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February 27, 2023

Board of Directors  
United Water Conservation District

**Subject: Second Quarter Fiscal Year 2022-2023 Financial Reports**

Dear Board Members:

Enclosed for your review are the District's Fiscal Year (FY) 2022-2023 Second Quarter (October 1, 2022, through December 31, 2022) Financial Reports. These reports represent three months of financial information for District operations and three months of CIP updates.

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

- General/Water Conservation Fund
- Recreation and 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 and 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 District customers 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 for the fiscal year-to-date with data to provide the Board and District customers a preliminary financial view (subject to audit adjustments at year-end). The following discussion will provide a summary of the Districts' projected revenues and approved spending plan compared to what actually occurred throughout the fiscal 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 the pages following the Capital Improvement Program Status.

## **CAPITAL IMPROVEMENT PROGRAM STATUS**

A one-page summary of the District's current Five-Year Capital Improvement Program appears along with Benchmark Interest Rates as part of Attachment B. As of September 30, 2022, all capital improvement projects (CIP) expenditures are within the total amount appropriated by the Board.

The majority of the CIP's that have been funded are currently underway, either in the planning, design, or construction stages of the project.

- *Well Replacement Program (CIP Project #8000)*  
No updates to report this period.
- *Freeman Diversion Expansion (CIP Project #8001)*  
USBR and the University of Iowa completed physical modeling on the Hardened Ramp and Vertical Slot respectively and produced reports detailing the modeling. Both modeling labs performed stress and operational testing on the physical models as well. Stantec and NHC continued to support the modeling labs and worked towards the completion of the 100% Hydraulic Design reports.
- *Santa Felicia Dam Outlet Works Rehabilitation (CIP Project #8002)*  
The Santa Felicia Dam Safety Improvement Project Board of Consultants (BOC) meeting No. 6 was held at the District headquarters on September 28 and 29. A total of 25 individuals from the Federal Energy Regulatory Commission (FERC), California Department of Water Resources, Division of Safety of Dams (DSOD), BOC, GEI Consultants (GEI), and District staff attended this meeting. The 60% design Outlet Works improvement results and reports were reviewed by the BOC and recommendations were provided to advance the design to the next design phase (90% design). The BOC Final Report along with updated BOC comments tracking form were e-filed to FERC. A hard copy was also submitted to DSOD.

Staff prepared and submitted to DSOD permit closeout documents for the 2020 drilling program and survey monument installation activities performed at the Santa Felicia Dam in 2020. The permit closeout documents include a signed affidavit form and an itemized construction cost breakdown.

Staff attended a meeting with the engineering and environmental consultants to discuss the proposed construction schedule and possible impact of reservoir level during construction, availability of water for startup testing, and environmental constraints.



Staff e-filed the District response letter to NMFS pre-consultation comments regarding the 30% fish screen design. Staff also received FERC's comments on the draft Biological Assessment (BA). However, comments from NMFS were not included. FERC has requested Staff to e-file the revised BA after receiving both FERC and NMFS comments on the draft BA. Staff informed FERC that the District is planning to request a time extension to submit the revised BA to FERC.

Staff finalized and submitted the fully executed contract for developing the 90% design of the Outlet Works improvements to GEI Consultants. As of December 31, 2022, the project is 24% complete and within the approved budget.

- *Santa Felicia Dam Probable Maximum Flood Containment (CIP Project # 8003)*

The above updates reported for the Outlet Works Rehabilitation project are also applicable to this project.

Staff prepared an Application for Dam Repair or Alteration to initiate DSOD review of the Spillway Improvement Project design packet. An electronic payment in the amount of \$75,382 will be submitted to DSOD via ACH transaction. This fee is equal to 20% of the total application fee. The remaining application fee will be submitted to DSOD along with the future submittals.

Based on the proposed construction schedule and the required level of reservoir elevation during construction of the new Outlet Work and the spillway improvements, Engineering and Water Resources staff updated the hydrological risk assessments and prepared a reservoir elevation probability analysis to be discussed with DWR at the interagency meeting. On November 15, Staff attended the interagency meeting with DWR and the Los Angeles Department Water and Power (LADWP) at the DWR Southern California Operations and Maintenance Center at Castaic (Castaic Office). During the meeting, the SFDSIP, project construction schedule and hydrological risk assessments were discussed.

Staff finalized and submitted the fully executed contract for developing the 60% design of the Spillway improvements to GEI Consultants. As of December 31, 2022, the project is 3% complete and within the approved budget.

- *Santa Felicia Dam Sediment Management (CIP Project # 8005)*

No updates to report this period.

- *Oxnard Hueneme Pipeline Iron and Manganese Treatment Facility (CIP Project # 8007)*

Held weekly coordination meetings between staff and the District's construction manager (HDR, Inc.) and weekly construction progress meetings hosted by HDR and attended by GSE Construction, Taft Electric, Kennedy Jenks Consultants (KJ) and staff.

GSE Construction has submitted approximately 331 out of a total of 380 submittal packages anticipated for the project. HDR and design engineer (KJ) have provided responses on approximately 308 submittal packages including a requirement to comply with the Buy American Act (BAA). The construction company has also submitted approximately 121 Requests for Information (RFIs) to date. HDR, KJ and the District have been providing responses.



Twenty (20) Change Orders (COs) have been fully executed to date amounting to a net total of \$1,118,384.12. This represents 11.9% of the original contract amount (\$9,342,900.00). Four (4) of these COs amounting to \$662,910.19 or 7.1% of the original contract amount are directly related to compliance with the BAA which is a federal grant requirement (the project was not originally bid with this requirement in place). Therefore, only \$455,473.93 or 4.9% of COs have resulted in additions or modifications to the original scope of work.

Staff reviewed and provided comments on the final draft Operations, Maintenance and Monitoring Plan (OMMP) which is required by the State Water Resources Control Board (SWRCB) Division of Drinking Water (DDW) prior to start-up and operation of the facility. The OMMP was finalized and submitted to DDW on November 10, 2022.

Coordinated Upper Aquifer System (UAS) well manifold pipeline shutdown on October 26, 2022, to make the Filtered Water (FW) and RAW bypass connections. Issued notice to OH Pipeline users to curtail water use during the shutdown period.

GSE Construction continued construction of the following:

- 24" Raw Water Pipeline (RAW)
- 24" Filtered Water (FW) Connection
- 20" Backwash Supply Pipeline (BWS)
- 20" Surface Wash Water Pipeline (SWW)
- 18" connections to RAW
- Backwash Supply Vault installed
- 8" Air Supply Pipeline
- 8" Return Wash Water (RWW)
- 8" Filter Drain Piping (FD)
- 4" Solids Line (SL)
- 4" Utility Water (UW)
- 3" Chlorine Solution Lines, Double Contained
- 2.5" Utility Water (UW)
- Filter face piping
- Plumbing, fire suppression system, electrical and heating ventilation and air conditioning in the Laboratory/Electrical/Aeration building.
- Building roofing and interior framing
- Various underground sample lines
- Various underground electrical conduits
- Filter face piping
- Laboratory/Electrical/Blower Building
- Framing for drywall
- HVAC
- Interior electrical
- Special inspections (fire dept., mechanical/electrical/plumbing)



The tentative date for construction completion and implementation is January 26, 2023, per the construction contract. A total of seven (7) inclement weather days have been counted. However, recent contractor provided schedules indicate a construction completion date in May to June 2023.

- *Freeman Conveyance System Upgrade–Freeman to Ferro Recharge Basin (CIP Project # 8018)*  
No updates to report this period.
- *Extraction Barrier and Brackish Water Treatment (CIP Project # 8019)*  
Held various meetings: September 27 and October 11 – Bi-weekly progress meeting held with the U.S. Navy; October 25, 2022 – Monthly progress meeting held with the U.S. Navy.

One grant has been secured and another application has been submitted. The following are updates related to the grants:

- Phase 1 Extraction Barrier Project: Prop 1 Round 3 Ground Water Grant Program (GWGP) - State Water Resources Control Board (SWRCB) - preliminary award announcements anticipated in Fall 2022.
- Monitoring Wells - Sustainable Groundwater Management (SGM) Grant Program:  
September 9 – the Fox Canyon Groundwater Management Agency authorized Executive Officer to enter into an agreement with the Department of Water Resources; September 22 – Kick-off meeting held with Kennedy Jenks Consultants who is performing grant administration on behalf of the FCGMA; October 24 – Submitted Environmental Information Form; November 3 – Submitted invoices for eligible costs during the reporting period (12/17/2021 to 9/30/2022).

Various activities related to CEQA/NEPA have occurred as follows: September 15 – Five (5) proposals were received in response to the Request for Qualifications/Proposals (RFQ/P) for CEQA and Regulatory Permitting services for Phase 1B (implementation phase) which were reviewed by staff. Three (3) firms were selected for interviews. November 17, 2022 – staff held a CEQA/Permits consultant selection meeting. Staff selected Environmental Science Associates (ESA) and the District entered into negotiations with ESA to provide CEQA/NEPA and permitting services.

Various activities related to Design have occurred as follows: September 22 – One (1) complete proposal was received in response to the RFQ/P for Design Services for Phase 1B (implementation phase) which was reviewed by staff. The proposing firm is Kennedy/Jenks Consultants. October 27 – staff held a design services proposal review workshop. K/J was selected and the District entered into negotiations with K/J to provide design services.

October 14 – staff completed site layout maps for proposed monitoring wells at NBVC Point Mugu.



- *Rice Ave. Overpass PTP (CIP Project # 8021)*  
No updates provided.
- *PTP Metering Improvement Project (CIP Project # 8022)*  
The total number of meters installed is 40 of 61 representing 65.5% completion. An additional four (4) Meter installations are planned by the end of 2022. Easement acquisition includes 23 out of 41 deeds obtained or 56.1% completion. On August 25, UWCD received a signed easement deed for site #134. On September 29, UWCD installed the meter for site #134. On September 15 and October 13, staff met with Hamner, Jewell and Associates (HJA) to discuss the progress of the easement acquisition which HJA is performing for the District.
- *Pothole Trailhead (CIP Project # 8023)*  
No updates to report this period.
- *State Water Interconnection (CIP Project # 8025)*  
No updates to report this period.
- *Replace El-Rio Trailer (CIP Project # 8028)*  
No updates to report this period.
- *Lake Piru Campground Electrical System Upgrade (CIP Project # 8034)*  
This project is currently on hold until the feasibility of the recreation improvement plan can be evaluated.
- *Emergency Power Supply for UWCD Drinking Water Treatment and Supply Facilities related to CIP Projects # 8033, 8037, 8039)*  
No updates to report this period.
- *Asset Management System/CMMS System (CIP Project # 8041)*  
No updates to report this period.
- *PTP Recycled Water Connection – Laguna Road Pipeline (CIP Project # 8043)*  
Staff completed their review of the draft Preliminary Design Report (PDR) and the preliminary drawings. Comments were submitted to the engineering consultant (Kennedy Jenks) to be incorporated in the final preliminary drawings.  
  
Staff updated and submitted the Environmental Information Form and Deliverable Schedule as part of the first progress reporting for Prop 1 SGM grant. Staff prepared and submitted SGM grant quarterly progress report and eligible invoices.  
  
Staff reviewed the final draft of the PDR and preliminary drawings and provided additional comments to be incorporated in the final PDR.
- *SCADA Hardware Update (CIP Project # 8046)*  
No updates to report this period.



- *Lake Piru Recreation Area Pavement Maintenance Program (CIP Project # 8047)*  
This project began in December 2022 and is currently slated for completion in February.
- *Condor Improvement Project (CIP Project # 8048)*  
The Picnic Site Improvements performed by MDJ Management, LLC were completed on November 4, 2022.

The Picnic Site Landscaping Improvements performed by Pacific Vista Landscaping; Inc were completed on December 27, 2022.

A purchase order in the amount of \$8,650 was issued to Pacific Vista Landscaping, Inc., on November 17, 2022, for additional grading work related to the Picnic Site Landscaping Improvement. The work was completed by December 27, 2022.

- *Lake Piru Entry Kiosk Renovation (CIP Project # 8049)*  
This project was completed in May of 2022.
- *Security Gate Upgrade (CIP Project # 8050)*  
The security gate upgrades to El Rio and Saticoy have been completed. This migrating authorized users over to the new system. The Piru Security gates are awaiting key equipment—which has a longer than expected lead time—in order for the project to be completed.
- *Server Replacement (CIP Project # 8051)*  
The project was completed during the third quarter of the fiscal year 2021-2022.
- *SCADA Continuous Threat Detection System (CIP Project # 8052)*  
AIMM Services has begun the network assessment portion of the project. Information collected from this phase will be supplied to the Software Architecture and Design teams at Rockwell Allen Bradley and Claroty to refine the deployment and training of the continuous monitoring system. Most recent updates included that Rockwell accepted the assessment and is working on a deliverable report.
- *Main Supply Pipeline Sodium Hypochlorite Injection (CIP Project # 8053)*  
Ongoing, Engineering had Trussel Tech visit the site in order for them to provide a proposal on a feasibility study/design of a Sodium Hypochlorite Injection facility at the Moss Screen.
- *Dry Storage Fencing (CIP Project # 8054)*  
Completed in December 2022.
- *Lake Piru Campground and Recreation Area Renovations (CIP Project # 8055)*  
Ongoing. Engineering staff is currently evaluating the potential for restroom remodels under this project and the facilities improvement plan itself is slate to go to the board for approval in February. It is anticipated that work will be completed in quarter four of this fiscal year.
- *OHP Low-Flow Upgrades (CIP Project # 8056)*  
No updates to report this period.



**CASH POSITION AND INVESTMENTS OF THE DISTRICT**

As of December 31, 2022, the District had a total of \$44.0M 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:

	<b><u>Dec 2022</u></b>	<b><u>Dec 2021</u></b>
Bank of the Sierra	3,470,308	6,065,779
Citizens Business Bank	2,778,457	0
US Bank - 2020 COP Bond Balance	10,203,188	19,006,973
Petty Cash	4,400	3,400
County Treasury	1,712	1,644
LAIIF Investments	27,587,193	22,881,671
	<b><u>44,045,258</u></b>	<b><u>47,959,467</u></b>

The only current restriction is the \$10.2M for CIP projects in the 2020 COP Bonds. Any restrictions on the remaining \$ 33.8M are listed in this report.

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

Respectfully submitted,

Brian H. Zahn  
 Chief Financial Officer