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November 30, 2022

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Board of Directors
United Water Conservation District

Subject: First Quarter Fiscal Year 2022-2023 Financial Reports

Dear Board Members:

Enclosed for your review are the District's Fiscal Year (FY) 2022-2023 First Quarter (July 1, 2022, through September 30, 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 financial updates to report this period.
- *Freeman Diversion Expansion (CIP Project #8001)*
Physical modeling for the Hardened Ramp at the Bureau of Reclamation's Denver Test Center and the Vertical Slot at the University of Iowa, continues with the goal of completing and submitting the physical modeling reports by the court mandated deadline of October 31, 2022. Northwest Hydraulic Consultants (Hardened Ramp) and Stantec (Vertical Slot) continue to provide engineering support during the design development phase of physical model testing.
- *Santa Felicia Dam Outlet Works Rehabilitation (CIP Project #8002)*
Board of Consultants contracts and design contracts with GEI.

On August 9, staff submitted the draft Biological Assessment (BA) to the Federal Energy Regulatory Commission (FERC) for review and use for the purpose of consultation with the U.S. Fish and Wildlife (USFWS) and the National Marine Fisheries Service (NMFS). FERC forwarded a copy of the BA to NMFS on August 15.

The 60% design analyses were completed during the month of September. 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 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 60% Design Phase was completed on schedule and within the approved budget.

Staff finalized and submitted the fully executed contract in amount of \$1,502,018 for developing the 90% Design Phase of the Outlet Works improvement to GEI. The Notice to Proceed (NTP) was issued on September 21.



- *Santa Felicia Dam Probable Maximum Flood Containment (CIP Project # 8003)*
 The 30% design analyses were completed during the month of September. The Santa Felicia Dam Safety Improvement Project BOC meeting No. 6 was held at the District headquarters on September 28 and 29. The 30% design Spillway improvement results and reports were reviewed by the BOC and recommendations were provided to advance the design to the next design phase (60% design). The 30% Design Phase was completed on schedule and within the approved budget.

 Staff finalized and submitted the fully executed contract in amount of \$917,004 for developing the 60% Design Phase of the spillway improvement to GEI. The Notice to Proceed (NTP) was issued on September 21.
- *Santa Felicia Dam Sediment Management (CIP Project # 8005)*
 No financial updates to report this period.
- *Oxnard Hueneme Pipeline Iron and Manganese Treatment Facility (CIP Project # 8007)*
 As of September 30, 2022, construction of the Iron and Manganese Treatment Facility was approximately 69% complete. The following change orders to the Construction Agreement with GSE Construction Company dated August 26, 2021, were executed during this period:
 - o No.12 – Additional Crossings per USA Markings (July 26, 2022) for \$62,998.78
 - o No.13 – Power Feed Duct Bank Credit (July 26,2022) for (\$34,476.16)
 - o No.14 – Additional Pipe Sleeves (July 28, 2022) for \$8,626.59
 - o No.15 – Sample Line Relocation (July 28, 2022) for \$12,590.72
 - o No.16 – Temporary Six-Inch Water Supply High-Line (July 28, 2022) for \$79,391.89
 - o No.17 – Chlorine Solution Pipeline Upsize (August 16, 2022) for \$129,372.97
 - o No.18 – Demolition of Abandoned Water Pipeline (September 16, 2022) for \$22,376.24
 - o No.19 – Repair of Residual Chlorine Analyzer Sample Pipeline (September 16, 2022) for \$5,457.19
 - o No.20 – Relocation of 20” OF Pipeline (September 16, 2022) for \$4,784.25
- *Freeman Conveyance System Upgrade – Freeman to Ferro Recharge Basin (CIP Project # 8018)*
 Staff have been working with Kennedy Jenks on the application for DWR’s IRWM Round 2 grant program for the Vineyard Road undercrossing which will connect the Noble and Ferro basins. The \$1,000,000 grant will require a fifty percent match and the project associated with the grant must be complete by 2027.
- *Extraction Barrier and Brackish Water Treatment (CIP Project # 8019)*
 Staff held meetings with the U.S. Navy, SWRCB Division of Drinking Water, Los Angeles RWQCB and Calleguas Municipal Water District. On June 8, 2022, the Board of Directors approved Resolution 2022-28 for authorizing and designating the District’s General Manager to enter into a grant funding agreement with the State Water Resources Control Board (SWRCB) for the Phase 1B “Demonstration Phase” Project under the Proposition 1 Round 3 Groundwater Grant Program (GWGP). On July 15, a full proposal was submitted with a requested grant amount of \$8,449,062 and a total estimated project cost of \$18.6 million. Staff executed a grant agreement



with the Department of Water Resources (DWR) through the Fox Canyon Groundwater Management Agency (FCGMA) for the Sustainable Groundwater Management (SGM) Grant Program. On June 8, 2022, the Board of Directors approved Resolution 2022-27 for the adoption of the CEQA Notice of Exemption (NOE) prepared for the Information Collection for the Proposed Extraction Barrier and Brackish Water Project (Phase 1A exploration phase).

Staff prepared two Technical Memorandum (TM) entitled: “Extraction Barrier and Brackish Water Treatment Project: Baseline Water Quality Sampling Results” and “Phase 1 Extraction Barrier and Brackish Water Treatment Project Feasibility Study: Groundwater Modeling”. Staff issued two RFQ/Ps for CEQA/Regulatory Permitting consultant services and design services for the Phase 1B demonstration phase project. Proposals were received in September 2022.

- *Rice Ave. Overpass PTP (CIP Project # 8021)*
No financial updates to report this period.
- *PTP Metering Improvement Project (CIP Project # 8022)*
Received signed easement deeds for PTP Turnout Nos. 135, 139 and 146 with the assistance of Hamner, Jewell & Associates. Staff installed a new meters at PTP Turnout Nos. 101, 120, 135 and 139.
- *Pothole Trailhead (CIP Project # 8023)*
No financial updates to report this period.
- *State Water Interconnection (CIP Project # 8025)*
No financial updates to report this period.
- *Replace El-Rio Trailer (CIP Project # 8028)*
No financial 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.
- *Asset Management System/CMMS System (CIP Project # 8041)*
No financial updates to report this period.
- *PTP Recycled Water Connection – Laguna Road Pipeline (CIP Project # 8043)*
The preliminary design progress continued during this reporting period. Staff reviewed the Technical Memorandum prepared by Kennedy Jenks (KJ) and discussed the hydraulic modeling results and options to modify or pivot the project to address hydraulic and operational constraints. Staff reviewed the initial draft of the Preliminary Design Report (PDR), draft Geotechnical Report, and drawings and submitted their comments to KJ to be incorporated in the final PDR.

On August 16, staff and KJ attended the fourth coordination meeting with Pleasant Valley County Water District (PVCWD) and their consultant MKN and discussed hydraulic model results and possibility of adding Booster Pump Station to overcome hydraulic constraints. On September 22, Staff attended Prop 1 SGMA Grant kick-off meeting.



- *SCADA Hardware Update (CIP Project # 8046)* No financial updates to report for this period.
- *Lake Piru Recreation Area Pavement Maintenance Program (CIP Project # 8047)*
Engineering has initiated the design work of this project. The anticipated construction for this project is expected to occur in November 2022.
- *Condor Improvement Project (CIP Project # 8048)*
A construction agreement with MDJ Management LLC (MDJ) was executed on July 13, 2022, for a fee of \$249,592.06. Construction began on July 15, 2022.
- *Lake Piru Entry Kiosk Renovation (CIP Project # 8049)* This project was completed in May of 2022.
- *Security Gate Upgrade (CIP Project # 8050)*
New badge reader with mobile app compatibility and keypad has been installed at the Saticoy main gate. Extensive coordination between staff and external agencies, private companies, and on-site tenants for authorized access resulted in a successful transition. The remaining gates at Saticoy along with El Rio and Santa Felicia Dam are scheduled to be worked on and integrated into the new security system in late November (after the Thanksgiving holiday) while the Upper and Lower Access gates are waiting for the arrival of additional parts needed for the project.
- *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)*
This project is currently in process. During this fiscal period, the scope of the project was evaluated, and a finalized proposal was provided by Royal CED to United Water for authorization. Staff acquired authorization to proceed and provided purchase order and signed agreements to Royal CED in November 2022. Staff are working to schedule the anticipated completion dates with the third parties performing the work. The project will have a phased approach that will include preliminary assessments of systems and network assets which provide architectural and design requirements. Deployment of new monitoring equipment and threat training is expected to extend into the next fiscal year.
- *Main Supply Pipeline Sodium Hypochlorite Injection (CIP Project # 8053)*
No financial updates to report this period.
- *Dry Storage Fencing (CIP Project # 8054)*
This project was initiated in September 2022 and work began on October 24, 2022. Anticipated completion on November 7, 2022.
- *Lake Piru Campground and Recreation Area Renovations (CIP Project # 8055)*
This project is currently in process. Stantec Consulting Service inc. was contracted in the amount of \$135,000 to complete three conceptual alternative designs at a 5% design and to expand the preferred alternative of the three designs to a 20% conceptual design. That work has been completed and the staff is currently reviewing the draft product. Request for payment has been submitted by Stantec and is currently awaiting engineering's approval.
- *OHP Low-Flow Upgrades (CIP Project # 8056)* No financial updates to report for this period.



CASH POSITION AND INVESTMENTS OF THE DISTRICT

As of September 30, 2022, the District had a total of \$45.3M 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.

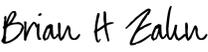
The District's cash, cash equivalents and securities held in the various accounts as compared to the prior year are as follows:

	<u>Sept 2022</u>	<u>Sept 2021</u>
Bank of the Sierra	3,707,294	2,049,439
US Bank - 2020 COP Bond Balance	10,137,144	19,006,655
Petty Cash	4,400	3,400
County Treasury	1,712	1,644
LAIF Investments	31,475,302	26,164,382
	<u>45,325,852</u>	<u>47,225,521</u>

The only current restriction is the \$10.1M for CIP projects in the 2020 COP Bonds. Any restrictions on the remaining \$ 35.2M are listed in this report.

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

Respectfully submitted,

DocuSigned by:

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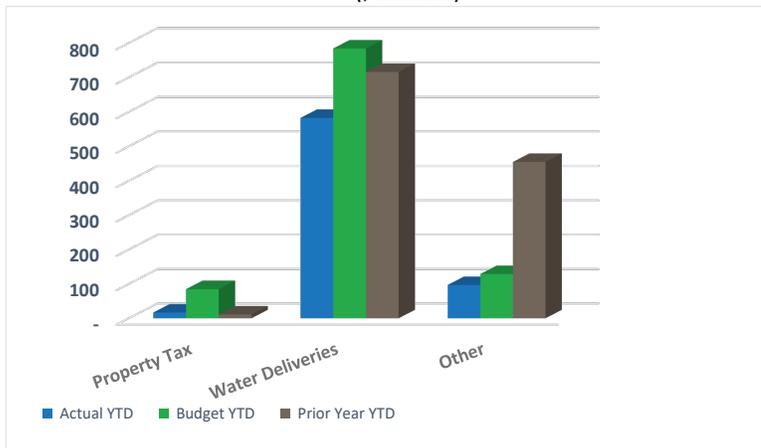
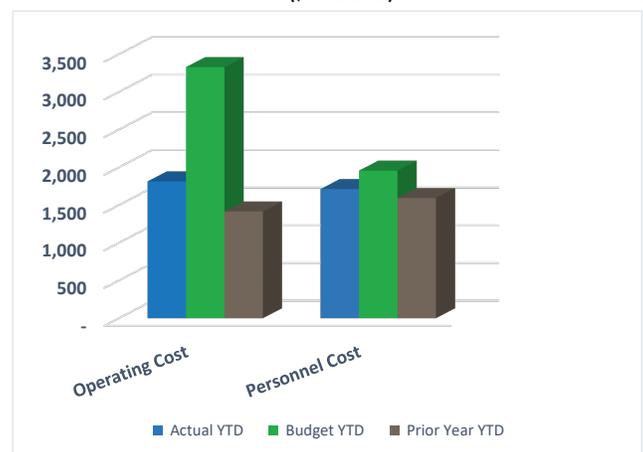
Mr. Brian H. Zahn
 Chief Financial Officer

FY 2022-23 First Quarter Financial Review

July 1, 2022 through September 30, 2022

25% of Fiscal Year Completed
General/Water Conservation Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	582	784	(201)	-26%	716	(133)	-19%
Groundwater	(4)	0	(4)	0%	2	(7)	-297%
Supplemental Water	0	0	0	0%	0	0	0%
Property Taxes	17	85	(68)	-80%	11	6	52%
Earnings on Investments	299	27	272	1001%	10	289	2896%
Other	457	357	100	28%	475	(18)	-4%
Transfers in	0	0	0	0%	0	0	0%
Total Revenues	1,351	1,253	98	8%	1,214	137	11%
Expenses							
Personnel Costs	1,713	1,957	(244)	-12%	1,594	119	7%
Operating Expenditures	1,814	3,329	(1,515)	-46%	1,415	399	28%
Capital Outlay	33	77	(44)	-57%	197	(164)	-83%
Transfers out	4,708	8,900	(4,191)	-47%	2,470	2,239	91%
Total Expenses	8,268	14,263	(5,994)	-42%	5,676	2,592	46%
Net Surplus / (Shortfall)	(6,917)	(13,010)	6,093	-47%	(4,462)	(2,455)	55%

Revenues
 (\$ thousands)

Expenses
 (\$ thousands)

Revenue Status vs. Budget

- Revenue received through First Quarter is \$1.4M, \$98K (8%) above Plan. Earnings on Investments \$272K above Plan due to GAAP market value adjustment to LAIF reversal in addition to increase in rate of return. Grant Revenue higher \$93K due to Brackish Water Treatment Grant.
- Savings are offset by Pipeline deliveries \$201K lower than Plan (1,022 AF less delivered for three pipelines combined) and lower Property Taxes \$68K received from County of Ventura. Some Property taxes are budgeted over 12 months but most property taxes are paid in December and April.

Revenue Status vs. Prior Year

- First Quarter Revenue \$137K (11%) higher than Prior Year.
- Earnings on Investments \$289K higher due to GAAP market value adjustment to LAIF reversal. Contributing to the increase is higher grant revenue \$94K.
- Offsetting the increase are lower Pipeline deliveries \$133K (943 AF less delivered than Prior Year) and lower revenue \$21K received at the Lake.

FY 2022-23 First Quarter Financial Review

July 1, 2022 through September 30, 2022

25% of Fiscal Year Completed

General/Water Conservation Fund - Continued

Appropriation/Expenditure Status vs. Budget

- Total Expenditures were \$6M (42%) 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 \$1.5M under budget. Professional Fees \$894K savings from under-utilized Admin and Finance consulting budget, FERC – Fish Passage and CESA Fisheries timing difference of invoices. Overhead costs \$396K under due to timing difference. Maintenance \$124K under due to emergency funds not being needed in First Quarter. Savings in Office Expense \$26K, Travel \$52K, Miscellaneous \$46K expected to be fully utilized by the end of the fiscal year. Principal payments \$152K due to 2020 COP Payments budgeted as expense but paid to liability. Interest expense \$195K due to 2020 COP Payments budgeted in Fund 710 which is the fund used for long term liabilities. Salaries and Benefits \$244K under budget due to vacant Park Ranger Cadet, Field Technician, Park Ranger Assistants, and Part-Time Engineer positions.
- Savings slightly offset by overrun in Insurance Premiums \$374K.

Appropriation/Expenditure Status vs. Prior Year

- Expenditures are \$2.6M (46%) higher than Prior Year, primarily due CIP transfers \$2.2M for the Brackish Water Treatment and Lake Piru Renovation Projects. Operating expenditures were up \$400K due to higher Environmental Professional Fees \$110K, Overhead Costs \$124K, and Insurance Expense \$98K. Also contributing to the variance are higher Salaries and Benefits \$119K 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 \$164K due to the purchase of the SLR excavator in Prior Year.

Fund Balance

The projected ending undesignated working capital balance at the end of FY 22-23 is approximately \$8M.

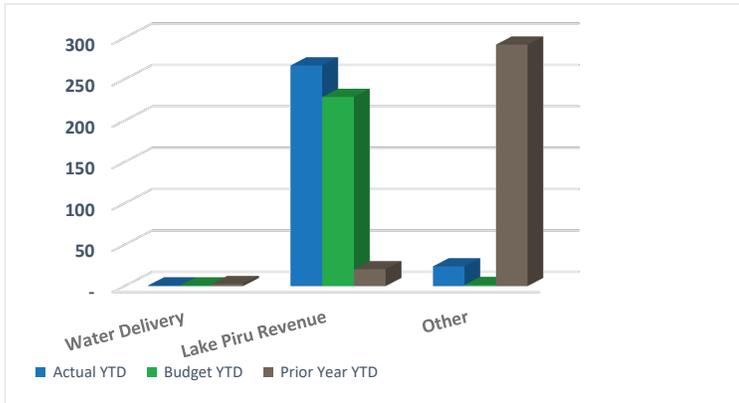
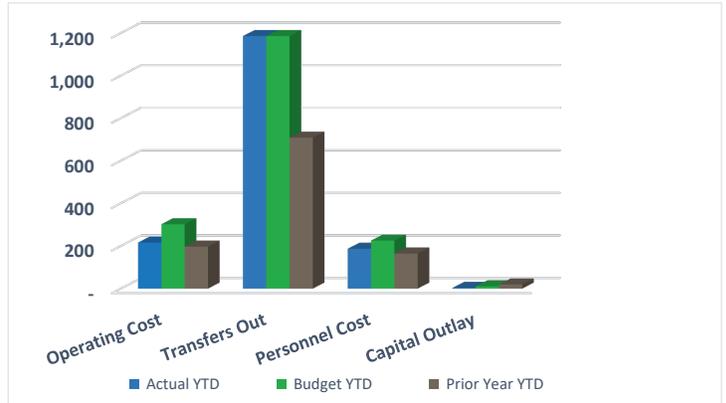
The District's reserve policy requires a \$4 - \$5 million minimum undesignated balance which is expected to be met. If the expected expenditures are realized, the fund is expected to finish the year within the District anticipated reserves.

FY 2022-23 First Quarter Financial Review

July 1, 2022 through September 30, 2022

25% of Fiscal Year Completed
Recreation Sub-Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	1	1	(0)	-2%	2	(2)	-70%
Earnings on Investments	0	0	0	0%	0	0	0%
Lake Piru Revenue	267	229	38		20	246	0%
Other	24	1	22	1666%	292	(268)	-92%
Total Revenues	291	231	61	26%	315	(23)	-7%
Expenses							
Personnel Costs	187	225	(38)	-17%	165	22	14%
Operating Expenditures	216	302	(86)	-28%	197	19	10%
Capital Outlay	3	11	(7)	-69%	20	(16)	-83%
Transfers out	1,186	1,186	0	0%	709	478	67%
Total Expenses	1,593	1,725	(132)	-8%	1,090	503	46%
Net Surplus / (Shortfall)	(1,301)	(1,494)	192	-13%	(775)	(526)	68%

 Revenues
 (\$ thousands)

 Expenses
 (\$ thousands)

Revenue Status vs. Budget

- Operational Revenue received through First Quarter above Budget by \$61K (26%) due to higher Day Use, Camping, Boating fees and reservations.

Revenue Status vs. Prior Year

- First Quarter Operational Revenue \$23K lower due to lower Filming Fees and reservations in the Current Year.

Appropriation/Expenditure Status vs. Budget

- Total expenditures are \$132K (8%) under Budget primarily due to Operating Expenditures of \$87K. Professional Fees \$19K under due to under-utilized Marketing and Advertising fees. Maintenance \$27K due to emergency funds not being needed in Q1 but expected to be fully utilized by end of the fiscal year. Permits \$19K due to timing differences.
- Contributing to the variance is Salaries and Benefits \$39K due to vacant Park Ranger Cadet and Park Ranger Assistants positions.
- Savings are partially offset by increase in Insurance Premiums \$25K.

Appropriation/Expenditure Status vs. Prior Year

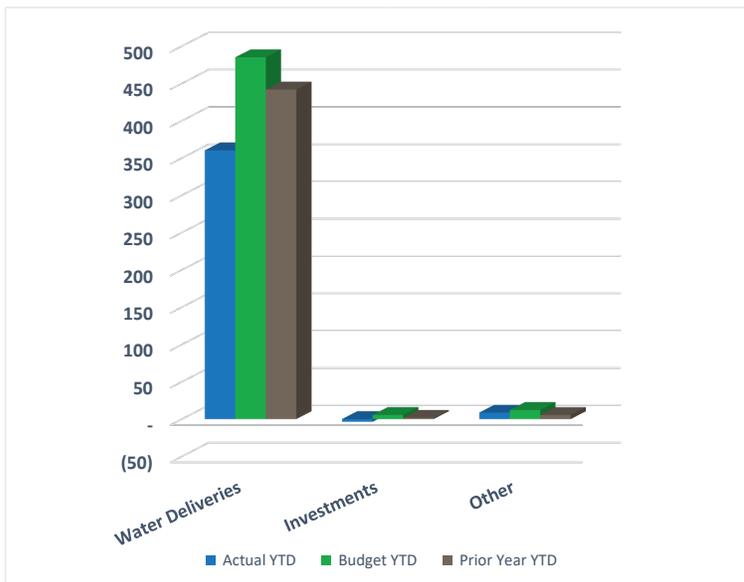
- Expenditures are \$503K (46%) higher than Prior Year primarily due to CIP Transfers Out \$478K over PY for the Lake Piru Campground and Recreation Area Renovations. Contributing to the variance is higher Salaries and Benefits at \$22K due to the Board Approved 2% COLA increase and annual merit increases.
- Increase slightly offset by a decrease in Capital Outlay \$16K due to the Side by Side vehicle purchased in Prior Year. Professional fees and Maintenance expenses each lower \$10K, but expected to be caught up by the end of the fiscal year.

FY 2022-23 First Quarter Financial Review
 July 1, 2022 through September 30, 2022
25% of Fiscal Year Completed

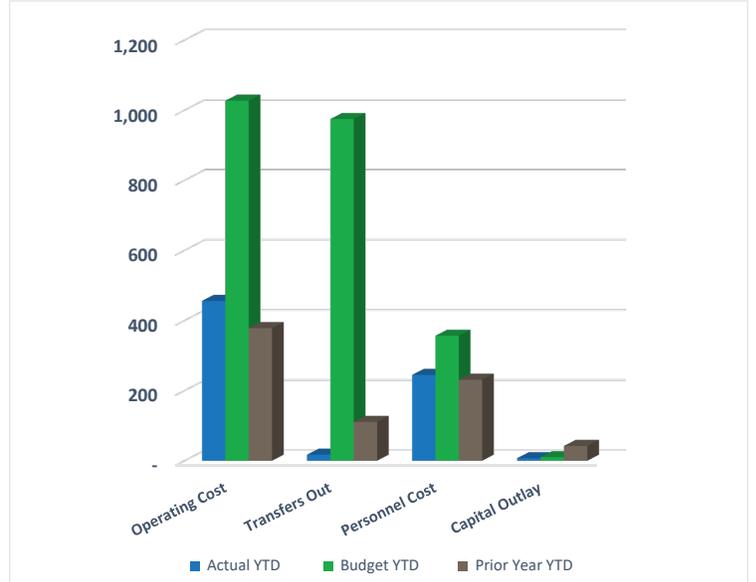
Freeman Diversion Fund (Zone B)

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Groundwater	(2)	0	(2)	#DIV/0!	0	(2)	#DIV/0!
Water Delivery	360	485	(125)	-26%	442	(82)	-18%
Earnings on Investments	(4)	6	(9)	-165%	2	(5)	-323%
Other	9	12	(4)	-29%	51	(42)	-83%
Transfers in	0	0	0	0%	0	0	0%
Total Revenues	364	503	(139)	-28%	494	(131)	-26%
Expenses							
Personnel Costs	245	356	(112)	-31%	231	14	6%
Operating Expenditures	456	1,027	(571)	-56%	378	78	21%
Capital Outlay	7	10	(3)	0%	42	(35)	
Transfers out	17	975	(957)	-98%	111	(93)	-84%
Total Expenses	725	2,368	(1,643)	-69%	762	(37)	-5%
Net Surplus / (Shortfall)	(361)	(1,866)	1,504	-81%	(268)	(94)	35%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Revenue received in Q1 \$364K, down \$139K (28%) primarily due to lower Pipeline deliveries \$125K which was 1,089 AF under Plan for OH Pipeline

Revenue Status vs. Prior Year

- Current Year lower by \$131K. The decrease is primarily due to \$45K National Wild Life Grant revenue received in Prior Year and lower Pipeline deliveries of \$82K, which was 940 AF less than Prior Year.



FY 2022-23 First Quarter Financial Review

July 1, 2022 through September 30, 2022

25% of Fiscal Year Completed

Freeman Diversion Fund (Zone B) - continued

Appropriation/Expenditure Status vs. Budget

- Total expenditures through first quarter are \$725K, which is \$1.6M (69%) below Plan. Savings are primarily due to CIP Transfers Out for Freeman at \$957K less than budgeted. This is a timing issue as the budgeted amount is front-loaded and expected to be used by year-end. Operating Expenditures are favorable by \$571K primarily due to under-utilized Environmental Services Legal Fees of \$427K. Contributing to the favorability are Overhead costs of \$113K under budget due to timing issues. Salaries and Benefits are also favorable \$112K due to vacant Principal Environmental Scientist for a majority of Q1 and Field Technician positions. Maintenance costs are favorable \$40K due to emergency funds not being needed in Q1. Permits are favorable \$33K due to timing differences. Principal payments are \$44K favorable due to 2020 COP payments budgeted as expense but paid directly to liability.
- Savings are partially offset by an increase in Insurance Premiums of \$109K and Interest Expenses of \$40K due to payments higher than originally allocated amount.

Appropriation/Expenditure Status vs. Prior Year

- Total Expenditures are \$37K lower than Prior Year. The variance is largely due to lower CIP transfers out \$93K in Q1. Contributing to the variance is lower Capital Outlay \$35K due to the SLR Excavator purchased in Prior Year.
- Slightly offsetting the decrease are higher Operating Expenditures of \$78K. Salaries and Benefits are \$14K higher than PY due to Board approved 2% COLA increase and annual merit increases. Insurance expense \$24K higher than Prior Year. Interest expense is \$36K higher due to 2020 COP Bond allocated to Freeman in Current year.

Fund Balance

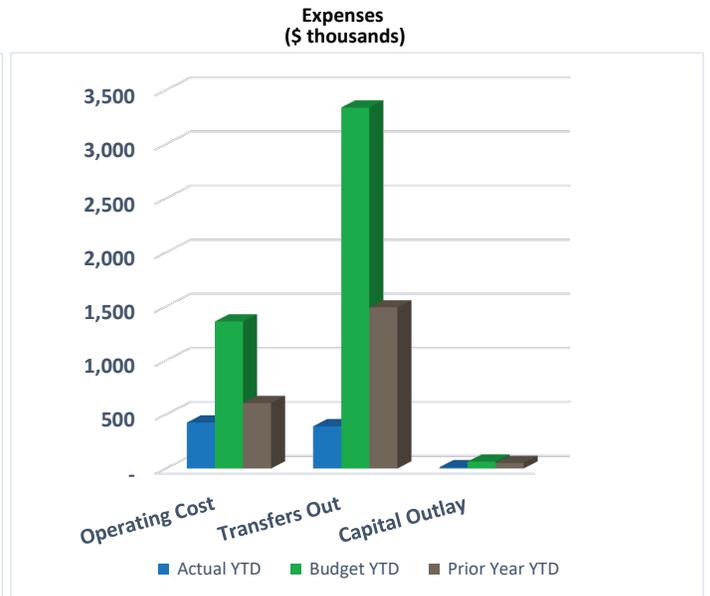
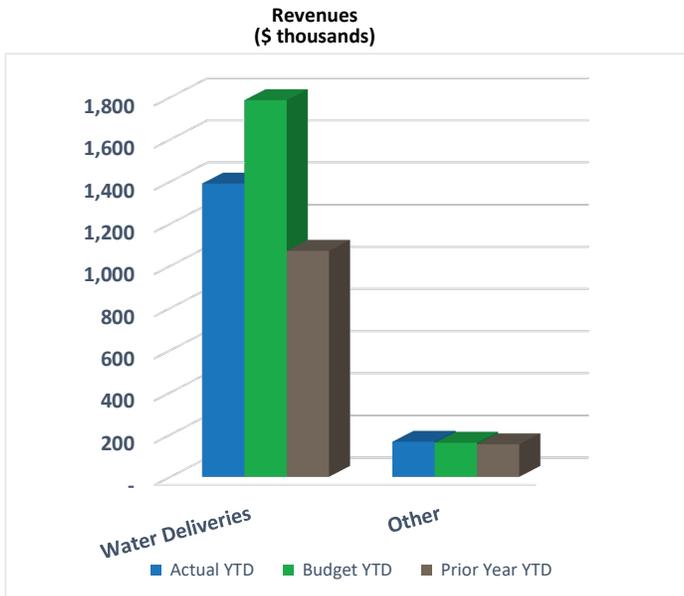
- The projected ending undesignated working capital balance at the end of FY 22-23 is approximately \$2.2M.
- The District's reserve policy requires an undesignated balance of \$1.5M which is expected to be met.

FY 2022-23 First Quarter Financial Review
July 1, 2022 through September 30, 2022

25% of Fiscal Year Completed

Oxnard Hueneme Pipeline Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	1,390	1,786	(396)	-22%	1,071	319	30%
Earnings on Investments	45	5	40	849%	3	42	1555%
Grants	1,845	2,890	(1,045)	-36%	460	1,385	301%
Other	121	157	(36)	-23%	151	(30)	-20%
Total Revenues	3,401	4,837	(1,436)	-30%	1,685	1,717	102%
Expenses							
Personnel Costs	292	328	(36)	-11%	290	2	1%
Operating Expenditures	133	1,034	(901)	-87%	315	(182)	-58%
Capital Outlay	11	63	(52)	-82%	51	(40)	-78%
Transfers out	391	3,339	(2,948)	-88%	1,491	(1,101)	-74%
Total Expenses	827	4,764	(3,937)	-83%	2,148	(1,320)	-61%
Net Surplus / (Shortfall)	2,574	74	2,501	3401%	(463)	3,037	-656%



Revenue Status vs. Budget and vs. Prior Year

- Total revenue for Q1 of \$3.4M is under budget by \$1.4M (30%) 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. Grant revenues are up\$1.3M (301%) over prior year.
- Water Delivery Revenue is \$396K (22%) lower than Budget; 2,641AF (29.2%) less delivered than Plan. Deliveries revenue is up from prior year by \$319K even though 940 AF less were delivered. The 30% increase in revenue over prior year is due to increased fixed and variable rates in FY 22-23.
- Fox Canyon revenues down by \$44K in Q1 and \$38K lower than Prior Year due to lower water deliveries.

FY 2022-23 First Quarter Financial Review
July 1, 2022 through September 30, 2022
25% of Fiscal Year Completed

Oxnard Hueneme Pipeline Fund - continued

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

- Total expenses of \$827K is under budget by \$4M (83%) and lower than prior year by \$1.3M (61%), primarily due to transfers out which are \$3M less than budgeted and \$1.1M less than prior year. This is a timing issue as the budgeted amount is front-loaded.
- Capital Outlay under budget by \$52K (82%) and under prior year by \$39K (78%). Staff anticipates budget to be fully utilized by the end of the year.
- Fox Canyon \$409K under budget due to an extraction fee accrual from FY 21-22 carried over to the current fiscal year that reversed 9/30/2022 and a delay in their billing.
- Electrical costs down \$212K from Q1 budget and down \$23K from prior year. This is a timing issue as billing is delayed.
- Personnel Costs are down \$36K from budget primarily due to two internal promotions expected later in year. Professional fees are also down \$21K as Environmental and IT consulting services were under-utilized. Additionally, maintenance expense was under budget by \$52K but is expected to be fully utilized by end of year.
- Principal payments are \$89K under Plan and down \$133K from FY 21-22 due to 2020 COP payments budgeted as expense but paid directly to liability.
- Interest Expense is \$66K under Plan due to payments lower than originally allocated amount and down \$98K compared to Prior Year due to changes in 2020 COP allocation.

Fund Balance

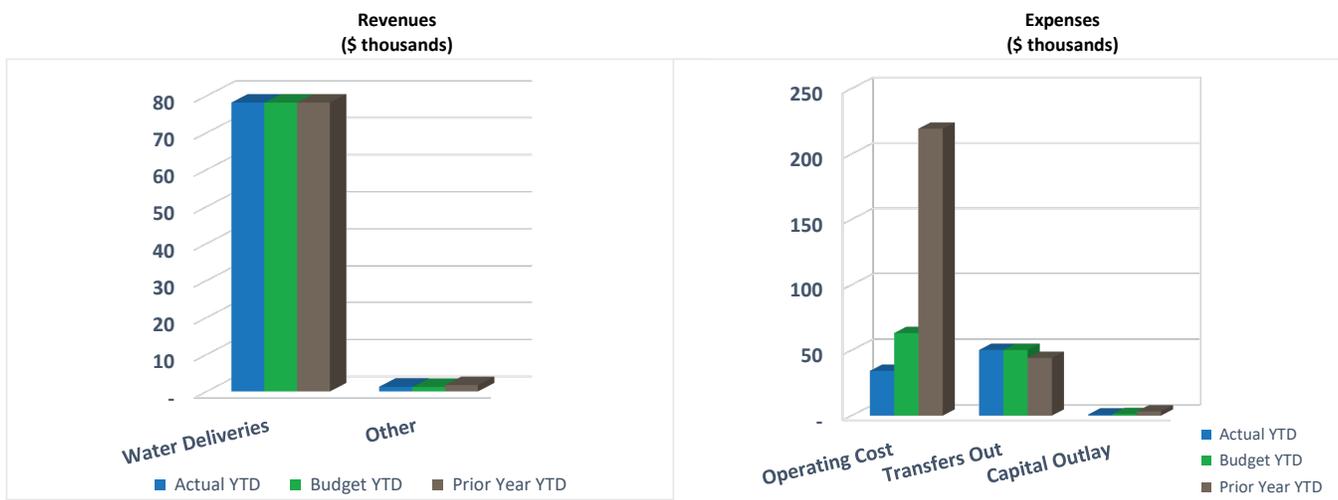
- The projected ending undesignated working capital balance for FY 22-23 is approximately \$1.3M.
- The District's reserve policy requires an undesignated balance of \$1.1M for this fund, which is expected to be met.

FY 2022-23 First Quarter Financial Review

July 1, 2022 through September 30, 2022

25% of Fiscal Year Completed
Pleasant Valley Pipeline Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	78	78	0	0%	78	0	0%
Earnings on Investments	6	1	5	724%	0	6	2616%
Other	1	1	0	5%	2	(0)	-27%
Total Revenues	86	80	6	7%	80	5	7%
Expenses							
Personnel Costs	17	29	(12)	-43%	22	(5)	-23%
Operating Expenditures	18	34	(17)	-48%	198	(180)	-91%
Capital Outlay	1	1	(0)	0%	3	(2)	
Transfers out	50	50	0	0%	44	6	14%
Total Expenses	85	114	(29)	-26%	267	(181)	-68%
Net Surplus / (Shortfall)	0	(34)	35	-101%	(186)	187	-100%


Revenue Status vs. Budget and vs. Prior Year

- Revenue received in Q1 is on target.
- Revenue is up \$5K from prior fiscal year due to Earnings on Investments.

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

- Operating expenditures under budget by \$29K in First Quarter. Variance due to maintenance costs \$12K 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 \$12K lower than Budget due to less staff spending time working on Pleasant Valley Pipeline.
- Compared to prior year, Operating Expenditures are down \$180K primarily due to \$195K spent on PV reservoir maintenance work.

Fund Balance

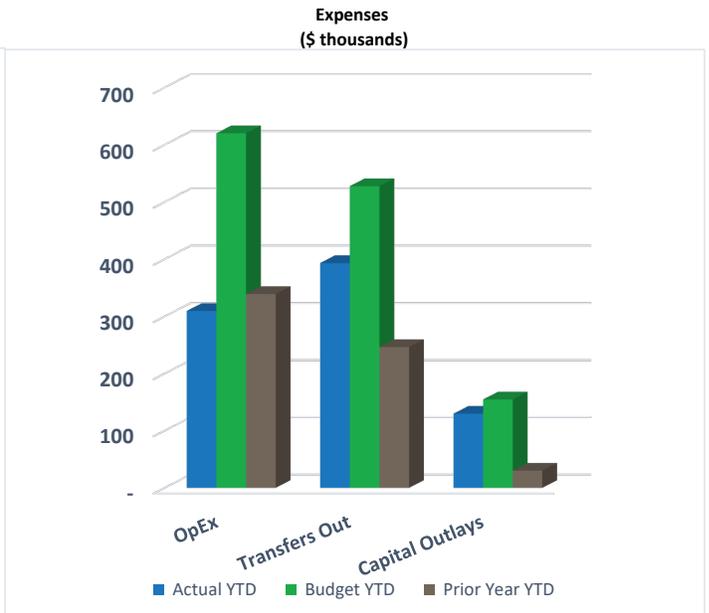
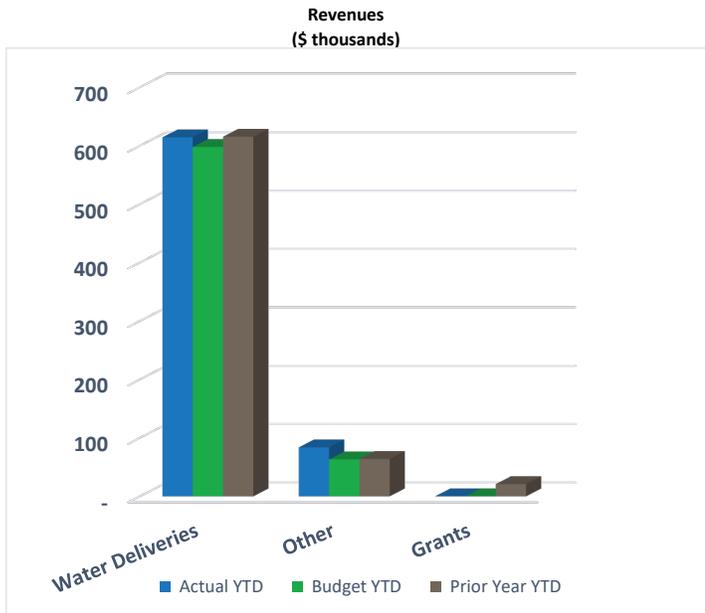
The projected ending undesignated working capital balance at the end of FY 22-23 is approximately \$641K. The District's reserve policy requires a \$258K minimum undesignated balance which is projected to be met.

FY 2022-23 First Quarter Financial Review

July 1, 2022 through September 30, 2022

25% of Fiscal Year Completed
Pumping Trough Pipeline Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	614	598	16	3%	616	(1)	0%
Earnings on Investments	21	2	18	818%	1	20	1790%
Grants	0	0	0		21	(21)	0%
Other	63	61	2	4%	63	0	1%
Total Revenues	698	661	37	6%	700	(2)	0%
Expenses							
Personnel Costs	135	149	(14)	-10%	122	13	11%
Operating Expenditures	175	471	(296)	-63%	217	(43)	-20%
Capital Outlay	130	155	(25)	-16%	30	100	
Transfers out	393	528	(134)	-25%	246	147	60%
Total Expenses	833	1,302	(470)	-36%	616	217	35%
Net Surplus / (Shortfall)	(134)	(641)	507	-79%	85	(219)	-259%


Revenue Status vs. Budget

- Revenue received through Q1 is \$699K, up \$37K (6%). The increase is due to higher pipeline deliveries \$17K (67AF more water delivered than Plan) and higher LAIF to Market value adjustment reversal \$18K.

Revenue Status vs. Prior Year

- \$20K PTP grant received in Prior Year is offsetting the increase in Earnings on Investments LAIF to Market value \$20K, resulting in a variance of \$2K in total revenues compared to Prior Year's Actuals.

FY 2022-23 First Quarter Financial Review

July 1, 2022 through September 30, 2022

25% of Fiscal Year Completed

Pumping Trough Pipeline Fund - continued

Appropriation/Expenditure Status vs. Budget

- Total expenditures through Q1 are \$833K, \$470K (36%) below Budget primarily due to lower Operating Expenditures of \$296K. Fox Canyon expenses are down \$123K due to delay in billing. Maintenance is \$54K under budget due to emergency funds not being needed in the First Quarter as well as less than projected maintenance on corroding PTP turnouts. Overhead costs \$53K and Utilities \$54K under due to timing difference. Principal payments \$34K 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 \$25K lower than anticipated due to fewer than planned PTP isolation valves and VFD replacements.
- Slightly offsetting the savings is increase in Insurance Premiums of \$49K.

Appropriation/Expenditure Status vs. Prior Year

- Compared to last fiscal year, expenditures are higher by \$217K (35%) primarily due to higher CIP Transfers Out \$147K for PTP Recycled Water Connection. Capital Outlay also higher in Current Year due to more PTP isolation valves being replaced. Salaries and Benefits \$13K higher than Prior Year due to Board Approved 2% COLA increase and annual merit increases.
- Offsetting the increase are lower Operating Expenditures \$43K mainly due to lower Fox Canyon expenses.

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.

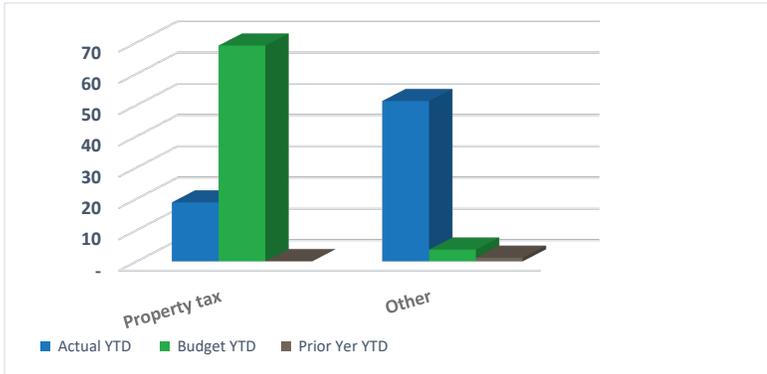


FY 2022-23 First Quarter Financial Review
 July 1, 2022 through September 30, 2022
25% of Fiscal Year Completed

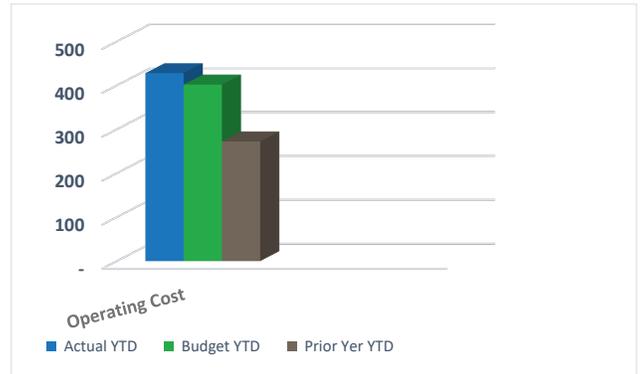
State Water Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Earnings on Investments	51	4	47	1264%	1	50	4395%
Property Taxes	19	69	(50)	-73%	0	19	30004%
Total Revenues	70	73	(3)	-4%	1	69	5738%
Expenses							
Personnel Costs	0	0	0	0%	0	0	0%
Operating Expenditures	428	402	26	6%	272	156	57%
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	428	402	26	6%	272	156	57%
Net Surplus / (Shortfall)	(358)	(329)	(29)	9%	(271)	(87)	32%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget and vs. Prior Year

- Revenue received through Q1 is under plan by \$3K (4%). This is primarily due to lower property tax revenue (\$50K) which are budgeted monthly but typically not received prior to December and April based on the due date of the taxes.
- Offsetting this was higher earnings on investments of \$47K.
- Compared to Prior Year, revenue is \$69K favorable due to higher Property Taxes received from Ventura County and higher LAIF to Market Value adjustment.

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

- Total expenditures of \$428K are over budget by \$26K (6%). This is primarily due to higher fixed costs, offset by reduced variable costs.
- Compared to Prior Year, expenditures up by \$155K (57%). This is mainly due to higher fixed costs in FY 22-23.

Fund Balance

- The beginning working capital for FY 22-23 is \$5.7M. Assuming FY 2022-23 activity is consistent with the approved budget, the projected ending balance will exceed the District's fund reserve minimum of \$4.9M.
- 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 First Quarter Financial Review

July 1, 2022 through September 30, 2022

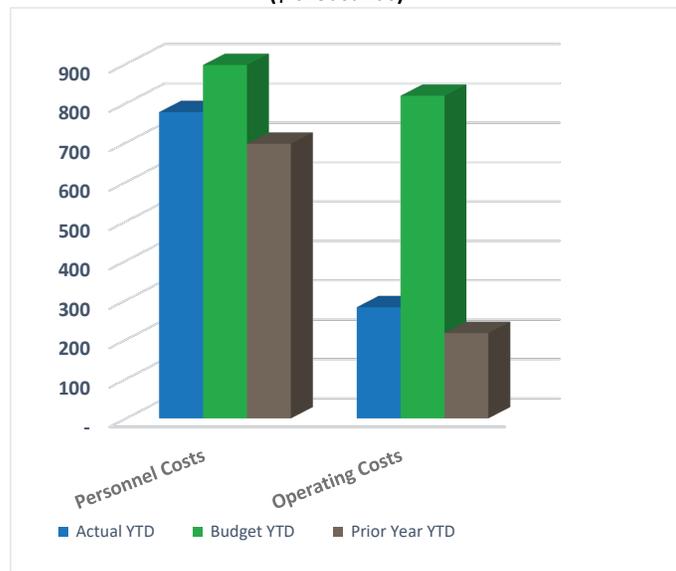
25% of Fiscal Year Completed

Overhead Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Expenses							
Personnel Costs	777	897	(120)	-13%	697	80	12%
Operating Expenditures	282	819	(537)	-66%	216	66	30%
Capital Outlay	40	10	30	0%	0	40	0%
Total Expenses	1,099	1,726	(627)	-36%	913	186	20%

Expenses

(\$ thousands)



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

- Expenditures under budget by \$627K (36%).
- The largest savings were in Professional Fees at \$498K 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 at \$120K due to vacant Receptionist and Administrative Assistant III positions for majority of Q1 and Retirement Benefit budget of \$30K expected to be realized before the end of the fiscal year. Maintenance \$19K under budget due to emergency funds not being needed in Q1. Safety Supplies \$10K and Travel \$16K are expected to be fully utilized by the end of the year.
- This was slightly offset by \$40K Capital Outlay expense for the HQ generator connection equipment.
- Compared to prior year, expenditures are higher by \$186K (20%). The variance is from higher Professional Fees of \$31K, office expense of \$34K and personnel costs of \$80K due to Board Approved 2% Cost of Living increase and annual merit increases.