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February 5, 2024

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 David D. Boyer

Board of Directors
 United Water Conservation District

Subject: First Quarter Fiscal Year 2023-2024 Financial Reports

Dear Board Members:

Enclosed for your review are the District's Fiscal Year (FY) 2023-2024 First Quarter Financial Reports. These reports represent three months of financial information for District operations and Capital Improvement Project (CIP) updates (July 1 through September 30, 2023).

The report focuses primarily on the operating funds of the District and corresponding 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, 2023**, all 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 # 8000)***
Bakersfield Well and Pump completed the construction of Well No. 20. A contract with General Pump was executed for the pump and motor for the well.
- ***Freeman Diversion Expansion (CIP # 8001)***
Contracts were executed with GEI Consultants and Northwest Hydraulic Engineers (NHC) for the 60% design of the Hardened Ramp fish passage alternative. Operational Work Groups were convened consisting of consultants, special advisors, staff, and regulators.
- ***Santa Felicia Dam Outlet Works Rehabilitation (CIP # 8002)***
A new contract with GEI Consultants, Inc. (GEI) was fully executed in the amount of \$867,980 to develop the final design and bid documents. As of September 30, 2023, the final design was 19% complete. During this reporting period, progress meetings were held with GEI to review and discuss the design progress. Engineering Staff further reviewed and evaluated the proposed intake facility in relation to the historical discharges and reservoir levels, additional environmental constraints, and recommendations from the previous Board of Consultants (BOC) meeting. As a result, additional design changes are anticipated to be included in the final design. Engineering Staff also received and reviewed the Construction Manager, Black & Veatch (BV), 90% design review report. Staff participated in several meetings with BV to discuss construction sequencing, schedule, and construction bid strategies. In addition, a new amendment to Catalyst Environmental Solutions (Catalyst) contract in the amount of \$248,351 was fully executed to develop the 60% design of the new release channel. The 60% design of the new release channel is scheduled to be completed by the end of 2023.
- ***Santa Felicia Dam Probable Maximum Flood Containment (CIP # 8003)***
During this reporting period, Engineering Staff continued their review of the 60% design Technical Memorandums and attended progress meetings with GEI in preparation for the upcoming BOC meeting in November. As of September 30, 60% of the design was 83% complete. Engineering Staff began preparation for the upcoming Design Potential Failure Mode Analysis (PFMA) that is scheduled to be held on January 22-25, 2024. The Design PFMA will be a four-day workshop which will be facilitated by BV and will likely include the Federal Energy Regulatory Commission (FERC), GEI, California Department of Water Resources Division of Safety of Dams (DSOD), various subject matter experts, and District staff.
- ***Santa Felicia Dam Sediment Management (CIP # 8005)***
No updates to report.



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

As of September 30, 2023, construction is approximately 95% complete. During this quarter, weekly coordination meetings were held between Engineering Staff and the District's construction manager (HDR) and weekly construction progress meetings were hosted by HDR and attended by GSE Construction (contractor), Taft Electric (subcontractor), Kennedy Jenks (KJ) Consultants (design engineer) and Engineering and O&M Staff. GSE submitted four (4) submittal packages and four (4) Requests for Information (RFIs) that HDR and KJ reviewed and provided responses. Thirty-nine (39) Change Orders (COs) have been fully executed to date in the total amount of \$1,437,652.08 which represents 15.4% of the original construction contract amount of \$9,342,900. Four (4) of these COs amount to \$662,910.19 or 7.1% of the original contract amount are directly related to compliance with the Buy American Act (BAA) which is a federal grant requirement (the project was not originally bid with this requirement in place). Start-up and testing activities continued through September 2023 and successful Iron and Manganese removal was achieved as confirmed by third-party laboratory testing. Construction activities that are still pending are completion of start-up and testing activities, asphalt pavement installation, construction punch list items, and completion of Division of Drinking Water (DDW) and Federal and State grant deliverables.

- ***Freeman Conveyance System Upgrade–Freeman to Ferro Recharge Basin (CIP # 8018)***

NHC and its sub-consultant Gannett Fleming delivered 90% design drawings for the Three Barrel Culvert. Staff issued a Task Order to HDR for the conceptual design of a water conveyance system from Noble Basin No. 3 to the Ferro Basin.

- ***Extraction Barrier and Brackish Water Treatment (CIP # 8019)***

Several agreements are in process including: (1) 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). This amendment is pending site approval by the Navy which is expected to be done by late-2023. (2) The Navy provided the final draft Memorandum of Agreement (MOA) between UWCD and the Navy to develop roles and responsibilities for the Phase 1 project which has been reviewed by both parties' legal counsels. The MOA will be executed by UWCD's General Manager and Admiral Rosen and presented to the Board of Directors as an informational item in late-2023. (3) The draft Letter of Request (LOR) initiating the Navy's real estate process for an outgrant easement for the Phase 1 project was prepared and submitted to the Navy for review and comment on May 9, 2023. Revisions are currently underway including one extraction well site relocation (EBB2) which will be resubmitted to the Navy in late 2023.

Activities related to grants include: (1) the District held a kick-off meeting with State Water Resources Control Board (SWRCB) Division of Financial Assistance (DFA) staff for the grant award of \$8,449,062 that was approved on March 6, 2023, for the Phase 1 project. Execution of the grant agreement is anticipated by December 2023. The District submitted a grant application on June 23 with assistance from KJ requesting \$20M in Federal funding assistance under the Defense Community Infrastructure Program (DCIP) provided by the Office of Local Defense Community Cooperation. This included a third-party cost validation prepared by HDR. The maximum grant award is \$20 million with a 30% local cost match requirement. The District received notice on August 8, 2023, and a meeting has been requested with the OLDCC to review the application in October 2023.



Held weekly internal meetings between Engineering, Environmental, and Water Resources staff to discuss progress on agreements with the Navy (MOA, Outgrant Easement), grants (SGM, GWGP, DCIP), CEQA/NEPA documentation preparation, permitting agency engagement, discharge, and pipeline alternatives evaluation, well site suitability analysis, coastal water quality sampling and groundwater flow modeling. Held NEPA/CEQA “Drumbeat” Meetings with District, ESA Consultants and Navy NEPA staff and Subject Matter Experts (SMEs). District staff held bi-weekly progress meetings with the Phase 1 project design team, Kennedy/Jenks Consultants and the CEQA and permitting team, ESA Consultants. Held monthly progress meetings with Navy staff to discuss priority items including finalization of the MOA, LOR for an Outgrant Easement, monitoring well design and installation progress, finalization of the Discharge Alternatives TM, draft Pipeline Alternatives TM, and progress of environmental surveys within the Mugu Lagoon.

ESA Consultants is developing a scope of work for Mugu Lagoon environmental surveys and studies as needed. ESA Consultants is currently developing the CEQA Project Description for the Phase 1 project. District staff is in the process of soliciting proposals to conduct geotechnical exploration activities and prepare a geotech report along the proposed pipeline alignments and extraction well sites.

- ***Rice Ave. Overpass PTP (CIP # 8021)***

On February 10, 2023, CalTrans (Plaintiff) filed an action to acquire portions of UWCD’s property at PTP Well Site No. 4 by eminent domain, including a permanent easement of 3,000 sq. ft. (Fee Acquisition) indicated as Parcel No. 81216-1 and a Temporary Construction Easement (TCE) consisting of 1,436 sq. ft. indicated as Parcel No. 81216-2. On May 26, 2023, the Plaintiff filed a Motion for Order of Possession of the Fee Acquisition and TCE against UWCD (defendant). United’s Legal Counsel visited the site on May 17 to develop a better understanding of the impacts on the site footprint and prepared a draft declaration for Staff review on June 22, 2023. Staff reviewed and submitted the signed declaration to the legal counsel. On June 23, 2023, UWCD opposed the motion because the TCE/Fee Acquisition would restrict adequate access to and from the site and limit the maintenance and repair activities at the well site during and after construction of the Project. A court hearing with CalTrans was scheduled for August 30. Both the Chief Engineer and Engineering Manager attended the court hearing. Despite the dispute, Plaintiff and UWCD agreed to prepare a Stipulation to satisfy UWCD’s alleged need to have adequate access and/or room to be able to maintain/repair Well Site No. 4, while also allowing Plaintiff to have pre-judgment possession of the TCE/Fee Acquisition to facilitate the Project. A joint stipulation dated September 13, 2023, was reached between United and CalTrans on the ingress and egress around the PTP Well Site No. 4. Additionally, United received a letter from the City of Oxnard on September 12 confirming that during the construction of the project, United will be given access to the site. In addition, the City committed to include in the construction contract specifications for the project a condition allowing UWCD access the site through the existing farm area located along the southerly side of the site.

- ***PTP Metering Improvement Project (CIP # 8022)***

Total number of meters installed: 45 of 60 or 75% complete. An additional eight (8) meter installations are planned by late-2023 (Turnout Nos. 102, 109, 113, 114, 132, 134, 161, 162). Easement acquisition completion: 33 of 40 obtained or 82.5% complete. Utility easement deeds for Turnout Nos. 147 and 161 have been filed with the County Clerk and Recorder’s Office. Additional property owners related to Turnout No. 120 have signed the utility easement deed. There are over 20 signatories to the utility easement deed. Litigation at the property that is served



by Turnout No. 107 has been completed. There is a new property owner that can now execute a utility easement deed. Hamner Jewell and Associates (HJA) is working with the new owner's attorney. Minor language modifications have been requested for the utility easement deed related to Turnout Nos. 145, 147, 150, 156 and 161. The modifications are considered non-substantial and the District plans to proceed with execution. The property owner for Turnout Nos. 145, 150 and 156 has requested a site meeting to discuss the project before signing the utility easement deeds. The property owners at Turnout Nos. 142, 144 and 154 have been non-responsive or non-cooperative and District staff will review options for proceeding forward.

- ***State Water Interconnection (CIP # 8025)***

Staff met with the City of Ventura (City), and their consultant, Stantec to discuss the locations of United's turn outs of the Interconnection on June 6. United discussed the proposed location of the turnout on Rose Avenue and proposed an additional blow off in the Ferro recharge basin for flush water discharge. Staff met with the City of Ventura on August 3 to discuss the 60% design plans. Staff provided feedback on the plan details associated with the proposed turnout and blow off facilities at Noble Basin. The City requested temporary construction and permanent easements from the District and provided Staff with two utility easement deed templates (The City' Easement Deed for water lines and United's utility easement deed templates) to choose from. The legal counsel reviewed the two templates and provided comments and recommended revisions to be included in the City's easement deed template that appears to be more appropriate for this request. Staff provided comments to the City for their consideration and inclusion in the City's easement template. Staff requested the City to prepare two separate easement deeds; one for the permanent easement and a separate one for the temporary construction easement.

- ***Replace El-Rio Trailer (CIP # 8028)***

The vendor who I've been dealing with, Sunshine Homes, is working up a price this week for the modular home that will potentially replace the current EL Rio break room trailer. The cost of the home, permit fees, and construction costs will be in the range of \$280,000. This CIP is scheduled to be completed in FY 2023/2024.

- ***Asset Management System/CMMS System (CIP # 8041)***

No update to report.

- ***PTP Recycled Water Connection – Laguna Road Pipeline (CIP # 8043)***

A new contract with MKN & Associates, Inc. (MKN) in the amount of \$298,352 was fully executed to develop the final design of Phase 1 of the PTP Recycled Water Connection, Laguna Road Pipeline Project, and 30% design of Phase 2 of the new booster pump station. During this reporting period, Engineering Staff attended progress meetings, discussed hydraulic model concerns, and prepared and submitted the requested data related to the PTP system to MKN. As of September 30, the final design of Phase 1 is 13% complete. Engineering Staff also attended coordination meetings with Pleasant Valley County Water District and UWCD to review and discuss the draft agreement for the recycled water delivery.

- ***Piru Early Warning System Replacement (CIP # 8058)***

This CIP is being deferred. The resources are being reallocated to the radio system upgrade, which is directly related to the early warning system. The CIP will remain in the budget and additional resources will be requested in FY 2024/2025.



- **OH Well 13 Rehabilitation (CIP # 8059)**
 No updates to report this quarter.
- **OH Well 14 Energy Efficiency Upgrades (CIP # 8060)**
 No updates to report this quarter.

CASH POSITION AND INVESTMENTS OF THE DISTRICT

As of September 30, 2023, the District had a total of \$41.1M 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:

	Sep-23	Sep-22
Bank of Sierra	\$ 3,539,638	\$ 3,707,294
Citizens Business Bank	\$ 4,409,150	\$ -
US Bank - 2020 COP Bond Balance	\$ 5,978,766	\$ 10,137,144
Petty Cash	\$ 4,400	\$ 4,400
County Treasury	\$ 1,712	\$ 1,712
LAIF Investments	\$ 27,209,962	\$ 31,475,302
Total	\$ 41,143,628	\$ 45,325,852

The only current restriction is the \$6.0M 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,

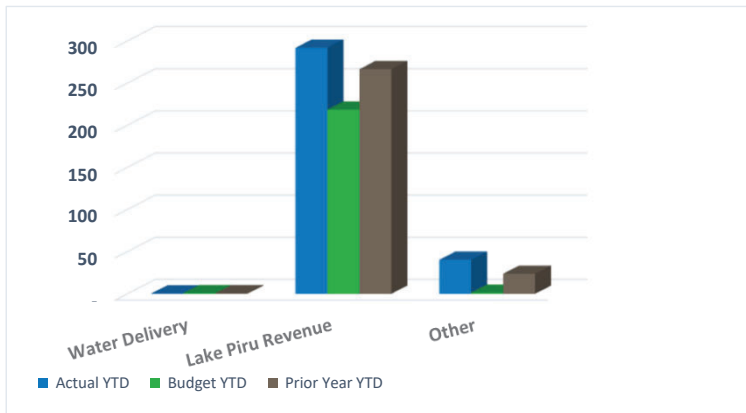
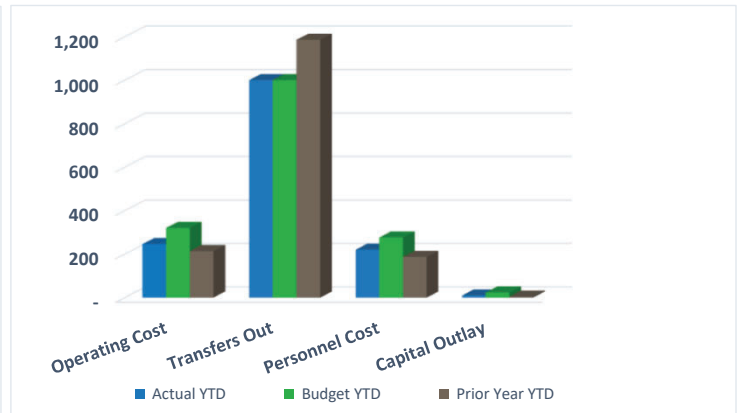
Brian H. Zahn
 Chief Financial Officer

FY 2023-24 First Quarter Financial Review

July 1, 2023 through September 30, 2023

25% of Fiscal Year Completed
Recreation Sub-Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	0	1	(0)	-42%	1	(0)	-40%
Earnings on Investments	0	0	0	0%	0	0	0%
Lake Piru Revenue	292	219	73	34%	267	25	9%
Other	40	1	39	2895%	24	17	70%
Total Revenues	333	221	112	51%	291	42	14%
Expenses							
Personnel Costs	221	277	(56)	-20%	187	33	18%
Operating Expenditures	246	321	(75)	-23%	214	33	15%
Capital Outlay	10	24	(14)	-58%	4	6	131%
Transfers out	1,001	1,001	0	0%	1,186	(186)	-16%
Total Expenses	1,477	1,622	(145)	-9%	1,591	(114)	-7%
Net Surplus / (Shortfall)	(1,145)	(1,401)	257	-18%	(1,300)	156	-12%

 Revenues
(\$ thousands)

 Expenses
(\$ thousands)

Revenue Status vs. Budget

- Operational Revenue received through First Quarter above Budget by \$112K (51%) due to higher Day Use, Camping, Boating fees and reservations.

Revenue Status vs. Prior Year

- First Quarter Operational Revenue \$42K (14%) higher due to increased day use and reservations in the Current Year.

Appropriation/Expenditure Status vs. Budget

- Total expenditures of \$1.5M, \$145K (9%) under Budget primarily due to Operating Expenditures \$75K. Professional Fees \$35K under due to under-utilized Grant Solicitation and Legal fees. Maintenance \$58K due to Land Maintenance not being needed in Q1 but expected to be fully utilized by end of the fiscal year. Office Expense \$7K and Overhead \$28K due to timing differences.
- Contributing to the variance is Salaries and Benefits \$56K due to vacant Park Ranger and Seasonal Park Ranger positions.
- Savings are partially offset by an increase in Insurance Premiums of \$26K.

Appropriation/Expenditure Status vs. Prior Year

- Expenditures are \$114K (7%) lower than Prior Year primarily due to CIP Transfers Out \$186K in PY for the Lake Piru Campground and Recreation Area Renovations.
- Decrease slightly offset by an increase in Operating Expenditures \$33K (15%) due to higher Miscellaneous Expenses \$21K and Utilities \$17K in Prior Year. Contributing to the variance is higher Salaries and Benefits \$33K (18%) due to the Board Approved 4%

FY 2023-24 First Quarter Financial Review

July 1, 2023 through September 30, 2023

25% of Fiscal Year Completed

General/Water Conservation Fund - Continued

Appropriation/Expenditure Status vs. Budget

- Total Expenditures were \$12M, \$4M (25%) under Plan primarily due to CIP Transfers Out \$2.5M lower than budget due to expected FEMA reimbursement. Contributing to the variance are Operating Expenditures \$1.6M (44%) under budget. Professional Fees \$1M savings from under-utilized Admin consulting and legal budget, Environmental Services FERC – Fish Passage and CESA Fisheries due to timing difference of invoices. Overhead costs \$375K under due to timing difference. Savings in Maintenance \$70K, Office Expense \$87K and Travel \$35K expected to be fully utilized by the end of the fiscal year. Principal payments \$151K due to 2020 COP Payments budgeted as expense but paid to liability. Interest expense \$178K 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 \$307K and Salaries and Benefits \$113K.

Appropriation/Expenditure Status vs. Prior Year

- Expenditures are \$4.1M (50%) higher than Prior Year, primarily due CIP transfers out \$3.8M for the FEMA related Projects. Operating expenditures were up \$271K (15%) due to higher Environmental Professional Fees \$46K, Overhead Costs \$55K, and Maintenance Expense \$39K. Also contributing to the variance are higher Salaries and Benefits \$38K due to Board Approved 4% COLA increase and annual merit increases.
- Offsetting these increases were lower Capital Outlay expenditures \$11K (19%) due to the equipment purchased in Prior Year.

Fund Balance

The projected ending undesignated working capital balance at the end of FY 23-24 is approximately \$2M.

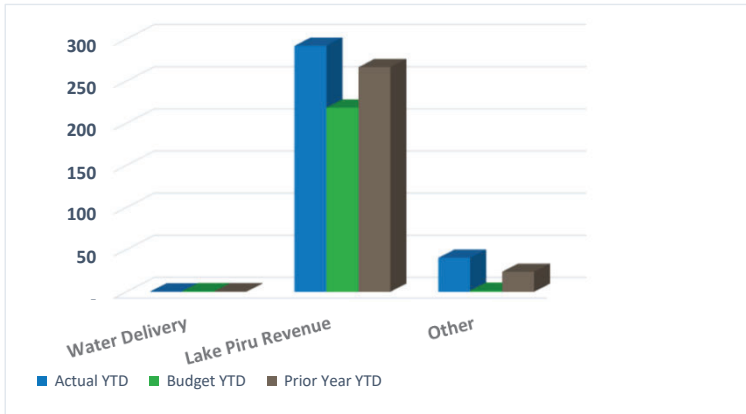
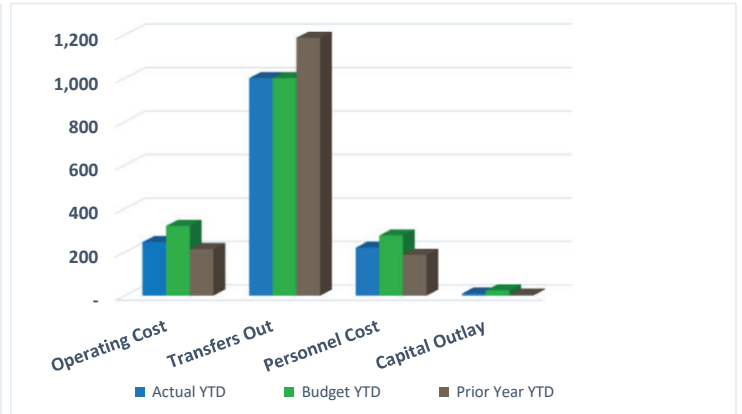
The District's reserve policy requires a \$4 - \$5 million minimum undesignated balance. If the expected expenditures are realized, the fund is expected to finish the year under the District anticipated reserves.

FY 2023-24 First Quarter Financial Review

July 1, 2023 through September 30, 2023

25% of Fiscal Year Completed
Recreation Sub-Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	0	1	(0)	-42%	1	(0)	-40%
Earnings on Investments	0	0	0	0%	0	0	0%
Lake Piru Revenue	292	219	73	34%	267	25	9%
Other	40	1	39	2895%	24	17	70%
Total Revenues	333	221	112	51%	291	42	14%
Expenses							
Personnel Costs	221	277	(56)	-20%	187	33	18%
Operating Expenditures	246	321	(75)	-23%	214	33	15%
Capital Outlay	10	24	(14)	-58%	4	6	131%
Transfers out	1,001	1,001	0	0%	1,186	(186)	-16%
Total Expenses	1,477	1,622	(145)	-9%	1,591	(114)	-7%
Net Surplus / (Shortfall)	(1,145)	(1,401)	257	-18%	(1,300)	156	-12%

Revenues
 (\$ thousands)

Expenses
 (\$ thousands)

Revenue Status vs. Budget

- Operational Revenue received through First Quarter above Budget by \$112K (51%) due to higher Day Use, Camping, Boating fees and reservations.

Revenue Status vs. Prior Year

- First Quarter Operational Revenue \$42K (14%) higher due to increased day use and reservations in the Current Year.

Appropriation/Expenditure Status vs. Budget

- Total expenditures of \$1.5M, \$145K (9%) under Budget primarily due to Operating Expenditures \$75K. Professional Fees \$35K under due to under-utilized Grant Solicitation and Legal fees. Maintenance \$58K due to Land Maintenance not being needed in Q1 but expected to be fully utilized by end of the fiscal year. Office Expense \$7K and Overhead \$28K due to timing differences.
- Contributing to the variance is Salaries and Benefits \$56K due to vacant Park Ranger and Seasonal Park Ranger positions.
- Savings are partially offset by an increase in Insurance Premiums of \$26K.

Appropriation/Expenditure Status vs. Prior Year

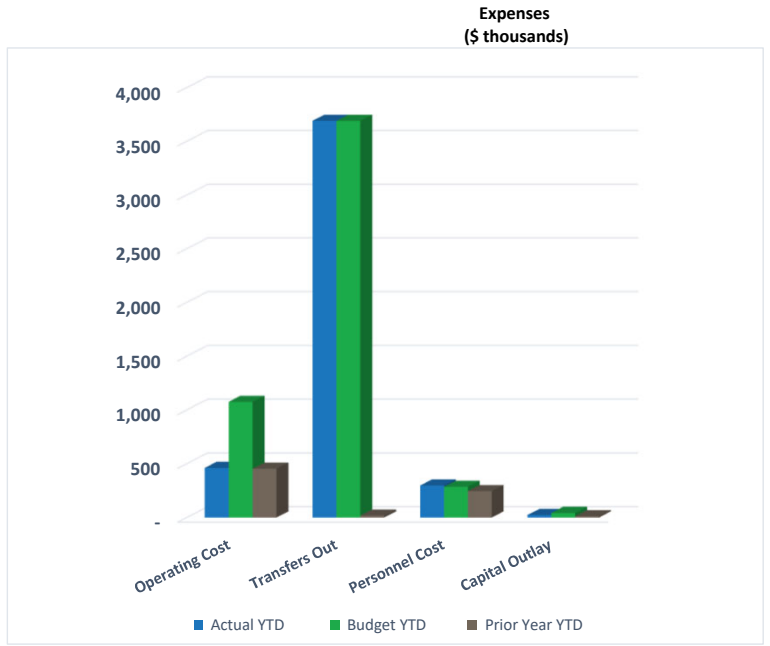
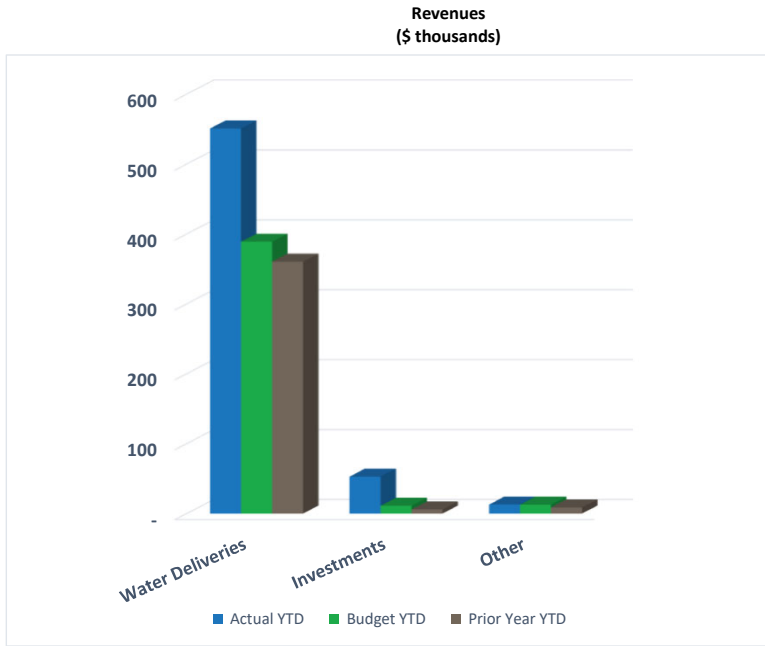
- Expenditures are \$114K (7%) lower than Prior Year primarily due to CIP Transfers Out \$186K in PY for the Lake Piru Campground and Recreation Area Renovations.
- Decrease slightly offset by an increase in Operating Expenditures \$33K (15%) due to higher Miscellaneous Expenses \$21K and Utilities \$17K in Prior Year. Contributing to the variance is higher Salaries and Benefits \$33K (18%) due to the Board Approved 4%



FY 2023-24 First Quarter Financial Review
 July 1, 2023 through September 30, 2023
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	(9)	0	(9)		(2)	(7)	380%
Water Delivery	551	389	162	42%	360	190	53%
Earnings on Investments	53	11	42	375%	6	47	813%
Other	13	13	0	2%	23	(10)	-43%
Transfers in	0	0	0	0%	0	0	0%
Total Revenues	608	413	195	47%	387	221	57%
Expenses							
Personnel Costs	298	286	12	4%	245	53	22%
Operating Expenditures	460	1,075	(614)	-57%	453	7	2%
Capital Outlay	23	42	(19)	0%	11	12	106%
Transfers out	3,690	3,690	0	0%	17	3,673	21311%
Total Expenses	4,472	5,093	(621)	-12%	726	3,745	516%
Net Surplus / (Shortfall)	(3,864)	(4,680)	816	-17%	(340)	(3,524)	1038%



Revenue Status vs. Budget

- Revenue received First Quarter \$608K, up \$195K (47%) primarily due to Pipeline deliveries up \$162K (42%) which was 1,913AF over Plan for all routes. LAIF to Market value adjustment also up \$42K.

Revenue Status vs. Prior Year

- Current Year higher by \$221K (57%). The increase is primarily due to Pipeline deliveries up \$190K (53%) which is 272AF more than Prior Year. Earnings on investments are also up \$47K.
- Slightly offsetting increase is are lower late fees collected by \$10K in the current year.



FY 2023-24 First Quarter Financial Review

July 1, 2023 through September 30, 2023

25% of Fiscal Year Completed

Freeman Diversion Fund (Zone B) - continued

Appropriation/Expenditure Status vs. Budget

- Total expenditures through First Quarter are \$4.5M, which is \$621K (12%) below Plan. Savings predominantly in Operating Expenditures of \$614K (57%). Under-utilized Environmental Services \$135K, Admin Legal Services \$190K and Overhead costs \$107K all due to timing difference. Additional items under budget are Permits \$12K, Misc. Expenses \$31K and Water Chemical \$16K. Principal payments \$143K due to 2020 COP payments budgeted as expense but paid directly to liability.
- Savings are partially offset by increase in Salaries and Benefits \$12K and Insurance Premiums \$90K due to payments higher than originally allocated amount.

Appropriation/Expenditure Status vs. Prior Year

- Total Expenditures are \$3.7M higher than Prior Year. The variance is largely due to higher CIP transfers out \$3.6M related to the Freeman Expansion Project.
- Contributing to the variance is higher Capital Outlay of \$12K due to a desilt exit gate actuator purchased in current year. Salaries and Benefits \$53K (22%) higher than PY due to Board approved 4% COLA increase, annual merit increases and unfunded liability payment. Additional increases in Insurance Expense \$8K, Maintenance \$45K and Overhead Costs \$15K.

Fund Balance

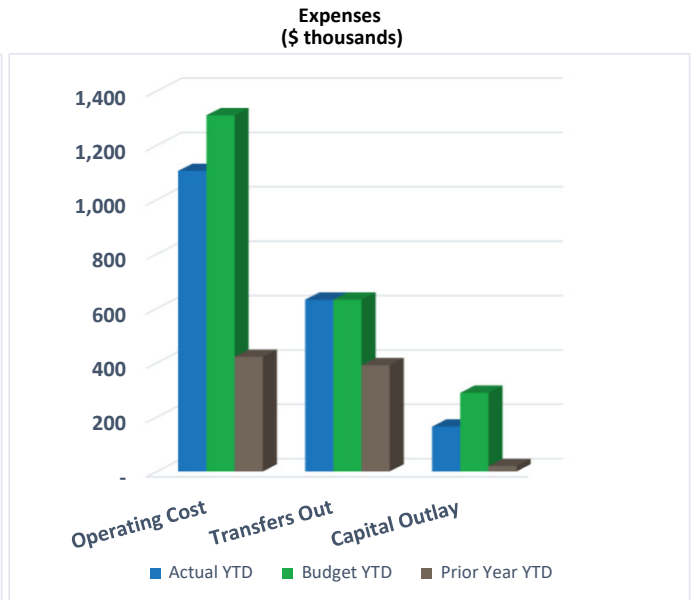
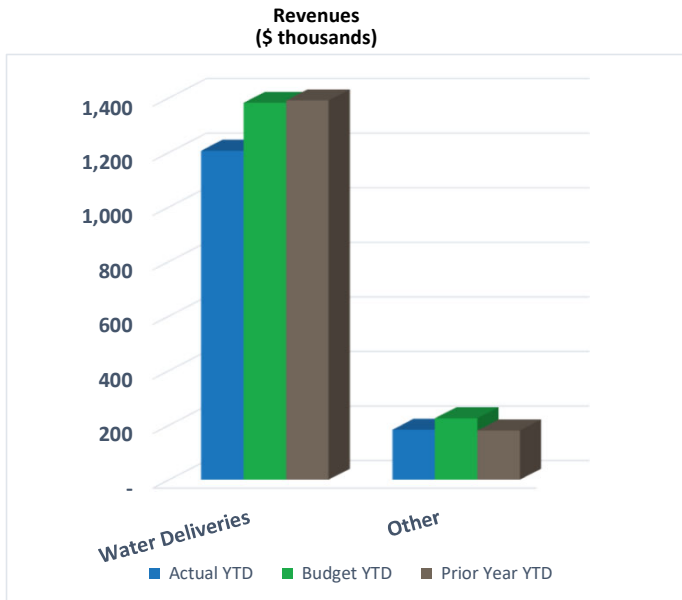
- The projected ending undesignated working capital balance at the end of FY 23-24 is approximately \$67K.
- The District's reserve policy requires an undesignated balance of \$1.5M.

FY 2023-24 First Quarter Financial Review
July 1, 2023 through September 30, 2023

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	1,206	1,382	(176)	-13%	1,390	(184)	-13%
Earnings on Investments	38	16	22	141%	59	(22)	-36%
Grants	0	63	(63)	-100%	4,345	(4,345)	-100%
Other	145	209	(64)	-31%	121	24	20%
Total Revenues	1,389	1,669	(280)	-17%	5,916	(4,527)	-77%
Expenses							
Personnel Costs	357	256	102	40%	292	65	22%
Operating Expenditures	748	1,054	(306)	-29%	129	619	479%
Capital Outlay	165	289	(124)	-43%	20	145	731%
Transfers out	632	632	(0)	0%	391	241	62%
Total Expenses	1,902	2,231	(329)	-15%	832	1,070	129%
Net Surplus / (Shortfall)	(514)	(562)	49	-9%	5,084	(5,597)	-110%



Revenue Status vs. Budget and vs. Prior Year

- Total Revenue \$280K (17%) under Budget for the first quarter of FY 2023-24, which was primarily due to a decrease in Water Delivery Revenue.
- Water Delivery Revenue \$176K (13%) lower than Budget; 484 AF (17%) less delivered than Plan. Deliveries less than prior year's first quarter by 284 AF (\$103K).
- Fox Canyon revenues are also below budget \$69K (35%) due to the decrease in water deliveries. Conversely, Fox Canyon revenue was up \$24K (23%) over the prior year due to GMA rate increase.
- Grant Revenue below Budget by \$63K due to timing of grant funds received related to Iron and Manganese Project.
- Compared to the prior year, Grant Revenue \$4.3M lower due to multiple grants being completed

FY 2023-24 First Quarter Financial Review
July 1, 2023 through September 30, 2023

25% of Fiscal Year Completed

Oxnard Hueneme Pipeline Fund - continued

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

- Total Expenses \$329K under Budget for the first quarter of FY 2023-24, which was primarily due to lower-than-expected Operating (\$306K) and Capital Outlay Expenditures (\$124K).
- Utilities \$104K below Budget due to lower water deliveries, which resulted in less electricity used for pumping.
- Contractual Services (\$36K) below Budget due to OH infrastructure analysis being delayed.
- Maintenance Cost (\$59K) were also lower than Plan but expected to pick up later in the fiscal year.
- Overhead Cost \$99K under Budget but projected to be utilized by end of the fiscal year.
- Principal payments \$71K under Plan due to payments budgeted as expense but paid directly to liability.
- Offsetting this is Insurance Expense (\$90K) and Personnel Cost (\$102K), which was primarily due to SDRMA and Unfunded Liability payments being paid in July, but budgets distributed evenly throughout the entire fiscal year.
- Compared to the last fiscal year, Personnel Cost (\$65K), Operating Expenditures (\$619K), Capital Outlay (\$145K), and Transfers Out (\$241K) were higher in FY 2023-24.
- Fox Canyon fees were budgeted in Q2 in the current fiscal year and budgeted throughout the fiscal year in the prior year. In addition, there was a credit accrual for delayed GMA payments in FY 2022-23 Q1, which resulted in a \$302K variance between the two fiscal years.
- Utilities (\$170K), Insurance Expense (\$41K), and Water Treatment Chemicals (\$41K) were also higher in FY 2023-24 compared to the previous fiscal year. This was due to an increase in prices in the current fiscal year.

Fund Balance

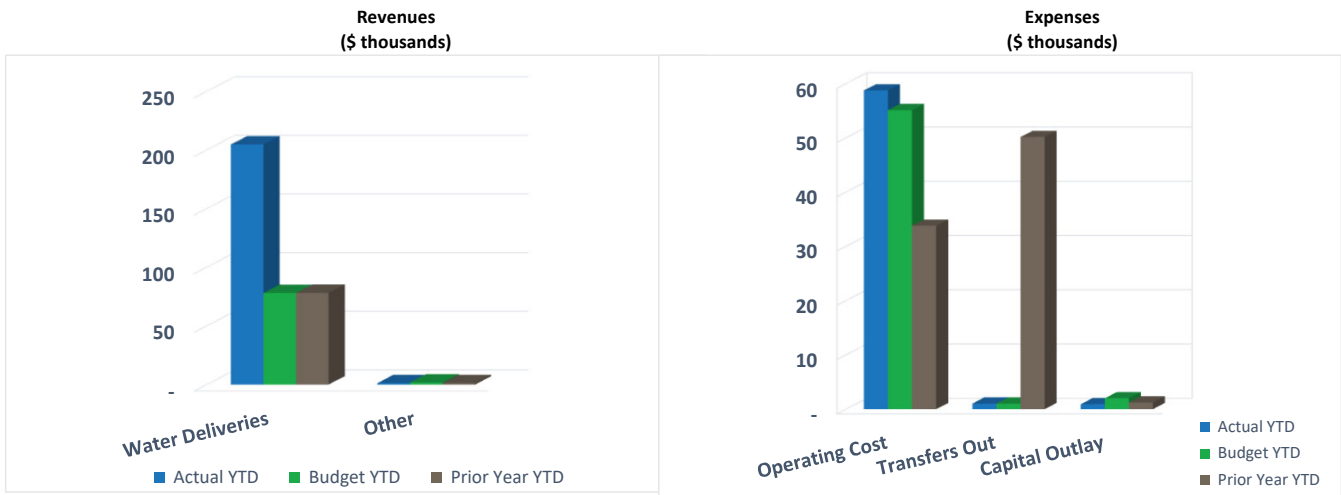
- The projected ending undesignated working capital balance for FY 23-24 is approximately \$510K.
- The District's reserve policy requires an undesignated balance of \$1.1M for this fund, which is not expected to be met.

FY 2023-24 First Quarter Financial Review

July 1, 2023 through September 30, 2023

25% of Fiscal Year Completed
Pleasant Valley Pipeline Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	205	78	127	162%	78	127	162%
Earnings on Investments	16	4	13	343%	8	8	103%
Other	1	2	(0)	-28%	1	0	1%
Total Revenues	222	84	139	166%	87	135	154%
Expenses							
Personnel Costs	30	16	14	88%	17	13	80%
Operating Expenditures	29	39	(10)	-26%	17	12	68%
Capital Outlay	1	2	(1)	0%	1	(0)	
Transfers out	1	1	0	0%	50	(49)	-98%
Total Expenses	61	58	3	4%	85	(24)	-29%
Net Surplus / (Shortfall)	162	25	136	537%	2	159	7134%


Revenue Status vs. Budget and vs. Prior Year

- Revenue received in Q1 exceeds budgeted by 166% (\$139K) predominately due to Water Delivery \$127K (162%) over budget (2,303AF delivered).
- Revenue is up \$135K from prior fiscal year due mainly to Water Delivery revenue \$127K (162%) as there was no water delivered in Q1 of FY 22-23. Also up \$8K in Earnings on Investments due to the GAAP market value adjustment to LAIF.

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

- Operating expenditures under budget by \$10K (26%) in First Quarter. Variance due to maintenance \$8K lower than Budget due to emergency funds not being needed but expected to be utilized by end of the fiscal year. Offsetting savings are Personnel Costs which are \$14K over plan.
- Compared to prior year, Operating Expenditures have increased \$12K primarily due to higher electricity expense that what was budgeted. Salaries and benefits are also up \$13K from prior year.

Fund Balance

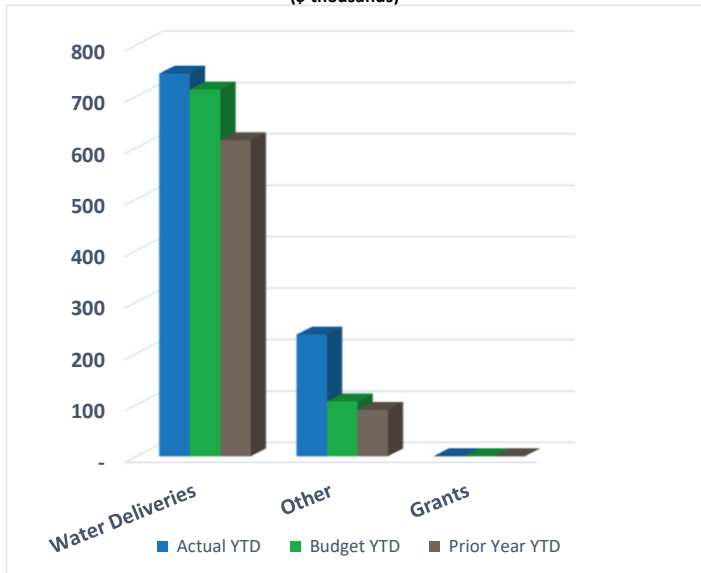
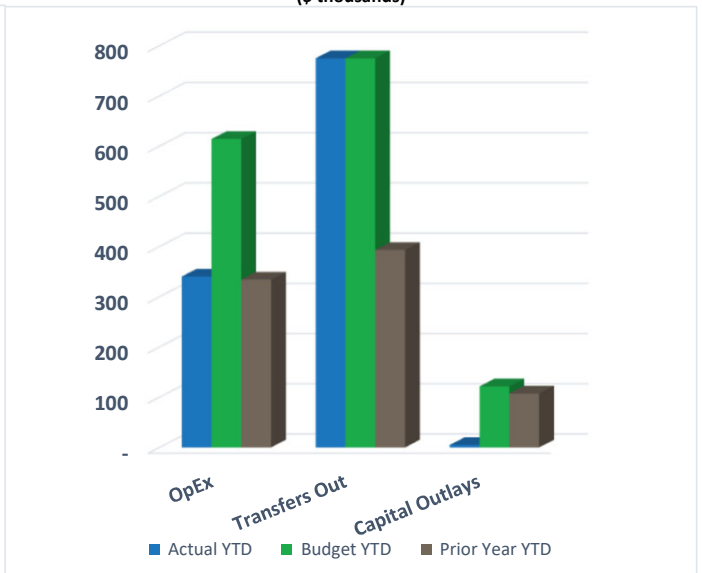
The projected ending undesignated working capital balance at the end of FY 23-24 is approximately \$807K. The District's reserve policy requires a \$288K minimum undesignated balance which is projected to be met.

FY 2023-24 First Quarter Financial Review

July 1, 2023 through September 30, 2023

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	744	713	31	4%	614	130	21%
Earnings on Investments	34	8	26	328%	27	7	25%
Grants	0	0	0		0	0	0%
Other	203	99	104	105%	63	139	221%
Total Revenues	981	820	161	20%	705	276	39%
Expenses							
Personnel Costs	119	93	26	28%	135	(16)	-12%
Operating Expenditures	222	522	(300)	-58%	200	22	11%
Capital Outlay	5	122	(117)	-96%	107	(102)	
Transfers out	775	775	0	0%	393	382	97%
Total Expenses	1,120	1,511	(390)	-26%	835	285	34%
Net Surplus / (Shortfall)	(140)	(691)	551	-80%	(130)	(10)	7%

 Revenues
 (\$ thousands)

 Expenses
 (\$ thousands)

Revenue Status vs. Budget

- Revenue received through Q1 \$981K, up \$161K (20%). The increase is due higher LAIF to Market value adjustment \$26K and transfers in of \$198K. Offsetting the increase was Fox Canyon fees which were \$94K under budget as there were significant surface water deliveries in Q1.

Revenue Status vs. Prior Year

- Revenue up \$276K (39%) from prior year. This is primarily due to higher transfers in of \$198K and \$130K (21%) increase in water delivery. There was 33AF less delivered in FY 23-24 but an increase in rates resulted in higher revenue.



FY 2023-24 First Quarter Financial Review

July 1, 2023 through September 30, 2023

25% of Fiscal Year Completed

Pumping Trough Pipeline Fund - continued

Appropriation/Expenditure Status vs. Budget

- Total expenditures through Q1 are \$1.1M, \$390K (26%) below budget primarily due to lower Operating Expenditures \$300K (58%). Maintenance is \$57K under budget due to emergency funds not being needed in the First Quarter as well as delayed projects. Overhead costs \$48K and Utilities \$103K under due to timing difference. Principal payments \$88K under due to 2020 COP payments budgeted as expense but paid directly to liability.
- Contributing to the variance is Capital outlay is \$117K lower than anticipated due to fewer than planned PTP isolation valves and VFD replacements. Professional fees also underutilized by \$19K.
- Slightly offsetting the savings is an increase in Insurance Premiums of \$36K and benefits over plan by \$44K due to unfunded liability payment.

Appropriation/Expenditure Status vs. Prior Year

- Compared to last fiscal year, expenditures are higher by \$285K (34%) predominantly due to higher CIP transfers out of \$382K for PTP Recycled Water Connection and Critical Well Environmental projects. Additionally, Operating Expenditures up \$22K due to Fox Canyon accrual in prior year.
- Offsetting expenditures is decrease in Capital Outlay from prior year of \$102K due to a delay in PTP isolation valves being replaced.

Fund Balance

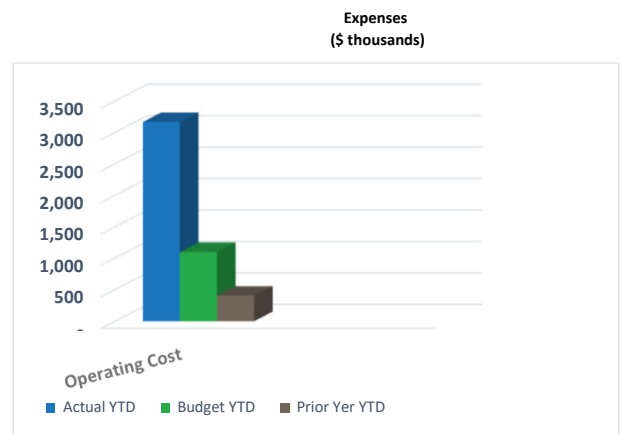
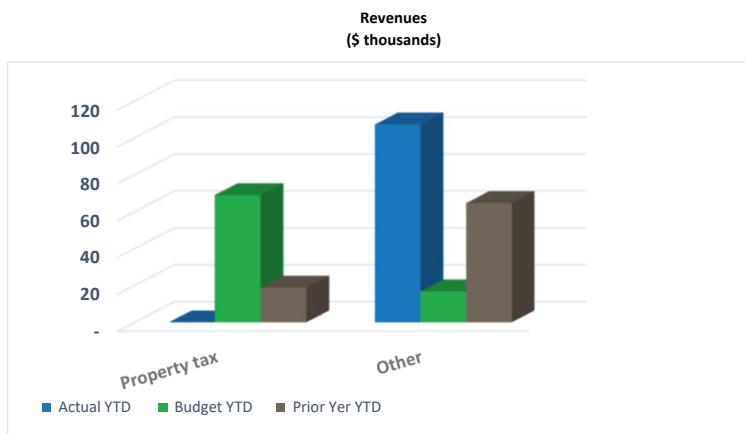
- The projected ending undesignated working capital balance is approximately \$(298K).
- The District's reserve policy requires an undesignated balance of \$1M for this fund.



FY 2023-24 First Quarter Financial Review
 July 1, 2023 through September 30, 2023
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	107	17	91	540%	64	43	66%
Property Taxes	0	69	(69)	-100%	19	(19)	-100%
Total Revenues	107	86	22	25%	83	24	29%
Expenses							
Personnel Costs	0	0	0	0%	0	0	0%
Operating Expenditures	3,165	1,100	2,066	188%	404	2,761	683%
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	3,165	1,100	2,066	188%	404	2,761	683%
Net Surplus / (Shortfall)	(3,058)	(1,014)	(2,044)	202%	(321)	(2,737)	853%



Revenue Status vs. Budget and vs. Prior Year

- Revenue received through Q1 is above plan by \$22K (25%). This is primarily due to the higher interest received in LAIF investments of \$91K. Offsetting increase is lower property taxes by \$69K due to timing difference.
- Compared to Prior Year, revenue is up \$24K (29%) due to higher LAIF to Market Value adjustments.

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

- Total expenditures of \$3.1M over budget by \$2M (188%). This is primarily due to higher variable costs from State Water Purchases.
- Compared to Prior Year, expenditures are up by \$2.7M (683%). This is also due to higher fixed costs in FY 23-24.

Fund Balance

- The projected ending undesignated working capital balance for FY 23-24 is approximately \$7.7M. Assuming FY 2023-24 activity is consistent with the approved budget; the projected ending balance is higher than the District's fund reserve maximum of \$5.5M.
- 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 2023-24 First Quarter Financial Review

July 1, 2023 through September 30, 2023

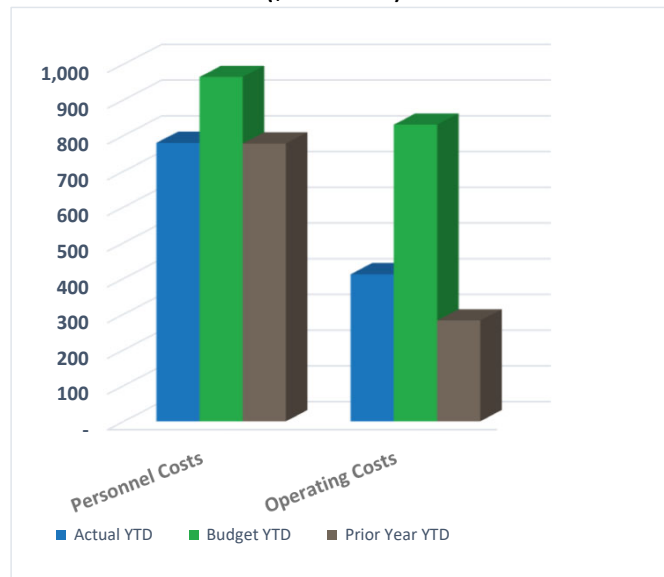
25% of Fiscal Year Completed

Overhead Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Expenses							
Personnel Costs	779	964	(185)	-19%	777	2	0%
Operating Expenditures	412	830	(419)	-50%	282	130	46%
Capital Outlay	0	88	(88)	0%	0	0	0%
Total Expenses	1,191	1,882	(692)	-37%	1,059	131	12%

Expenses

(\$ thousands)



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

- Expenditures under budget by \$692K (37%).
- The largest savings were in Professional Fees \$471K primarily due to Admin Consulting Fees and Legal Counsel being underutilized. Contributing to the variance are Salaries and Benefits \$185K under budget due to vacant Receptionist, Finance Manager and Finance Supervisor positions. Safety Supplies under \$11K and Travel \$14K are expected to be fully utilized by the end of the year. Slightly offsetting the savings are Office Expenses, which were \$86K over plan.
- Capital Outlay \$88K under budget due to the purchase of a Ceragon radio link replacement and a Siklu radio monitoring software which is expected to be purchased this year.
- Compared to prior year, Expenditures are lower by \$131K (12%). The variance is mainly due to office expenses lower by \$115K, travel \$5K and maintenance by \$14K.