

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
Monday, December 4, 2023, at 9:00 a.m.
UWCD Headquarters, First Floor, Board Room
1701 N. Lombard Street, Oxnard, CA 93030

COMMITTEE MEMBERS PRESENT:

Lynn E. Maulhardt, chair
Sheldon G. Berger, director
Catherine P. Keeling, director

STAFF PRESENT:

Mauricio Guardado, Jr., general manager
Anthony Emmert, assistant general manager
Josh Perez, chief human resources officer
Clayton Strahan, chief park ranger
Brian Zahn, chief financial officer
Marissa Caringella, environmental services manager
Sara Guzman, senior accountant
Tony Huynh, risk and safety manager
Evan Lashly, environmental scientist
John Lindquist, water resources supervisor
Jackie Lozano, administrative assistant/clerk of the committee
Tracy Oehler, executive assistant/clerk of the board
Zachary Plummer, technology systems manager
Ed Reese, technology systems specialist

PUBLIC PRESENT:

None.

OPEN SESSION 9:02 a.m.

Director Sheldon Berger called the meeting to order at 9:02 a.m.

Committee Members Roll Call

Two Committee members were present (Keeling and Berger), and one member was absent (Maulhardt).

1. Public Comment

Director Berger asked if there were any comments from the public. None were offered.

2. Approval of Agenda

Motion

Motion to approve the Committee meeting agenda, Director Keeling; seconded by Director Berger. Voice vote, two ayes (Keeling and Berger); none opposed; one absent (Maulhardt). Motion carries 2/0/1.



3. Approval of Minutes

Motion

The Committee received and reviewed the draft Committee meeting Minutes of October 30, 2023 (November meeting). Motion to approve the Committee meeting Minutes, Director Keeling; seconded by Director Berger. Voice vote, two ayes (Keeling and Berger); none opposed; one absent (Maulhardt). Motion carries, 2/0/1.

4. EXECUTIVE (CLOSED) SESSION 9:04 a.m.

4.1 Conference with Legal Counsel – Anticipated Litigation

Pursuant to Government Code Section 54956.9(d)(2), one (1) case.

SECOND OPEN SESSION 9:44 a.m.

Chair Lynn Maulhardt joined the meeting during the Executive (Closed) Session at 9:16 a.m. He moved the meeting into the second open session at 9:44 a.m.

5. Oral Report Regarding Executive (Closed) Session

District Legal Counsel David Boyer reported no action was taken during the Executive (Closed) Session that is reportable under the Ralph M. Brown Act.

6. December 13, 2023, UWCD Board of Directors Meeting Agenda Items

The Committee reviewed and discussed the following agenda items to be considered for approval at the December 13, 2023, Board of Directors meeting:

6.1 Resolution 2023-16 Requesting the United Water Conservation District Board of Directors to Approve the Proposed Changes to the Financial Policies

Board Motion

Chief Financial Officer Brian Zahn provided a presentation (attached) and summarized the proposed policy changes to the Committee as listed below:

- Budget Amendment Policy
- Budget Submittal Policy
- Expense And Compensable Activity Policy –Board Members and District Executive
- Expense Policy – Staff
- Accounts Receivable and Write-Off Policy
- Engineering Projects Administration Policy
- Procurement Policy

Committee members were in support of this motion and recommended moving it forward to the full Board for approval.

6.2 Waive fees associated with the November 2023 operation of the Saticoy Wellfield during recent pause in surface water deliveries

Board Motion

Assistant General Manager Tony Emmert summarized this motion for the Committee. After discussion between staff and Committee members, it was recommended by Chair Maulhardt to come up with a solution such as modifying the current agreement or policy to resolve having to go through this again in the future. He also suggested staff come back to the Board with the amendment before the budget is approved for the next fiscal year.



Committee members were in support of this motion and recommended moving it forward to the full Board for approval.

6.3 Request Board Approval to use funds from the Replacement, Capital Improvement and Environmental Projects reserve account to fund the repair and replacement of damaged and lost equipment related to the January 9, 2023, storm event

Board Motion

Mr. Zahn summarized this Board motion for the Committee. There were no comments or questions from the Committee, and it was recommended to move it forward to the full Board for approval.

6.4 Request Board Approval to increase the hourly rate from \$425 per hour to \$475 per hour for District's Special Counsel

Board Motion

Mr. Zahn summarized this Board motion for the Committee. There were no comments or questions from the Committee and the members recommended moving the motion forward to the full Board for approval.

6.5 Request Board Approval to Amendment of 2021-2 to 2022-2 Groundwater Production Statements for Well# 02N22W16K01S – Saticoy Lemon Association #1

Board Motion

Mr. Zahn summarized this Board motion for the Committee. Director Keeling inquired about the location of the well. The information was not readily available, and staff returned later with an answer. There were no comments or further questions from the Committee and the members recommended moving the motion forward to the full Board for approval.

The following **Information Item** reports (7 through 11) were received and reviewed by the Committee members. There were no questions or comments from the Committee.

7. Fiscal Year-End 2022-23 Financial Reports

A presentation was prepared, but not presented due to time constraints.

8. District Staff and Board Member Reimbursement Report (July 1 – September 30, 2023)

9. Monthly Investment Report (October 2023)

10. Monthly Pipeline Delivery Report (October 2023)

11. Board Requested Cost Tracking Items (October 2023)

12. Monthly Administrative Services Department Update

Information Item

The Finance Department monthly update was presented by Mr. Zahn. When presenting on Lake Piru October Cash Collections (slide three), Chief Park Ranger Clayton Strahan briefly provided an update on the Lake Piru Recreation Area's cash collections. Afterwards, Mr. Zahn continued with his presentation. Chief Human Resources Officer Josh Perez presented updates on Administration, Human Resources, Risk Management, and Information Technology (presentation attached).



At the conclusion of this presentation, Director Berger asked staff to please list monthly or quarterly the organizations that have used the District's facility. He felt it was important for the public to know that the District provides the space and hosts the meetings. He also left it up to staff to present the information wherever it would be appropriate. Mr. Perez replied he would work with the general manager on his request and include it in the Administrative Services monthly report. Chair Maulhardt added, staff needed to ensure it was clear in our policies that the conference rooms are only available for agencies that have a nexus to water resources and sustainability issues and are not available for general public use.

13. Future Agenda Items

Chair Maulhardt polled the Committee members for any agenda items they wished to bring forward to future meetings. None were offered.

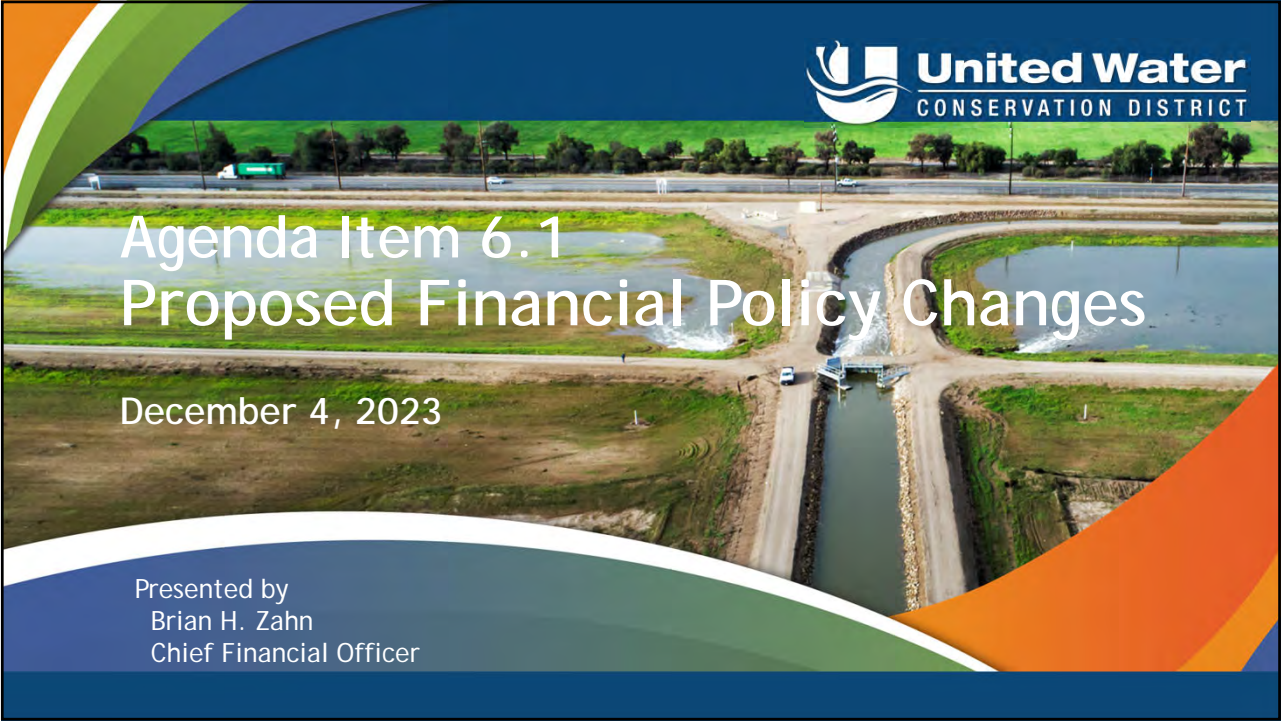
ADJOURNMENT 10:22 a.m.

Chair Maulhardt adjourned the meeting at 10:22 a.m.

I certify that the above is a true and correct copy of the minutes of the UWCD Finance and Audit Committee Meeting of December 4, 2023.

ATTEST:


Chair Lynn E. Maulhardt




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Budget Amendment Policy

notice as required by the Water Delivery Agreement, of the recommendation proposed to the Board of Directors for their approval seven (7) days prior to the commitment of funds.

In the case of an emergency situation and/or repair, that must be declared by the General Manager, any unbudgeted expenditure greater than \$50,000 must be presented to the Board of Directors at their next regular meeting and the Board must be updated at each following meeting until the emergency has concluded. The Chief Financial Officer will additionally inform the Finance Committee of the situation. Upon conclusion of the emergency, when all costs are known, the Chief Financial Officer will seek Board approval to use identified funds to fund the emergency expenditures. Emergency expenditures under \$50,000 only require the General Manager approval, if budgeted funds are available to fund the expenditures. When an unbudgeted expenditure greater than \$50,000 has been made in the course of an emergency, the appropriation will be presented to the Board of Directors at their next regular meeting.

Any planned or potential reduction in expenditures that were appropriated (approved) by the Board that may result in service, operations, program, or policy changes will be presented to the Board of Directors for discussion as they become available.



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Budget Amendment Policy (continued)

BUDGET TRANSFERS

In an effort to operate within the approved budget, it may become necessary to shift spending authority from one purpose to another. Budget transfers must be internal to each fund (General Water Conservation sub funds are considered one fund) and cannot result in a change in policy without the Board of Director's approval. Appropriations not exceeding ~~\$25,000~~\$75,000 can be transferred between line items with the approval of the Chief Financial Officer. Line-item transfers between ~~\$7525,000~~ and ~~\$4200,000~~ can be transferred with the approval of both the Chief Financial Officer and the General Manager; however, for any line-item transfers between \$75,000 and \$200,000 they must be reported to the Finance and Audit committee. Transfer requests over ~~\$4200,000~~ will be presented to the Board of Directors for consideration and approval. Any balance remaining for completed capital improvement projects will be transferred back to the operating funds that funded the project with the approval of the project manager and the General Manager.

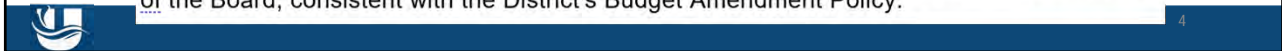


Budget Submittal

The proposed budget shall provide a complete financial plan, including a 5-year Capital Improvement Project Plan, of all District funds and activities for the next fiscal year. The total of proposed expenditures for each fund shall not exceed the total estimated revenue and/or estimated funds/resources available.

~~Any proposed rate adjustments which impact estimated revenue must be clearly documented. The District's legal positions that such charges: (a) are not fees for property related services or charges incident to property ownership and are not subject to the requirement of Proposition 218 [California Constitution, Article 13D, Section 6 (b)]; (b) are not a general or special tax subject to Proposition 26 [California Constitution, Article 13C]; (c) do not exceed the reasonable cost of providing District services and do not violate Proposition 13 or various statutory or common law provisions; and (d) are not capacity charges. The City of San Buenaventura has sued the District concerning these and other legal issues in connection with the District's groundwater charges, and such issues are being addressed in litigation.~~

On or before June 30, the Board of Directors shall adopt, by resolution, the proposed/recommended budget with any amendments directed by the affirmative vote of a majority of the Board. While the Board adopts the next - fiscal year's budget by June 30. The budget can be amended at any time throughout the fiscal year via approval by a majority of the Board, consistent with the District's Budget Amendment Policy.



Expense Policy

3. Personal vehicles may be used if necessary and the staff shall be reimbursed at the standard IRS mileage rate (i.e. \$0.~~65.558.5~~ cents a mile for calendar year 202~~32~~), but for a total of no more than the cost of round trip airfare.



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Procurement Policy

After a purchase order has been approved by the appropriate level of management, only department head approval is required for payment of invoices related to those purchase orders. The invoice may exceed the amount of the purchase order by the lower of 10% or \$5,000. Invoices that exceed the purchase order by more than these levels will require the purchase order to be modified and will require reapproval at the appropriate level of management.

If a purchase order has not been fully utilized by the end of the year, the PO Creator may request that the purchase order be rolled over to the next year to accommodate expenses that come in the next fiscal year. The PO creator must notify the Finance Department and the purchase order will be rolled over. If the Finance Department is not notified, the open purchase order will be closed out at year end. Purchase orders can only be rolled over a maximum of 3 consecutive years.



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Credit Cards

Credit card limits are as follows:

General Manager	\$12,500
Assistant General Manager	\$10,000
Chief Financial Officer	\$ 5,000
Chief Engineer	\$10,000
Chief HR Officer	\$ 5,000
Chief Operations Officer	\$ 5,000
Chief Park Ranger	\$ 5,000
Engineering Manager	\$ 2,000
Environmental Services Manager	\$ 2,000
Travel Card	\$25,000
Water Resources Manager	\$ 2,000
<u>Executive Assistant/Clerk of the Board • Administration</u>	<u>\$ 5,000</u>
<u>Park Ranger IV</u>	<u>\$ 2,000</u>



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AR Write-Off Policy

The Chief Financial Officer will review the list of uncollectible accounts to ensure that it is complete and that all necessary due diligence documentation has been attached. Once the review is complete, the qualified accounts will be written-off after approval from the corresponding authority is received. Subsequent to the write-off step, the write-off list will be presented to the appropriate reporting party according to the following approved authority levels:

Transaction Amount (per account):	Write-Off Authority:	Reported to:
Up to \$1,000	CFO	General Manager
\$1001 up to \$5,000	General Manager	Finance Committee
Excess of \$5,000	District Board	District Board

If new developments arise suggesting that a possibility exists for collection of an account previously written-off, the collections process will be resumed.



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QBS Process

The QBS process is accomplished through the following steps:

- ~~1. Write a detailed "Request for Proposals" and transmit to a list of appropriate firms. The proposal's fee schedule may be requested, but if a project estimate is desired, require that it be included only in a separate sealed envelope.~~
Prepare a detailed "Request for Proposals" and transmit to a list of firms with relevant qualifications or use a digital purchasing platform to advertise the RFP. The RFP may request the proposers include their fee schedules, proposed total hours, and the fee for the proposed services in their proposals.



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QBS Process (continued)

- ~~2. Select a review panel of no fewer than two and no more than four. If outside individuals are to participate on a panel, they should have no financial interest in the outcome and if privately employed they should be willing to sign a non-collusion affidavit.~~
Establish a selection panel consisting of representatives from various District departments as appropriate and relevant to the scope of the project. Other District representatives (e.g., operations or financial consultants) may be invited to serve on the selection panel. Additionally, external parties (e.g., consultants) may be invited to participate in the selection process as panelists if needed. These individuals should have no financial interest in the outcome of the selection and should be willing to sign a non-collusion affidavit.




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QBS Process (continued)

3. ~~Create a table in which specific responses are to be graded with appropriate weighting factors. DO NOT SHARE THE FINAL TABLE WITH ANYONE OUTSIDE THE REVIEW PANEL.~~

Create a rating table in which specific responses are to be graded with appropriate weighting factors. DO NOT SHARE THE FINAL TABLE WITH ANYONE OUTSIDE THE SELECTION PANEL. Each selection panel member rates each proposal's merits on the rating table. The weighting factors are multiplied and the products summed to yield ranking values, which are then compared.




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QBS Process (continued)

4. ~~Each panel member rates each proposal's merits on the rating table. The weighting factors are multiplied and the products summed to yield ranking values, which are then compared.~~

Consider using the following criteria for selecting the qualified proposers:
Specialized experience and technical competence of the proposer, the proposer's familiarity with types of problems applicable to the project or project understanding, past performance on District projects, or other governmental agencies, including the project completion within budget and on schedule, the proposer's project team's expertise and qualifications to perform the work, the proposer's financial responsibility, level of efforts and fee proposal for the proposed services, and other key factors as appropriate for the type of service.



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QBS Process (continued)


~~5. If deemed necessary by the review panel, the top 2 to 4 firms are interviewed by the review panel.~~

The rankings provided by the selection panel will be used to determine the top 2 to 4 proposers qualified to perform the work. If deemed necessary by the panel, the selected top 2 to 4 firms are interviewed by the panel. A second table is used for rating and ranking the interview responses.

~~6. A second table is used for rating and ranking the interview responses.~~

~~7. If requested, the pricing envelope for the interviewed firm(s) may be opened and reviewed.~~

86. Begin negotiation for a professional services agreement with the highest ranked firm. If agreement is not reached, begin negotiations with second highest ranked firm and so on.



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Questions



United Water
CONSERVATION DISTRICT

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October Cash Collections

UWCD

Pipeline: \$ 1.2M

Groundwater: \$ 257K

Rent: \$ 9K

Lake Piru: \$ 47K

Misc.: \$ 361K

TOTAL: \$ 1.8M

Lake Piru

Day Use: \$ 7K

Concessions: \$ 3K

Boating/Watercraft: \$ 3K

Boat Storage: \$ 2K

Camping: \$ 26K

Miscellaneous: \$6K

Prior Year Total: \$ 76K

TOTAL: \$ 47K



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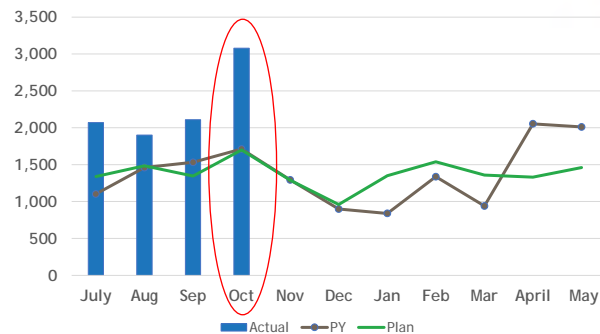
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October 2023 Pipeline

	\$ Billed	Actual AF	Plan AF	Variance
OH	\$794K	1052	980	72
PT	\$592K	913	720	193
PV	\$295K	1,114	0	1,114

- Year-to-date October deliveries are 56% above plan and 58% above prior year.

Total Pipeline Deliveries (AF)



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Board Motion Items with Fiscal Impact

Sponsor	Description/Summary	Budget Y/N	Funding Source	Cash Impact of Approval	Other Financial Impact
Finance and Audit	Resolution 2023-16 Requesting the Board to approve the proposed changes to the Financial Policies	Y	Various	None	None
Finance and Audit	Waive fees associated with the 11-2023 operation of the Saticoy Wellfield during recent pause in surface water deliveries	N	Revenue	\$5,270	None
Finance and Audit	Requesting Board approval to use funds from select reserve accounts to fund the repair and replacement of damaged and lost equipment related to the Jan. 2023 storm event	N	Reserves	None	None
Eng. and Ops	Authorize Contract Amendment to the PCS with GEI Consultants, Approval of a Supplemental Appropriation and to fund it using the EPA WIFIA loan (CIP 8002)	N	WIFIA Loan	\$1.2M	None



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Board Motion Items with Fiscal Impact

(continued)

Sponsor	Description/Summary	Budget Y/N	Funding Source	Cash Impact of Approval	Other Financial Impact
Eng. and Ops	Authorize approval of a contract with HDR Engineers to develop the final design of the Freeman Conveyance System upgrade (CIP 8018)	Y	051-400-81020	\$350K	None
Eng. and Ops.	Authorize contract amendment to PCS with Cramer Fish Sciences to complete pre-implementation studies	Y	050-600-52220	\$196K	None
Lake Piru Rec. Area	Approving District to procure a new vehicle to be used by the Chief Park Ranger and Interim Chief Operations Officer	Y	020-200-80510	\$60K	None
Lake Piru Rec. Area	Approving General Manager execution of an agreement with Bellingham Marine Industries, Inc., to design and replace the Lake Piru Recreation Area Marina	N	Reserves	<\$100K	None
TOTAL				\$1.9M	



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Finance Department

- Financial audit is beginning the second week of December.
- New District credit cards have been implemented and distributed.
- New vehicle was purchased for the General Manager. The old vehicle will replace one of the 20-year-old vehicles at Santa Felicia Dam.
- Groundwater team is researching unregistered wells and non-reporting wells for potential action.
- Staff is working with Operations to identify fleet management software to manage District fleet.
- “Brown Bag” Budget Workshop held to kick off 2024-25 budget season.



“Brown Bag” presentation on Budget Development
by CFO Brian Zahn held on 11/29/23



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Administrative Update

Josh Perez
Chief Human Resources Officer

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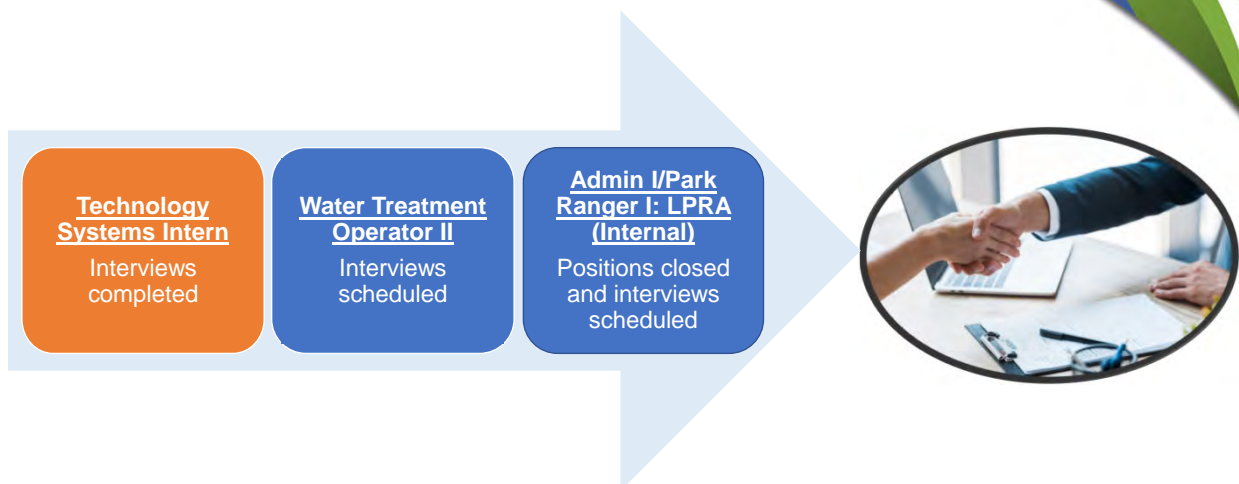
Human Resources

- Working on recruitments for the following positions:
 - Technology Systems Intern
 - Park Ranger I
 - Administrative Assistant I for Recreation Area
 - Water Treatment Operator II
 - Water Treatment Operator III
- Promotions:
 - JD Smallwood - Operations Supervisor–Water Supply and Distribution
 - Kellen Everton - Recharge O&M Worker I
 - Todd Spencer - Park Ranger Cadet
- Attended the ACWA JPIA Human Resources Group Meeting at Cucamonga Valley Water District.
- Supported Palmdale Water District in the selection process of a Water Treatment Plant–Operations Supervisor.
- Processed exit documents for staff that submitted retirement paperwork.
- Continued enrollment for Health Equity Flexible Spending Account.
- Began preparations for personnel planning for next fiscal year.
- Commenced process for employee service awards to be awarded in January.



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Current Employee Recruitments



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Risk Management

- Re-certified HR and Tech Systems in Adult & Pediatric First Aid/CPR/AED.
- Coordinated Cybersecurity outreach efforts and participated in regional tabletop exercise as an observer.
- Established new documentation transfer process with FEMA and Cal OES for ongoing disaster recovery efforts.
- Met with Ventura County IT on regional radio network project to discuss MOU and future milestones.
- Collaborated with vendor and senior hydrologist in developing caution (public safety) high flow release signs deployed as part of our Pyramid Lake water release.
- Attended FEMA's Webinar on Planning Considerations for Cyber Incidents—Guidance for Emergency Managers.



Posted safety signs as part of the Pyramid Dam water release.



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Technology Systems

- Launched the UWCD Phone System, marking a significant milestone in our communication infrastructure upgrade.
- Assessed and prepared the installation of new wireless network equipment for Lake Piru Recreation Area and evaluated new color label software to improve our physical file system management.
- Provided technology support during the multi-day Santa Felicia Dam Improvement Projects, enhancing our capacity for large-scale infrastructure management.
- Upgraded the El Rio Firewall to the current release, conducted routine firewall maintenance, and engaged in Cybersecurity initiatives with Monthly Tree Landscaping and Critical Vulnerability Calls, aligning with National Cybersecurity Guidelines.



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