validly execute and deliver such document.

Section 6. The good faith estimates of costs related to the Installment Purchase Agreement which are required by Section 5852.1 of the California Government Code are disclosed in Exhibit A hereto and are available to the public at the meeting at which this Resolution is approved.

Section 7. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the WIFIA Master Agreement unless the context otherwise clearly requires.

Section 8. This Resolution shall take effect immediately upon adoption.

We, the undersigned, being duly qualified and current President and Secretary, respectively of the Board of Directors of United Water Conservation District, do hereby certify that the above and foregoing resolution was duly and regularly adopted and passed by resolution of the Board of Directors of said water conservation district at a meeting thereof held on __th day of _____, 2023, by the following vote:

In favor thereof, Directors:

Abstain, Directors:

Not in favor, Directors:

Attest: _____
Bruce E. Dandy, President

Attest: _____
Lynn E. Maulhardt, Secretary/Treasurer

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Installment Purchase Agreement in accordance with California Government Code Section 5852.1.

Principal Amount. Based on the District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Installment Purchase Agreement is \$13,594,645 (the "**Estimated Principal Amount**").

True Interest Cost. Assuming that the Installment Purchase Agreement is entered into in the Estimated Principal Amount, and based on market interest rates prevailing at the time of preparation of such estimate, the District's good faith estimate of the true interest cost of the Installment Purchase Agreement, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Installment Purchase Agreement, is 4.05%.

Finance Charge. Assuming that the Installment Purchase Agreement is entered into in the Estimated Principal Amount, and based on market interest rates prevailing at the time of preparation of such estimate, the District's good faith estimate of the finance charge for the Installment Purchase Agreement, which means the sum of all fees and charges paid to third parties (or costs associated with the Installment Purchase Agreement), is \$0.

Amount of Proceeds to be Received. Assuming that the Installment Purchase Agreement is entered into in the Estimated Principal Amount, and based on market interest rates prevailing at the time of preparation of such estimate, the District's good faith estimate of the amount of proceeds expected to be received by the District, less the finance charge as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Agreement, is \$13,594,645.

Total Payment Amount. Assuming that the Installment Purchase Agreement is entered into in the Estimated Principal Amount, and based on market interest rates prevailing at the time of preparation of such estimate, the District's good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Installment Purchase Agreement, plus the finance charge as described above, not paid with the proceeds of the Installment Purchase Agreement, calculated to the final maturity of the Installment Purchase Agreement, is \$24,006,000.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Installment Purchase Agreement, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of execution of the Installment Purchase Agreement being different than the date assumed for purposes of such estimates; (b) the actual principal amount of the Installment Purchase Agreement being different from the Estimated Principal Amount; (c) the actual amortization of the Installment Purchase Agreement being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of execution of the Installment Purchase Agreement being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the District's financing plan, delays in the financing, additional legal work or a combination of such factors and additional finance charges, if any, attributable thereto. Market interest rates are affected by economic and other factors beyond the control of the District.



Staff Report

To: UWCD Finance and Audit Committee Members

Through: Mauricio E. Guardado, Jr., General Manager
Anthony A. Emmert, Assistant General Manager

From: Brian H. Zahn, Chief Financial Officer

Date: June 22, 2023 (July 3, 2023, meeting)

Agenda Item: 5. **Monthly Investment Report (May 31, 2023)**
Information Item

Staff Recommendation:

The Committee will review and discuss the most current investment report for May 31, 2023, that is attached.

Discussion:

Based on the information included in the attached reports, staff will present a summary and discuss key information as an overview.

Fiscal Impact:

As shown.

Attachment:

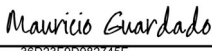
Combined Monthly Investment Report

United Water Conservation District
Monthly Investment Report
May 31, 2023

<u>Investment Recap</u>	<u>G/L Balance</u>	<u>Weighted Avg Days to Maturity</u>	<u>Diversification Percentage of Total</u>
Bank of the Sierra	3,631,299	1	7.70%
Citizens Business Bank	7,533,398	1	15.97%
US Bank - 2020 COP Bond Balance	6,050,078	1	12.82%
Petty Cash	4,400	1	0.01%
County Treasury	1,712	1	0.00%
LAIF Investments	29,958,313	1	63.49%
Total Cash, Cash Equivalents and Securities	47,179,200		100.00%
 Investment Portfolio w/o Trustee Held Funds	 47,179,200		
Trustee Held Funds	-		
Total Funds	47,179,200		

Local Agency Investment Fund (LAIF)	Beginning Balance	Deposits (Disbursements)	Ending Balance
	33,458,313	(3,500,000)	29,958,313
	Interest	Interest	
	Earned YTD	Received YTD	Qtrly Yield
	266,445	323,826	2.74%

All District investments are shown above and conform to the District's Investment Policy. All investment transactions during this period are included in this report. Based on budgeted cash flows the District appears to have the ability to meet its expenditure requirements for the next six months.

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Mauricio E. Guardado, Jr., General Manager

6/27/2023

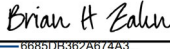
Date Certified

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Anthony Emmert, Assistant General Manager

6/27/2023

Date Certified

DocuSigned by:

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Brian H. Zahn, Chief Financial Officer

6/26/2023

Date Certified

<i>United Water Conservation District</i>			
<i>Cash Position</i>			
May 31, 2023			
Fund	Total	Composition	Restrictions/Designations
General/Water Conservation Fund:			Revenue collected for district operations
General/Water Conservation	14,156,050	887,228	Includes General, Rec & Ranger, Water Conservation
		4,962,000	Reserved for legal expenditures
		4,751,849	Designated for replacement, capital improvements, and environmental projects
		3,554,973	Supplemental Water Purchase Fund
General CIP Funds	9,325,038	9,325,038	Appropriated for capital projects
2020 COP Bond Funds	6,633,196	6,633,196	Reserved for CIP Projects
Special Revenue Funds:			Revenue collected for a special purpose
State Water Project Funds	7,545,815	7,545,815	Procurement of water/rights from state water project
Enterprise Funds:			Restricted to fund usage
Freeman Fund	2,154,157	2,154,157	Operations, Debt Service and Capital Projects
		-	Designated for replacement and capital improvements
		-	Reserved for legal expenditures
Freeman CIP Fund	1,844,990	1,844,990	Appropriated for capital projects
OH Pipeline Fund	(2,101,535)	(2,101,535)	Delivery of water to OH customers
OH CIP Fund	4,131,769	4,131,769	Appropriated for capital projects
OH Pipeline Well Replacement Fund	634,047	634,047	Well replacement fund
PV Pipeline Fund	703,937	703,937	Delivery of water to PV customers
PV CIP Fund	243,455	243,455	Appropriated for capital projects
PT Pipeline Fund	982,089	982,089	Delivery of water to PTP customers
PT CIP Fund	926,191	926,191	Appropriated for capital projects
T tal District Cash & Investments	47,179,200	47,179,200	



Staff Report

To: UWCD Finance and Audit Committee Members

Through: Mauricio E. Guardado, Jr., General Manager
Anthony A. Emmert, Assistant General Manager

From: Brian H. Zahn, Chief Financial Officer

Date: June 22, 2023 (July 3, 2023, meeting)

Agenda Item: 6. **Monthly Pipeline Delivery Reports (May 31, 2023)**
Information Item

Staff Recommendation:

The Committee will review and discuss the most current pipeline delivery report for May 31, 2023, that is attached.

Fiscal Impact:

As shown.

Discussion:

Based on the information included in the attached report, staff will present a summary and discuss key information as an overview.

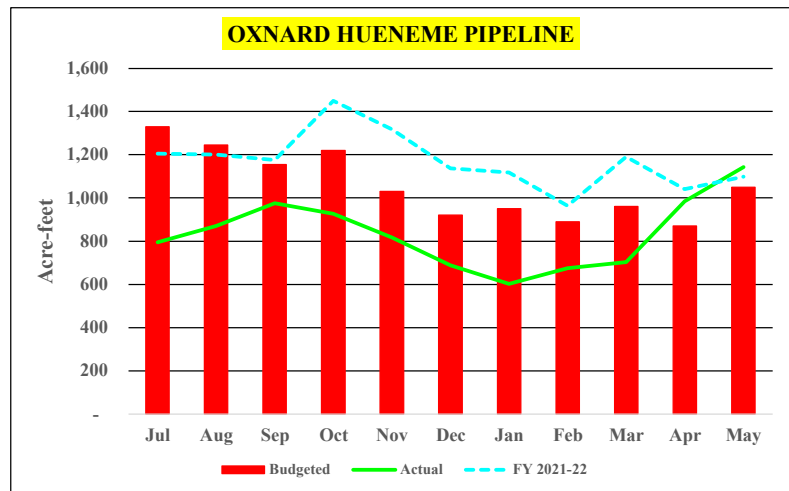
Attachment:

May Pipeline Delivery Report

**United Water Conservation District
Pipeline Water Deliveries (Acre-feet)
FY 2022-23 data thru May 31, 2023**

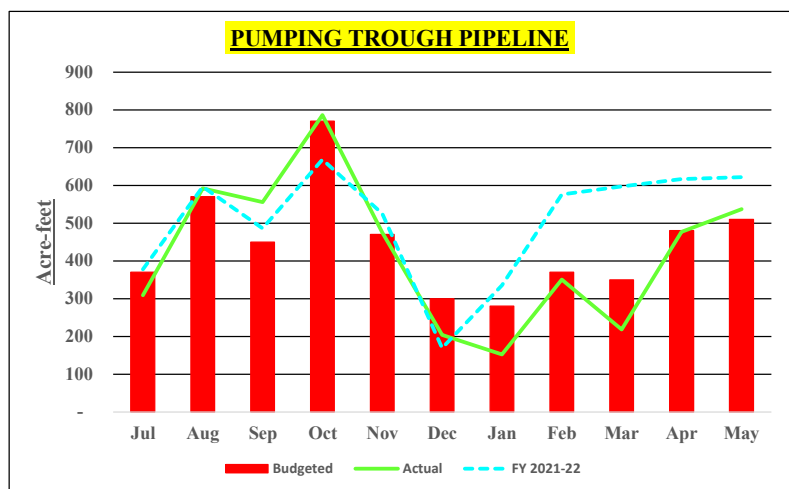
OH Pipeline 22-23			
	Projection	Actual	Difference
Jul	1,330	795	(535)
Aug	1,245	870	(375)
Sep	1,155	976	(179)
Oct	1,220	927	(293)
Nov	1,030	818	(212)
Dec	920	688	(232)
Jan	950	603	(347)
Feb	890	674	(216)
Mar	960	703	(257)
Apr	870	985	115
May	1,050	1,144	94
Jun	1,050		
Totals	12,670	9,182	(2,438)
YTD	11,620	9,182	(2,438)

YTD Actual to Budget: -21.0%



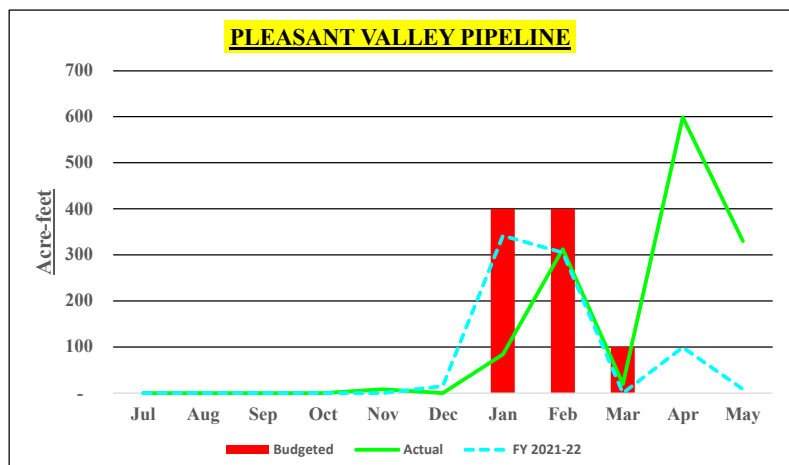
PT Pipeline 2022-23			
	Projection	Actual	Difference
Jul	370	309	(61)
Aug	570	592	22
Sep	450	556	106
Oct	770	786	16
Nov	470	475	5
Dec	300	204	(96)
Jan	280	153	(127)
Feb	370	350	(20)
Mar	350	219	(131)
Apr	480	477	(3)
May	510	537	27
Jun	480		
Totals	5,400	4,659	(261)
YTD	4,920	4,659	(261)

YTD Actual to Budget: -5.3%



PV Pipeline 2022-23			
	Projection	Actual	Difference
Jul	-	-	
Aug	-	-	
Sep	-	-	
Oct	-	-	
Nov	-	8	8
Dec	-	-	-
Jan	400	84	(316)
Feb	400	313	(87)
Mar	100	19	(81)
Apr	-	599	599
May	-	330	330
Jun	-		
Totals	900	1,353	453
YTD	900	1,353	453

YTD Actual to Budget: 50.3%





Staff Report

To: UWCD Finance and Audit Committee Members

Through: Mauricio E. Guardado, Jr., General Manager
Anthony A. Emmert, Assistant General Manager

From: Brian H. Zahn, Chief Financial Officer

Date: June 22, 2023 (July 3, 2023, meeting)

Agenda Item: 7. **Board Requested Cost Tracking Items
Information Item**

Staff Recommendation:

The Committee will review and discuss the cost-to-date reports for:

- 1) FERC licensing
- 2) The Probable Maximum Precipitation/Flood Study
- 3) General/Water Conservation Fund Environmental
- 4) Freeman Fund Environmental
- 5) Quagga Mussels
- 6) City of Ventura Litigation
- 7) O. Mykiss CESA Listing
- 8) Fifth Amendment Takings Claim
- 9) Wishtoyo Litigation
- 10) All legal fees
- 11) All professional fees (excluding legal fees)
- 12) Summary of Board Motion Item(s) with Fiscal Impact

Based on the information provided and the ensuing discussion, provide any necessary direction to staff.

Discussion:

The Finance and Audit Committee requested a monthly update of the accounting being maintained by the District for costs being incurred for various items. The attached report (Attachment A) provides data through May 31, 2023.

Fiscal Impact:

As shown.

Attachments:

Attachment A – Consolidated Cost Summary

Attachment B – Summary of Board Motion Items with Fiscal Impact

**United Water Conservation District
Consolidated Cost Summary Report
Through May 31, 2023**

Fiscal Year	FERC License	PMF Study	Gen/Water Conservation Environmental	Freeman Environmental	Quagga Mussels	City of Ventura Lawsuit *	O. Mykiss CESA Listing	Takings Claim	Wishtoyo Complaint	Legal Fees	Other Professional Fees	Total Professional Fees
2001-02	27,083	-	-	-	-	-	-	-	-	-	-	-
2002-03	137,116	-	-	-	-	-	-	-	-	-	-	-
2003-04	395,575	-	-	-	-	-	-	-	-	-	-	-
2004-05	527,191	53,364	-	-	-	-	-	-	-	-	-	-
2005-06	169,655	16,486	3,170	148,847	-	-	-	-	-	-	-	-
2006-07	74,929	10,554	71,678	170,323	-	-	-	-	-	-	-	-
2007-08	105,950	-	304,745	170,995	-	-	-	-	-	-	-	-
2008-09	364,883	-	1,483,036	458,887	-	-	-	-	-	1,267,547	822,498	2,090,045
2009-10	258,473	68,839	524,532	548,673	-	-	-	-	-	324,553	860,496	1,185,049
2010-11	407,597	123,915	306,071	374,490	-	-	-	-	-	255,183	992,758	1,247,941
2011-12	789,792	87,059	479,648	138,686	-	353,598	-	-	-	533,216	902,051	1,435,267
2012-13	531,196	6,942	568,207	291,674	-	52,222	-	-	-	261,810	1,316,817	1,578,627
2013-14	771,128	97,340	499,114	434,354	186,505	365,903	-	-	169,167	770,488	1,244,116	2,014,604
2014-15	968,028	120,094	116,393	725,345	232,259	227,522	-	-	85,654	505,973	1,811,454	2,317,427
2015-16	469,632	53,062	137,400	605,003	311,047	161,858	-	-	230,513	690,261	1,463,670	2,153,931
2016-17	435,599	257,750	139,791	666,810	613,210	23,373	-	-	1,029,773	1,030,758	1,535,352	2,566,110
2017-18	363,051	617,564	119,971	546,179	413,501	272,526	-	-	2,410,909	2,931,575	2,153,367	5,084,942
2018-19	735,757	436,136	137,761	659,368	431,494	193,240	-	-	1,174,589	2,104,842	2,526,710	4,631,553
2019-20	682,306	818,753	57,942	1,184,780	290,047	411,440	-	-	4,812,891	5,839,441	2,898,804	8,738,246
2020-21	298,484	1,692,037	22,583	533,030	348,733	1,540,385	-	259,432	2,301,320	4,841,413	2,115,988	6,957,400
2021-22	731,766	777,246	44,037	385,341	394,269	394,491	-	237,376	1,182,593	2,957,128	1,827,256	4,784,384
2022-23	765,946	571,750	9,189	504,385	265,332	180,370	44,519	234,182	1,749,252	3,169,343	2,821,240	5,990,582
Report Total	10,011,139	5,808,890	5,025,266	8,547,170	3,486,397	4,176,930	44,519	730,990	15,146,660	27,483,531	25,292,577	52,776,108
Previous Report Total	9,973,674	5,803,090	5,022,849	8,493,858	3,454,446	4,167,137	42,673	711,732	14,134,794	26,115,632	24,596,657	50,712,289
<i>Current Activity</i>	<i>37,465</i>	<i>5,799</i>	<i>2,355</i>	<i>53,311</i>	<i>31,951</i>	<i>9,793</i>	<i>1,847</i>	<i>19,258</i>	<i>1,011,867</i>	<i>1,367,899</i>	<i>695,919</i>	<i>2,063,819</i>

* Does not include City of San Buenaventura judgment

Current Activity Narrative:

FERC - The activity for May (\$37K) was spent on staff time (\$1K) and Legal Fees (\$26K)

PMF - The activity for May (\$6K) was spent on staff time (\$5K) and Legal Fees (\$1K)

General/Water Cons - The activity for May (\$2K) was spent on staff time.

Freeman - The activity for May (\$53K) was spent on staff time (\$46K) and professional services (\$7K).

Quagga - The activity for May (\$32K) was spent on staff time (\$8K) and professional services (\$24K) related to quagga mussel eradication and the scientific dive agreement.

Ventura - There were legal costs of \$10K associated with the settlement of the City of Ventura Lawsuit.

O. Mykiss CESA - May's activity (\$2K) was spent on staff time.

Takings Claim - May's activity (\$20K) was all associated with Legal expenses for the Takings Claim.

Wishtoyo - The activity for May (\$1,012K) was spent on legal fees related to the Wishtoyo complaint (\$199K) and (\$813K) for the fourth annual settlement payment

Legal Fees - Includes all legal fees for the District. These fees were dominated by the Wishtoyo Lawsuit, Ventura Lawsuit, FCGMA SGMA and General Counsel.

Other Prof Fees - Includes all contracted professional fees except legal fees. These fees were dominated by fish passage, SFD EAP, quagga related services and administrative costs.

Board Motion Items with Fiscal Impact

Motion No.	Sponsor	Description/Summary	Budget Y/N	Funding Source	Cash Impact of Approval	Other Financial Impact
2024-01	Finance/Engineering	WIFIA loan to support the Santa Felicia Dam Safety Improvement project	Y		Adding \$13.6M funding for SFD project	Repayment of loan begins 10/01/2030
				TOTAL	\$13.6M	

