



Board of Directors
Bruce E. Dandy, President
Sheldon G. Berger, Vice President
Lynn E. Maulhardt, Secretary/Treasurer
Mohammed A. Hasan
Catherine P. Keeling
Gordon Kimball
Daniel C. Naumann

General Manager
Mauricio E. Guardado, Jr.

Legal Counsel
David D. Boyer

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:

	<u>Dec 2022</u>	<u>Dec 2021</u>
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
	<u>44,045,258</u>	<u>47,959,467</u>

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,

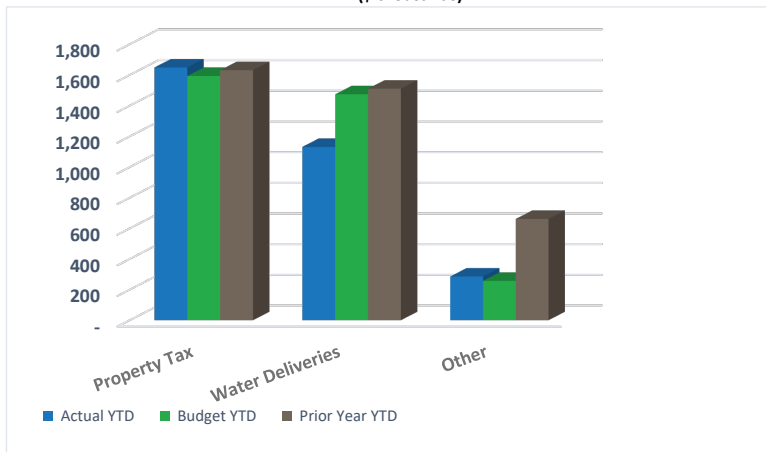
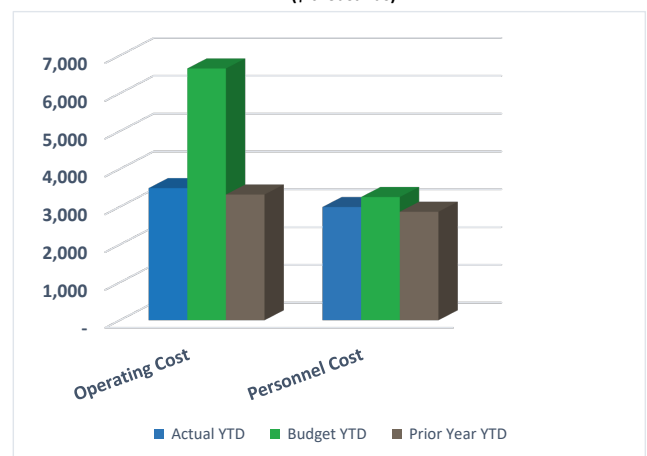
Brian H. Zahn
 Chief Financial Officer

FY 2022-23 Second Quarter Financial Review

July 1, 2022 through December 31, 2022

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	1,131	1,474	(343)	-23%	1,510	(379)	-25%
Groundwater	68	0	68	0%	(51)	119	-233%
Supplemental Water	0	0	0	0%	0	0	0%
Property Taxes	1,648	1,593	55	3%	1,631	18	1%
Earnings on Investments	456	54	401	738%	19	437	2267%
Other	732	714	17	2%	700	32	5%
Transfers in	0	0	0	0%	0	0	0%
Total Revenues	4,035	3,836	199	5%	3,809	226	6%
Expenses							
Personnel Costs	2,994	3,259	(265)	-8%	2,869	125	4%
Operating Expenditures	3,494	6,658	(3,164)	-48%	3,324	170	5%
Capital Outlay	73	154	(81)	-52%	298	(224)	-75%
Transfers out	4,708	8,900	(4,191)	-47%	2,470	2,239	91%
Total Expenses	11,271	18,971	(7,700)	-41%	8,961	2,310	26%
Net Surplus / (Shortfall)	(7,236)	(15,135)	7,899	-52%	(5,151)	(2,084)	40%

Revenues
 (\$ thousands)

Expenses
 (\$ thousands)

Revenue Status vs. Budget

- Revenue received through Second Quarter is \$4M, \$199K (5%) above Plan. Earnings on Investments \$401K above Plan due to GAAP market value adjustment to LAIF in addition to increase in rate of return. Grant Revenue higher \$93K due to Brackish Water Treatment Grant. Property Taxes received from County of Ventura \$55K higher than budget. Some Property taxes are budgeted over 12 months and most property taxes are paid at the beginning of December and April.
- The increase in Non-Operating Revenues are offset by Pipeline deliveries \$343K lower than Plan (1,835 AF less delivered for three pipelines combined) and Groundwater customer miscellaneous adjustments \$68K. Lake Piru revenue lower \$76K budget due to decrease in reservation fees due to rainy weather.

Revenue Status vs. Prior Year

- Second Quarter Revenue \$226K (6%) higher than Prior Year.
- Earnings on Investments \$437K higher due to GAAP market value adjustment to LAIF. Contributing to the increase is higher grant revenue \$93K.
- Offsetting the increase are lower Pipeline deliveries \$379K (2,330 AF less delivered than Prior Year) and lower revenue \$62K received at the Lake.

FY 2022-23 Second Quarter Financial Review

July 1, 2022 through December 31, 2022

50% of Fiscal Year Completed

General/Water Conservation Fund - Continued

Appropriation/Expenditure Status vs. Budget

- Total Expenditures were \$7.7M (41%) under Plan primarily due to CIP Transfers Out \$4M lower than budget. This is a timing issue as the budgeted amount is front-loaded. Contributing to the variance are Operating Expenditures \$3.2M under budget. Professional Fees \$1.6M savings from under-utilized Admin and Finance consulting budget, FERC – Fish Passage and CESA Fisheries timing difference of invoices. Overhead costs \$651K under due to timing difference. Maintenance \$192K under due to emergency funds not being needed in Second Quarter. Savings in Office Expense \$49K, Travel \$92K, Miscellaneous \$114K expected to be fully utilized by the end of the fiscal year. Principal payments \$304K due to 2020 COP Payments budgeted as expense but paid to liability. Interest expense \$391K due to 2020 COP Payments budgeted in Fund 710 which is the fund used for long term liabilities. Salaries and Benefits \$265K under budget due to vacant Park Ranger Cadet, Field Technician, and Park Ranger Assistants.
- Savings slightly offset by overrun in Insurance Premiums \$320K.

Appropriation/Expenditure Status vs. Prior Year

- Expenditures are \$2.3M (26%) higher than Prior Year, primarily due CIP transfers \$2.2M for the Brackish Water Treatment and Lake Piru Renovation Projects. Operating expenditures were up \$170K due to higher Overhead Costs \$158K, Insurance Expense \$95K, and Maintenance \$71K. Also contributing to the variance are higher Salaries and Benefits \$125K due to Board Approved 2% COLA increase, annual merit increases, and new Reservations Coordinator position at the Lake.
- Offsetting these increases were lower Capital Outlay expenditures \$224K due to the purchase of the SLR excavator in Prior Year and a savings in contractual services of \$180K..

Fund Balance

The projected ending undesignated working capital balance at the end of FY 22-23 is approximately \$7.7M.

The District's reserve policy requires a \$4 - \$5 million minimum undesignated balance which is expected to be met. If the expected expenditures are realized, the fund is expected to finish the year within the District anticipated reserves.

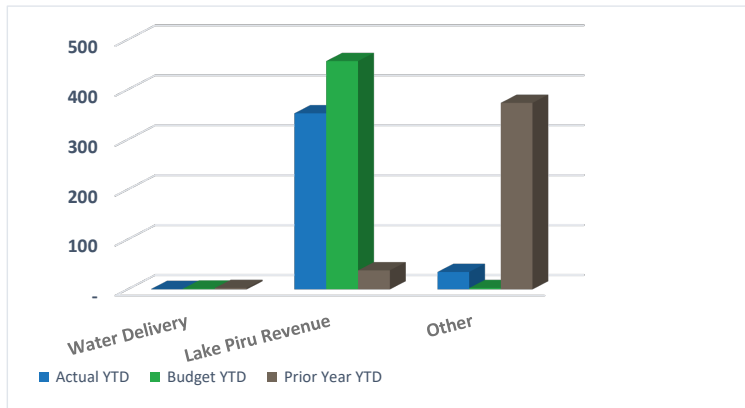
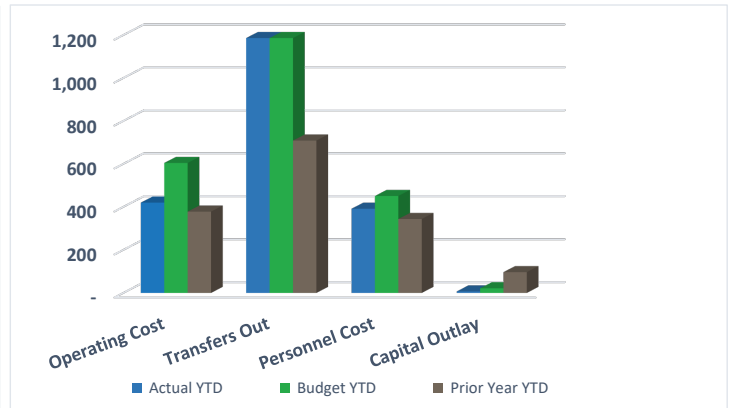
FY 2022-23 Second Quarter Financial Review

July 1, 2022 through December 31, 2022

50% of Fiscal Year Completed

Recreation Sub-Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	1	2	(1)	-43%	3	(2)	-69%
Earnings on Investments	0	0	0	0%	0	0	0%
Lake Piru Revenue	353	457	(105)		38	315	0%
Other	35	3	32	1194%	374	(339)	-91%
Total Revenues	389	462	(73)	-16%	415	(26)	-6%
Expenses							
Personnel Costs	392	451	(59)	-13%	344	48	14%
Operating Expenditures	420	604	(184)	-31%	378	42	11%
Capital Outlay	7	22	(15)	-68%	97	(90)	-93%
Transfers out	1,186	1,186	0	0%	709	478	67%
Total Expenses	2,005	2,263	(258)	-11%	1,527	477	31%
Net Surplus / (Shortfall)	(1,616)	(1,802)	185	-10%	(1,113)	(504)	45%

 Revenues
 (\$ thousands)

 Expenses
 (\$ thousands)

Revenue Status vs. Budget

- Operational Revenue received through Second Quarter below Budget by \$73K (16%) due to lower Day Use, Camping, Boating fees and reservations. This may be attributable to the rainy weather in December.

Revenue Status vs. Prior Year

- Second Quarter Operational Revenue \$26K lower due to lower Filming Fees and reservations in the Current Year.

Appropriation/Expenditure Status vs. Budget

- Total expenditures \$258K (11%) under Budget primarily due to Operating Expenditures \$184K. Professional Fees \$38K under due to under-utilized Marketing and Advertising fees. Maintenance \$50K due to emergency funds not being needed in Q2 but expected to be fully utilized by end of the fiscal year. Permits \$34K due to timing differences.
- Contributing to the variance is Salaries and Benefits \$59K due to vacant Park Ranger Cadet and Park Ranger Assistants positions.
- Savings is partially offset by increase in Insurance Premiums \$23K.

Appropriation/Expenditure Status vs. Prior Year

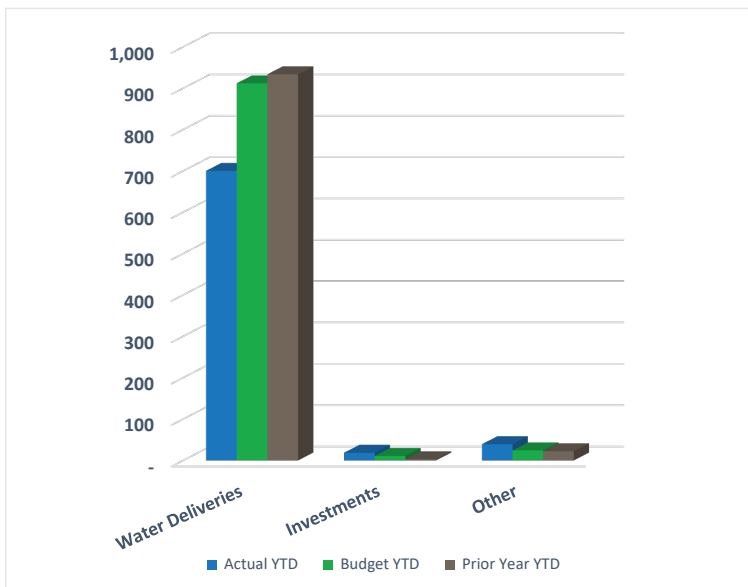
- Expenditures are \$477K (31%) higher than Prior Year primarily due to CIP Transfers Out \$477K over PY for the Lake Piru Campground and Recreation Area Renovations. Contributing to the variance is higher Salaries and Benefits \$48K due to the Board Approved 2% COLA increase and annual merits increases.
- Increase slightly offset by a decrease in Capital Outlay \$90K due to the Side by Side vehicle purchased in Prior Year. Professional fees and Maintenance expenses lower \$31K due to timing difference.

FY 2022-23 Second Quarter Financial Review
 July 1, 2022 through December 31, 2022
50% of Fiscal Year Completed

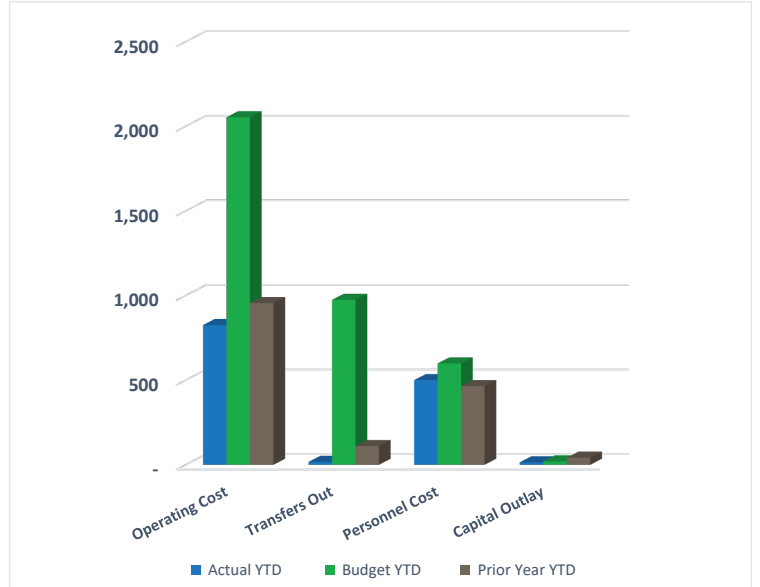
Freeman Diversion Fund (Zone B)

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Groundwater	64	0	64		(10)	74	-746%
Water Delivery	700	912	(212)	-23%	934	(234)	-25%
Earnings on Investments	19	11	8	69%	3	16	537%
Other	53	24	29	117%	68	(15)	-22%
Transfers in	0	0	0	0%	0	0	0%
Total Revenues	836	947	(111)	-12%	994	(159)	-16%
Expenses							
Personnel Costs	500	599	(99)	-16%	465	36	8%
Operating Expenditures	826	2,054	(1,228)	-60%	955	(130)	-14%
Capital Outlay	15	20	(6)	0%	42	(28)	
Transfers out	17	975	(957)	-98%	111	(93)	-84%
Total Expenses	1,358	3,648	(2,290)	-63%	1,573	(215)	-14%
Net Surplus / (Shortfall)	(522)	(2,701)	2,179	-81%	(578)	56	-10%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Revenue received through Q2 \$836K, down \$111K (12%) primarily due to lower Pipeline deliveries \$212K which was 1,827 AF under Plan for OH Pipeline

Revenue Status vs. Prior Year

- Current Year lower by \$159K. The decrease is primarily due to \$31K National WildLife Grant revenue received in Prior Year and lower Pipeline deliveries \$234K which was 2,413 AF less than Prior Year. Variance is slightly offset by the favorable investment earnings of \$15K.



FY 2022-23 Second Quarter Financial Review
July 1, 2022 through December 31, 2022
50% of Fiscal Year Completed

Freeman Diversion Fund (Zone B) - continued

Appropriation/Expenditure Status vs. Budget

- Total expenditures through Second Quarter are \$1.3M, which is \$2.3M (63%) below Plan. Savings is primarily due to CIP Transfers Out for Freeman \$957K less than budgeted. This is a timing issue as the budgeted amount is front-loaded. Operating Expenditures of \$1.2M primarily due to under-utilized Environmental Services Legal Fees \$856K. Contributing to the variance are Overhead costs \$186K under budget due to timing difference. Salaries and Benefits \$99K due to vacant Principal Environmental Scientist for majority of Q1 and Field Technician positions. Maintenance \$70K due to emergency funds not being needed in Q2. Permits \$65K due to timing differences. Principal payments \$89K due to 2020 COP payments budgeted as expense but paid directly to liability.
- Savings is partially offset by increase in Insurance Premiums \$95K and Interest Expenses \$40K due to payments higher than originally allocated amount.

Appropriation/Expenditure Status vs. Prior Year

- Total Expenditures are \$215K lower than Prior Year. The variance is largely due to lower Operating Expenditures \$130K and CIP transfers out \$93K. Contributing to the variance is lower Capital Outlay \$28K due to the SLR Excavator purchased in Prior Year.
- Slightly offsetting the decrease are higher Salaries and Benefits \$36K higher than PY due to Board approved 2% COLA increase and annual merit increases. Insurance expense \$23K higher than Prior Year. Interest expense \$46K higher due to 2020 COP Bond allocated to Freeman in Current year.

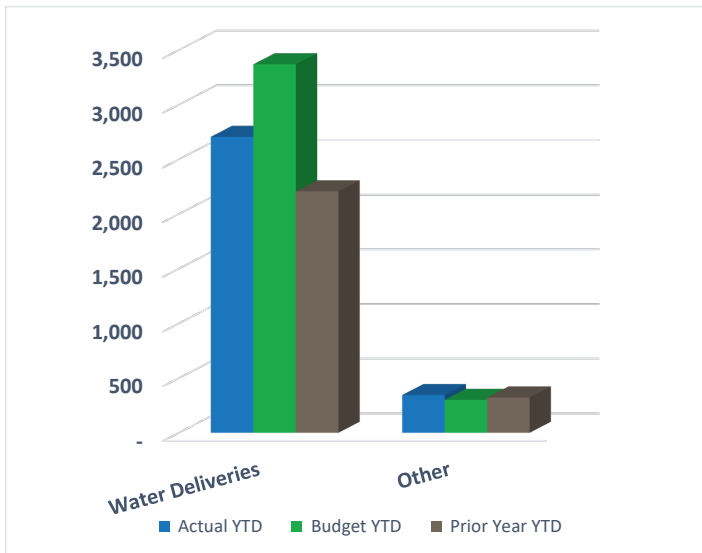
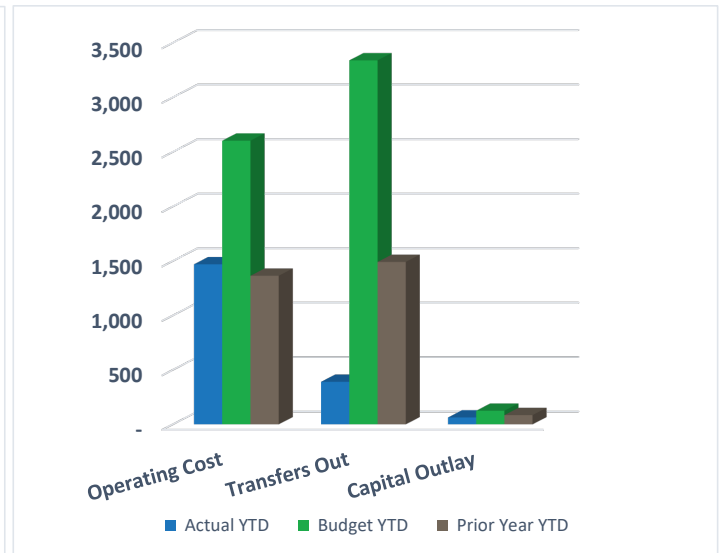
Fund Balance

- The projected ending undesignated working capital balance at the end of FY 22-23 is approximately \$2.2M.
- The District's reserve policy requires an undesignated balance of \$1.5M which is expected to be met.

FY 2022-23 Second Quarter Financial Review
 July 1, 2022 through December 31, 2022

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	2,705	3,369	(664)	-20%	2,207	498	23%
Earnings on Investments	77	10	67	705%	5	71	1348%
Grants	1,789	3,515	(1,726)	-49%	469	1,320	281%
Other	268	291	(23)	-8%	317	(49)	-15%
Total Revenues	4,838	7,184	(2,346)	-33%	2,998	1,841	61%
Expenses							
Personnel Costs	495	534	(39)	-7%	501	(6)	-1%
Operating Expenditures	975	2,069	(1,094)	-53%	863	111	13%
Capital Outlay	63	125	(62)	-49%	85	(22)	-25%
Transfers out	391	3,339	(2,948)	-88%	1,491	(1,101)	-74%
Total Expenses	1,924	6,067	(4,143)	-68%	2,941	(1,017)	-35%
Net Surplus / (Shortfall)	2,915	1,117	1,797	161%	57	2,857	5000%

Revenues
 (\$ thousands)

Expenses
 (\$ thousands)

Revenue Status vs. Budget and vs. Prior Year

- Total revenue for Q2 of \$4.8M is under budget by \$2.3M (33%) primarily due to lower grants received from Iron and Manganese Grant and CAL OES state grant for OH emergency generators. Grant revenues will not be earned until construction has been completed.
- Water Delivery Revenue \$663K (20%) lower than Budget; 1,827AF (26.5%) less delivered than Plan. Deliveries revenue up from Prior Year by \$498K even though 2,413AF less were delivered. The 23% increase in revenue is due to increased fixed and variable rates in FY 22-23.
- Fox Canyon revenues down by \$37K in Q2 due to lower water deliveries.
- Marginally offsetting the decrease are earnings on investments which were \$67K above budget and up \$71K from Prior Year due to GAAP market value adjustment to LAIF in addition to increase in rate of return.

FY 2022-23 Second Quarter Financial Review
July 1, 2022 through December 31, 2022
50% of Fiscal Year Completed

Oxnard Hueneme Pipeline Fund - continued

Appropriation/Expenditure Status vs. Budget and vs. Prior Year

- Total expenses of \$1.9M is under budget by \$4.1M (-68%) and lower than prior year by \$1M (-35%), primarily due to transfers out which are \$3M less than budgeted. This is a timing issue as the budgeted amount is front-loaded. The current year is also \$1.1M under the prior year amount.
- Capital Outlay under budget by \$62K (49%) and under Prior Year by \$22K. Staff anticipates budget to be fully utilized by the end of the year.
- Fox Canyon fees \$296K under budget due to an extraction fee accrual from FY 21-22 carried over to the current fiscal year combined with a delay in their billing.
- Electrical costs down \$186K from Q2 budget due to delay in billing but expected to be over budget at end of year due to higher electrical rates. Costs are also up \$64K from Prior Year.
- Personnel Costs down \$39K from budget primarily due to two internal promotions expected later in year and less work being done on OH Pipeline. Professional fees are also down \$42K as Environmental and IT consulting services were under-utilized. Additionally, maintenance expense was under budget by \$106K but is expected to be fully utilized by end of year.
- Principal payments \$177K under Plan due to 2020 COP payments budgeted as expense but paid directly to liability.
- Interest Expense under budget by \$131K due to payments lower than originally allocated amount, down \$97K compared to Prior Year due to changes in 2020 COP allocation.
- Slightly offsetting savings is an increase in Insurance Premiums which are over plan by \$58K and up over

Fund Balance

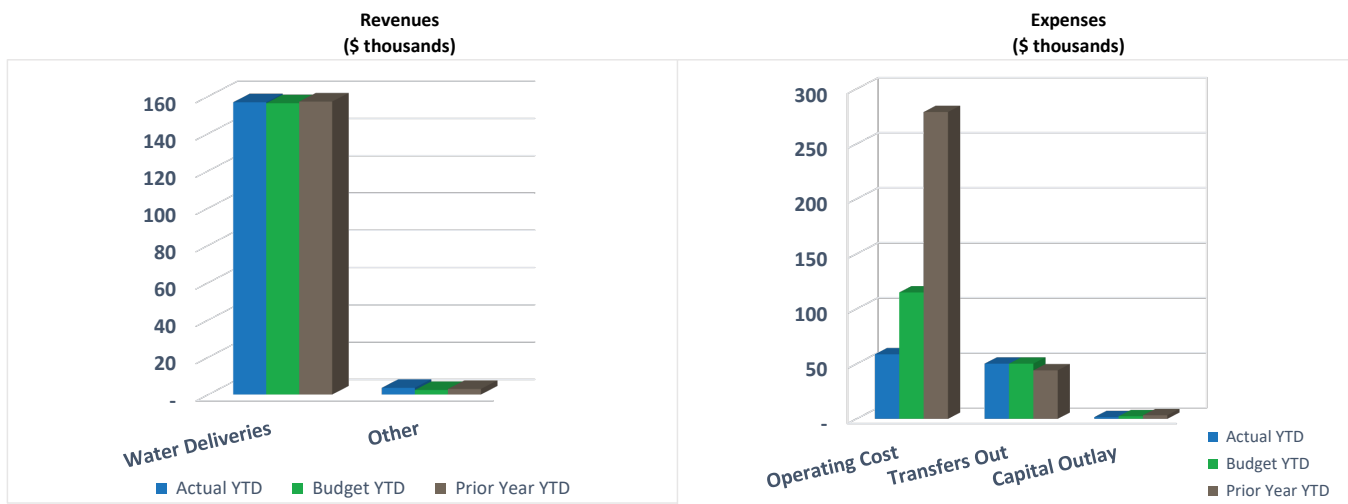
- The projected ending undesignated working capital balance for FY 22-23 is approximately \$1.3M.
- The District's reserve policy requires an undesignated balance of \$1.1M for this fund, which is expected to be met.

FY 2022-23 Second Quarter Financial Review

July 1, 2022 through December 31, 2022

50% of Fiscal Year Completed
Pleasant Valley Pipeline Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	157	156	1	0%	157	(0)	0%
Earnings on Investments	14	2	12	801%	0	13	5838%
Other	4	2	1	49%	3	1	21%
Total Revenues	174	160	14	9%	160	14	8%
Expenses							
Personnel Costs	27	46	(20)	-42%	37	(11)	-28%
Operating Expenditures	32	68	(37)	-53%	242	(210)	-87%
Capital Outlay	2	2	(1)	0%	3	(2)	
Transfers out	50	50	0	0%	44	6	14%
Total Expenses	110	167	(57)	-34%	326	(216)	-66%
Net Surplus / (Shortfall)	63	(7)	71	-976%	(166)	229	-138%


Revenue Status vs. Budget and vs. Prior Year

- Revenue received through Q2 is on target, up \$12K from budget primarily due to investment earnings.
- Revenue is up \$14K from prior fiscal year due to Earnings on Investments.

Appropriation/Expenditure Status vs. Budget and vs. Prior Year

- Operating expenditures under budget by \$57K through second Quarter. Variance due to maintenance costs \$23K lower than Budget due to emergency funds not being needed but expected to be utilized by end of the fiscal year and Salaries and Benefits \$20K lower than Budget due to less staff spending time working on Pleasant Valley Pipeline.
- Compared to prior year, Operating Expenditures are down \$210K primarily due to \$195K spent on PV reservoir maintenance work.

Fund Balance

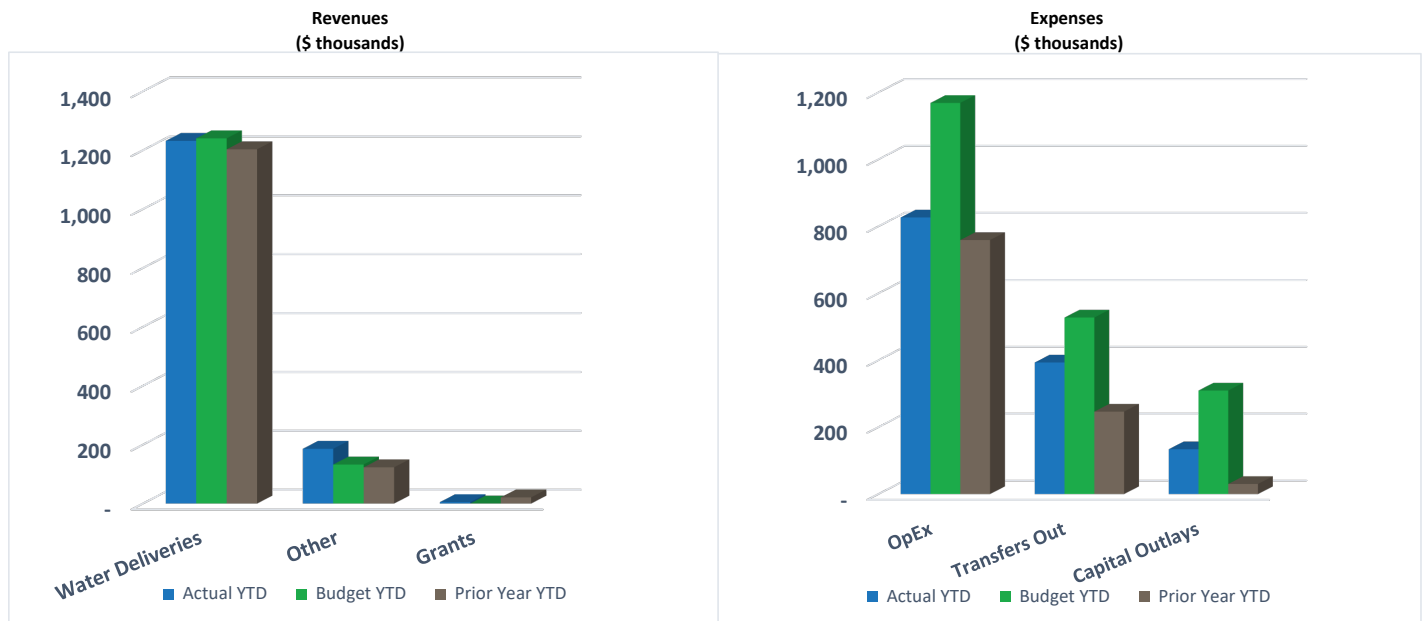
The projected ending undesignated working capital balance at the end of FY 22-23 is approximately \$641K. The District's reserve policy requires a \$258K minimum undesignated balance which is projected to be met.

FY 2022-23 Second Quarter Financial Review

July 1, 2022 through December 31, 2022

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	1,232	1,240	(9)	-1%	1,203	29	2%
Earnings on Investments	37	5	32	712%	2	34	1628%
Grants	5	0	5		21	(16)	0%
Other	149	128	21	17%	121	29	24%
Total Revenues	1,422	1,373	49	4%	1,347	75	6%
Expenses							
Personnel Costs	209	226	(18)	-8%	205	3	2%
Operating Expenditures	618	942	(324)	-34%	554	64	12%
Capital Outlay	134	309	(175)	-57%	30	104	
Transfers out	393	528	(134)	-25%	246	147	60%
Total Expenses	1,354	2,006	(652)	-32%	1,036	318	31%
Net Surplus / (Shortfall)	68	(633)	701	-111%	311	(243)	-78%


Revenue Status vs. Budget

- Revenue received through Q2 \$1.4M, up \$49K (4%) over budget. The increase is due to higher LAIF to Market value adjustment \$32K and Misc Revenue received \$25K.
- Offsetting the increase is lower pipeline deliveries \$9K (8 AF lower water delivered than Plan).

Revenue Status vs. Prior Year

- Revenue received \$75K higher than Prior Year. This is due to higher Pipeline deliveries \$29K (98AF higher water delivered), Earnings on Investments LAIF to Market value \$34K, and Misc Revenue \$29K.
- Offsetting the increase is Grants received down \$16K for PTP in Prior Year.



FY 2022-23 Second Quarter Financial Review

July 1, 2022 through December 31, 2022

50% of Fiscal Year Completed

Pumping Trough Pipeline Fund - continued

Appropriation/Expenditure Status vs. Budget

- Total expenditures through Q2 are \$1.4M, \$652K (32%) below Budget primarily due to lower Operating Expenditures \$324K. Fox Canyon expenses are down \$100K due to delay in billing. Maintenance is \$95K under budget due to emergency funds not being needed in the Second Quarter as well as less than projected maintenance on PTP turnouts. Overhead costs \$87K due to timing difference. Principal payments \$68K under due to 2020 COP payments budgeted as expense but paid directly to liability.
- Contributing to the variance are lower Transfers Out \$134K to PTP Capital Improvement Projects. This is a timing issue as the budgeted amount is front-loaded. Capital outlay is \$175K lower than anticipated due to fewer than planned PTP isolation valves and VFD replacements.
- Slightly offsetting the savings is increase in Insurance Premiums of \$40K, Permits and Licenses \$17K, and Utilities \$26K.

Appropriation/Expenditure Status vs. Prior Year

- Compared to last fiscal year, expenditures are higher by \$318K (31%) primarily due to higher CIP Transfers Out \$147K for PTP Recycled Water Connection. Capital Outlay \$104K also higher in Current Year due to more PTP isolation valves being replaced. Operating Expenditures \$64K due to higher Utilities in Current Year.

Fund Balance

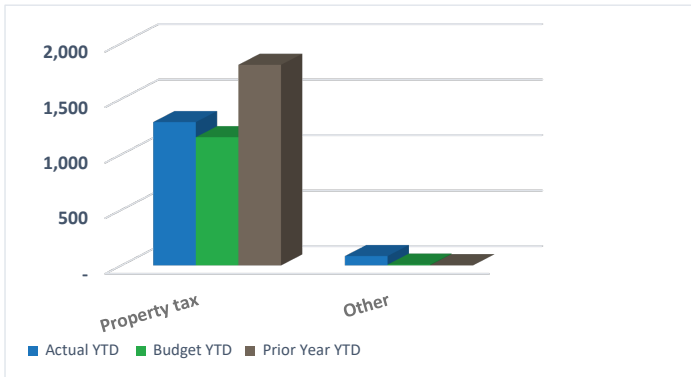
- The projected ending undesignated working capital balance is approximately \$700K.
- The District's reserve policy requires an undesignated balance of \$1M for this fund.

FY 2022-23 Second Quarter Financial Review
 July 1, 2022 through December 31, 2022
50% of Fiscal Year Completed

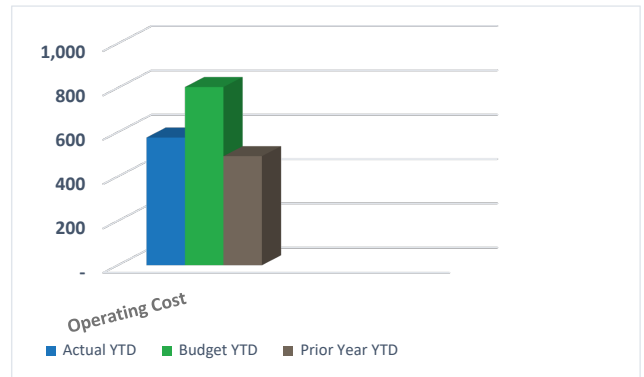
State Water Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Earnings on Investments	84	7	77	1025%	2	82	3723%
Property Taxes	1,291	1,155	136	12%	1,807	(516)	-29%
Total Revenues	1,376	1,163	213	18%	1,809	(434)	-24%
Expenses							
Personnel Costs	0	0	0	0%	0	0	0%
Operating Expenditures	576	804	(228)	-28%	492	84	17%
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	576	804	(228)	-28%	492	84	17%
Net Surplus / (Shortfall)	800	359	441	123%	1,317	(518)	-39%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget and vs. Prior Year

- Revenue received through Q2 is over Plan by \$213K (18%).
- Property tax revenue favorable by \$136K largely due to higher than budgeted current secured taxes. Earnings on investments also over Plan by \$77K due to GAAP market value adjustment to LAIF in addition to increase in rate of return.
- Compared to Prior Year, revenue is down 24% (\$434K) primarily due to lower Property Taxes received from Ventura County.

Appropriation/Expenditure Status vs. Budget and vs. Prior Year

- Total expenditures of \$576K under budget by \$228K (28%) for Q2. This is primarily due to lower than budgeted variable costs.
- Compared to Prior Year, expenditures up by \$84K (17%) largely due to higher fixed costs in FY 22-23.

Fund Balance

- The projected ending undesignated working capital balance for FY 22-23 is approximately \$6.5M. The District's reserve policy requires a minimum fund balance of \$5M, which is expected to be met.
- 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 allowable Table A water.

FY 2022-23 Second Quarter Financial Review

July 1, 2022 through December 31, 2022

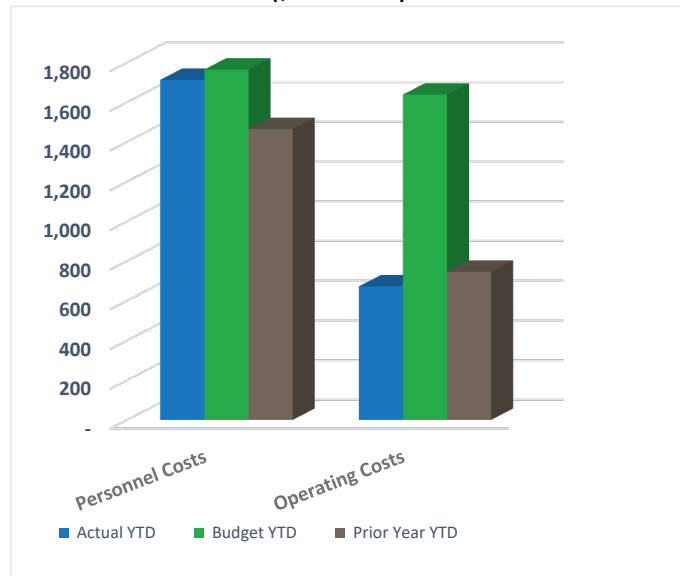
50% of Fiscal Year Completed

Overhead Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Expenses							
Personnel Costs	1,712	1,764	(52)	-3%	1,464	248	17%
Operating Expenditures	672	1,638	(966)	-59%	745	(73)	-10%
Capital Outlay	0	20	(20)	0%	0	0	0%
Total Expenses	2,384	3,422	(1,038)	-30%	2,209	175	8%

Expenses

(\$ thousands)



Appropriation/Expenditure Status vs. Budget and vs. Prior Year

- Expenditures under budget by \$1M (30%).
- The largest savings were in Professional Fees \$842K primarily due to Admin and Financial Advisory consulting under-utilized. Costs for consulting is expected to catch up by the end of the fiscal year. Contributing to the variance are Salaries and Benefits \$52K due to vacant Receptionist and Administrative Assistant III positions for majority of Q1 and Retirement Benefit Replacement budget of \$30K expected to be realized before the end of the fiscal year. Maintenance \$38K under budget due to emergency funds not being needed in Q2. Office Expense \$40K and Travel \$30K are expected to be fully utilized by the end of the year. Capital Outlay budget \$20K to be spent for the HQ generator connection equipment.
- Compared to prior year, expenditures are higher by \$175K (8%). The variance is from higher Personnel costs \$248K due to Board Approved 2% Cost of Living increase and annual merit increases and higher Materials and Supplies Expense \$31K. Offsetting the increase is higher Professional Fees in Prior Year \$105K.