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February 2, 2021

Board of Directors
United Water Conservation District

Subject: Fiscal Year 2020-21 Second Quarter Financial Report

Dear Board Members:

Enclosed for your review is the District's FY 2020-21 Second Quarter (July 1, 2020 through December 31, 2020) Financial Report. This report represents six 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 that which 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 11.

CAPITAL IMPROVEMENT PROGRAM STATUS

A one-page summary of the District's current Five-Year Capital Improvement Program appears on page 12 along with Benchmark Interest Rates on page 13. As of December 31, 2020, all capital improvement project (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 for replacement of all the original groundwater wells serving the Oxnard Hueneme Pipeline System. The project is funded by the Oxnard Hueneme Pipeline Well Replacement Fund. The well replacement project is targeting Well No. 6 in the 2020-21 Fiscal Year. Staff released a request for bids for construction of El Rio Water Well No. 19 replacing Well No. 6 on December 22 (Spec. No. 20-05). The bids are due on January 21, 2021.
- *Freeman Diversion Rehabilitation (CIP Project # 8001)* – This project is funded from the Freeman Diversion Fund (Zone B). NHC has continued its design efforts on the Hardened Ramp. National Marine Fisheries Service (NMFS) reviewed and commented on the Hydraulic Basis of Design reports that were submitted last quarter. NHC then prepared and submitted a response to those comments, specifically on the Hydraulic Basis of Design report for the Hardened Ramp. In January 2020 Staff, NMFS, Stantec, and Stillwater Sciences met to discuss the path forward for the Vertical Slot fish passage alternative. A contract was written and executed for Stantec to perform the first two Computational Fluid Dynamics (CFD) modeling for the Vertical Slot fish passage alternative. NHC has continued its design efforts on the Hardened Ramp. In April, United Staff met with NMFS and California Department of Fish and Wildlife (CDFW) to discuss the design for the hardened ramp. Staff also attended a two-day (April 8-9, 2020) Multiple Species Habitat Conservation Plan (MSHCP) live edit meeting. On May 14, May 21, June 9, and June 23, Staff had teleconferences with NHC, NMFS and CDFW to discuss the Hardened Ramp Design. Last quarter, The District executed a contract with Stantec to perform two Computational Fluid Dynamics (CFD) models for the Vertical Slot fish passage alternative design. Stantec has continued the CFD modeling. On October 9, Staff met with Stantec, NHC and the U.S. Bureau of Reclamation (USBR) to discuss physical modeling. On October 23, Staff, NMFS, CDFW and USBR met to discuss the physical modeling of the hardened ramp and vertical slot. At the November 10, 2021 Board Meeting, the Board members authorized the General Manager to execute an amendment with Stantec in in the amount of

\$120,600 to provide further analysis of the Vertical Slot as a Freeman Diversion Fish Passage Facility alternative. On December 3, 2020, the General Manager executed an agreement with Dr. Larry Weber for consultation services in connection with the project. On December 16, Staff and USBR conducted a meeting to introduce Senior Fish Passage Advisor Dr. Larry Weber who has extensive knowledge of fish passage structures and physical modeling activities. On December 18, staff, USBR, NMFS, CDFW, Dr. Weber, Stantec and NHC had a conference call to discuss USBR's physical modeling plan.

- *Santa Felicia Dam Outlet Works Rehabilitation (CIP Project # 8002)* – This project is funded by the Water Conservation Activities subfund (Zone A). Upon completion of the 10% design phase in April, Staff submitted the electronic copy of the 10% design documents to Federal Energy Regulatory Commission (FERC) and Division of Safety of Dams (DSOD) for their review. A Professional Services Agreement (PSA) was executed with GEI Consultants (GEI) in amount of \$1,661,975.00 for the 30% design of the outlet works was approved by the Board at the April 8, 2020 Board Meeting. The 30% design work started on May 4, 2020 and is planned to be completed by October 2021. The 30% design phase also includes development of the 2020 Drilling Program Plan (DPP) and the subsurface exploration field activity. The DPP provides the necessary geotechnical information to support the detailed design phase of the project. Staff worked with GEI Consultants to finalize the DPP and to obtain the applicable permits from DSOD, California Department of Fish and Wildlife (CDFW) and FERC. DSOD and CDFW permits were received on July 24 and July 31, 2020, respectively. FERC's initial approval was received on August 13, 2020 and the written and final approval on October 1, 2020. The DPP field activities started on August 17 and ended on November 14, 2020. The as-drilled survey of the borings and test pits was completed by GEI and Encompass Consultant Group, Inc. (ECG) on November 30. Staff prepared and submitted daily construction reports and boring logs to FERC and DSOD during the field activities. A total of seven (7) new piezometers, including three (3) new Vibrating Wire Piezometers (VWP) at the proposed location for the sloped intake facility, along the proposed location for the tunnel alignment, and four (4) Open Stand-Pipe Piezometers at the west dam abutment and at the proposed location for the Downstream Control Facility were installed. The recordings of the new piezometers were added to the SFD monthly inspection process and will be documented in the SFD monthly inspection reports. Biological monitoring and field observation of the borings was conducted pursuant to the CDFW permit requirements. As of December 31, 2020, 68% of the DPP was completed. GEI is in the process of compiling the laboratory data and finalizing the Geotechnical Data Report (GDR) as part of the 30% design package that will be submitted to FERC, DSOD, and BOC in August 2021. The Board of Consultants (BOC) meeting No. 5 is scheduled for September 14 through 16, 2021. Staff continued the review of the 30% design documents. As of December 31, 2020, the design portion of this project was 19% complete.

The District executed a contract with Encompass Consultant Group (ECG) in amount of \$45,200 to provide the aerial and topographic survey services to support the design of the SFD Safety Improvement project. ECG completed the aerial and topographic survey work and submitted the final survey data to the design team on December 14, 2020.

Staff completed the review of the draft Environmental Assessment (EA) as well as the draft Biological Assessment (BA) both prepared by Catalyst Environmental Solutions (Catalyst). The SFD FERC license amendment application, including the draft EA, and the draft BA were electronically submitted to FERC on May 13 and July 28, respectively. Staff and Catalyst met with FERC on October 14 and October 22 to discuss the draft Biological Assessment report. Staff submitted a follow up response letter in response to FERC's comments on the draft BA and the Section 7 consultation on December 16, 2020. Currently, the draft BA is being revised per FERC comments.

Staff submitted the 401 Water Quality Certification application to the State Water Resources Control Board (WRCB) on November 20, 2020, along with \$1,000 check for the permit processing fees. Staff received a letter from the WRCB on December 21 notifying the District that the 401 Water Quality Certification application is incomplete per the California Code of Regulations (CCR), title 23, section 3856. Additional information is also needed to comply with the new certification procedures established by the U.S. Environmental Protection Agency (USEPA), which went into effect on September 11th, 2020.

- *Santa Felicia Dam Probable Maximum Flood Containment (CIP Project # 8003)* – This project is funded by the Water Conservation Activities subfund (Zone A). Staff submitted the electronic copy of the 10% design documents as well as the Spillway Condition Assessment final report to FERC and DSOD for their review on April 9, 2020. At the BOC meeting No. 4 held on December 2019, the BOC recommended United to conduct supplemental analyses as part of the 10% design of the Spillway Improvement project. A PSA was executed with GEI in amount of \$1,795,941.00 for the spillway supplemental 10% design phase was approved by the Board at the April 8, 2020 Board meeting. The Supplemental 10% design of the spillway started on May 4 and is expected to be complete by October 2021. This design phase also includes the above noted 2020 DPP and subsurface exploration field activities. As indicated above, the DPP field activities was completed on November 14, 2020. GEI Consultants is in the process of preparing the GDR to be included in the supplemental 10% design package. As of December 31, 2020, the DPP portion of the project is 74% complete. Staff continued the review of the design documents. Staff reviewed the 60% submittal plan for the spillway heel drain cleanout and provided comments to GEI to be incorporated in the next plan submittal.

The supplemental 10% design package is expected to be completed and submitted to FERC, DSOD, and BOC in August 2021 prior to the BOC meeting No. 5. As of December 31, 2020, the design portion of the project is 37% complete.

- *Santa Felicia Dam Sediment Management (CIP Project # 8005)* - The District worked with GEI to develop a potential Sediment Removal Feasibility Study for the Lake Piru Reservoir. A proposal was then submitted by GEI and Water Resources Staff evaluated the proposal to determine if any portion of the study could be performed in house. The District is planning to begin this study following the completion of the 2020 Bathymetric Survey. A PSA was executed with Fugro USA Marine, Inc. on June 11 to complete the Bathymetric Survey. A Notice to Proceed was subsequently issued on June 15 and Fugro mobilized the following day. Fugro USA Marine completed the 2020 Bathymetric survey on September 28, 2020.

On October 20th, 2020 staff met with GEI to finalize the scope of the study and the study is expected to begin by February 2021. Staff received the final proposal from GEI for \$65,000. A dive inspection of the Santa Felicia Dam Intake Tower was completed on December 21, 2020.

- *Lower River Invasive Species Control (CIP Project # 8006)* – The District’s consultant, KASF Consulting, LLC (KASF) completed a pilot study for investigating 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 for determining the survivability of quagga mussel adults in 100% groundwater supplied by the PTP system. None of the chemicals tested reached the goal of 100% quagga mussel veliger mortality within 24 hours (a goal intended for pipeline treatment). Additionally, quagga mussel adults were able to survive for long periods of time in both surface and groundwater. Staff submitted comments that included the District’s environmental consultant, Catalyst, to KASF for finalization. Staff is currently considering different alternatives for additional pilot testing that could improve treatment efficacy.

Staff continued to review and submit comments to finalize the chemical treatment pilot study report that was prepared by KASF. In March 2020, Staff and Catalyst completed their review of the Pilot Study. In April 2020, KASF submitted the final draft of the Pilot Study which is currently being reviewed by United Staff. Since then, Engineering has been coordinating with Environmental Services Department for the next phase of chemical treatment pilot testing which includes a veliger mortality study at the Santa Felicia Dam.

On November 2, 2020, District staff met with PVCWD staff at the District’s Saticoy Shop to discuss and implement temporary chemical treatment control measures at the Moss Screen to prevent quagga mussel contamination in downstream infrastructure. On November 18, 2020, District staff met with PVCWD staff to discuss chemical treatment control options (mainly chlorine residual) at the PV Terminal Reservoir. No detections of quagga mussel veligers or adults have been observed in any downstream infrastructure through December 31, 2020.

- *Oxnard Hueneme Pipeline Iron and Manganese Treatment (CIP Project # 8007)* - The work will be incorporated into the final design plans, specifications, and estimates. Kennedy/Jenks (K/J) Consultants and Staff worked together to complete the preliminary review of the 90% Design Documents and addressing comments. Shortly after, Staff and K/J discussed the design of the control system for the proposed Iron and Manganese treatment system. The District received an amendment request letter from Kennedy Jenks related to “out-of-scope design items” and “additional work items” in final design. The General Manager authorized the amendment in the amount of \$173,227, this included a 10% contingency to be authorized by the District on an “as needed” basis. On April 14, Staff issued the Notice to Proceed to Kennedy Jenks. Kennedy Jenks also prepared a potholing plan to explore potential utility conflicts with the Iron and Manganese Treatment Plant design at the El Rio WTP. United Staff decided to not pursue potholing (destructive process) until a contractor is mobilized and ready to start construction. Staff also worked with K/J to determine fire suppression system requirements. The U.S. Bureau of Reclamation started work on NEPA compliance and its determination of the applicability of a categorical exclusion. Staff continued to work with Kennedy Jenks on the 100% design and it is on schedule to be completed by July 17. On June 8, Staff provided a formal project progress update letter to the Division of Drinking Water. Staff has been coordinating with Waste Management and other companies on future disposal of iron and manganese solids. Staff has been working on the overall control scheme to prepare for integration of the new treatment into the existing water treatment process. On March 19, Staff sent a letter to the Honorable Assembly member Jacqui Irwin regarding the status of the Iron and Manganese Treatment Project. The letter also included notice of the District’s \$2.5 million grant application as one of six projects submitted by the Watersheds Coalition of Ventura County through the Integrated Regional Water Management Program (IRWMP) Proposition 1 Grant Program to the Department of Water Resources (DWR).

On September 23, 2020, the DWR released the final awards for the Proposition 1 IRWMP Implementation Grant Program for the Los Angeles Region (includes Ventura County). Grant funding in the amount of \$2.5 million was awarded to this project. On September 30, 2020, Staff met with State Water Resources Control Board Division of Drinking Water (DDW) to discuss the review comments on the 100% design plans, specifications, estimate and schedule. On October 19, 2020, Calleguas Municipal Water District (CMWD) provided the subgrant agreement and grant compliance documents for the Prop 1 IRWMP Grant. Calleguas is acting on behalf of the Watershed Coalition of Ventura County (WCVC) and the project proponents which include the District’s share of \$2.5 million in grant funds. On December 8, 2020, Staff prepared a notice to the DDW requesting an amendment to the District’s Domestic Water Supply Permit for the Oxnard Hueneme Pipeline system. On December 16, 2020, Staff directed Kennedy/Jenks Consultants to complete the 100% design following review of the District’s comments. Additionally, staff authorized additional work that was identified as part of the 100% design comments. The work will be performed utilizing the existing contract contingency amount.

On December 17, 2020, the CMWD provided a draft scope of work and fee from Kennedy/Jenks Consultants for grant administration services related to the five (5) projects that received grant funding under the Proposition 1 IRWMP Round 1 Implementation Grant for the WVCV. On December 21, 2020, staff confirmed Kennedy/Jenks Consultants responses and provided additional clarifications to the District's 100% design comments. Staff coordinated with the Ventura County Fire Department the review of an application for a fire clearance permit. Staff issued a Notice to Proceed on December 14, 2021 to Kennedy Jenks to spend the contingency budget on design.

- *Quagga Decontamination Station (CIP Project # 8008)* – This project is no longer in the 2020/21 CIP. Currently, the Park Rangers are using a mobile unit to disinfect the visitor boats that have been in the water longer than 96 hours.
- *Juan Fernandez Day Use (CIP Project # 8013)* – This project is no longer in the 2020/21 CIP. The Recreation Management Plan (RMP) 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)* – Last quarter, the District requested Northwest Hydraulic Consultants (NHC) to provide a proposal for the design of the replacement of the 3-barrel culvert and inverted siphon within the Freeman Conveyance system. An agreement was put into place in April 2020 and on July 1, NHC delivered design alternatives for the replacement of the inverted siphon and the 3-barrel culvert. Implementation of the replacements will allow conveyance of up to 750 cfs flow through those portions of the Freeman Conveyance. The design work is expected to be complete in the next fiscal year. The District is deferring construction of partition levees in the Ferro Basin until Wellhead Energy's (WE) application for solar panels installation at the Ferro Basin is approved by the Clean Power Alliance (CPA) or the Southern California Edison. The next opportunity to submit an application to CPA or SCE is in 2021. 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). NHC continued to advance the design efforts on the three-barrel culvert. In October, NHC delivered the 30% design on the three-barrel culvert. Staff submitted the application for a watercourse permit with the County of Ventura for the three-barrel culvert. Due to the three-barrel culvert bisecting the Santa Clara River levee, the County of Ventura will have to get a permit from the Army Corps of Engineers. The watercourse permit is the first step for the County to start the permit process with the Corps.

- *Brackish Water Treatment (CIP Project # 8019)* - Staff continued to provide conceptual design details to Navy staff in order to support their internal discussions and consideration of the project.

On September 24, 2020, Water Resources staff conducted a Technical Advisory Committee (TAC) meeting related to the Proposition 1 Planning Grant with the State Water Resources Control Board and groundwater modeling effort. Members from the State Water Resources Control Board, Regional Water Quality Control Board, Division of Drinking Water, Fox Canyon Groundwater Management Agency and the Navy were present at the TAC meeting.

In October staff prepared updated construction cost estimates for the project. On November 9, 2020, Staff received a Letter of Intent to Support from the commander Navy Installations Command in support of the project.

On December 17, 2020, Engineering and Water Resources staff observed field sampling of coastal well CM1A which is located at Naval Base Ventura County (NBVC) Point Mugu. This is the third sampling event that includes an expanded list of constituents in addition to the regularly scheduled list of constituents to help identify treatment requirements. On December 17, 2020, Engineering, Water Resources and Environmental Staff met with Nathan Jacobsen (U.S. Navy) at NBVC Point Mugu to explore potential extraction well locations (13 in total) on Beach Road closer to Mugu Canyon. On December 18, 2020, staff submitted a data request to Navy staff related to the potential extraction well locations along Beach Road that will aid in a more detailed location selection process.

- *Rice Ave Overpass PTP (CIP Project # 8021)* –The Rice Avenue Overpass which is led by the City of Oxnard requires utility relocations along Rice Avenue between Fifth Street and Sturgis Road. Staff provided project updates to the Engineering and Operations Committee meeting on the October 1, including the utility relocation plans for reconstruction and reinforcement of approximately 730-ft of the 30” pipeline on Rice Avenue between Sturgis Road and Eastman Avenue. Staff received the Committee’s comments and discussed the 30-inch transmission relocation alternatives with Kennedy/Jenks Consultants (K/J), the City of Oxnard’s subconsultant on October 5 and 8. KJ agreed with Staff’s request to include additional features in the 65% design plans. Staff was told that the request for encasing the new pipe segment would most likely not be granted as the new Rice Avenue is not considered a CalTrans Facility.

On December 15, Staff received a letter from the City of Oxnard’s attorney stating that the City does not agree to pay for the relocation costs associated with the District’s 30” pipeline.

- *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 was approved by the Department of Water Resources (DWR), 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. On January 9, 2020, the District received the fully executed Amendment Letter A-2 authorizing scope of work and budget modifications to the Agricultural Water Use Efficiency Grant which was prepared by the DWR to reflect changes in the project delivery method (use of in-house Staff versus contractors for construction).

On May 13, 2020, Staff provided an update on the project to the PTP User’s group and no questions were received. As of June 30, 2020, a total of twenty (20) meters had been installed comprising 32.3% completion of the project and a total of two (2) utility easement deeds had been recorded and one (1) utility easement deed had been signed by the owner comprising 4.8% completion of easement acquisitions. A total of seventeen (17) letters had been mailed to property owners requesting their signature on utility easement deeds. As it relates to construction, Staff has developed a space-saving alternate for construction of the new facilities that includes elevating solar power and communication equipment on wood utility poles. Additionally, O&M Staff is working with the equipment manufacturer to resolve communication issues with the radio communications equipment.

In November 2020, the Board authorized the General Manager to execute Utility Easement Deeds related to the PTP Metering Project. As of December 9, 2020, a total of 11 easements have been acquired. The District has received comments from two attorneys representing different property owners on some of the language included in the default utility easement deed. Staff is working with the District’s legal counsel and Hamner, Jewell & Associates to resolve those requests. prepared progress and financial reports and submitted Invoice No. 8 to the Department of Water Resources (DWR). DWR has been billed \$405,551.39 in grant funds due to date.

- *Pothole Trailhead (CIP Project # 8023)* – Staff were notified last quarter that the Project was not selected to continue in the competitive process for Proposition 68 – Recreational Trails and Greenways Grant Funding. Engineering Staff worked on finalizing the design and permit acquisitions in order to put the parking area improvement part of the project out to bid in October 2020. Construction was scheduled to begin after September 15, 2020 following the conclusion of nesting season and be completed by December 31, 2020, the FERC deadline. The project construction was planned to be implemented in two phases. As part of Phase I, the District completed the installation of the prefabricated restroom building on September 24, 2020. The restroom building was inspected and passed by the Ventura County Division of Building and Safety on September 29, 2020. As part of Phase II, the District released a bid package on October 8 and conducted a pre-bid inspection meeting on October 22, 2020. A total of 6 bids were opened at the October 29 bid opening. J&H Engineering was awarded a contract

in the amount of \$91,000. A notice to proceed was issued and construction began on December 3 and was completed by December 31. During construction, grading, subgrade compaction of the parking area, aggregate installation and perimeter boulders installation were completed.

- *State Water Interconnection Project (CIP Project # 8025)* – United Water is partnering with the City of Ventura (City), 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. Through a competitive process, the City selected Stantec/HDR consulting team to design the SWP Interconnection project. Per the City’s recommendation, the City of Ventura (City) approved a contract agreement with Stantec/HDR in the amount of \$3.55M for design development of the SWP Interconnection Pipeline and Blending Station projects on May 18. Staff participated in the SWP Interconnection & Blending Station kick off meeting on July 2, 2020. Both Calleguas, Casitas, City of Ventura, HDR and Stantec and subconsultants Fugro and Bennett Trenchless were in attendance. Based on the draft project schedule presented at the meeting, completion of the final design phase is scheduled for March 9, 2022. Staff responded to HDR’s requests for data and information regarding United’s existing pipelines and future projects within the project area in August. Casitas will be paying 33 percent of the design and construction fees. United will not pay for the design and construction of the projects but will be able to take delivery of any water to which United is entitled to by law available and can be delivered. On October 7 staff met with HDR and the City of Ventura to conduct a site visit of the project area within United’s properties. The City has initiated the discussions on a wheeling agreement with the Metropolitan Water District (MWD) and is working on a joint agency agreement between the City, Calleguas, Casitas and United. Staff received a copy of the draft joint agency agreement from the City of Ventura on September 18, 2020 and provided a second round of comments on the draft agreement in the week of October 26. Staff received an updated draft joint agency agreement for the SWP Interconnection project from the City of Ventura on December 13. Staff reviewed the agreement and provided comments to the City on January 13, 2021.
- *Alternative Supply Assurance Supply Pipeline (CIP Project # 8030)* - Engineering and Water Resources worked together to verify the proposed pipe size and the amount of imported water conveyed using the proposed alignment. The findings of the feasibility study and initial surface water modeling were presented at the Water Sustainability Summit on February 28. Staff revisited the project estimated cost and began evaluating the proposed alignment and identifying required easements. The project is currently on hold.

- *Grand Canal Hydraulic Constraint Removal (CIP Project # 8032)* – Staff provided comments on the draft construction plans which were developed by North Hydraulics Consultants (NHC). On June 26, NHC returned the draft construction plans that incorporated United’s comments. NHC delivered the final plans for the replacement of the pipeline at the entrance of the Grand Canal prior to the release of notice inviting bids. On August 20, five bids were received for the Grand Canal Headworks Replacement project. The Board approved award a construction contract to the lowest responsible bid at the September 9 board meeting. Staff received contract documents from DOD construction and met for a pre-construction meeting on October 14. The construction of the Grand Canal Upgrades is scheduled for April 2021.

Staff has received the new Grand Canal headwork gates manufactured by Waterman Valve LLC on September 28, 2021. On November 23, Staff received delivery of the reinforced concrete boxes from Jensen Precast.

- *Recycled Water (CIP Project # 8043)*- Staff met with Pleasant Valley County Water District (PVCWD) on November 19, 2020 to discuss the potential recycled water interconnection on Laguna Road between the Pumping Trough Pipeline (PTP) and PVCWD system. On December 14, 2020, staff met with Ian Prichard (Camrosa Water District or “Camrosa”), Jared Bouchard (Pleasant Valley County Water District or “PVCWD”) and Lucie McGovern (Camarillo Sanitary District or “CSD”). Topics included:
 - Potential distribution and use of excess Conejo Creek surface water diversions of up to 2,500 acre-feet per year.
 - Potential distribution and use of non-utilized Camarillo Water Reclamation Facility recycled water of up to 1,500 acre-feet per year.
 - Additional water storage and pipeline connection opportunities for the PVCWD and the Pumping Trough Pipeline systems.

On December 17, 2020, the City of Oxnard opened bids on the second rebid of the Hueneme Road Recycled Water Pipeline Phase II project.

- *Oxnard Hueneme System Backup Generator (CIP #8036)* - Staff received notification of the Hazard Mitigation Grant Program award on October 26 for \$645,050.00 which is equivalent to 75% matching funds for the Oxnard Hueneme System Backup Generator project approved by the Federal Emergency Management Agency (FEMA) and administered by the California Office of Emergency Services (CalOES). Staff had a kickoff meeting with CalOES on December 2 and subsequently executed the grant agreement on December 10. On December 2, Staff issued Task Order No.1 to Lucci & Associates, Inc. (Lucci) for design of project in the amount of \$45,000. On December 10, staff held a kickoff meeting with the Operations staff and Lucci to discuss the scope of work and project schedule. On December 18, staff met with the Operations staff and Lucci at the project site. The design plans are expected to be finalized on January 15 and the notice inviting bids for the construction of the project is expected to be released on January 15, 2021.

CASH POSITION AND INVESTMENTS OF THE DISTRICT

As of December 31, 2020, the District had a total of just over \$ 46.5M 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, 2020	Dec 31, 2019
Local Agency Investment Fund (LAIF)	\$ 24,268,872	\$ 23,032,877
Union Bank – 2020 COP Project Account	\$ 19,000,001	\$ 0
Union Bank – 2001, 2005, 2009 Account Balances	\$ 163	\$ 837,003
Bank of the Sierra Checking Account	\$ 3,292,394	\$ 5,884,553
County Treasury	\$ 1,444	\$ 392
Petty Cash	\$ 1,000	\$ 400
Total	<u>\$ 46,563,875</u>	<u>\$ 29,755,225</u>

Approximately \$836K was held by Union Bank as trustee in reserve for future debt payments December 31, 2019 for the 2009 COP. This has been rolled into the new 2020 COP and no reserve is required. The only current restriction is the \$19M for CIP projects in the 2020 COP. Any restrictions on the remaining \$ 27.6M are listed in this report.

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

Respectfully submitted,

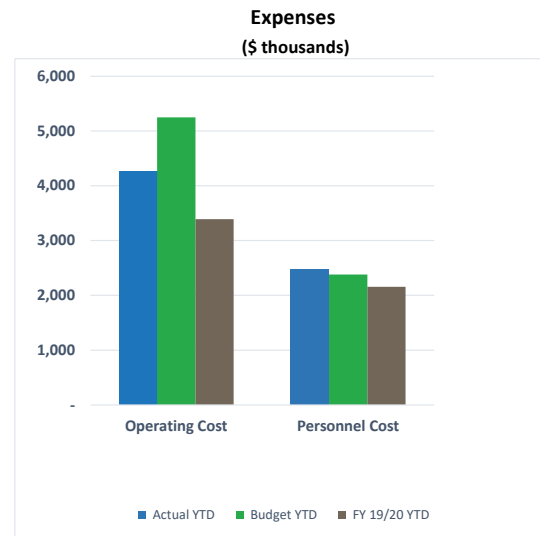
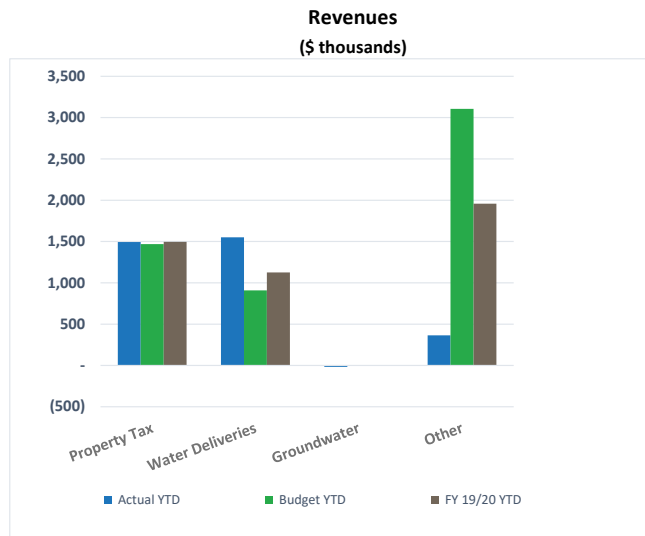


Joseph Jereb, Chief Financial Officer



FY 2020-21 Second Quarter Financial Review
 July 1, 2020 through December 31, 2020
 50% of Fiscal Year Completed
General/Water Conservation Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	1,550	909	642	71%	1,125	425	38%
Groundwater	(17)	0	(17)	0%	5	(22)	-442%
Supplemental Water	0	0	0	0%	1,840	(1,840)	0%
Property Taxes	1,493	1,468	25	2%	1,497	(4)	0%
Earnings on Investments	9	52	(44)	-83%	170	(161)	-95%
Other	365	3,107	(2,741)	-88%	1,957	(1,592)	-81%
Transfers in		0	0	0%	0	0	0%
Total Revenues	3,401	5,536	(2,135)	-39%	6,594	(3,194)	-48%
Expenses							
Personnel Costs	2,480	2,382	98	4%	2,157	323	15%
Operating Expenditures	4,269	5,248	(979)	-19%	3,390	879	26%
Capital Outlay	356	330	26	8%	36	320	898%
Debt Service	0	0	0	0%	0	0	0%
Transfers out	499	3,382	(2,883)	-85%	3,264	(2,765)	-85%
Total Expenses	7,604	11,342	(3,738)	-33%	8,846	(1,242)	-14%
Net Surplus / (Shortfall)	(4,203)	(5,806)	1,603	-28%	(2,252)	(1,952)	87%



Revenue Status vs. Budget

- Revenue received through second quarter \$2.1M (\$39%) below Plan primarily due to a pending Interfund Loan of \$2.9M.
- Earnings on investments were \$44K under plan due to a GAAP market value adjustment to LAIF of \$63K in addition to a steep reduction in the rate of return.
- Groundwater Revenue were \$17K below Plan due to utility billing adjustment to Sespe because of prior years billing errors.
- Decrease in Revenue were slightly offset by increase in pipeline deliveries \$642K above Plan; 6,043 AF more delivered than Plan for three pipelines combined including 2,451 AF more for PV
- Property taxes \$25K above plan due to higher tax revenue received from Ventura County.
- Other Revenue increases included conservative budgeting of hydroplant revenue \$57K and easement revenue \$30K from So Cal Gas.

Revenue Status vs. Prior Year

- Q2 Revenue \$3.2 (49%) under PY primarily due to Supplemental Water Revenue of \$1.8M received for Fox Canyon GMA in prior year and Interfund Loan of \$2.9M that will be reflected before the end of the fiscal year.
- Earnings on investment \$161K lower than PY due to GAAP market value adjustment and lower market rates in the current year (2.29% to .63%).
- Decrease in Revenue was slightly offset by increase in Pipeline deliveries \$425K higher than PY; 4,312 AF more delivered in FY 20-21 than in FY 19-20.

FY 2020-21 Second Quarter Financial Review

July 1, 2020 through December 31, 2020

50% of Fiscal Year Completed

General/Water Conservation Fund - Continued

Appropriation/Expenditure Status vs. Budget

- Total Expenditures were \$4M (35%) under Plan primarily due to a pending Interfund Loan for \$2.9M. Contributing to the variance is savings in Professional Fees \$867K from the under-utilized Admin and Finance consulting budget and FERC – Fish Passage and quagga expenditures which were significantly less than estimated.
- Maintenance and Supplies were \$200K under budget. O&M and Recreation contributed to the variance due to fewer staff and staff spending less time in the field due to Covid. Timing issues also contributed and are expected to catch up by the end of the fiscal year.
- Overhead costs \$300K, Travel and Training \$83K, and equipment rental \$50K, were under budget due to Covid considerations and delays in invoicing. Staff expects this to catch up toward the fiscal year end.
- Offsetting under-budget was Personnel Costs of \$98K due to an extra pay period in December.

Appropriation/Expenditure Status vs. Prior Year

- Expenditures \$1.3M (15%) lower than PY. Primarily due to a pending Interfund Loan transfer of \$2.9M in current year and CIP Projects Transfers for the new HQ and SFD projects, partially offset by lower personnel costs and Operating and Capital expenditures in PY.
- Professional fees \$435K over PY due higher PMC invoices and earlier legal payments in current year.
- Principal payments were down \$162K due to 2009 bond payments being refunded in November while financing costs were up \$653K due to payoff costs on previous bonds.
- Salary expenses were up \$323K primarily due to the extra payroll in the current fiscal year.
- Insurance premiums increased by \$60K and Maintenance Costs exceeded PY by \$40K.
- Capital outlays were up \$277K due primarily to the Eddy Pump attachment along with new service and recreation patrol trucks.

Fund Balance

The Projected ending undesignated working capital balance at the end of FY 20-21 is \$5.5M which is \$1M higher than projected.

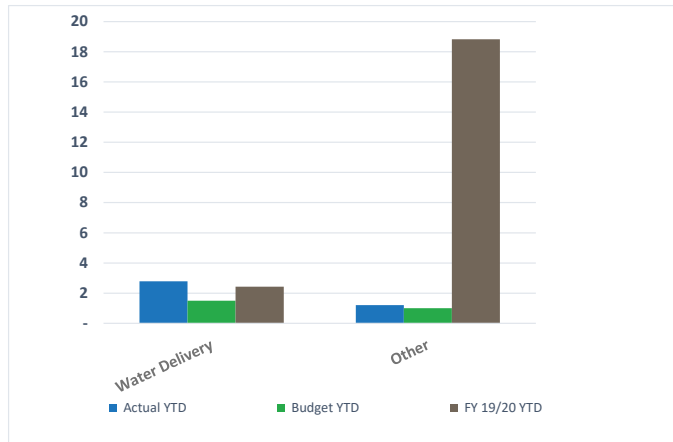
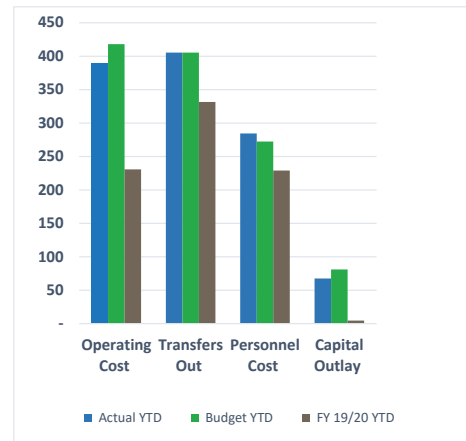
The District's reserve policy requires a \$4 - \$5 million minimum undesignated balance.

FY 2020-21 Second Quarter Financial Review

July 1, 2020 through December 31, 2020

50% of Fiscal Year Completed
Recreation Sub-Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	3	1	1	86%	2	0	15%
Earnings on Investments	0	0	0	0%	0	0	0%
Other	1	1	0	21%	19	(18)	-94%
Total Revenues	4	2	1	60%	21	(17)	-81%
Expenses							
Personnel Costs	285	272	12	4%	229	55	24%
Operating Expenditures	390	418	(28)	-7%	231	159	69%
Capital Outlay	68	81	(13)	-16%	5	63	1368%
Debt Service	0	0	0	0%	0	0	0%
Transfers out	405	405	0	0%	332	74	22%
Total Expenses	1,148	1,177	(29)	-2%	796	352	44%
Net Surplus / (Shortfall)	(1,144)	(1,174)	31	-3%	(775)	(369)	48%

Revenues
 (\$ thousands)

Expenses
 (\$ thousands)

Revenue Status vs. Budget

- Revenue received through 2nd quarter 60% above Plan due to higher water delivery revenue.

Revenue Status vs. Prior Year

- Q2 Revenue \$17K (81%) under PY due to zero filming revenue because of Lake Piru closure and Covid restrictions.

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$1.1M, under budget by \$29K (2%). Savings is in Maintenance and supplies expenses and Capital Expenditures, slightly offset by increase in Professional Fees.
- Professional Fees were \$53K over budget due to increase in PMC invoices. Last PMC invoice will be December 2020. Expected savings for PMC contract will be spent for in-house operations at Lake Piru.
- Maintenance and Supplies budget \$40K under-utilized due to covid impact and fewer staff in O&M.

Appropriation/Expenditure Status vs. Prior Year

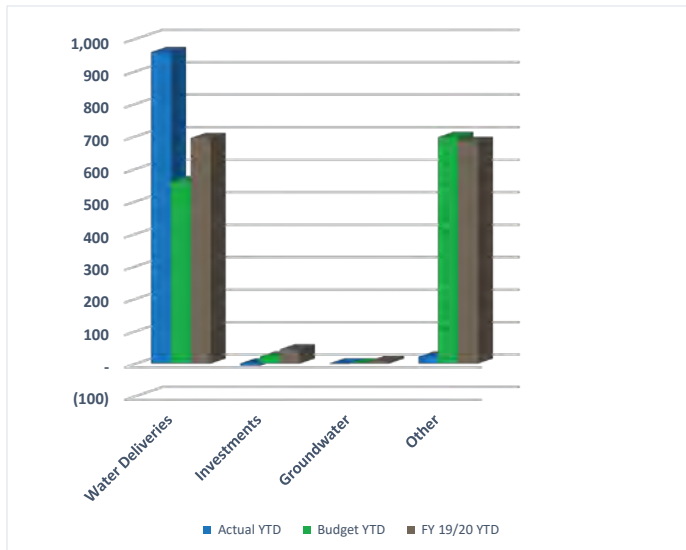
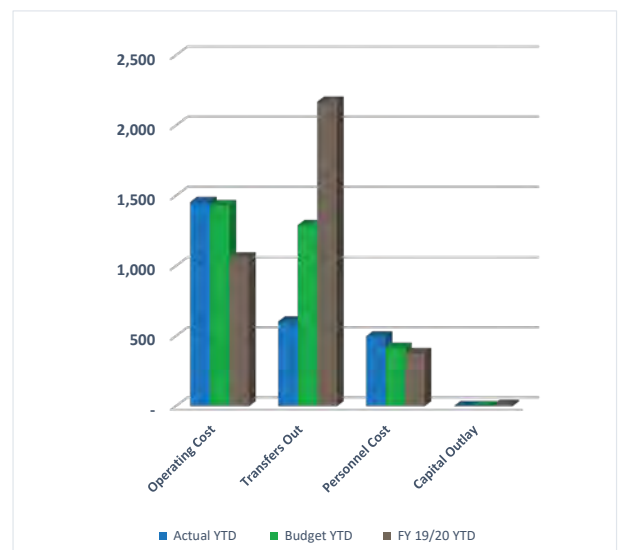
- Expenditures \$352K (44%) higher than PY
- Operating Costs is higher in current year due to higher costs of PMC fees \$234K, increase in Personnel Costs \$55K due to additional staffing, and purchase of Rec Truck \$30K.

FY 2020-21 Second Quarter Financial Review

July 1, 2020 through December 31, 2020

50% of Fiscal Year Completed
Freeman Diversion Fund (Zone B)

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Groundwater	(1)	0	(1)	0%	8	(9)	-116%
Water Delivery	958	562	397	71%	694	264	38%
Earnings on Investments	(7)	22	(29)	-131%	44	(50)	-116%
Other	25	697	(672)	-96%	683	(658)	-96%
Transfers in	0	0	0	0%	0	0	0%
Total Revenues	975	1,281	(306)	-24%	1,428	(453)	-32%
Expenses							
Personnel Costs	498	417	81	19%	379	120	32%
Operating Expenditures	1,457	1,433	23	2%	1,061	396	37%
Capital Outlay	0	0	0	0%	10	(10)	-100%
Transfers out	605	1,292	(687)	-53%	2,170	(1,565)	-72%
Total Expenses	2,560	3,142	(582)	-19%	3,619	(1,060)	-29%
Net Surplus / (Shortfall)	(1,585)	(1,861)	277	-15%	(2,191)	607	-28%

Revenues
 (\$ thousands)

Expenses
 (\$ thousands)

Revenue Status vs. Budget

- Revenue received Q2 \$975K, down \$306K (24%)
- Decrease primarily due to a delay in proceeds from financing (\$687K) for Emergency Generator, Recycled Water Replenishment and SCADA Hardware capital improvement projects
- Lower earnings on investments (\$29K) were due to a GAAP market value adjustment to LAIF
- Offsetting this decrease were higher than expected pipeline deliveries (in lieu charges), which were \$397K over Plan
- Total pipeline deliveries were up 6,044 AF (78%) compared to budgeted 7,730 AF

Revenue Status vs. Prior Year

- Current year lower by \$453K (32%)
- Decrease from previous fiscal due to a City of Ventura Refund of Judgement (\$663K) received during Fiscal Year 2019-2020
- Offsetting decrease were higher pipeline delivery revenue (\$264K) in Fiscal Year 2020-21
- Pipeline deliveries were up 4,313 AF (46%) compared to Q2'19-20
- Earnings on Investments \$50K lower than PY due to GAAP market value adjustment and lower market rates in the current year



FY 2020-21 Second Quarter Financial Review

July 1, 2020 through December 31, 2020

50% of Fiscal Year Completed

Freeman Diversion Fund (Zone B) - continued

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$2.6M, \$582K (19%) below Plan
- Primarily due to a decrease in CIP transfers-out (\$687K) for Emergency Generator, Recycled Water Replenishment and SCADA Hardware CIP projects
- Operating expenditure were also lower (\$74K) than Budget. Decrease in operating expenditures are primarily related to maintenance (\$59K), fuel (\$14K) and permits and licenses (\$10K)
- Delay in operating expenditures partially due to Covid-19, however expected to pick up by the end of the fiscal year
- Overhead costs also under budget by \$74K due to timing difference
- Offsetting decrease are on going District legal fees (\$198K) for Wishtoyo, City of Ventura and HCP
- Personnel Costs were also \$81K higher than expected due to five new hires at the District. Two O&M Recharge Workers and four EPCD Field Assistance. In addition to new hires, there were internal employee promotions and an increase in work performed in HCP, Freeman Diversion and Freeman Fishery projects

Appropriation/Expenditure Status vs. Prior Year

- Total Expenditures are \$1.1M (29%) below PY
- Decrease largely due to a decrease in transfers-out for CIP projects (\$1.6M)
- Lower transfers-out partially due to a delay in funding and multiple projects being completed last fiscal year
- Offsetting decrease are higher operating expenditures (\$396K) in current fiscal year, which include rental equipment (\$151K) for the Freeman sediment removal project and professional fees (\$211K) primarily for Wishtoyo
- Personnel cost also had an increase of \$120K in current fiscal year, primarily due to an increase in work in O&M and EPCD departments

Fund Balance

- The beginning working capital was approximately \$808K. Assuming FY 2020-21 activity is consistent with the approved budget, the projected ending balance is a \$548K
- The District's reserve policy requires an undesignated balance of between \$800K and \$1M for this fund, which is not being met
- Additional funding for the Freeman fund will be required in FY 2020-21, either from external and/or interfund lending

FY 2020-21 Second Quarter Financial Review

July 1, 2020 through December 31, 2020

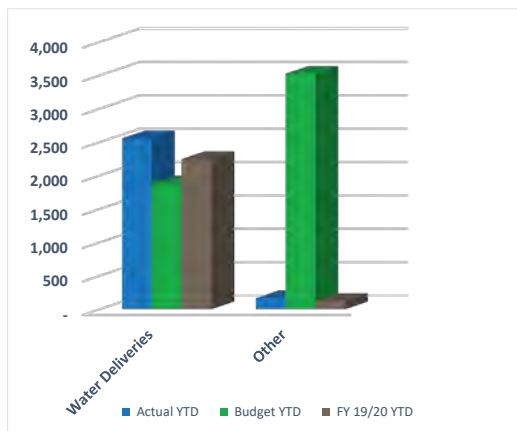
50% of Fiscal Year Completed

Oxnard Hueneme Pipeline Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	2,556	1,883	673	36%	2,244	312	14%
Earnings on Investments	(8)	10	(18)	-179%	27	(35)	-129%
Grants	4	150	(146)	-97%	0	4	0%
Other	173	3,514	(3,341)	-95%	93	79	85%
Total Revenues	2,725	5,557	(2,832)	-51%	2,365	360	15%
Expenses							
Personnel Costs	504	402	103	26%	463	42	9%
Operating Expenditures	1,179	1,370	(191)	-14%	1,035	144	14%
Capital Outlay	24	48	(24)	-49%	116	(92)	-79%
Transfers out	1,610	5,157	(3,547)	-69%	705	905	128%
Total Expenses	3,318	6,977	(3,659)	-52%	2,319	999	43%
Net Surplus / (Shortfall)	(593)	(1,420)	827	-58%	46	(639)	-1390%

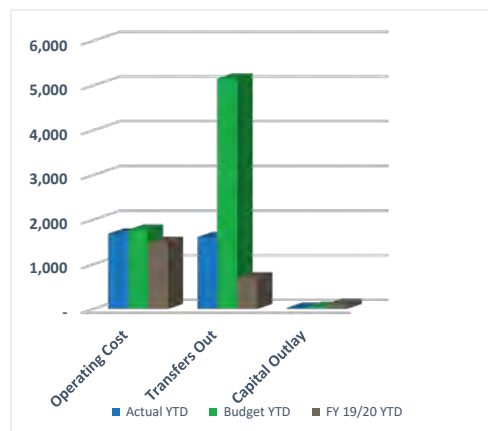
Revenues

(\$ thousands)



Expenses

(\$ thousands)



Revenue

- Water Delivery Revenue \$673K (36%) higher than Budget. 2,958 AF (60%) more delivered than Plan. Deliveries exceed prior year by \$312K (1,779 AF). The decrease in variable rates made the dollar revenue increase less than the actual deliveries.
- Grants under Plan by \$146K. Grant for Fe & Mn treatment; revenue will not be earned until construction begins later in FY.
- Fox Canyon revenues up \$55K (54%) over budget and \$80K (106%) over prior year.
- Investment revenue \$18K under budget and down \$35K compared to last year due to a \$19K GAAP market value adjustment to LAIF this year and lower returns compared to last year.
- Total revenue under budget by \$2.8M due to financing receipts of \$3.4M not being realized.

Expenses

- Maintenance - S&I under budget by \$72K and Equipment under by \$55K. These are primarily timing issues and staff expects actuals to catch up with budget as year progresses.
- Professional fees \$67K under budget due to timing issues and under-utilized EPA budget \$50K.
- Overhead costs \$59K under budget which is primarily a timing issue.
- Transfers out under budget by \$3.5M due primarily to delayed Fe & Mn treatment project.
- Salary costs \$103K and Fox Canyon costs \$83K over budget. Fox Canyon expenses were in December and budgeted costs in second half of year. Salary costs up due to extra payroll period and additional time spent on OH pipeline.

Fund Balance

The projected fund balance at the end of FY 20-21 is \$1.5M which is \$360K higher than projected. \$43K outstanding purchase orders were carried forward in FY 20-21 resulting a net balance that is \$317K higher than projected.

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

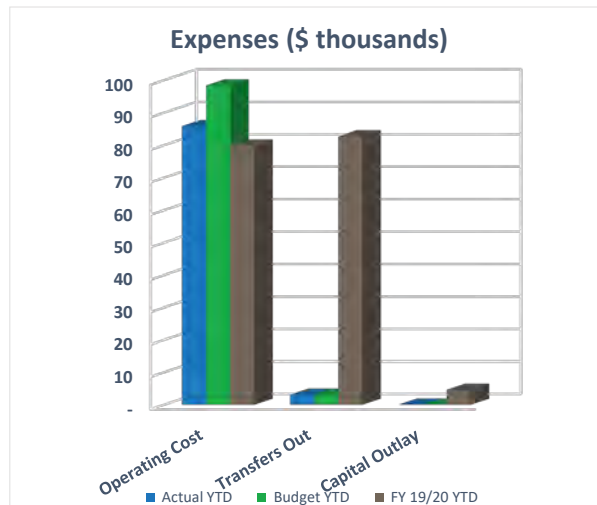
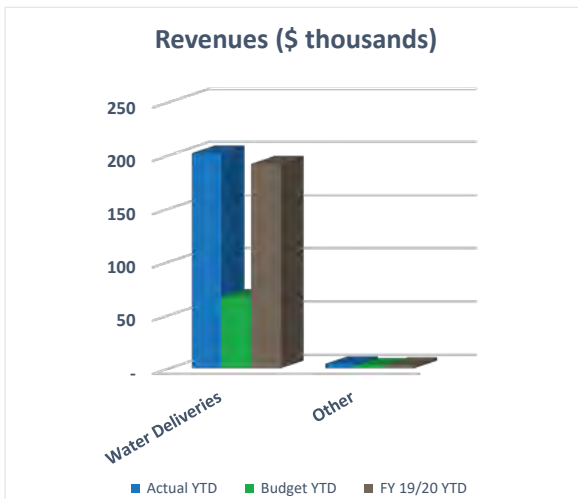
FY 2020-21 Second Quarter Financial Review

July 1, 2020 through December 31, 2020

50% of Fiscal Year Completed

Pleasant Valley Pipeline Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	202	67	135	202%	192	10	5%
Earnings on Investments	(1)	2	(3)	-132%	6	(7)	-111%
Other	4	2	2	70%	3	1	35%
Total Revenues	205	71	134	187%	201	4	2%
Expenses							
Personnel Costs	41	24	17	70%	21	20	95%
Operating Expenditures	45	74	(30)	-40%	59	(14)	-24%
Capital Outlay	0	0	0	0%	5	(5)	-100%
Transfers out	3	3	0	0%	83	(80)	-96%
Total Expenses	89	101	(13)	-12%	167	(78)	-47%
Net Surplus / (Shortfall)	116	(30)	146	-486%	34	82	243%



Revenue

- Water delivery was \$202K (2,452 AF) higher than Plan. Increase in water deliveries were primarily due to SFD water releases, which provided surface water to the pipeline. Water releases subsided mid-November 2020. Deliveries also exceed prior year by \$10K (1,987 AF). Staff anticipates water delivery revenue to continue to be above Budget in third quarter.

Expenses

- Operating expenditures under Budget by \$13K this fiscal year and down \$78K from prior year. As a result of COVID-19 there has been a 15% reduction of O&M staff in field to work on maintenance projects.
- Transfers out last fiscal year are higher by \$80K due to new headquarters.
- Personnel Costs up \$17K over plan due to several factors including an unexpected additional payroll period in Q2, one new O&M Recharge Worker hire and an increase in work performed on PV Pipeline.

Fund Balance

- FY 2019-20 ending working capital was approximately \$344K. A shortfall of \$121K is planned for FY 2020-21, resulting in a projected fund balance (net of \$76K of depreciation) of \$298K at year-end.
- The District's reserve policy requires an undesignated balance of \$262K for this fund, which is projected to be met.

FY 2020-21 Second Quarter Financial Review

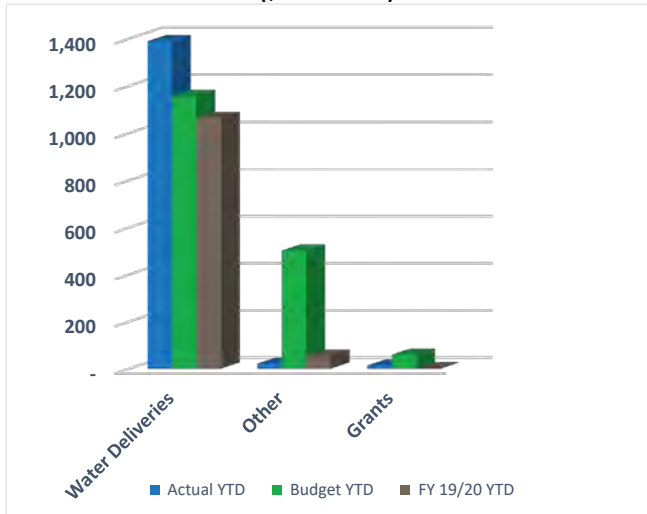
July 1, 2020 through December 31, 2020

50% of Fiscal Year Completed

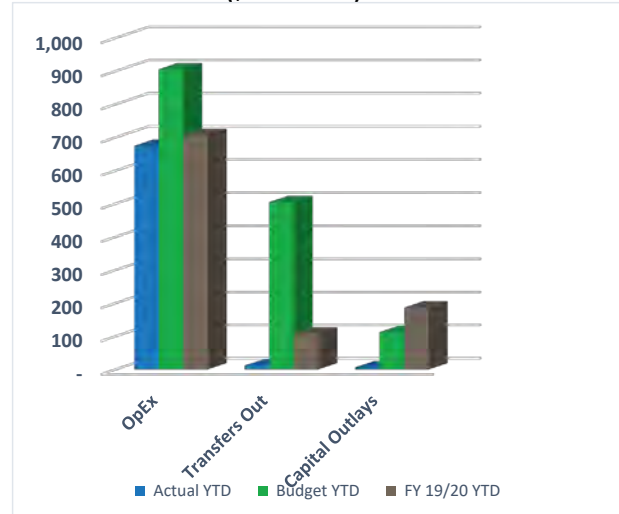
Pumping Trough Pipeline Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	1,389	1,156	233	20%	1,063	325	31%
Earnings on Investments	(1)	5	(6)	-113%	13	(14)	-105%
Grants	13	59	(46)	-78%	0	13	0%
Other	22	496	(473)	-96%	41	(18)	-45%
Total Revenues	1,423	1,716	(292)	-17%	1,117	306	27%
Expenses							
Personnel Costs	208	194	15	7%	194	14	7%
Operating Expenditures	466	711	(245)	-35%	512	(47)	-9%
Capital Outlay	6	112	(107)	-95%	186	(181)	-97%
Transfers out	11	504	(493)	-98%	108	(97)	-90%
Total Expenses	691	1,522	(831)	-55%	1,001	(310)	-31%
Net Surplus / (Shortfall)	732	194	538	278%	116	616	532%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue

- Revenue received through Q2 \$1.4M, down \$292K (17%) from Plan
- Revenue reduction primarily due to a delay in proceeds from financing (\$434K) for PTP Metering, Replace El Rio Trailer, Management CMMS and SCADA Hardware capital improvement projects
- Fox Canyon GMA charges were also \$40K lower than expected due to more surface water being delivered than pumped water
- Grant revenue for the PTP Metering project has only been partially received, which lessens the amount of revenue received through the second quarter
- Compensating for revenue decrease are higher than expected pipeline deliveries (22%). 2,820 AF pipeline deliveries were expected to be delivered in the first half of FY 2020-21, but 3,454 AF were made. This resulted in \$239K additional revenue



FY 2020-21 Second Quarter Financial Review

July 1, 2020 through December 31, 2020

50% of Fiscal Year Completed

Pumping Trough Pipeline Fund (Continued)

Revenue Status vs. Prior Year

- Current fiscal year revenues up \$306K (27%) compared to last fiscal year
- Primarily due to an increase of 547 AF (19%) pipeline deliveries (\$325K) versus prior fiscal year
- Grant revenue in current fiscal year was also higher by \$13K compared to last fiscal year
- Slightly offsetting increase was lower Fox Canyon GMA revenue (\$18K) and earnings on investments (\$14K) due to lower market rates in the current year

Expenses

- Total expenditures \$691K, \$831K (55%) below Plan
- Primarily due to lower than planned transfers-out (\$493K) to capital improvement projects
- Operating expenditures (\$245K) and capital outlay (\$107K) were also under Budget
- Maintenance \$92K below Plan this year due to delays caused by Covid-19, as well as less than projected maintenance on corroding PTP turnouts
- Electricity \$83K under Budget due to considerable surface water deliveries (2,806 AF) through the second quarter, which resulted in less time running PTP wells
- General and administrative expense were also \$44K lower than Budget due to timing difference
- Operating expenditures and capital outlay are expected to pick up later in the fiscal year
- Slightly offsetting decrease are higher than expected personnel cost (\$15K). Personnel increase due to a rise in remote training for Covid-19 and a unanticipated payroll in December 2020

Expense Status vs. Prior Year

- Compared to last fiscal year, expenditures are lower by \$310K (31%)
- Primarily due to capital outlay being \$181K lower in current fiscal year. However, capital outlay expenses are expected to pick up later in the fiscal year. Mainly for equipment needed for the PTP Replacement Isolation Valve project
- CIP transfers-out (\$97K) are also lower in current fiscal year due to a delay in funding for PTP Metering, SCADA Hardware, Replace El Rio Trailer and Management CMMS System project

Fund Balance

- The beginning working capital was approximately \$465K. Assuming FY 2020-21 activity is consistent with the approved budget, the projected ending balance is \$370K. The District's reserve policy requires an undesignated balance of between \$250K and \$300K for this fund, which is expected to be exceeded given the additional delivery revenue in H1'20-21.



FY 2020-21 Second Quarter Financial Review

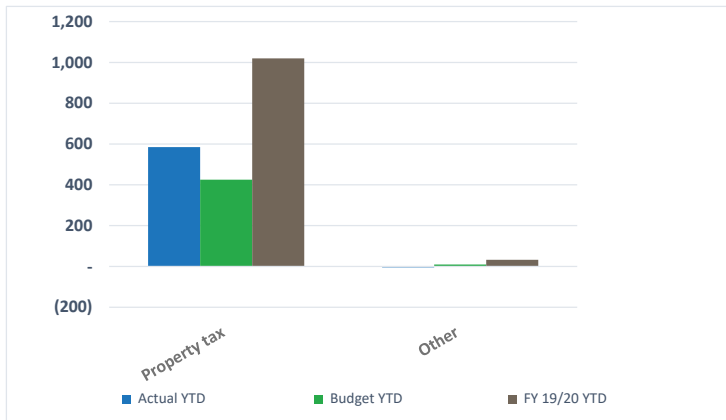
July 1, 2020 through December 31, 2020

50% of Fiscal Year Completed

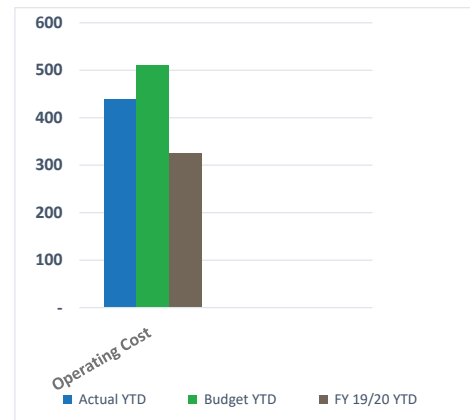
State Water Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	0	0	0	0%	0	0	0%
Earnings on Investments	(4)	9	(14)	-146%	28	(32)	-115%
Other	585	425	159	37%	1,024	(440)	-43%
Total Revenues	580	435	146	34%	1,052	(472)	-45%
Expenses							
Personnel Costs	0	0	0	0%	0	0	0%
Operating Expenditures	440	510	(70)	-14%	325	115	35%
Capital Outlay	0	0	0	0%	0	0	0%
Debt Service	0	0	0	0%	0	0	0%
Transfers out	0	0	0	0%	0	0	0%
Total Expenses	440	510	(70)	-14%	325	115	35%
Net Surplus / (Shortfall)	140	(76)	216	-285%	727	(587)	-81%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue

- Property tax revenues \$159K (37%) over budget primarily due to passthrough and residual taxes not being budgeted. Revenue requested of State Water \$435K (43%) lower than previous year so as not to exceed reserve maximum.
- Investment earnings through Q2 was on budget less a GAAP market value adjustment to LAIF of \$15K. Excluding the GAAP adjustment, there was a \$17K (60%) decrease compared to last year due to much lower percentage returns.

Expenditures

- Total expenditures \$70K (14%) lower than budgeted. This is primarily due to variable costs not being consistent throughout the year although the budget is distributed equally. Additionally, variable charges by DWR vary from one year to the next and are difficult to budget accurately.
- Compared to last year, expenditures higher by \$115K (35%). This is due to higher transportation costs in current fiscal year (\$109K).

Fund Balance

The projected fund balance at the end of FY 20-21 is approximately \$2.2M.

The District's reserve policy requires a \$1.7M 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, plus the allowable balance of Table A water that was not purchased in prior years (1,500 AF for FY 20-21).

FY 2020-21 Second Quarter Financial Review

July 1, 2020 through December 31, 2020

50% of Fiscal Year Completed

Overhead Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Expenses							
Personnel Costs	1,387	1,470	(84)	-6%	1,183	203	17%
Operating Expenditures	499	734	(235)	-32%	544	(44)	-8%
Capital Outlay	0	0	0	0%	13	(13)	0%
Total Expenses	1,886	2,205	(318)	-14%	1,740	146	8%

Expenses

(\$ thousands)



Expenses

- Expenditures under budget by \$318K (14%).
- The largest savings were in Personnel due to the vacant Assistant General Manager position \$84K, and Consulting services for Admin and Finance savings (\$235K). Costs for Admin consulting under-utilized and financial advisory services also under-utilized, as some of the FA costs was included in debt issuance.
- Compared to last year, expenditures are higher by \$146K (8%). The variance is primarily due to Personnel costs up by \$203K because of additional staffing in Admin and Finance. Admin filled two Administrative positions and Finance filled Senior Accountant and Accountant I positions. This increase was slightly offset by decrease in Professional fees (\$41K).

United Water Conservation District															
CURRENTLY APPROPRIATED CAPITAL IMPROVEMENT PROJECT PLAN															
FY 20-2120 Available Appropriations as of December 31, 2020															
Project Description	Fund #	Proj #	1st Budget Year	1st 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 20-21
								Total Approp	Suppl	Total	Total as	Current	Total		
								Approved thru FY 2019-20	Approp FY 20-21	Approp to Date	FY 2019-20	FY 20-21	to date		
Well Replacement Program Well #18	452	8000	2015-16	08/06/15	2021	I	1,590	875,705	714,429	1,590,134	632,134	4,231	636,365	40.02%	953,769
Freeman Diversion Rehab	421	8001	2009-10	03/23/11	2024	II&IV	73,966	8,376,614	589,294	8,965,908	4,231,103	874,335	5,105,438	6.90%	3,860,470
SFD Outlet Works Rehab		8002	2007-08	04/20/11	2025+	I&II	53,390	3,743,353	1,297,194	5,040,547	2,669,751	1,865,534	4,535,285	8.49%	505,262
SFD PMF Containment		8003	2008-09	06/22/09	2025+	II	42,520	3,861,136	1,052,369	4,913,505	2,606,665	1,905,636	4,512,301	10.61%	401,204
SFD Sediment Management		8005	2013-14	05/28/14	2022	II	175	94,954	-	94,954	60,341	1,600	61,942	35.40%	33,013
Lower River Invasive Species Control	471	8006	2015-16	08/06/15	2023	IV	640	865,517	3,783	869,300	179,414	4,855	184,269	28.79%	685,031
OHP Iron and Manganese Treatment	451	8007	2015-16	08/06/15	2022	III	9,655	1,140,777	4,039,157	5,179,934	1,015,364	128,290	1,143,654	11.85%	4,036,280
Ferro-Rose Recharge		8018	2006-07	03/23/07	2023	III	31,849	1,896,577	12,752	1,909,329	1,155,924	158,886	1,314,810	4.13%	594,519
Brackish Water Treatment		8019	2015-16	07/08/15	2025+	III	154,667	60,180	339,576	399,756	58,315	37,984	96,300	0.06%	303,456
Rice Ave Overpass PTP	471	8021	2016-17	08/17/18	2021	II	83	73,497	9,823	83,320	25,350	25,218	50,568	60.92%	32,752
PTP Turnout Metering System	471	8022	2016-17	03/10/17	2022	I	1,755	1,166,254	442,339	1,608,593	791,703	196,537	988,240	56.31%	620,353
Pothole Trailhead		8023	2016-17	02/14/17	2021	I	503	312,011	190,828	502,839	199,834	83,156	282,990	56.26%	219,849
State Water Interconnection Project		8025	2016-17	06/15/17	2022	II	559	753,121	5,615	758,736	187,920	30,316	218,236	39.04%	540,500
El Rio Trailer		8028	2019-20		2022	II	390	35,000	75,000	110,000	-	-	-	0.00%	110,000
Alternative Supply Alliance Pipeline		8030	2018-19	06/08/18	2021	II	362	361,578	-	361,578	35,261	1,073	36,334	10.04%	325,244
Grand Canal Modifications		8032	2018-19	06/30/19	2021	II	810	525,916	20,149	546,065	115,821	146,467	262,288	32.38%	283,777
Floc Building Emergency Generator	421	8033	2019-20		2021	II	78	75,000	78,416	153,416		-	-	0.00%	153,416
Lak Piru Campground Electrical Update		8034	2019-20		2023	I	673	65,800	7,624	73,424		-	-	0.00%	73,424
OH Booster Pump Overhaul	451	8035	2019-20	05/27/20	2020	I	280	280,000	-	280,000	66,703	172,880	239,583	85.57%	40,417
OH System Emergency Generator	451	8036	2020-21	12/18/20	2021	II	909	0	908,775	908,775		1,695	1,695	0.19%	907,080
Piru WTP Emergency Generator		8037	2020-21		2021	II	102	0	101,527	101,527		-	-	0.00%	101,527
PTP System Emergency Generator	471	8038	2019-20	08/01/19	2020	II	903	902,800	-	902,800	772,194	109,390	881,584	97.63%	21,216
Santa Paula Tower Emergency Generator		8039	2019-20		2021	II	66	60,800	4,727	65,527		-	-	0.00%	65,527
Asset Management / CMMS System		8041	2019-20	04/10/20	2022	-	263	30,000	82,780	112,780	463	2,563	3,026	1.15%	109,754
Recycled Water GW Replenishment/Reu	421	8042	2020-21	12/04/20	2024	III	8,714	0	519,380	519,380		685	685	0.01%	518,695
Lake Piru e-Kiosk		8045	2020-21		2021	II	106	0	105,500	105,500		-	-	0.00%	105,500
SCADA Hardware Update		8046	2020-21	11/20/20	2021	II	1,003	0	660,260	660,260		15,805	15,805	1.58%	644,455
TOTAL AMOUNT PER YEAR							386,011	25,556,590	11,261,297	36,817,887	14,804,260	5,767,136	20,571,396	5.33%	16,246,491
Class I = Infrastructure Repair or Replacement															
Class II = Structural/Hydraulic Improvement (no yield)															
Class III = Water Resource Improvement															
Class IV = ESA Improvement															

Current Benchmark Yields

LAIF	December 31, 2020	0.63%
VC Invest Pool	November 30, 2020	0.63%
3mo Treasury Bills	December 31, 2020	0.09%

