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August 2, 2023

Board of Directors
United Water Conservation District

Subject: Third Quarter Fiscal Year 2022-2023 Financial Reports

Dear Board Members:

Enclosed for your review are the District's Fiscal Year (FY) 2022-2023 Third Quarter (January 1 through March 31, 2023) 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 March 31, 2023, 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)*
The replacement of Well No. 5 went out to bid in February. The contract for the well drilling construction of the new well, Well No. 20, will be awarded next quarter.
- *Freeman Diversion Expansion (CIP Project #8001)*
Design and physical modeling on two fish passage alternatives, the Hardened Ramp and Vertical Slot, continued to progress. Design Development Reports were delivered to NMFS and CDFW. USBR and the University of Iowa continued their reporting on the operation and stress testing of the physical models. On March 31, 2023, a tornado damaged the 1:24 and 1:12 physical models at the University of Iowa laboratory.
- *Santa Felicia Dam Outlet Works Rehabilitation (CIP Project #8002)*
 - Meetings:
 - Staff conducted bi-weekly progress meetings with GEI Consultants (GEI) to review and discuss the current 90 percent design status.
 - Staff conducted the bi-weekly permitting progress meetings with Catalyst Environmental Solutions (Catalyst) to discuss environmental permitting and license amendment application progress.
 - On February 9, Staff attended the second and third interagency coordination workshop meeting with California Department of Water Resources (DWR) and the Los Angeles Department of Water and Power (LADWP) at the District's Headquarters to discuss DWR and LADWP's capabilities and constraints for diverting and storing outflows to Santa Felicia Dam to reduce risk prior to and during the construction. The workshop allows the agencies to discuss constraints related to diversion, storage, and releases of outflows to Santa Felicia Dam.
 - Design:
 - The 90-percent design efforts continued during this reporting period. Staff reviewed draft Technical Memorandums (TMs) received from GEI and provided comments to be included in the final reports.
 - Staff began planning and preparation of the construction phase of the Outlet Works Improvement Project that is planned to start in July 2024.
 - Environmental Permitting:
 - On January 30, Staff submitted an annual progress report to the State Water Resources Control Board per the 401 Water Quality Certification for the Project.



- On February 21, Staff received the Federal Energy Regulatory Commission (FERC) and the National Marine Fisheries Service (NMFS) comments on the draft Biological Assessment (BA). Staff began preparation of responses in coordination with the District consultants GEI and Catalyst.
- Construction Management:
 - On March 13, 2023, the District issued a Request for Qualifications/Proposals (RFQ/P) for construction management and inspections services related to the Santa Felicia Dam Outlet Works Improvement Project. The District issued the RFQ/P using the online procurement platform BidNet Direct. Fifty-three (53) prospective consultants and subconsultants downloaded the RFQ/P. Questions were received by multiple consultants and responses were issued via addendum. A non-mandatory pre-proposal site visit was held at Santa Felicia Dam on March 23, 2023.
- Loan and Grants:
 - Staff met with the EPA Water Infrastructure Finance Innovation and Act (WIFIA) loan administrative staff on a biweekly basis. The EPA WIFIA loan administrative staff is currently developing a master agreement and a WIFIA loan agreement. The documents are expected to be ready for the District's review in April.
- *Santa Felicia Dam Probable Maximum Flood Containment (CIP Project # 8003)*
 - Meetings:
 - Staff conducted bi-weekly progress meetings with GEI to review and discuss the current 60 percent design status.
 - On January 27, Staff met with FERC to discuss the Inflow Design Flood (IDF) for the Santa Felicia Dam. Staff responded to FERC concerns related to the IDF and discussed the possibility of performing Level 2 Risk Analysis for the SFD Spillway Improvement Project. FERC suggested that the District to consider conducting L2RA to improve risk awareness and preparedness associated with the discharge from the proposed modified spillway.
 - Design:
 - The 60% design efforts continued during this reporting period.
 - Environmental Permitting:
 - The above updates reported for the Outlet Works Improvement Project are also applicable to the Spillway Improvement Project.
 - Loans and Grants:
 - Staff received a Notice of Award for the 2022 High Hazard Potential Dams (HHPD) grant from Department of Water Resources, Division of Flood Management in amount of \$113,750 in funding to support the 60% design structural analysis of the SFD Spillway Improvement Project. The District prepared and submitted Letter of Acceptance to DWR. This grant is currently pending FEMA's approval.
- *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)*
 - Meetings:
 - Weekly coordination meetings were held between staff and the District's construction manager (HDR, Inc.).



- Weekly construction progress meetings were hosted by HDR and attended by GSE Construction, Taft Electric, Kennedy Jenks Consultants (KJ), and staff.
- GSE Construction has submitted approximately 363 out of a total of 395 submittal packages anticipated for the project. HDR and design engineer (KJ) have provided responses on approximately 358 submittal packages including a requirement to comply with the Buy American Act (BAA).
- GSE Construction has submitted approximately 127 Requests for Information (RFIs) to date. HDR, KJ and the District have been providing responses.
- Thirty-one (31) Change Orders (COs) have been partially or fully executed to date amounting to a net total of \$1,155,205.72. This represents approximately 12.4% 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) and \$492,295.50 or 5.3% of the original contract amount is related to all other COs that have resulted in additions or modifications to the original scope of work.
- Two (2) COs have been prepared and are under negotiation and execution with GSE Construction. Six (6) COs have been requested by GSE Construction and are currently under review. The total of all pending CO requests is \$85,468.86.
- District O&M Staff completed the construction of the 20" OF and 8" OF rip-rap aprons on February 22, 2023.
- GSE Construction continued construction of the following:
 - 24" Raw Water Pipeline (RAW)
 - 20" Spent Wash Water (SWW)
 - 24" Filtered Water (FW) Connection
 - 20" Backwash Supply Pipeline (BWS)
 - 18" connections to RAW
 - 14" RAW Bypass Pipeline
 - 12" RAW Flushing Pipelines
 - Backwash Supply Metering Vault
 - 8" Air Supply Pipeline
 - 8" Filter Drain (FD) Pipe
 - 8" Return Wash Water (RWW)
 - 8" Overflow (OF)
 - 4" Utility Water (UW)
 - 3" Chlorine Solution Lines, Double Contained
 - 2.5" Utility Water (UW)
 - 1" Ammonia Solution Lines
 - Various underground sample lines
 - Various underground electrical conduits
 - Various work around Filter Drain Pump Station
 - Filter face piping
 - Filter face piping encasement and concrete slab construction
 - Filter vessel platforms
 - Filter vessel internals



- Laboratory/Electrical/Blower Building
 - Framing for drywall
 - HVAC
 - Interior electrical
 - Special inspections (fire dept., mechanical/electrical/plumbing)
 - Staff prepared a recommendation to the full Board of Directors that it authorize a supplemental appropriation of \$1.5 million for the project.
 - The tentative date for construction completion and implementation is June 21, 2023, (per CO No. 31 which was fully executed on March 21, 2023). A total of thirteen (13) inclement weather days have been counted. GSE's latest monthly schedule update on March 14, 2023, indicated that construction will be completed by July 18, 2023.
- *Freeman Conveyance System Upgrade – Freeman to Ferro Recharge Basin (CIP Project # 8018)*

NHC continued design on the Three Barrel Culvert. For the SGM grant, staff provided a quarterly update.
 - *Extraction Barrier and Brackish Water Treatment (CIP Project # 8019)*
 - Meetings:
 - Held weekly internal meetings between Engineering, Environmental, and Water Resources staff to discuss progress on agreements with the Navy, grants, CEQA/NEPA/permitting documentation preparation, preliminary design report preparation, coastal water quality sampling, and groundwater flow modeling.
 - January 12, 2023: Site tour at Naval Base Ventura County (NBVC) Point Mugu with Navy representatives from the local installation and regional offices, District staff and the District's consultants (ESA, KJ). Performed site reconnaissance and discussed proposed Phase 1 infrastructure including:
 - Extraction well sites (five sites in total) and associated pipelines
 - Discharge options into Mugu Lagoon (eight options in total)
 - Proposed treatment plant location (Phase 2 work)
 - Discharge option via pipeline connection to the Calleguas Salinity Management Pipeline (SMP)
 - January 18, 2023: Held a progress meeting with KJ and discussed the discharge alternatives evaluation matrix that is in progress.
 - January 23, 2023: Held a coordination meeting with ESA and discussed activities associated with planned Permitting Charrette with the Navy on February 28 and March 1, 2023.
 - January 24, 2023: Held a budgetary workshop among District staff to discuss current and future fiscal year expenditures and grant pursuits.
 - January 26, 2023: Held a joint meeting with ESA, KJ, and District staff to review discharge alternatives evaluation matrix and discuss Permitting Charrette with the Navy.
 - February 28 and March 1, 2023: Held a monthly progress meeting with the Navy to discuss the planned Permitting Charrette with the Navy.
 - February 6 and March 6, 2023: Progress meetings with ESA consultants to discuss permitting matrix and CEQA/NEPA/permitting strategy.
 - February 15 and March 1, 2023: Progress meetings with KJ consultants to discuss discharge alternatives evaluation and preliminary well design criteria.



- February 23, 2023: Progress meeting with the U.S. Navy to discuss to discuss planned Permitting Charrette on February 28 and March 1, 2023.
- February 28 and March 1, 2023: Permitting Charrette with the U.S. Navy and the District’s consultants. Introduced various administrative, planning, environmental, design, permitting, real estate and legal staff and developed organization charts for both agencies. Developed joint goals and objectives. Reviewed the Navy’s partnership development process. Provided a presentation of the project progress. Discussed the environmental permitting strategy options and decision-making process, confirmed the required partnership agreements.
- March 1, 2023: Joint progress meeting with ESA and KJ consultants to coordinate and discuss environmental documentation.
- Agreements:
 - Phase 1A License Agreement: This license agreement will enable ingress/egress at NBVC Point Mugu for the District’s staff and consultants to conduct preliminary investigations related to design, CEQA and permitting documentation. Final version received from U.S. Navy and was fully executed and February 21, 2023.
 - New Monitoring Wells: An amendment is needed to an existing license agreement that covers access, maintenance, operation, and data collection for existing monitoring wells (22, A1, A-2, CM-1, CM-2, CM-1A, CM-6 and Q2).
- Design:
 - KJ consultants prepared the draft discharge alternatives evaluation matrix including screening criteria, selection of discharge sites and discharge facility types. This included input from ESA consultants on environmental and regulatory considerations.
- CEQA/NEPA/Permits:
 - ESA consultants reviewed water quality data related to the Mugu Lagoon and reviewed general NPDES permit requirements. Additional groundwater sampling data has been requested which is scheduled for March 2023.
 - Discussed key decision points/outcomes for the Permitting Charrette with ESA consultants. Coordinated with environmental attorney on the Project’s environmental compliance and permitting strategy.
- Geotech/Hydrogeology:
 - Prepared draft RFQ/P for the “Planning, Design, Construction Oversight, and Related Support Services for up to Twenty (20) Phase 1 Groundwater Monitoring Wells as Part of Extraction Barrier and Brackish Water Treatment Project at Naval Base Ventura County-Point Mugu.”
- Grants:
 - Phase 1 Extraction Barrier Project, Prop 1 Round 3 Ground Water Grant Program (GWGP), State Water Resources Control Board (SWRCB): Received notification from Division of Financial Assistance (DFA) that the Phase 1 project was approved for \$8,449,062 in grant funds.
 - Monitoring Wells: Sustainable Groundwater Management (SGM) Grant Program, Progress Report, and Invoice No. 2 prepared.
- CEQA/NEPA: Professional Services Agreement with ESA fully executed on December 20, 2022.
- Design: Professional Services Agreement with KJ consultants fully executed on December 19, 2022.



- *Rice Ave. Overpass PTP (CIP Project # 8021)*
No updates to report this period.

- *PTP Metering Improvement Project (CIP Project # 8022)*
 - Total number of meters installed: 41 of 60 or 68.3% complete.
 - An additional four (4) meter installations are planned by early 2023.
 - Easement acquisition completion: 24 of 40 obtained or 60% complete.
 - An additional four (4) utility easement deeds have been signed by the property owner (Turnout Nos. 102, 103, 105, 123) pending execution by the General Manager and recording by the County of Ventura.
 - Amendment No. 1 with Hamner, Jewell & Associates in the amount of \$12,850 was fully executed on February 9, 2023, to complete all easement acquisition services. This increases the overall contract amount to \$297,085 which has been in effect since May 23, 2019.
 - On December 2, 2022, staff met with Hamner, Jewell & Associates (HJA) to discuss the progress of easement acquisition services.
 - On December 6, 2022, staff met internally to discuss the progress of the easement acquisition which HJA is performing for the District and the planned installation for turnouts that have received easements.
 - On December 6 and 21, 2022, staff held calls with the property owner at PTP Turnout No. 122 who has not used a significant amount of water since 2010. The property owner indicated their desire to terminate the service, but a follow up action will be taken after a formal request for service termination is received by the property owner.
 - The landowner at Turnout #122 has not agreed to provide an easement to the District and has requested to discontinue the water delivery service through this turnout to his property.
 - Turnout #154, who previously declined in a letter to sign the easement deed, has agreed to an on-site meeting with the District and Reiter Brothers staff.
 - Turnout No. 106 was installed and operation on February 2, 2023.
 - Turnout No. 122 was removed, capped, and abandoned in place per the property owner's request.
 - Battery and solar panel thefts are on the rise at some locations. District staff are taking measures to secure this equipment.
 - Turnout No. 154, who previously declined in a letter to sign the easement deed, has agreed to an on-site meeting with the District and Reiter Brothers staff.

- *State Water Interconnection (CIP Project # 8025)*
No updates to report this period.

- *Replace El-Rio Trailer (CIP Project # 8028)*
 - Project continues through the permit phase.
 - Construction projected for Q1 2023-24

- *Lake Piru Campground Electrical System Upgrade (CIP Project # 8034)*
 - Edison evaluation of the SCE site of service is complete.
 - Edison design was initiated and approved in April/May in the amount of \$2,000.00.
 - Phase 2 of the process will begin next fiscal year.



- *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)*
 - Meetings:
 - On February 10, 2023, staff attended a coordination meeting with Pleasant Valley County Water District (PVCWD) to discuss the draft Agreement outlines and design concerns after completion of the preliminary design phase.
 - Staff prepared draft agreement outlines with PVCWD and submitted it to PVCWD for review.
 - Design:
 - The preliminary design phase was completed for this project. On January 20, 2023, staff received the final Preliminary Design Report (PDR) from KJ.
 - Staff received and reviewed a copy of PVCWD Preliminary Design Report.
 - Grants:
 - Staff prepared and submitted two (2) quarterly progress reports for the Sustainable Groundwater Management Act (SGMA) grant for the period of October 1 through December 31, 2022, and January 1 through March 31, 2023.
- *SCADA Hardware Update (CIP Project # 8046)*
No updates to report this period.
- *Lake Piru Recreation Area Pavement Maintenance Program (CIP Project # 8047)*
 - This project was completed in May of 2023.
 - Areas of work included:
 - Lower Olive Grove Campground
 - Middle Olive Grove Campground
 - Entry to marina (in front of Ranger Station)
- *Condor Improvement Project (CIP Project # 8048)*
No updates to report this period.
- *Security Gate Upgrade (CIP Project # 8050)*
The project installation is completed and integrated with the existing security system. IT is in the process of finalizing the intercom on the networking side.
- *SCADA Continuous Threat Detection System (CIP Project # 8052)*
Server Equipment has arrived, Vendor preconfigured the server for a remote deployment. Server equipment has been racked and mounted. A Rockwell technician is scheduled in June for a 2-day visit to finalize the installation of the continuous threat detection system. The system will go through a few months of training and adjustments before Rockwell closes out the project.



- *Main Supply Pipeline Sodium Hypochlorite Injection (CIP Project # 8053)*
 There are no updates to report this quarter.

- *Lake Piru Campground and Recreation Area Renovations (CIP Project # 8055)*
 - Assessment completed of the Lake Piru Water Treatment Facility in the amount of approximately \$100,000.
 - Phase 1 of the draft Lake Piru Facilities Improvement Plan Preferred Alternative was completed during this fiscal year to include the following:
 - Ten percent (10%) design of preferred alternative two
 - Assessment of water and wastewater utilities
 - Evaluation of costs and revenues
 - Assessment and development of new facilities
 - Completed a cost benefit analysis

- *OHP Low-Flow Upgrades (CIP Project # 8056)*
 No updates to report this period.

CASH POSITION AND INVESTMENTS OF THE DISTRICT

As of March 31, 2023, the District had a total of \$49.5M in cash and investments. As noted in 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.

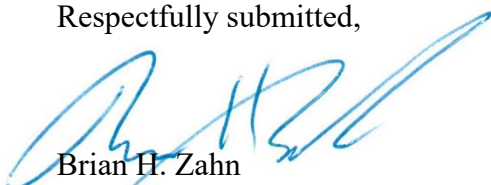
The District’s cash, cash equivalents and securities held in the various accounts as compared to the prior year are as follows:

| | Mar-23 | Mar-22 |
|---------------------------------|----------------------|----------------------|
| Bank of Sierra | \$ 1,671,279 | \$ 2,581,592 |
| Citizens Business Bank | \$ 2,409,545 | \$ - |
| County Treasury | \$ 1,712 | \$ 1,644 |
| LAIF Investment | \$ 35,241,746 | \$ 28,895,890 |
| Petty Cash | \$ 4,400 | \$ 3,400 |
| US Bank - 2020 COP Bond Balance | \$ 10,121,506 | \$ 19,006,645 |
| Total | \$ 49,450,188 | \$ 50,489,171 |

The only current restriction is the \$10.1M for CIP projects in the 2020 COP Bonds. Any restrictions on the remaining \$ 39.4M are listed in the Investment 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