



Board of Directors
Michael W. Mobley, President
Bruce E. Dandy, Vice President
Sheldon G. Berger, Secretary/Treasurer
Lynn E. Maulhardt
Edwin T. McFadden III
Daniel C. Naumann

General Manager
Mauricio E. Guardado, Jr.

Legal Counsel
David D. Boyer

February 5, 2020

Board of Directors
United Water Conservation District

Subject: Fiscal Year 2019-20 Second Quarter Financial Report

Dear Board Members:

Enclosed for your review is the District's FY 2019-20 Second Quarter (July 1, 2018 through December 31, 2019) Financial Report. This report represents three months of financial information for District operations (50% of the total fiscal year). The report includes budget to actual comparisons for District revenues, expenditures, water deliveries, and a discussion of any significant variances. The financial data is unaudited and therefore subject to revisions.

This report focuses primarily on the operating funds of the District and corresponding Capital Improvement Project (CIP) funds:

- General/Water Conservation Fund
 - Recreation & Ranger Activities Sub-fund
- Freeman Fund
- Oxnard/Hueneme Pipeline (OHP) Fund
- Pleasant Valley Pipeline (PVP) Fund
- Pumping Trough Pipeline (PTP) Fund
- State Water Import Fund
- Overhead Fund

Staff provides the Board's Finance & Audit Committee with monthly cash position and pipeline delivery activities reports throughout the fiscal year. Quarterly financial reports are submitted to the Board to provide information on the financial status of the District and to assure the Directors and our rate payers that staff is operating within the parameters of the annual adopted budget, including any supplemental appropriations. At the end of each fiscal year, an outside certified public accounting firm performs an independent financial audit to test staff's financial reporting accuracy and internal controls. It is staff's responsibility to ensure that the Board has received adequate financial information throughout the year so that there are no surprises, and so that fiscally prudent decisions can be made when the Board is asked to consider approval of budgeted and unbudgeted expenditure requests.

This report compares the revenues and budget appropriations projected for the entire fiscal year with actual data to provide the Board and our rate payers with a preliminary financial view (subject to audit adjustments). The following discussion will provide a summary of the District's projected revenues and approved spending plan compared to what actually occurred throughout the year. It also provides an update on approved and funded capital improvement projects.

Operating Funds

Narrative and graphical analyses are provided by fund (and the Recreation sub-fund) on pages 1 through 8. Pipeline Water Delivery activity is provided on page 9.

CAPITAL IMPROVEMENT PROGRAM STATUS

A one-page summary of the District's current Five-Year Capital Improvement Program appears on page 10. As of December 31, 2019, all capital improvement projects (CIP) expenditures are within the total amount appropriated by the Board.

Most of the CIPs that have been funded are currently underway, in the planning, design or construction stages. An exception is the Santa Felicia Dam Sediment Management project which is on hold due to a backlog of other projects.

- *Well Replacement Program (CIP Project # 8000)* - This is an ongoing CIP to eventually replace all of the original groundwater wells serving the Oxnard-Hueneme Pipeline System. The project is funded by the Oxnard-Hueneme Pipeline Well Replacement Fund. The next well replacement project is scheduled for the 2020-21 Fiscal Year.
- *Freeman Diversion Rehabilitation (CIP Project # 8001)* – NHC and Stantec submitted the Hydraulic Basis of Design Reports for the Notch, Hardened Ramp and Vertical Slot fish passage design alternatives for NMFS review and comments. Staff continued holding frequent check-in calls with NMFS to discuss the design and use NMFS comments to refine and advance the respective design alternatives with the objective to select the most practicable fish passage alternative. The District retained ICF in September to support staff with project coordination services and managing the action items assigned to internal and external team members. This project is funded from the Freeman Diversion Fund (Zone B).
- *Santa Felicia Dam Outlet Works Rehabilitation (CIP Project # 8002)* – Based on the results of the field investigations and the Board of Consultants (BOC) comments from 2018, GEI continued to develop the 10% design for the Outlet Works Improvement project. As part of the 10% design work, GEI developed seven (7) Technical Memoranda (TMs) for staff review and comments. The revised TMs were compiled into a 10% design packet that was submitted to the BOC/ FERC and DSOD in November. The 10% design packet was presented by GEI to the BOC/ FERC and DSOD and staff received the BOC comments at the BOC meeting No. 4 held on December 4 and 5. As of December 1, 2019, the project is 75% complete and within the approved budget. \$120,762 of the approved budget remains.
- *Santa Felicia Dam Probable Maximum Flood Containment (CIP Project # 8003)* – Based on the results of the field investigations and the Board of Consultants (BOC) comments from 2018, GEI continued to develop the 10% design for the Spillway Improvement project. As part of the 10% design work, GEI developed nine (9) Technical Memorandums (TMs) for staff review and comments. The revised TMs were compiled into a 10% design packet that was submitted to the BOC/ FERC and DSOD in November. The 10% design packet was presented by GEI to the BOC/ FERC and

DSOD and staff received the BOC comments at the BOC meeting No. 4 held on December 4 and 5. As of December 1, 2019, the project is 86% complete and within the approved budget. \$79,406 of the approved budget remains.

- *Santa Felicia Dam Sediment Management (CIP Project # 8005)* - A milestone for this project was the recently completed 10-year sediment survey of the Lake Piru Reservoir. The current useable capacity of the reservoir is approximately 81,942 acre-feet. The sediment management project may be included in the SFD Outlet Works Improvement project.
- *Lower River Invasive Species Control (CIP Project # 8006)* –In November 2018, Staff started discussing one or more pilot studies and has been working with KASF Consulting, LLC to develop a pilot test plan. The goal of the proposed pilot study is twofold: (1) investigate the treatment efficacy of three chemical disinfectants (chlorine, copper sulfate and potassium permanganate) on quagga mussel veligers in water supplied by the Freeman Diversion and (2) determine the survivability of quagga mussel adults in 100% groundwater supplied by the PTP system. In September 2019, KASF Consulting completed the proposed pilot testing and submitted a final report. Staff is currently reviewing the report which recommends follow-up investigations of alternative chemical treatments. District staff continues to review the final draft report prepared by KASF Consulting entitled “Investigating chemical treatment options on quagga mussel veligers in static conditions for treating water supplied for agricultural use & determination of water source effect on adult quagga mussels.” In Addition, the District’s on-call consultant Catalyst reviewed the draft report prepared by KASF Consulting.
- *Oxnard Hueneme Pipeline Iron and Manganese Treatment (CIP Project # 8007)* - In support of the on-going design work, the District’s on-call consultants Stantec and Oakridge Geoscience completed surveying and geotechnical exploration services. The District made an initial determination that the project is categorically exempt under the California Environmental Quality Act (CEQA). The District’s on-call consultant, Rincon Consultants, has substantiated this determination through an environmental impact analysis. The work will be incorporated into the final design plans, specifications and estimates. On September 18, 2019, the District received the fully executed grant agreement in the amount of \$300,000 from the United States Department of the Interior Bureau of Reclamation. Staff also pursued an additional \$2.5 million grant application through the Proposition 1 Integrated Regional Water Management (IRWM) Implementation Grant Program. The project was among five projects that were selected for the final grant application which was submitted to the Department of Water Resources in November 2019. The announcement of awards is anticipated in spring of 2020. As of September 2019, 90% design of the Iron and Manganese Removal at the El Rio Water Treatment Plant was complete. Staff reviewed the design and technical specifications and provided comments to Kennedy/ Jenks Consultants in December 2019.
- *Quagga Decontamination Station (CIP Project # 8008)* – Project has not yet begun. The District is seeking grant funding for the project. The grant funding may require

special legislation to allow the use of funds set aside for monitoring activities to be used for construction of control facilities such as the decontamination station. In addition to the decontamination station, staff is considering constructing a boat and watercraft quarantine storage compound.

- *Lake Piru Asphalt Repairs (CIP Project # 8010)* – Project is complete.
- *Day Use Pavilion Rehab (CIP Project # 8011)* – Project is complete.
- *Juan Fernandez Day Use (CIP Project # 8013)* – The District retained Stantec to prepare a Recreation Management Plan (RMP) for the Lake Piru Recreation area. Construction of the Juan Fernandez Day Use facilities is required to comply with Article 412 of the FERC license for Santa Felicia Dam project. The FERC license compliance division has requested that the RMP be revised and resubmitted with a license amendment. The recreation management plan assessed the public need to install these additional facilities and is recommending alternative improvements that are less costly and more appropriate. The license amendment application and the RMP were submitted to the FERC on September 20, 2018. In October 2018, United Board of Directors adopted the RMP. Staff is currently in the process of providing the details of the proposed alternatives to FERC.
- *Ferro-Rose Recharge (CIP Project # 8018)* – Wellhead Energy (WE) still plans on placing solar panels on the floors of the Ferro and Rose Basins. The solar project would accelerate the need to construct the partition levees per the Northwest Hydraulic Consultant’s feasibility analysis for the Ferro-Rose Recharge Project.

The District intends to use the soil from the floor of Ferro Basin to construct the partition levees. The geological investigations conducted by Oakridge Geoscience in January 2019 determined that the fill materials occupy approximately 24-42 inches of the top soil layer in the Ferro Basin and the fill materials are expected to be suitable for levee construction/ maintenance. Wellhead Energy (WE) continues to pursue the Clean Power Alliance (CPA) or the Southern California Edison’s approval of the project.

If selected, WE is planning to complete the installation of the solar field and start operating the system by the end of 2022. The partition levee portion of the project is funded by the Water Conservation Activities subfund (Zone A).

- *Brackish Water Treatment (CIP Project # 8019)* - The proposed project would require a significant change in the Fox Canyon Groundwater Management Agency policy with regards to various approaches to abate the seawater intrusion problem near the coast. The District submitted an application for the Proposition 1 Ground Water Grant Program. The full proposal for the Coastal Brackish Water Treatment Plant – Basin Impact and Benefits Analysis project was submitted to the State Water Resources Control Board on March 4, 2019. The District received a letter from the State Water Resources Control Board on October 18, 2019 regarding a preliminary grant award of up to \$103,600 equivalent to a 50% match. The total project cost is \$207,200. A kick off meeting with the grant administrator was held on January 2, 2020 to discuss the

formal award and establishment of the final grant contract agreement. Based on the discussions, it is anticipated that the agreement will be finalized in Summer 2020. Staff initiated discussions with the Navy regarding a potential collaboration with the Navy on the project. Staff worked with Groundwater Resources staff to develop the conceptual design and prepared project narratives, maps and illustrations for a meeting with the Navy on November 5, 2019. The Navy expressed interest in the project and welcomed building a partnership with the District. The project concept was presented to the Groundwater Committee at the monthly committee meeting in November and to the Board of Directors at the December 2019 board meeting.

- *Rice Ave Overpass PTP (CIP Project # 8021)* –The City of Oxnard, Caltrans, County of Ventura Department of Public Works, and the Ventura County Transportation Commission (CTC) have made a final decision on design and construction of the Rice Avenue Grade Separation project. The revised design (formerly identified as Alternative 3B- Realigned Rice Avenue Single Collector), includes a single pass and a connector along Rice Avenue. The new design will impact the east side of the PTP Well # 4 site, however, the impact appears to be significantly less than the original design with two connectors. The detail of this alternative design is expected to become available to the District by the end of 2019. The District was formally informed about the change of the alternate and project alignment via a letter from the City of Oxnard on September 4, 2019.
- *PTP Turnout Metering System (CIP Project # 8022)* – This project proposes to replace 62 meter turnouts on the PTP pipeline. Grant funding that provides 50% matching funds for the meter replacements has been approved by the Department of Water Resources, and a Board resolution to accept the funds was approved by the Board in February 2017. Funding for a 50% portion of the project will be required by the PTP customers. Installation of the first phase of equipment by O&M personnel began in April 2018. To date, seventeen (17) electromagnetic (mag) flow meters have been installed on the PTP system which are currently integrated with the District’s Supervisory Control and Data Acquisition (SCADA) system. District staff has updated its standard design to include a wood utility pole option that elevates solar panels and batteries out of reach of potential theft and vandalism. This also eliminates the need to construct security fencing. This option could be used in locations where space is limited. To date 35 meter locations have been surveyed in order to prepare utility easement deeds and the District’s right-of-way consultant, Hamner, Jewell & Associates has issued letters to property owners requesting return of fully executed utility easement deeds at six (6) PTP turnout locations.
- *Pothole Trailhead (CIP Project # 8023)* – United retained Phoenix Civil Engineering to develop the parking lot and entrance road engineering plans. The parking area site plans and the manufactured restroom drawings were submitted on August 02, 2019 to both Public Works and Building and Safety as a first step towards a Grading and Building Permits, respectively. A Ventura County Fire Department Construction Permit was received on July 31, 2019. A Zoning Clearance was received from Planning on August 26, 2019. All permits, including the Grading and Building permits are expected to be received by November, 2019. On October 16, 2019 United submitted a project proposal

for Proposition 68 – Recreational Trails and Greenways grant funding. The proposed package would include realigning the first 1.8 miles of the Pothole Trail as well as an enhanced Parking Area project. If the grant is awarded, the total project cost would be \$929,000 of which the district would be required to match twenty percent. Projects selected to advance to the next step of the grant application process will be notified in mid to late February 2020. The grant award is expected to be announced in mid to late June 2020. In continued consultation with the Forest Service in December, new issues related to the ownership of the Piru Canyon Road and road maintenance responsibilities were raised. United is currently conducting a title search to identify any recorded easement agreements. The District has been granted a three-month time extension by FERC to resolve these issues by March 31, 2020. United's request for a time extension to complete the construction by December 31, 2020 was also granted by FERC.

- *New Headquarters (CIP Project # 8024)* – Newton Construction was awarded the contract for the tenant improvements in the middle of August. Construction started in late August and the construction of the first floor was substantially completed by November 22, 2019. The project is expected to be complete in February 2020 and the first and second floors are expected to be occupied by the District by the end of February 2020.
- *State Water Interconnection Project (CIP Project # 8025)* – United Water is partnering with the City of Ventura, Calleguas MWD and Casitas MWD to bring State Water Project water to western Ventura County. The City was served with a petition by California Water Impact Network (CWIN) on September 10, 2019. The Real Parties of Interest named by the petitioner, included United, Casitas and Calleguas and Metropolitan Water District of Southern California. United along with other three agencies were dismissed from the petition. The City request for Statements of Qualifications (SOQs) from consulting companies for design of steel transmission pipelines and or blending facilities for the project resulted in six SOQs. After the review of the SOQs by the City, Casitas, United and Ventura Water, the City interviewed the qualified consultants and selected Stantec/ HDR team. The City is in the process of reviewing the scope of work prepared by the Stantec/ HDR team for design the SWP Interconnection project. The final copy of the consultant agreement is anticipated to be presented to the City Council for approval in February 2020. Staff provided a copy of the District's standard specifications to the consultant for the design of the turnout that will be constructed along Rose Avenue. The draft agreement between the City of Ventura, Casitas Municipal Water District, Calleguas Municipal Water District and United for construction and operation of the SWP interconnection is being reviewed by the City.
- *Alternative Supply Assurance Supply Pipeline (CIP Project # 8030)* - Staff completed the review of the Alternative Supply Assurance Pipeline Project (ASAPP) report: ASAPP Feasibility Study: Conceptual Design, Yields and Benefits to Groundwater in May. Staff met with Civiltech Engineering (Civiltec) on July 19 to discuss the project planning and initial evaluation of potential environmental impacts as a result of project implementation. Civiltec has been working on alternative alignments. The ASAPP

Feasibility Study, Conceptual Design, Yields and Benefits to Groundwater was posted on the District’s website in September and is available to the Public.

- *Grand Canal Hydraulic Constraint Removal (CIP Project # 8032)* – NHC delivered a technical memorandum on alternatives for increasing the capacity of the Grand Canal headworks. Staff selected an alternative to take forward and NHC started working on the hydraulic and engineering design for that alternative. NHC delivered the final plans for the replacement of the pipeline at the entrance of the Grand Canal. Quotations were also provided for the entrance gates that will be owner furnished due to the 20-22 week estimated delivery time. Construction is likely to begin in the spring of 2020.

CASH POSITION AND INVESTMENTS OF THE DISTRICT

As of December 31, 2019, the District had a total of \$29.76M in cash and investments. As noted on the cash position report, some of the District’s resources are readily available for use while other funds have restrictions that limit how they can be used. The District must adhere to any legal, bond or contractual restrictions placed on funds. However, some restrictions are based on Board designations and can be redirected for other uses if the Board so determines.

The District’s cash, cash equivalents and securities held in the various accounts as compared to the prior year are as follows:

	Dec 31, 2019	Dec 31, 2018
Local Agency Investment Fund (LAIF)	\$ 23,032,877	\$ 24,832,306
Ventura County Investment Pool	\$ 0	\$ 1,488
Union Bank – 2009 COP Reserve Account	\$ 835,772	\$ 852,779
Union Bank – 2001, 2005 Account Balances	\$ 1,231	\$ 681
Bank of the Sierra Checking Account	\$ 5,884,553	\$ 1,095,785
County Treasury	\$ 392	\$ 50,512
Petty Cash	\$ 400	\$ 400
Total	\$ 29,755,225	\$ 26,833,950

Approximately \$836K is held by Union Bank as trustee which is held in reserve for future debt payments. Any restrictions on the remaining \$28.9M are listed in this report.

If you have any questions regarding this report on the financial position, please let me know.

Respectfully submitted,

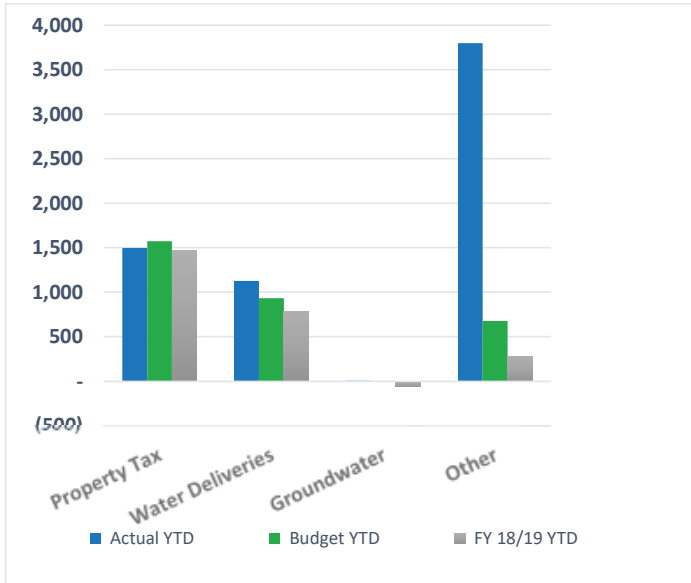
Joseph Jereb, Chief Financial Officer

FY 2019-20 Second Quarter Financial Review
July 1, 2019 through December 31, 2019

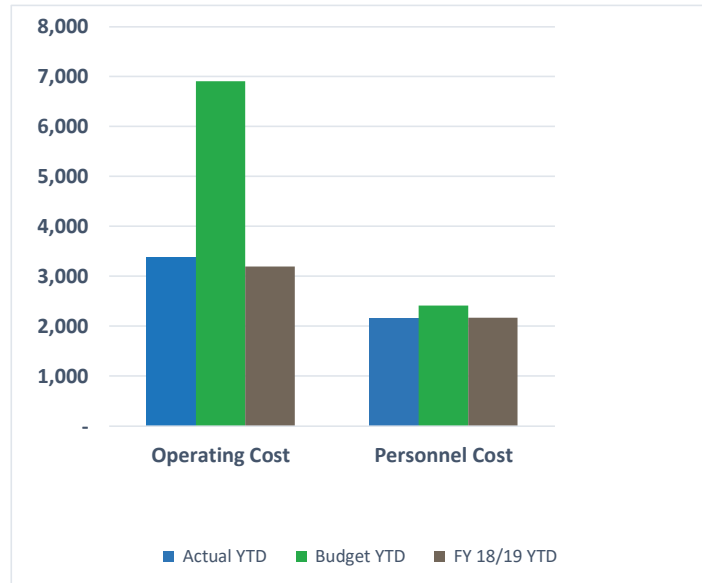
50% of Fiscal Year Completed

General/Water Conservation Fund

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Revenue received through first quarter \$3.3M (110%) above Plan
- July portion of supplemental water grant from FCGMA of \$1.8M drives upside, as well as return of legal judgment of \$1.6M
- Pipeline deliveries \$200K over Plan; 1,550 AF more delivered than Plan for three pipelines combined including 465 AF for PV in July and August.
- Earnings on investments \$77K higher than Plan; partial offset from property taxes, which are \$73k under Budget

Revenue Status vs. Prior Year

- Q2 Revenue \$3.8M (146%) over PY
- FCGMA grant and return of legal judgement drive variance
- Water delivery is \$334k higher than PY; 1,300 AF more delivered in FY19-20 than in FY 18-19
- Earnings on investment \$27k lower than last year due to lower interest rates

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$8.8M, lower by \$3.8M (15%)
- \$1.6M budgeted for water transfer exchanges but not yet spent. Water delivered in early 2020.
- Professional Fees make up \$1.1M of underrun. PMC below budget due to higher lake visitation revenue. Engineering water resources plan, urban water management plan, and FERC consulting service make up the bulk of the underrun.
- Overhead (\$346K) and maintenance costs (\$308K) contributed further variance to Plan
- Personnel costs (\$258K) lower on vacancies and timing of payroll runs
- Capital Outlay underrun due to timing. Saticoy generator in progress but not yet completed (\$35k) and EPCD equipment for FERC not yet purchased (\$50k)

Appropriation/Expenditure Status vs. Prior Year

- Expenditures \$2.8M (31%) lower than PY
- Lombard St expenses drive decrease in transfers out of \$2.6M

Fund Balance

Assuming FY 19-20 activity is consistent with the approved budget and recommended revisions, the ending undesignated working capital balance for the fund is projected to be \$7.1M.

The District's reserve policy requires a \$4 - \$5 million minimum undesignated balance which is expected to be met.

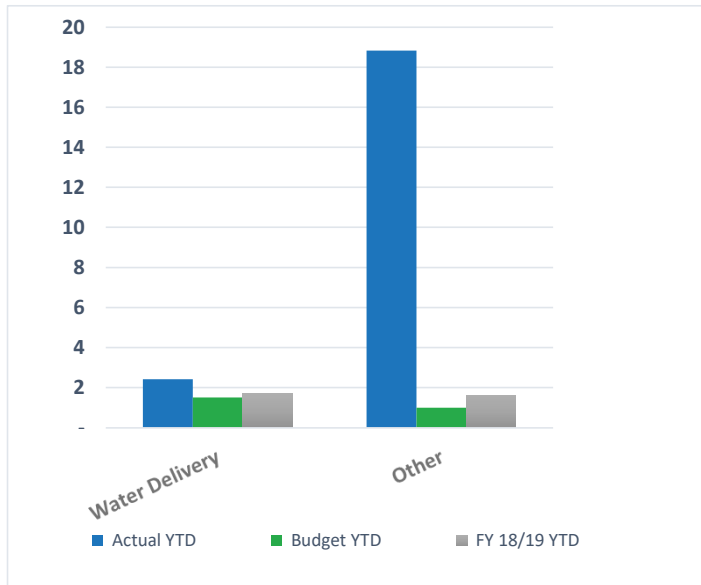
FY 2019-20 Second Quarter Financial Review

July 1, 2019 through December 31, 2019

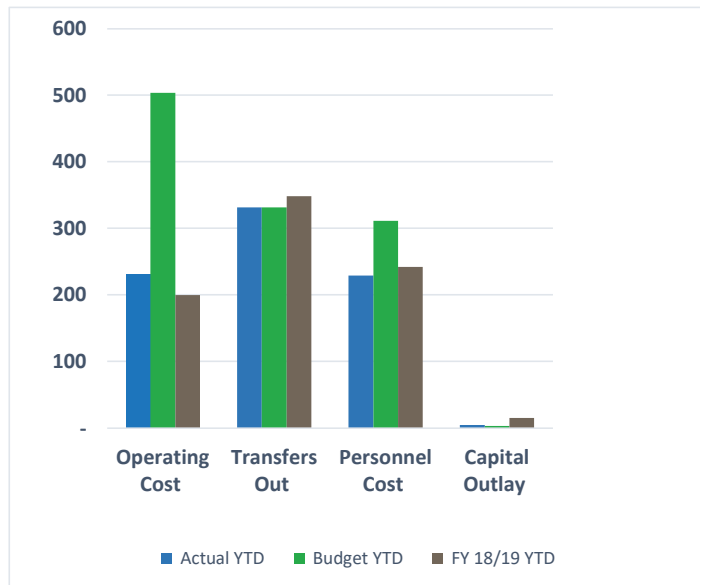
50% of Fiscal Year Completed

Recreation Sub-Fund

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Revenue received through second quarter \$19K (700%) above Plan
- Driven by filming fees of \$19k

Revenue Status vs. Prior Year

- Q2 Revenue \$18M (540%) over PY due to increased filming fees

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$796K, lower by \$354K (3%)
- Professional Fees make up \$179K of underrun. No payment to concessionaire yet to date due to increased visitation at lake
- Personnel costs (\$82K) lower on vacancies and less maintenance work performed than budgeted
- Maintenance \$48k under budget. Bridge maintenance at lake being deferred and purchase of I&E supplies not yet necessary

Appropriation/Expenditure Status vs. Prior Year

- Expenditures \$9K (1%) lower than PY
- Overhead and supplies increased slightly over prior year while O&M salaries related to recreation decreased
- Capital outlay \$10k lower than PY due to purchase of a personal watercraft in FY 18-19

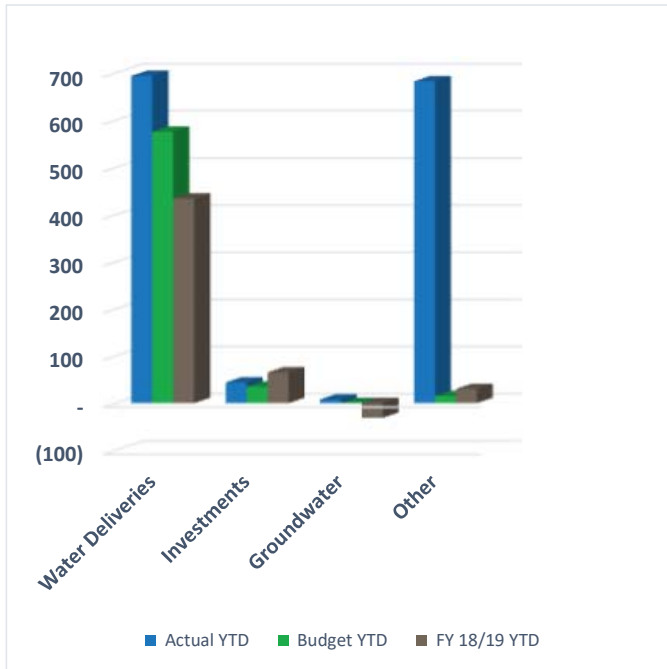
FY 2019-20 Second Quarter Financial Review

July 1, 2019 through December 31, 2019

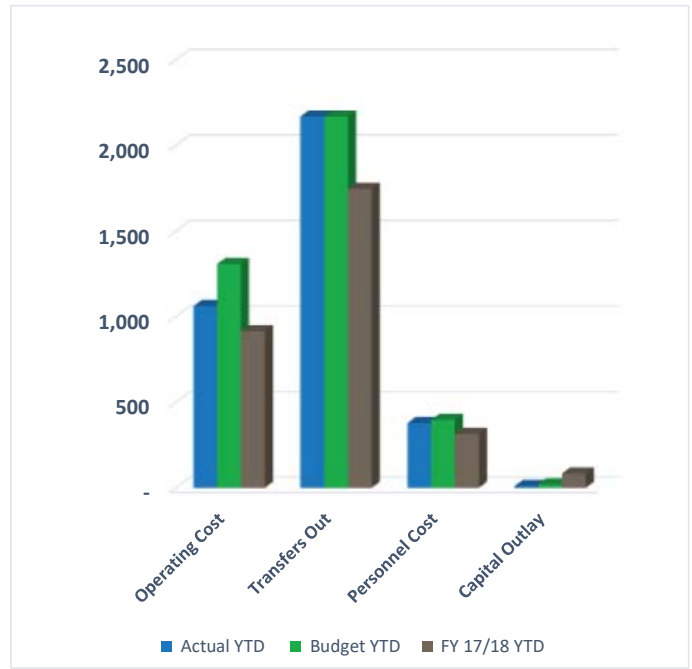
50% of Fiscal Year Completed

Freeman Diversion Fund (Zone B)

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Revenue received Q2 \$1.4M, up \$802K (128%)
- Primarily return of judgement by City of Ventura (\$668K) and increased pipeline delivery (\$119K)

Revenue Status vs. Prior Year

- Current year higher by \$930K (187%) driven by return of judgement
- Pipeline delivery revenue also up 60% due to increase in volume (16%) and rate increases

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$3.6M, (7%) below Plan
- Primarily due to timing of legal fees (\$109K) and overhead (\$90K)

Appropriation/Expenditure Status vs. Prior Year

- Total Expenditures 18% above PY (\$559K) due to Transfers Out for CIP (\$423K), professional fees (\$99K), and labor costs (\$63K)

Fund Balance

The beginning working capital balance was approximately \$1.8M, of which \$425K is designated for legal reserves. The FY budget projects a deficit of \$700K. An additional \$252K in purchase orders were carried over from FY 19-20 and a supplemental appropriation of \$67K was approved in Q1. Assuming FY 2019-20 activity is consistent with the approved budget, the projected ending undesignated balance is \$686K, which is \$114K lower than the required fund minimum.

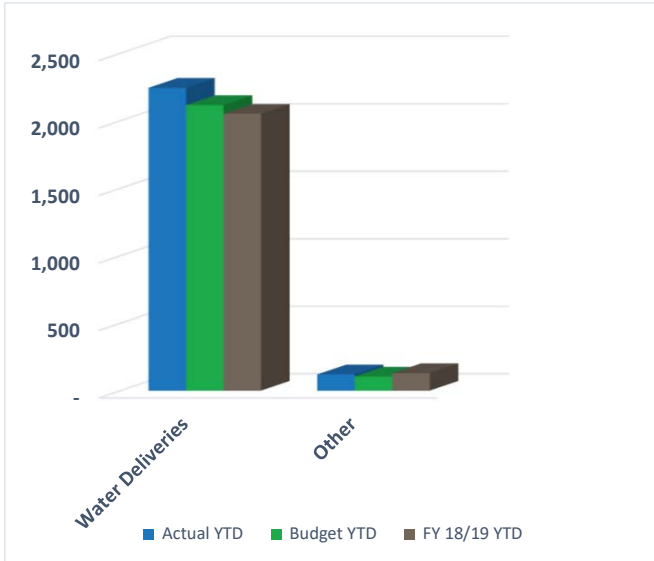
Additional funding for the Freeman fund will be required before the end of the fiscal year, either external or

FY 2019-20 Second Quarter Financial Review
July 1, 2019 through December 31, 2019

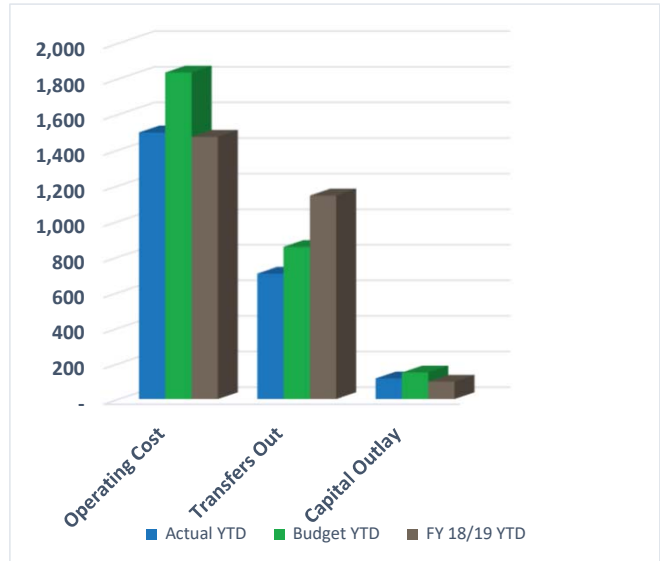
50 % of Fiscal Year Completed

Oxnard Hueneme Pipeline Fund

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Revenue received in Q2 \$2.4M, down \$16K (0.7%)
- LAIF Interest Revenue \$7k higher than budget
- Rents and leases projected to be on target til year end
- Water Delivery Revenue \$128K higher than Plan, 849 AF more delivered than Plan driven by deliveries to the City of Oxnard
- Grants under Plan by \$150K. Grant for Fe & Mn treatment; revenue will not be earned until construction begins in Q4.

Revenue Status vs. Prior Year

- Current year Revenue up \$173K (8%) due higher water delivery (\$193K)
- Partially offset by lower earnings on investments due to falling interest rates

Appropriation/Expenditure Status vs. Budget

- Total expenditures in Q2 \$2.3M, \$664K (22%) below Budget
- Savings from Personnel Costs due to cost underruns in Benefits - Medical Ins, Workers Comp, Retirement (\$10K)
- Operating Expenditures underrun primarily due to maintenance (\$105K) and overhead (\$77K). A water truck rental and emergency maintenance funds were not needed during the first half of the year.
- December billings not yet received for Utilities (\$27K)
- Professional fees \$22k under budget due to lower legal fees than Plan and risk management plan for chlorine not being completed
- Transfers Out for CIP will balance out with Grants Revenue once the \$150K from Iron and Manganese Treatment project construction begins

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures lower by \$395K (15%)
- Variance primarily due to FY 18-19 Transfers Out for CIP for New Headquarters (\$750K), less Other CIP Projects transfer increase (\$250K) in FY 19-20

Fund Balance

The ending undesignated fund balance was approximately \$2.6M. The FY budget projects a deficit of \$975K for the year. In addition, \$82K of expenditures have been added from PY carry-overs. The projected balance for June 30, 2020 is now \$2.0M.

The District's reserve policy requires a \$1.1M undesignated balance which will be met. The fund balance over the requirement will be used for FY 19-20 operating expenses and to potentially reduce the amount of external financing that will be needed to complete the large capital improvement projects in FY 19-20 and FY 20-21, including the Iron & Manganese treatment facility.

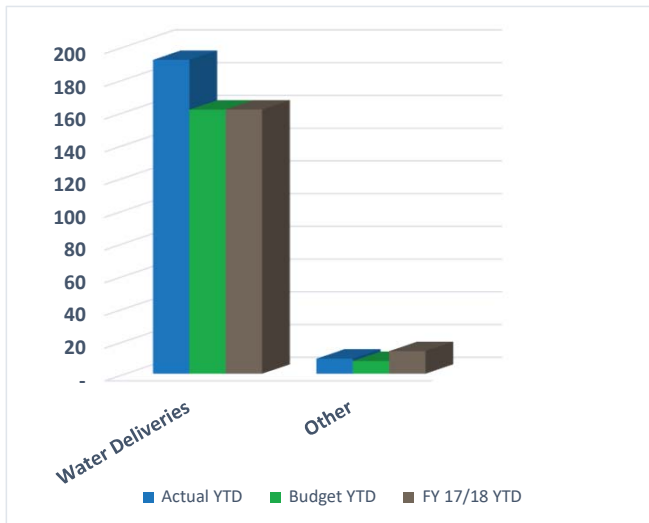
FY 2019-20 Second Quarter Financial Review

July 1, 2019 through December 31, 2019

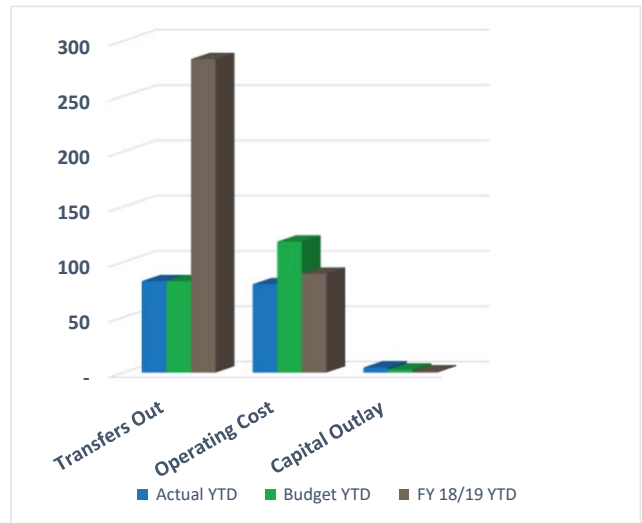
50% of Fiscal Year Completed

Pleasant Valley Pipeline Fund

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Revenue \$32k (18%) higher than plan due to water deliveries to PV in July and August (465 AF).

Revenue Status vs. Prior Year

- Current year \$30k higher due to water delivery in July and August 2019.

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$167K, \$52k (18%) below budget
- Under expenditures primarily in maintenance (\$32K) primarily due to emergency work at Las Posas road coming in under budget.

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures lower by \$207K (55%)
- Variance in transfers out (\$201K) primarily due to new headquarter purchase in prior FY.

Fund Balance

The ending working capital at June 30, 2019 for the fund was approximately \$358K, which was \$2K higher than planned. The projected fund balance at the end of FY19-20 is \$267K.

The District's reserve policy requires a \$250k undesignated balance for this fund which will be met.

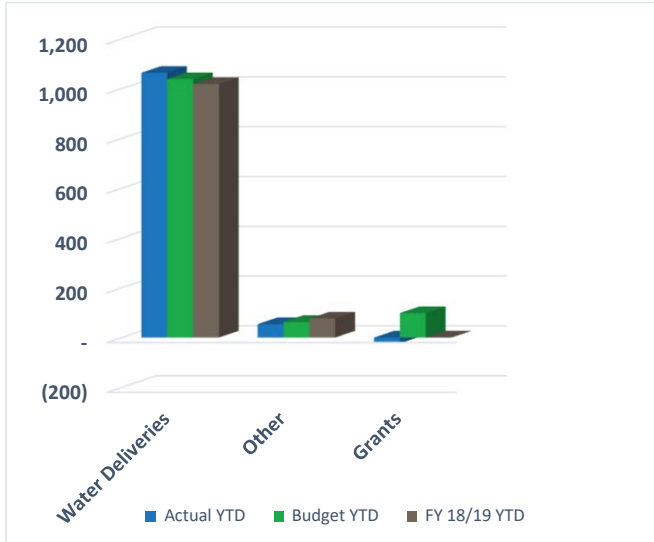
FY 2019-20 Second Quarter Financial Review

July 1, 2019 through December 31, 2019

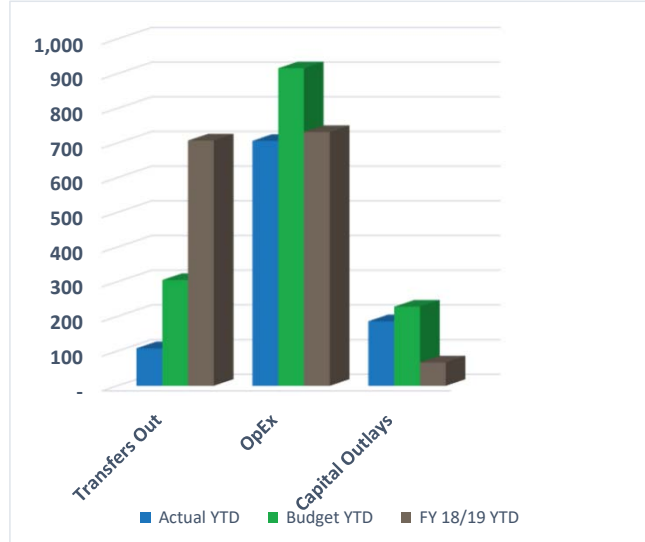
50 % of Fiscal Year Completed

Pumping Trough Pipeline Fund

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Revenue received through Q2 \$1.1M, down \$105K (9%).
- Primarily driven by lower grant revenues for the PTP Metering Project (\$121K). Reporting and billing were delayed as the District waited on an amendment to agreement with DWR.
- Water Delivery Revenue \$25K (2.5%) higher than budget; delivered 237 AF more than Plan.

Revenue Status vs. Prior Year

- Current year revenue flat with prior year.

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$1.0M, \$500K (33%) lower than Budget
- Savings from Personnel Costs (\$32K) due to Engineering Department spending more time in other projects.
- Operating Expenditures lower due to December utility billings not yet received (\$47K)
- Maintenance under Budget by \$54K due to timing and emergency funds not being needed yet.
- Capital Outlay \$42K below Budget due to timing on VFD and valve purchases
- Transfers Out for CIP also contribute \$197K underrun. Grant revenue for PTP Metering Project will be transferred to CIP as received.

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures lower by \$500K (33%)
- Variance primarily due to FY 18-19 Transfers Out for CIP for New Headquarters (\$552K) and timing on utilities and maintenance.

Fund Balance

Assuming FY 19-20 activity is consistent with the approved budget and recommended revisions, the projected available balance at year-end is \$400K, which is entirely undesignated. The District's reserve policy requires between \$250K and \$300K undesignated balance for this fund. The fund balance over the reserve requirement will be used for FY 19-20 operating expenses and to potentially reduce the amount of external financing that will be needed to complete large capital improvement projects in FY 19-20 and FY 20-21, including the installation of emergency generators and the completion of the PTP Metering project.

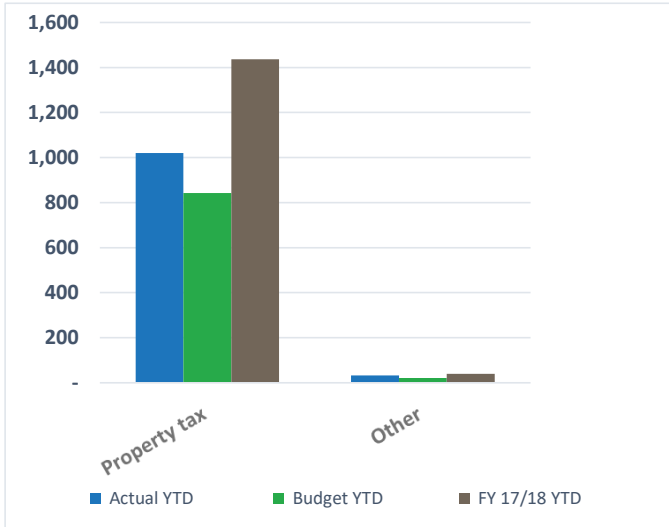
FY 2019-20 Second Quarter Financial Review

July 1, 2019 through December 31, 2019

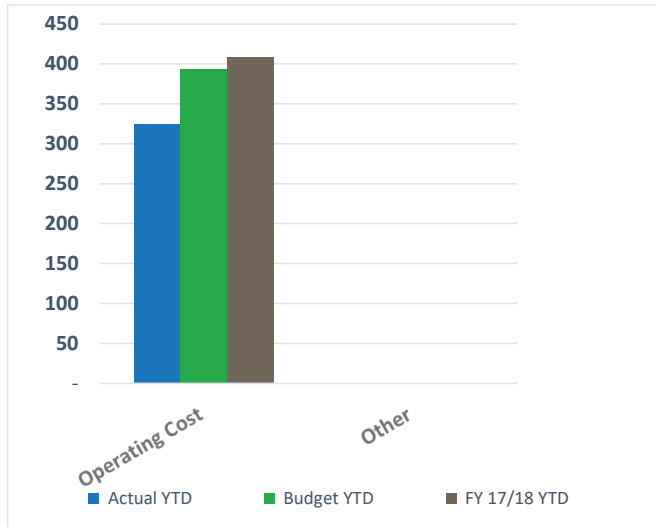
50% of Fiscal Year Completed

State Water Fund

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Revenue received through Q2 \$1.1M, up \$189K (22%) from Plan
- Primarily due to property taxes (\$178K)
- ✓ *Staff recommending budget modification to account for increase in property taxes*

Revenue Status vs. Prior Year

- Current year \$424K (29%) lower due to decrease in property taxes requested.

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$325K, \$68K (26%) lower than Plan due to the timing of Table A deliveries.

Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures lower by \$83K (20%)

Fund Balance

The projected fund balance at the end of FY19-20 is now approximately \$2.6M.

The District's reserve policy requires a \$1.3M balance for this fund, which will be exceeded. The entire fund balance is designated for the fixed and variable costs related to the District's State Water Project allocation of 5,000 AF per year.

FY 2019-20 Second Quarter Financial Review

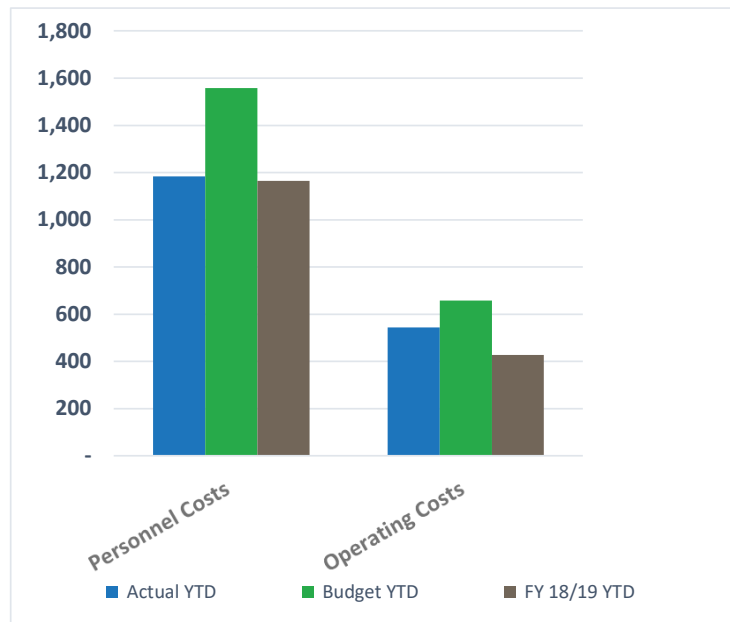
July 1, 2019 through December 31, 2019

50% of Fiscal Year Completed

Overhead Fund

Expenses

(\$ thousands)



Appropriation/Expenditure Status vs. Budget

- Total expenditures \$1.74M, below Budget by \$540K (24%)
- Savings from Personnel Costs from Admin (\$191K), Finance (\$112K), and O&M (\$73K) underruns
- Operating Expenditures due savings on public relations and other consulting services (\$126K)
- Capital Outlay \$51K under budget. Installation of security system in progress but not complete as of December.

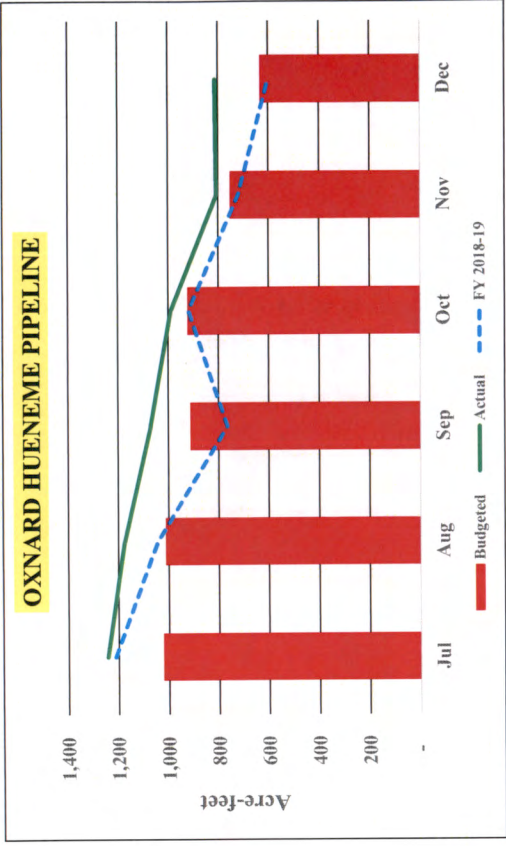
Appropriation/Expenditure Status vs. Prior Year

- Compared to last year, expenditures higher by \$148K (9%)
- Overrun in Personnel costs (\$19K), Professional Fees and General Maintenance (\$116K), CIP Transfers out (13K)

**United Water Conservation District
Pipeline Water Deliveries (Acre-feet)
FY 2019-20 data thru December 31, 2019**

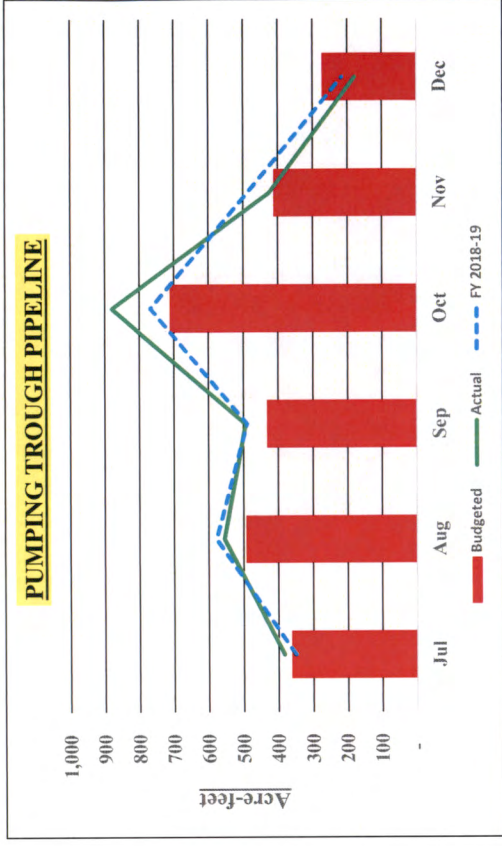
OH Pipeline 2019-20			
	Projection	Actual	Difference
Jul	1,020	1,241	221
Aug	1,010	1,174	164
Sep	910	1,068	158
Oct	920	989	69
Nov	750	806	56
Dec	630	811	181
Jan	750		(750)
Feb	740		(740)
Mar	780		(780)
Apr	930		(930)
May	1,020		(1,020)
Jun	900		(900)
Totals	10,360	6,089	(4,271)
YTD	5,240	6,089	849

YTD Actual to Budget: 16.2%

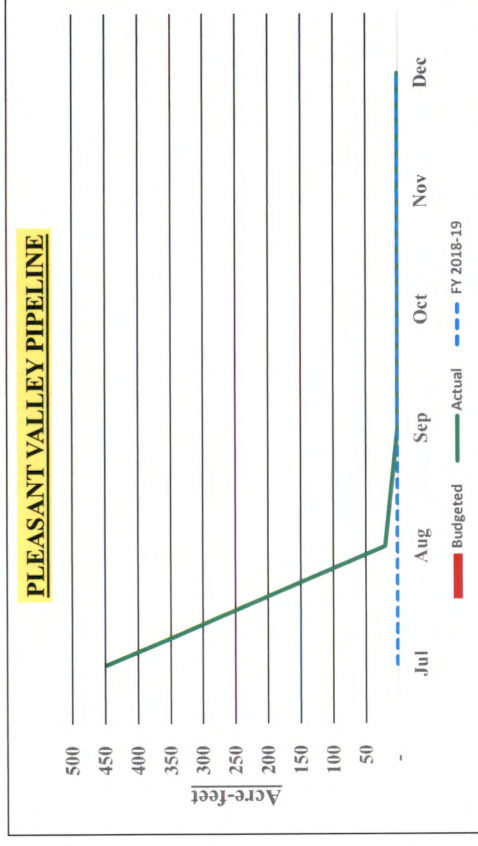


PT Pipeline 2019-20			
	Projection	Actual	Difference
Jul	360	382	22
Aug	490	554	64
Sep	430	492	62
Oct	710	878	168
Nov	410	425	15
Dec	270	176	(94)
Jan	200		(200)
Feb	260		(260)
Mar	320		(320)
Apr	510		(510)
May	540		(540)
Jun	490		(490)
Totals	4,990	2,907	(2,083)
YTD	2,670	2,907	237

YTD Actual to Budget: 8.9%



PV Pipeline 2019-20			
	Projection	Actual	Difference
Jul	-	446	446
Aug	-	19	19
Sep	-	-	-
Oct	-	-	-
Nov	-	-	-
Dec	-	-	-
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
May	-	-	-
Jun	-	-	-
Totals	-	465	465
YTD	-	465	465



United Water Conservation District

CURRENTLY APPROPRIATED CAPITAL IMPROVEMENT PROJECT PLAN

FY 2019-20 Available Appropriations as of December 31, 2019

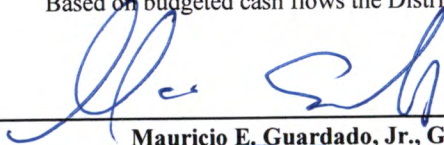
Project Description	Fund #	Proj #	Budget Year	Activity Date	Expected End Year	Class	Total Est Project Cost (000s)	Appropriations			Expended and Encumbered			% of Total Est Project costs spent to date	Remaining Appropriations FY 19-20
								Total Approp	Suppl	Total	Total as	Current	Total		
								Approved thru FY 2018-19	Approp FY 19-20	Approp to Date	FY 2018-19	FY 19-20	to date		
Well Replacement Program Well #18	452	8000	2015-16	08/06/15	2021	I	1,669	831,854	43,851	875,705	632,134	-	632,134	37.88%	243,571
Freeman Diversion Rehab	421	8001	2009-10	03/23/11	2023	II&IV	44,197	6,319,428	2,057,186	8,376,614	3,274,532	863,868	4,138,400	9.36%	4,238,214
SFD Outlet Works Rehab		8002	2007-08	04/20/11	2023+	I&II	67,787	2,994,781	748,572	3,743,353	2,020,008	661,308	2,681,315	3.96%	1,062,038
SFD PMF Containment		8003	2008-09	06/22/09	2023+	II	35,881	2,765,334	1,095,802	3,861,136	1,787,911	774,997	2,562,908	7.14%	1,298,228
SFD Sediment Management		8005	2013-14	05/28/14	2020	II	145	94,954	-	94,954	60,113	-	60,113	41.46%	34,841
Lower River Invasive Species Control	471	8006	2015-16	08/06/15	2023+	IV	14,456	860,852	4,665	865,517	152,360	25,734	178,093	1.23%	687,424
OHP Iron and Manganese Treatment	451	8007	2015-16	08/06/15	2021	III	6,390	1,083,783	2,722,089	3,805,872	644,388	254,016	898,404	14.06%	2,907,468
Quagga Decontamination Station		8008	2016-17	06/23/17	2020	II	292	219,050	2,924	221,974	50,270	6,056	56,326	19.29%	165,648
Lake Piru Asphalt Repairs		8010	2010-11	02/17/11	2021	I	1,701	1,511,528	6,387	1,517,915	1,291,841	-	1,291,841	75.95%	226,074
Juan Fernandez Day Use		8013	2016-17	06/30/17	2020	I	116	112,803	3,203	116,006	50,863	-	50,863	43.85%	65,143
Ferro-Rose Recharge		8018	2006-07	03/23/07	2023+	III	31,977	1,896,577	0	1,896,577	1,129,962	3,502	1,133,464	3.54%	763,113
Brackish Water Treatment		8019	2015-16	07/08/15	2020	III	60	53,010	7,170	60,180	7,524	21,651	29,175	48.62%	31,005
Rice Ave Overpass PTP	471	8021	2016-17	08/17/18	2020	II	335	38,113	35,384	73,497	16,640	23,303	39,943	11.92%	33,554
PTP Turnout Metering System	471	8022	2016-17	03/10/17	2020	I	1,608	1,387,323	221,270	1,608,593	446,003	495,925	941,928	58.58%	666,665
Pothole Trailhead		8023	2016-17	02/14/17	2020	I	312	200,701	111,310	312,011	83,718	85,147	168,865	54.12%	143,146
New Headquarters		8024	2016-17	08/04/17	2020	II	9,064	7,300,000	2,213,662	9,513,662	6,020,312	3,229,890	9,250,203	102.05%	263,459
State Water Interconnection Project		8025	2016-17	06/15/17	2022	II	1,338	741,444	11,677	753,121	177,814	37,242	215,056	16.07%	538,065
Alternative Supply Alliance Pipeline		8030	2018-19	06/08/18	2020	II	353	308,753	52,825	361,578	32,104	14,158	46,261	13.11%	315,317
Grand Canal Modifications		8032	2018-19	06/30/19	2020	II	1,315	0	525,916	525,916	4,864	67,684	72,548	5.52%	453,368
Floc Building Emergency Generator	421	8033	2019-20		2020	II	75	0	75,000	75,000		-	-	0.00%	75,000
Lak Piru Campground Electrical Update		8034	2019-20		2022	I	666	0	65,800	65,800		-	-	0.00%	65,800
OH Booster Pump Overhaul	451	8035	2019-20		2020	I	280	0	280,000	280,000		-	-	0.00%	280,000
OH System Emergency Generator	451	8036	2019-20		2020	II	899	0	898,800	898,800		-	-	0.00%	898,800
Piru WTP Emergency Generator		8037	2019-20		2020	II	97	0	96,800	96,800		-	-	0.00%	96,800
PTP System Emergency Generator	471	8038	2019-20	08/01/19	2020	II	903	0	902,800	902,800		749,032	749,032	82.95%	153,769
Santa Paula Tower Emergency Generator		8039	2019-20		2020	II	61	0	60,800	60,800		-	-	0.00%	60,800
SP Microwave Communications Tower		8040	2019-20	09/20/19	2020	II	267	0	316,280	316,280		78,906	78,906	29.55%	237,374
Asset Management / CMMS System		8041	2019-20		2020		230	0	30,000	30,000		-	-	0.00%	30,000
TOTAL AMOUNT PER YEAR							222,474	28,720,288	12,590,173	41,310,461	17,883,359	7,392,419	25,275,779	197.27%	16,034,682
Class I = Infrastructure Repair or Replacement															
Class II = Structural/Hydraulic Improvement (no yield)															
Class III = Water Resource Improvement															
Class IV = ESA Improvement															

United Water Conservation District
Monthly Investment Report
December 31, 2019

<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	5,884,553	1	19.78%
Petty Cash	400	1	0.00%
County Treasury	392	1	0.00%
LAIF Investments	23,032,877	1	77.40%
Union Bank - 2001 revenue bond balance	149	1	0.00%
Union Bank - 2005 revenue bond balance	1,082	1	0.00%
Union Bank - 2009 COP Bond Reserve Account	835,772	7,111	2.81%
Total Cash, Cash Equivalents and Securities	29,755,225		100.00%
Investment Portfolio w/o Trustee Held Funds	28,918,222		
Trustee Held Funds	837,003		
Total Funds	29,755,225		

<u>Local Agency Investment Fund (LAIF)</u>	<u>Beginning Balance</u>	<u>Deposits (Disbursements)</u>	<u>Ending Balance</u>
	24,832,877	(1,800,000)	23,032,877
	<u>Interest Earned YTD</u>	<u>Interest Received YTD</u>	<u>Qtrly Yield</u>
	299,490	332,347	2.29%


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.



Mauricio E. Guardado, Jr., General Manager

1/29/20

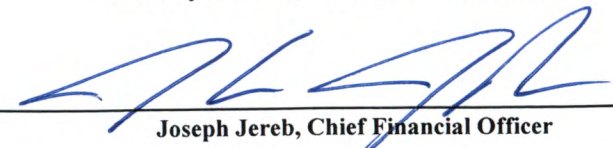
Date Certified



Anthony Emmert, Assistant General Manager

27 JAN 2020

Date Certified



Joseph Jereb, Chief Financial Officer

22 JAN '20

Date Certified

United Water Conservation District

**Cash Position
December 31, 2019**

Fund	Total	Composition	Restrictions/Designations
General/Water Conservation Fund:			Revenue collected for district operations
General/Water Conservation	10,089,479	3,694,707	Includes General, Rec & Ranger, Water Conservation
		835,772	Reserved for future debt repayment 2009 COP
		225,000	Reserved for legal expenditures
		2,334,000	Designated for replacement and capital improvements
		3,000,000	FCGMA Grant, designated for water purchases
General CIP Funds	6,224,174	6,224,174	Appropriated for capital projects
Special Revenue Funds:			Revenue collected for a special purpose
State Water Project Funds	3,488,113	3,448,285	Procurement of water/rights from state water project
		39,828	Supplemental Water Purchase Fund
Enterprise Funds:			Restricted to fund usage
Freeman Fund	(647,491)	(1,072,491)	Operations, Debt Service and Capital Projects
		-	Designated for replacement and capital improvements
		425,000	Reserved for legal expenditures
Freeman CIP Fund	4,879,858	4,879,858	Appropriated for capital projects
OH Pipeline Fund	2,220,126	2,220,126	Delivery of water to OH customers
OH CIP Fund	812,220	812,220	Appropriated for capital projects
OH Pipeline Well Replacement Fund	821,780	821,780	Well replacement fund
PV Pipeline Fund	346,328	346,328	Delivery of water to PV customers
PV CIP Fund	327,632	327,632	Appropriated for capital projects
PT Pipeline Fund	698,539	698,539	Delivery of water to PTP customers
PT CIP Fund	494,466	494,466	Appropriated for capital projects
Total District Cash & Investments	29,755,225	29,755,225	

Current Benchmark Yields

LAIF	1st Quarter 2019-20	2.29%
VC Invest Pool	September 30, 2019	2.09%
3mo Treasury Bills	September 30, 2019	1.55%

