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March 1, 2024

Board of Directors
United Water Conservation District

Subject: Second Quarter Fiscal Year 2023-2024 Financial Reports

Dear Board Members:

Enclosed for your review are the District's Fiscal Year (FY) 2023-2024 Second Quarter Financial Reports. These reports represent six months of financial information for District operations (July 1 through December 31, 2023) and Capital Improvement Project (CIP) updates (October 1 through December 31, 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 December 31, 2023**, all CIP expenditures are within the total amount appropriated by the Board.

The majority of the CIPs that have been funded are currently underway, either in the planning, design, or construction stages of the project.

- ***Well Replacement Program (CIP # 8000)***

This quarter, piping, electrical, the pump, column pipe, shaft and tube and discharge head were installed.

- ***Freeman Diversion Expansion (CIP # 8001)***

The Operational Plan was completed and submitted to the agencies. The Hardened Ramp 60% design plans were continued to be developed.

- ***Santa Felicia Dam Outlet Works Rehabilitation (CIP # 8002)***

On December 14, the Board of Directors approved an amendment to GEI Consultants (GEI) existing contract in amount of \$1,158,211 to complete the final design of the new outlet works. The total contract amount, including this amendment, is \$2,026,191. The amendment includes additional modifications to GEI's scope of work to (1) optimize flow releases from the lake during future dry periods, (2) implement and respond to the Project Construction Manager, Black & Veatch, review comments related to the constructability report and design plans in order to reduce risk and minimize change orders and cost overrun during construction, and (3) additional efforts required from GEI to complete and participate in the design Potential Failure Mode Analysis (PFMA) workshop. The design PFMA is required by the Federal Energy Regulatory Commission (FERC) to be completed prior to the start of construction.

Staff prepared a revised overall project schedule based on the anticipated completion dates of the environmental permitting. The revised schedule indicates the construction start date of the outlet works improvement project as July 2025. The revised schedule was submitted to the FERC and California Department of Water Resources Division Safety of Dams (DSOD) on October 30, 2023.

Staff participated in several meetings with the Construction Manager Black & Veatch to discuss the design PFMA workshop. The Design PFMA workshop is scheduled to be held at the District Headquarters on January 22-25, 2024. The completion of the Design PFMA prior to the start of construction is required by FERC.

Staff reviewed and commented on the 60% Design Report for lower Piru Creek New Release Channel prepared by the environmental consultant, Catalyst Environmental Solutions (Catalyst) and Stantec. The 60% Design Report of the New Release Channel will be included in the revised draft Biological Assessment (BA) submittal package. In addition, Staff reviewed and commented on the revised FERC license amendment documents prepared by GEI and Catalyst. The revised FERC license amendment application documents and the revised draft BA are scheduled to be submitted to FERC on January 2, 2024.



- ***Santa Felicia Dam Probable Maximum Flood Containment (CIP # 8003)***

On October 31, Staff submitted 60% design technical memorandums, reports, plans, and specifications to FERC, DSOD, and the Board of Consultants (BOC) in preparation for the Santa Felicia Dam Safety Improvement Project BOC meeting No. 8.

The BOC meeting was held at the District headquarters on November 15 and 16 with the participation from FERC, DSOD, GEI, Black & Veatch, and the District Staff. GEI presented the 60% design documents to the BOC and received a few comments and recommendations.

Following the BOC meeting and as required by FERC, Staff finalized and e-filed with FERC the BOC Final Report and updated BOC Comments Tracking Form that includes plan and schedule to address BOC recommendations. The BOC final report was submitted to FERC and DSOD on December 14 and 19 respectively.

- ***Santa Felicia Dam Sediment Management (CIP # 8005)***

A professional consulting services agreement in the amount of \$43,645 was executed with Fugro USA Marine, Inc. on November 14, 2023, for the purpose of conducting the 2023 Lake Piru Bathymetric Survey. The goal of the bathymetric survey was to quantify the sedimentation in the reservoir following the historic levels of precipitation observed during the 2022-23 wet season. The bathymetric survey of the Lake Piru Reservoir was completed on November 29, 2023.

The survey demonstrated that the reservoir storage capacity was reduced to 80,523 acre-feet from the 82,067 acre-feet measured during the 2020 bathymetric survey, approximately 1.9% (1543 acre-feet) reduction in storage since 2020.

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

Between the months of October and December 2023, GSE Construction continued to advance the startup and testing activities for the new Iron and Manganese Treatment Plant. Numerous issues have been encountered during this time period which has resulted in delays including the inability to provide sufficient flow for the high-rate backwash step of the filter vessel backwash sequence and improper functionality of the air scour blower.

On October 3, 2023, Change Order No. 40, to the Construction Agreement was executed in the amount of \$12,412.11, bringing the total contract amount to \$10,792,976.20 and the total change order amount to \$1,450,076.20. This change order provided for the removal of the anti-cavitation trim on the BWS pipeline so that sufficient flow can be achieved to allow for a high-rate backwash.

On November 8, 2023, Change Order No. 41 to the Construction Agreement was executed in the amount of \$20,145.98 bringing the total contract amount to \$10,813,122.18 and the total change order amount to \$1,470,222.18. This change order provided for the procurement of an additional meter and a Programmable Logic Controller.

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

For the Three Barrel Culvert Replacement Project, permitting efforts continued during this reporting period. Staff submitted the project to Ventura County Watershed Protection District for review and comment. Staff also contracted Pax Environmental to prepare a Cultural Survey (Contract Amount \$18,000), a requirement to submit the project to the Army Corp of Engineers for a 408 Permission.

The Inverted Siphon Replacement Project was advertised for public bidding on December 7, 2023, and bidding closed on January 11, 2023. Five bids were received, and Granite



Construction was the lowest responsible bidder with a bid of \$891,000. A motion to approve a construction agreement with Granite Construction is included in the February Board Agenda.

For the Vineyard Avenue Crossing Project, staff contracted HDR to complete the preliminary design, which was completed on January 18, 2024. Motion Item 5.11 in the December Board meeting approved authorization of a design contract with HDR up to \$350,000. Staff has received HDR's scope and fee proposal, and execution of a contract for \$219,800 is in process.

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

New Monitoring Wells:

An amendment to an existing license agreement is in process by Navy Region Southwest Real Estate for access, maintenance, operation, and data collection for monitoring wells (22, A1, A-2, CM-1, CM-2, CM-1A, CM-6, and Q2). This includes new monitoring wells (EM-1 through 5) planned for installation in 2024. Minor adjustments to site locations are under review by District staff, pending Navy site approval expected by early-2024.

Memorandum of Agreement (MOA):

An MOA between Commander, Navy Region Southwest, and the United Water Conservation District (N69232-20231016-12760) establishing roles and responsibilities for the Phase 1 Project was fully executed on November 9, 2024.

Letter of Request (LOR):

On October 26, 2023, the LOR was submitted to the Navy requesting an outgrant easement for the Phase 1 project.

Grants:

Staff continued to work with Division of Financial Assistance (DFA) staff on a grant agreement for the \$8,449,062 grant approved on March 6, 2023, for Phase 1. Execution is expected in early 2024. A debrief meeting with the Office of Local Defense Community Cooperation (OLDCC) was held on October 31, 2023, related to the notice of non-award received on August 8, 2023, for a \$20 million grant application under the Defense Community Infrastructure Program (DCIP).

Meetings:

Weekly internal meetings held discussing progress on agreements, grants, CEQA/NEPA documentation, permitting, discharge, pipeline alternatives, well site analysis, and environmental processes. Monthly NEPA/CEQA "Drumbeat" meetings held with Navy staff. Progress meetings held with Phase 1 project design and CEQA/permitting teams, as well as monthly progress meetings with Navy staff.

Design:

Conducted extraction well site reconnaissance field visit for Preliminary Design Report (PDR) on October 3, 2023. Well Site Suitability TM is under development, including evaluation of well construction and development options. Proposed equipment pre-procurement approach for long-lead time procurements is underway to meet the Groundwater Grant Program (GWGP) grant requirement of construction completion by February 2026.

Geotech/Hydrogeology:

Staff conducted various modeling simulations for extraction well sites, received proposals from geotechnical consulting firms and successfully negotiated a scope of work and fee with Earth Systems for geotechnical exploration activities starting in early 2024.



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

Background is provided for clarity. On February 10, 2023, Caltrans (Plaintiff) filed an action to acquire portions of United (Defendant) property at the 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. This eminent domain request is in support of the Rice Avenue Grade Separation Project (Project). The Project includes the construction of a bridge over State Route 34 and railroad tracks north of the PTP Well Site No. 4. The Project will re-align the existing Rice Avenue approximately 250 feet to the east. Upon completion of the Project, the City of Oxnard will transfer the TCE back to United and the Fee Acquisition to the County of Ventura ("County"). The Fee Acquisition will be used to construct a retaining wall, a sidewalk, and a shoulder for the realigned Rice Avenue and the TCE will be temporarily used to assist in the construction.

On May 26, 2023, the Plaintiff filed a Motion for Order of Possession of the Fee Acquisition and TCE against United. On June 23, 2023, United 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. Despite this dispute, Plaintiff and United agreed to prepare a Stipulation to satisfy United's need for adequate access and/or space for maintain/repair activities while also allowing Plaintiff to have pre-judgment possession of the TCE/Fee Acquisition to facilitate the Project. The joint stipulation was fully executed on September 11, 2023.

Regarding a separate legal matter, on October 12, 2023, United's Chief Engineer and Engineering Manager provided two individual declarations to the Counsel regarding a Motion for Order to possess filed by Caltrans against Pegh Investments, LLC (Pegh), other private companies and public agencies including United in the Ventura County. United holds easements used to access a 30-inch pipeline as the main component of the PTP system on the property owned by Pegh. On December 4, 2023, a joint stipulation prepared by the Plaintiff and United was filed with the Court. This stipulation satisfies United's need for adequate access to the pipeline on the Pegh Property/ United easement while allowing Plaintiff to have ore-judgement possession on the Pegh property to build the Project. The next Court Hearing regarding this matter is scheduled for January 23, 2024.

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

The total number of meters installed is 48 out of 60 total, or 80% complete. Five additional meter installations are planned by 2024 (Turnout Nos. 102, 114, 132, 134, 161). Total easement acquisition completion is 33 out of 40 obtained or 82.5% complete.

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

Stantec, the City of Ventura's (City) consultant submitted the draft 90% plans, specs and estimate for the State Water Interconnection Project (Project) to the City in October 2023. The City was planning to comment on the 90% design documents by December 2023. A copy of the design documents was provided to United for comments.

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

Project is ongoing. Escrow financial documents were signed by UWCD in December 2023. The entire replacement of the current EL Rio trailer is slated to be completed in April 2024.



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

In the 2023/2024 CIP Budget process, funding was budgeted for updating the District access to geospatial tools through ESRI with a Small Utility Agreement. On November 13, 2023, District technical and IT staff met with ESRI to discuss implementation of online and enterprise GIS software. The Small Utility Agreement was executed on January 16, 2024 (outside of this reporting period), giving staff access to the latest GIS tools and setting the District up to move forward with developing an asset registry, a key component of the Asset Management Program. The annual license fee is \$28,400 plus tax and includes GIS software for all Water Resources, Environmental, Engineering, and Operations and Maintenance Staff.

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

The 60% design effort continued during this reporting period. Staff reviewed and discussed with the engineering consultant, MKN and Associates, the detailed project schedule, hydraulic model scenarios, estimated construction cost for the proposed pipeline alignment alternatives, and the Ventura County requirements for Laguna Road encroachment permit and Revlon Slough crossing.

The District decided to pursue the pipeline alignment alternative within the Laguna Road public-right-of-way. The decision was made after evaluating two pipeline alignment alternatives: a pipeline alignment within the public right-of-way or a pipeline alignment within a private property north of Laguna Road. Staff met with the private landowner a few times, evaluated the construction cost associated with each alternative and the timeline needed to secure applicable easements. On December 19, Staff directed MKN Associates to proceed with the 60% design documents for the pipeline alignment within the public right-of-way. The 60% design phase is anticipated to be completed in April 2024.

The District continued coordination meetings with the Pleasant Valley County Water District (PVCWD) to develop a water delivery agreement between the two agencies. Staff provided comments on the revised draft Agreement to PVCWD for further consideration.

- **SCADA Hardware Update (CIP # 8046)**

Major upgrades occurred on the El Rio Gas Engines control site, Saticoy Wellfield, and Dos Diego control site. Planned Upgrades include El Rio Chlorination site and El Rio Booster Stations control sites. Project is 70% completed; 20 controller sites remain out of 65 total control sites. Quotes from contractors are acquired and vetted.

- **Lake Piru Recreation Area Pavement Maintenance Program (CIP # 8047)**

No activities to report this quarter.

- **Condor Point Improvement Project (CIP # 8048)**

A construction contract with MDJ Management, LLC was executed on December 7, 2023, in the amount of \$109,754.00 for construction of the new Condor Point Swim Beach. Construction was completed on December 28, 2023.

- **Main Supply Pipeline Sodium Hypochlorite Injection Facility (CIP # 8053)**

No activities to report this quarter.



- **Lake Piru Campground and Recreation Area Renovations (CIP # 8055)**
 No activities to report his quarter.

- **OHP Low-Flow Upgrade (CIP # 8056)**
 No activities to report his quarter.

- **Critical Well Environmental Improvement (CIP # 8057)**
 No activities to report this quarter.

- **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 activities to report this quarter.

- **OH Well 14 Energy Efficiency Upgrades (CIP # 8060)**
 Staff performed a qualifications-based assessment to select a design consultant. Six firms were invited to provide proposals. Two firms responded and MNS Engineers, Inc. (MNS) was selected as the most qualified firm. Staff executed a contract with MNS for \$219,610 for preliminary design, survey, geotechnical, and final design. The project Kick-off meeting and site visit was held on January 12, 2024.

CASH POSITION AND INVESTMENTS OF THE DISTRICT

As of December 31, 2023, the District had a total of \$37.2M in cash and investments. As noted in the cash position report, some of the District’s resources are readily available for use while other funds have restrictions that limit how they can be used. The District must adhere to any legal, bond or contractual restrictions placed on funds. However, some restrictions are based on Board designations and can be redirected for other uses if the Board so determines.

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

	Dec-23	Dec-22
Bank of Sierra	\$ -	\$ 3,470,309
Citizens Business Bank	\$ 7,849,619	\$ 2,778,457
US Bank - 2020 COP Bond Balance	\$ 73,611	\$ 10,203,188
Petty Cash	\$ 4,400	\$ 4,400
County Treasury	\$ 1,884	\$ 1,712
LAIF Investments	\$ 29,258,812	\$ 27,587,193
Total	\$ 37,188,326	\$ 44,045,259

The only current restriction is the \$73K for CIP projects in the 2020 COP Bonds. Any restrictions on the remaining \$ 37.1M are listed in this report.




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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Brian H. Zahn', written over a light blue circular stamp.

Brian H. Zahn
Chief Financial Officer

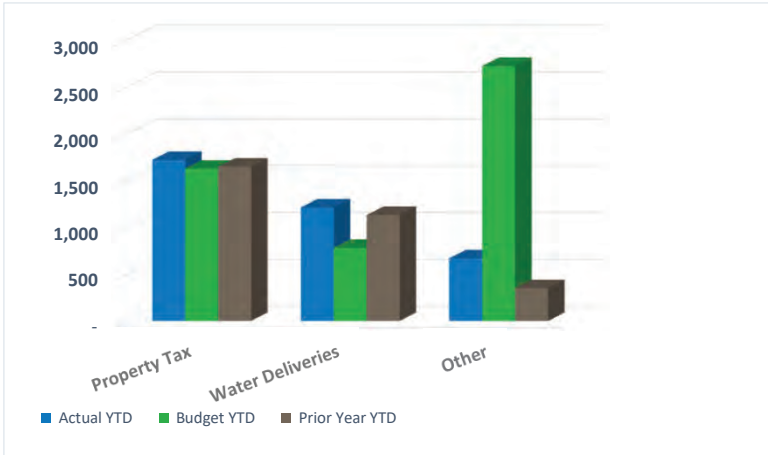


United Water
CONSERVATION DISTRICT
FY 2023-24 First Quarter Financial Review
July 1, 2023 through December 31, 2023
50% of Fiscal Year Completed

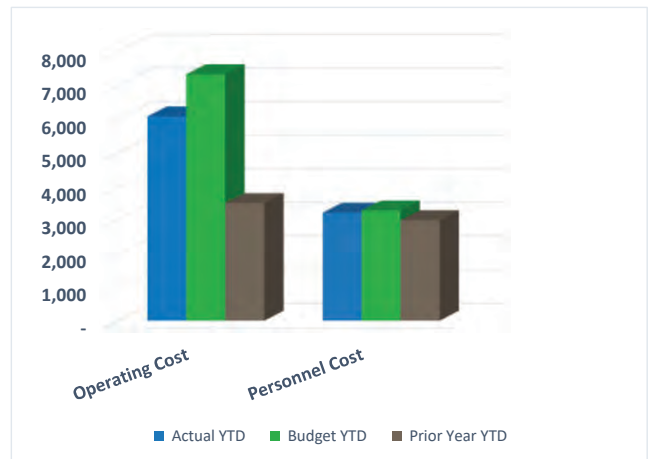
General/Water Conservation Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	1,213	781	431	55%	1,131	81	7%
Groundwater	(105)	0	(105)	0%	68	(173)	-255%
Supplemental Water	0	0	0	0%	0	0	0%
Property Taxes	1,720	1,626	94	6%	1,648	72	4%
Earnings on Investments	615	147	468	318%	457	158	34%
Other	1,061	5,660	(4,598)	-81%	786	275	35%
Transfers in	98	98	0	0%	5	92	0%
Total Revenues	4,601	8,311	(3,710)	-45%	4,096	505	12%
Expenses							
Personnel Costs	3,216	3,277	(61)	-2%	2,992	224	7%
Operating Expenditures	6,082	7,335	(1,253)	-17%	3,500	2,582	74%
Capital Outlay	181	376	(195)	-52%	68	113	168%
Transfers out	8,521	11,046	(2,525)	-23%	4,772	3,748	79%
Total Expenses	17,999	22,035	(4,035)	-18%	11,333	6,667	59%
Net Surplus / (Shortfall)	(13,398)	(13,723)	325	-2%	(7,236)	(6,162)	85%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Revenue received through Second Quarter is \$4.6M, \$3.7M (45%) below Plan. This is predominantly due to Grant revenue being under Plan by \$2.5M. Grant revenue pertains to FEMA reimbursement for Lake Piru Flooding and SGM Grant for CIP Projects Ferro-Rose Recharge and Brackish Water Treatment. This is a timing variance as the budget is front loaded.
- Proceeds from Financing related to the WIFIA Loan are also under Budget (\$2.5M) but expected to happen later in the fiscal year.
- Groundwater Revenue below Budget (\$105K) due to revisions of groundwater statements from prior fiscal years.
- Lake Piru Revenue is also below projections by \$56K but expected to pick up in the future months.
- Shortfall offset by increases in Earnings on Investments (\$468K), Water Delivery (\$431K), and Property Taxes (\$94K).
- Investment increase is due to higher interest earnings and market value adjustments for LAIF.
- Water Deliveries \$431K (55%) higher than Plan, which is caused by 4,832 AF more deliveries for the OH, PV, and PTP Pipelines combined.
- Property taxes increase is due to a timing difference as property taxes are budgeted over 12 months and most are paid in December and April.

Revenue Status vs. Prior Year

- Second Quarter Revenue \$505K (12%) higher than the prior year mainly due to higher Earnings on Investments (\$158K), Property Taxes (\$72K), Transfers-In (\$92K), and Miscellaneous Revenue (\$317K) related to SDRMA Reimbursement.
- Pipeline deliveries (\$81K) are also higher than in the prior fiscal year attributable to 4,949 (62%) more deliveries in FY 2023-24.
- Offsetting the increase is lower Groundwater Revenue (\$173K) due to billing adjustments.
- Grant Revenue also lower in current fiscal year by \$71K caused by multiple grants being completed in FY 2022-23.

FY 2023-24 First Quarter Financial Review

July 1, 2023 through December 31, 2023

50% of Fiscal Year Completed

General/Water Conservation Fund - Continued

Appropriation/Expenditure Status vs. Budget

- Total Expenditures were \$18M, \$4M (18%) under Plan primarily due to a delay of CIP Transfers Out (\$2.5M) for Debt Proceeds related to CIP Projects SFD Outlet and SFD PMF, as well as lower than expected Operating Expenditures (\$1.3M).
- Overhead costs (\$562K) are below Budget due to timing differences and expected to pick up later in the fiscal year.
- Principal (\$303K) and Interest payments (\$356K) related to 2020 COP Payments are budgeted as expense but paid directly to liability.
- Salaries (\$213K) are also under Budget due to vacant Park Ranger Cadet, Field Technician, Park Ranger Assistants, and Part-Time Engineer positions.
- Office Expense (\$196K) lower than Budget, which is caused by a delay in public and community outreach. However, funds are expected to be used by the end of the fiscal year.
- Maintenance (\$116K), Travel Expenses (\$82K), and Capital Outlay (\$195K) are also below Plan but anticipated to be utilized later in the fiscal year.
- Offsetting savings are Professional Fees (\$217K) mainly related to the City of Ventura first installment payment made in December 2023.
- Benefits (\$152K) and Insurance Expense (\$156K) also over Budget. However, this was due to payments being made in July 2023 and funds budgeted over 12 months.

Appropriation/Expenditure Status vs. Prior Year

- Expenditures are \$6.7M (59%) higher than the prior year primarily due to CIP Transfers out (\$3.7M) and Operating Expenditures (\$2.6M).
- Professional Fees up \$2.1M, which was mainly due to the first installment payment for the City of Ventura settlement.
- Salaries and Benefits (\$224K) higher in the current fiscal year, which is caused by a Board approved 4% COLA increase and annual merit increases.
- Maintenance (\$158K), Overhead Costs (\$108K), and Capital Outlay (\$113K) are also higher in FY 2023-24 compared to the prior fiscal 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

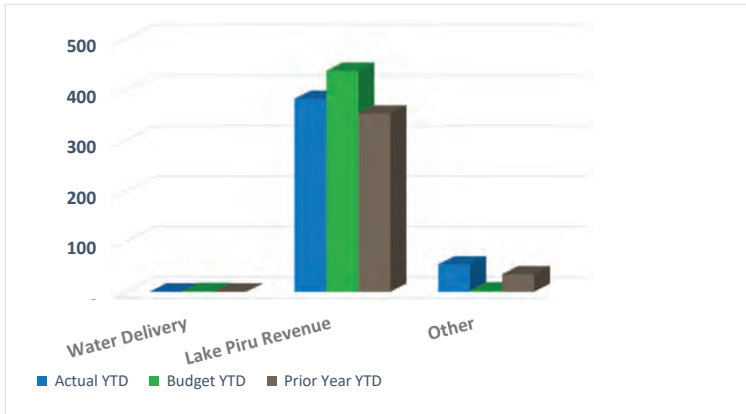
July 1, 2023 through December 31, 2023

50% of Fiscal Year Completed

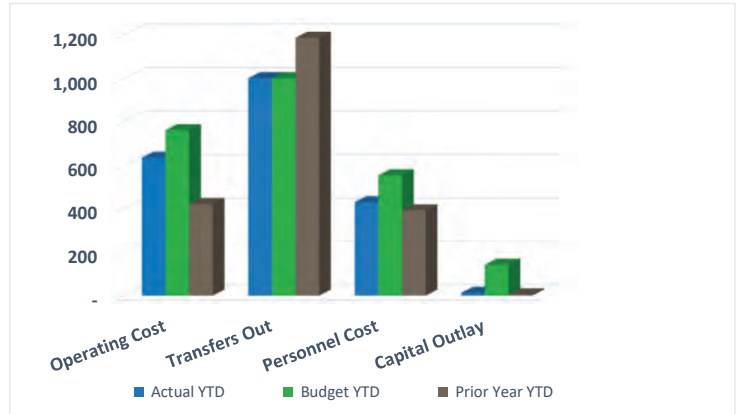
Recreation Sub-Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	1	2	(1)	-41%	1	0	5%
Earnings on Investments	0	0	0	0%	0	0	0%
Lake Piru Revenue	382	437	(56)	-13%	353	29	8%
Other	54	3	52	1912%	35	19	55%
Total Revenues	437	442	(5)	-1%	389	48	12%
Expenses							
Personnel Costs	430	553	(124)	-22%	392	38	10%
Operating Expenditures	634	761	(127)	-17%	421	213	51%
Capital Outlay	13	142	(130)	-91%	6	7	127%
Transfers out	1,001	1,001	0	0%	1,186	(186)	-16%
Total Expenses	2,078	2,457	(380)	-15%	2,005	73	4%
Net Surplus / (Shortfall)	(1,641)	(2,016)	375	-19%	(1,616)	(24)	2%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget

- Operational Revenue received through Second Quarter is below budget by \$5K (1%), which is approximately on target with Budget. The slight revenue decrease was due to lower than planned Day Use, Camping, Boating fees and reservations.

Revenue Status vs. Prior Year

- Second Quarter Operational Revenue \$48K (12%) higher due to increased day use and reservations in the Current Year.

Appropriation/Expenditure Status vs. Budget

- Total expenditures of \$2.1M, \$380K (15%) under Budget due to Capital Outlay (\$130K), Operating Expenditures (\$127K), and Personnel Costs (\$124K).
- Capital Outlay purchases related to District Radios and Patrol Vehicle have been delayed to later in the fiscal year.
- Salaries and Benefits (\$124K) below Plan due to vacant Park Ranger and Seasonal Park Ranger positions.
- Professional Fees (\$43K) under Budget due to under-utilized Grant Solicitation and Legal fees.
- Maintenance (\$62K) also below Budget due to Land Maintenance not being needed through the first half of FY 2023-24 but is expected to be fully utilized by end of the fiscal year.
- Overhead Costs (\$41K) and Office Expenses (\$18K) are lower than forecast due to timing differences.
- Savings are partially offset by an increase in Insurance Premiums (\$19K).

Appropriation/Expenditure Status vs. Prior Year

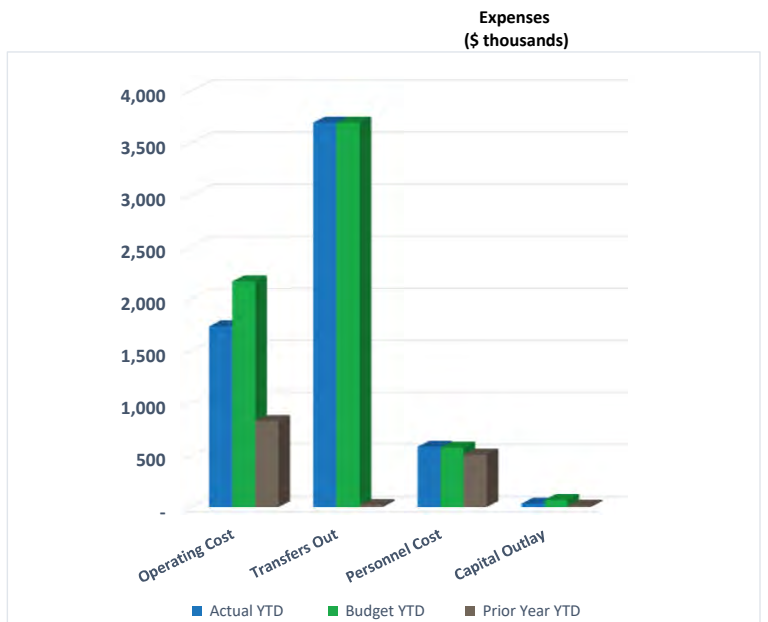
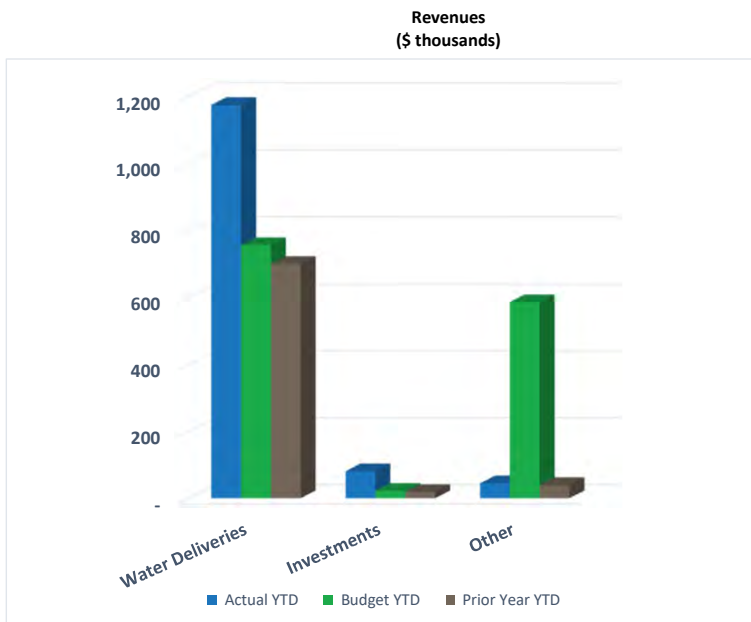
- Expenditures are \$73K (4%) higher in the current year primarily due to higher Operating Expenditures (\$213K). Maintenance (\$122K), Utilities (\$28K), and Overhead Cost (\$19K) are higher in FY 2023-24.
- Salaries and Benefits (\$38K) are also higher in the current fiscal year due to the Board Approved 4% COLA increase and annual merits increases.
- Offsetting increase is higher CIP Transfers Out (\$186K) in PY for the Lake Piru Campground and Recreation Area Renovations.

FY 2023-24 Second Quarter Financial Review

July 1, 2023 through December 31, 2023

50% of Fiscal Year Completed
Freeman Diversion Fund (Zone B)

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Groundwater	(6)	0	(6)		64	(70)	-110%
Water Delivery	1,175	756	419	55%	700	475	68%
Earnings on Investments	81	22	58	263%	19	62	328%
Other	45	586	(541)	-92%	53	(9)	-16%
Transfers in	0	0	0	0%	86	(86)	0%
Total Revenues	1,294	1,364	(70)	-5%	922	372	40%
Expenses							
Personnel Costs	578	571	7	1%	502	76	15%
Operating Expenditures	1,734	2,166	(432)	-20%	827	907	110%
Capital Outlay	32	68	(36)	-53%	14	18	136%
Transfers out	3,690	3,690	0	0%	20	3,670	18097%
Total Expenses	6,034	6,496	(462)	-7%	1,363	4,671	343%
Net Surplus / (Shortfall)	(4,741)	(5,132)	391	-8%	(441)	(4,300)	974%


Revenue Status vs. Budget

- Revenue received Second Quarter \$1.3M, down \$70K (5%) primarily due to Proceeds from Financing of 560k being delayed due to timing issues.
- Offsetting the deficit is Water Deliveries revenue being \$419K (55%) higher than Plan, which is caused by 4,832 AF more deliveries for the OH, PV, and PTP Pipelines combined.
- Earnings on Investments also over Budget by \$58K this Quarter due to higher interest rates.

Revenue Status vs. Prior Year

- Current Year higher by \$372K (40%). The increase is primarily due to Pipeline Deliveries increasing by 4,949 AF creating a 68% (\$475K) increase over FY 2022-23. Earnings on Investments also up \$62K.
- Slightly offsetting the increase is lower revenue from Groundwater (\$70K) due to billing adjustments being higher in the prior fiscal year. Transfers In (\$86K) also less in FY 2023-24 compared to the prior year.



FY 2023-24 Second Quarter Financial Review

July 1, 2023 through December 31, 2023

50% of Fiscal Year Completed

Freeman Diversion Fund (Zone B) - continued

Appropriation/Expenditure Status vs. Budget

- Total expenditures through the Second Quarter are \$6.5M, which is \$462K (7%) below Plan. Savings predominantly in Operating Expenditures of \$432K (20%) and under-utilized Capital Outlay costs of \$36k due to timing difference.
- Overhead cost (\$160K) under Budget due to timing differences and expected to pick up later in the fiscal year.
- Principal (\$287K) and Interest (\$31K) payments related to 2020 COP are budgeted as expense but paid directly to liability.
- Additional Operating Expenditures under Budget are Rents and Leases (\$18k) and Fuel Expense (\$11K). However, expected to be used by the end of the fiscal year.
- Savings are partially offset by an increase in Professional Fees of \$29k and Water Chemicals (\$16K).
- Insurance Premiums (\$53K) also over Plan due to payments being made in July 2023 and funds budgeted over 12 months.

Appropriation/Expenditure Status vs. Prior Year

- Total Expenditures are \$4.7M higher than Prior Year, which is largely due to higher CIP transfers out \$3.7M related to the Freeman Expansion Project.
- Operating Expenditures (\$907K), Personnel Cost (\$76K), and Capital Outlay (\$18K) are also higher in FY 2023-24.
- Contributing to the Operating Expenditures variance are Water Treatment Chemicals (\$41k), Maintenance (\$94K), and Overhead costs (\$28K).
- Salaries and Benefits (\$76K) also higher than PY due to the Board approved 4% COLA increase, annual merit increases and unfunded liability payment.

Fund Balance

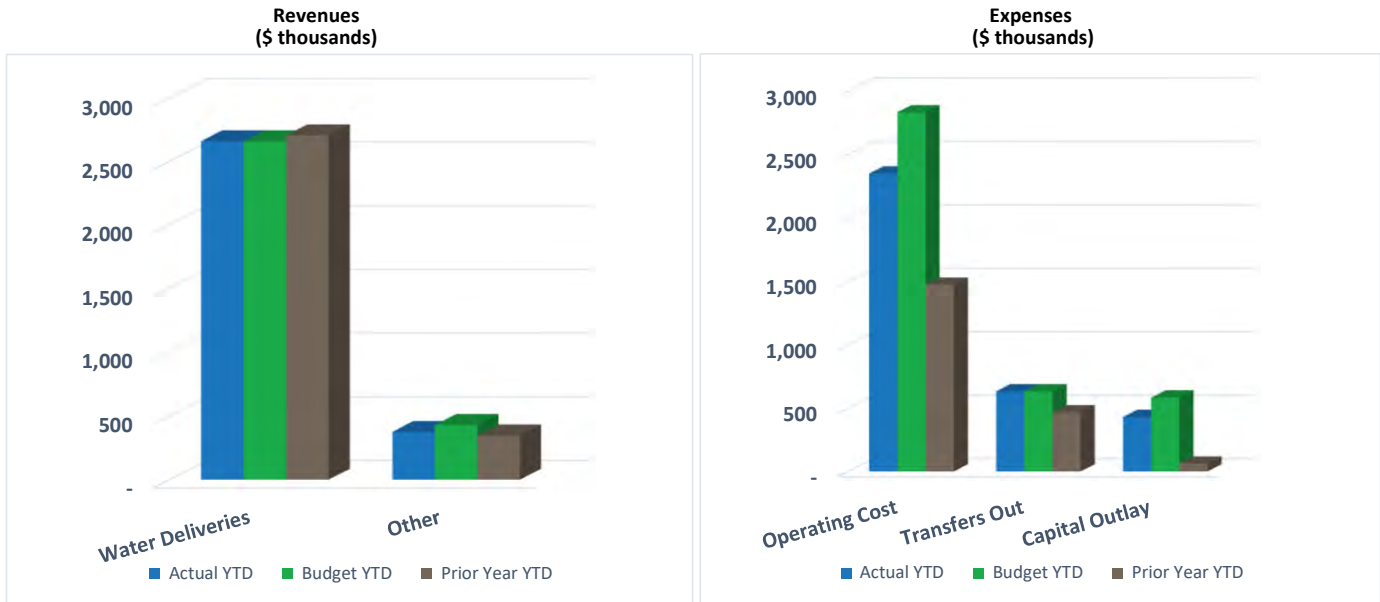
- The projected ending undesignated working capital balance at the end of FY 23-24 is approximately \$67K.
- The District's reserve policy requires an undesignated balance of \$1.5M.

FY 2023-24 Second Quarter Financial Review
July 1, 2023 through December 31, 2023

50% of Fiscal Year Completed

Oxnard Hueneme Pipeline Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	2,659	2,658	1	0%	2,705	(46)	-2%
Earnings on Investments	46	31	15	47%	77	(31)	-40%
Grants	0	125	(125)	-100%	4,289	(4,289)	-100%
Other	330	399	(69)	-17%	270	60	22%
Total Revenues	3,035	3,213	(178)	-6%	7,341	(4,306)	-59%
Expenses							
Personnel Costs	612	512	100	20%	495	117	24%
Operating Expenditures	1,736	2,319	(583)	-25%	976	760	78%
Capital Outlay	429	582	(153)	-26%	62	368	596%
Transfers out	632	632	(0)	0%	466	165	35%
Total Expenses	3,409	4,045	(636)	-16%	1,999	1,410	71%
Net Surplus / (Shortfall)	(374)	(833)	458	-55%	5,342	(5,716)	-107%



Revenue Status vs. Budget and vs. Prior Year

- Total Revenue \$178K (6%) under Budget for the second quarter of FY 2023-24, which was near the forecasted Budget.
- Under budget is primarily due to the timing of Grant Revenue (\$125K) received which is related to Iron and Manganese Project. Compared to the prior year, Grant Revenue is \$4.3M lower due to multiple grants being completed in FY 2022-23.
- Fox Canyon Revenue was also below Budget \$81K (21%) due to GMA rate increase that was budgeted but not approved for current fiscal year. Compared to the prior fiscal year, Fox Canyon revenue was up \$57K (19%).
- Water Delivery Revenue was on target with FY 2023-24 Plan, and deliveries higher than prior year's second quarter by 320 AF (\$46K).



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50% of Fiscal Year Completed

Oxnard Hueneme Pipeline Fund - continued

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

- Total Expenses \$636K under Budget for the second quarter of FY 2023-24, which was primarily due to lower-than-expected Operating (\$583K) and Capital Outlay Expenditures (\$153K).
- Utilities (\$137K) below Budget due to delayed Edison invoices. November and December 2023 invoices were not received and paid in quarter two. However, Budget should be met by the end of fiscal year.
- Contractual Services (\$63K) below Budget due to SCADA troubleshooting, Allen Bradley tech support, and OH infrastructure analysis being delayed. Should pick up later in the fiscal year.
- Maintenance Cost (\$49K) and Overhead Costs (\$148K) lower than Plan but expected to pick up later in the fiscal year.
- Fox Canyon expenses (\$73K) lower than Budget due to delayed invoices from Fox Canyon GMA.
- Principal payments \$143K under Plan due to payments budgeted as expense but paid directly to liability.
- Slightly offsetting this is Insurance Expense (\$60K) and Water Chemicals (\$45K). Insurance Expense over Budget due to SDRMA payment paid in July, but budget was distributed evenly throughout the fiscal year. Treatment Chemicals over Budget due to a price increase per gallon.
- Personnel Cost (\$100K) were also higher than Plan, which was primarily due to SDRMA and Unfunded Liability payments being paid in July, but budget distributed evenly throughout the entire fiscal year. Secondly, there was also higher than expected work for the OH Pipelines, OH Booster Plant, and OH Well repairs.
- Compared to the last fiscal year, Personnel Cost (\$117K), Operating Expenditures (\$760K), Capital Outlay (\$368K), and Transfers Out (\$165K) were higher in FY 2023-24.
- Fox Canyon expenses over \$223K between the two fiscal years, which was due to a credit accrual for delayed GMA payments in FY 2022-23.
- Utilities (\$178K), Insurance Expense (\$41K), Maintenance (\$41K) and Water Treatment Chemicals (\$124K) 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 for operating expenses.

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.



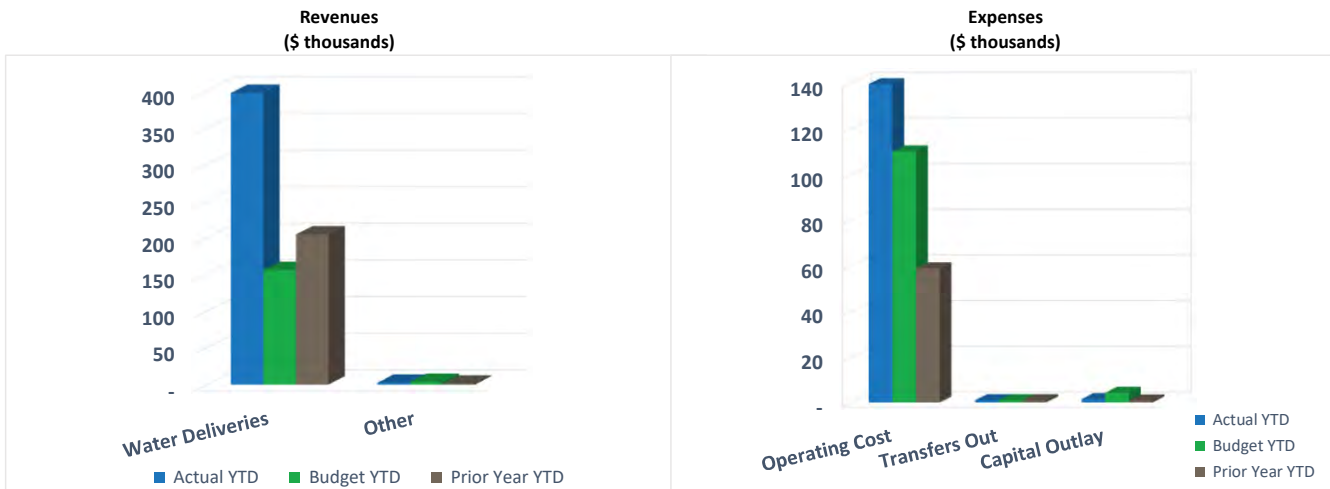
FY 2023-24 Second Quarter Financial Review

July 1, 2023 through December 31, 2023

50% of Fiscal Year Completed

Pleasant Valley Pipeline Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	398	156	242	155%	205	193	94%
Earnings on Investments	26	7	19	254%	16	10	60%
Other	3	4	(1)	-28%	1	1	102%
Total Revenues	426	167	259	155%	222	204	92%
Expenses							
Personnel Costs	68	32	36	113%	30	38	127%
Operating Expenditures	72	78	(6)	-8%	29	43	148%
Capital Outlay	2	4	(3)	0%	1	1	64%
Transfers out	1	1	0	0%	1	0	0%
Total Expenses	142	115	27	23%	61	81	134%
Net Surplus / (Shortfall)	284	52	233	449%	162	123	76%



Revenue Status vs. Budget & vs. Prior Year

- Revenue received in Q2 exceeds what was budgeted by 155% (\$259K) predominately due to water delivery \$242K (155%) over budget (4,393AF).
- Revenue is up \$204K from prior fiscal year due mainly to Water Delivery revenue \$193K (94%) as there was minimal water delivered in Q2 in FY 22-23. Also overrun of \$10K in Earnings on Investments due to the GAAP market value adjustment to LAIF.

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

- Expenses for Q2 of \$142K, over plan by \$27K (23%) primarily due to Personnel Costs which are \$36K over plan. Offsetting overrun are Operating Expenditures (\$6K) and Capital Outlay (\$3K).
- Compared to prior year expenses are up \$81K. Operating Expenditures have increased \$43K primarily due to higher electricity expense of \$7K and Maintenance \$22K. Salaries and Benefits also up \$38K from prior year.

Fund Balance

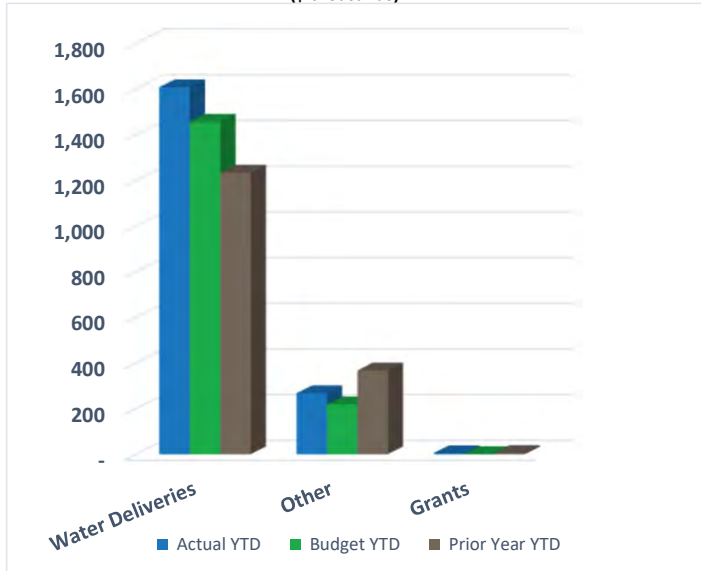
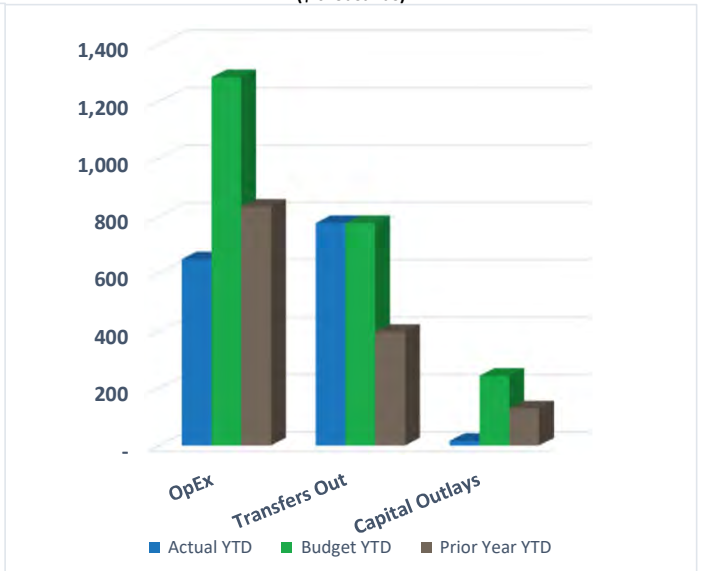
The projected ending undesignated working capital balance at the end of FY 23-24 is approximately \$641K. The District's reserve policy requires a \$258K minimum undesignated balance which is projected to be met.

FY 2023-24 Second Quarter Financial Review

July 1, 2023 through December 31, 2023

50% of Fiscal Year Completed
Pumping Trough Pipeline Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	1,606	1,454	152	10%	1,232	374	30%
Earnings on Investments	54	16	39	243%	37	18	49%
Grants	4	0	4		5	(1)	0%
Other	212	203	9	5%	330	(118)	-36%
Total Revenues	1,877	1,673	204	12%	1,603	273	17%
Expenses							
Personnel Costs	194	185	9	5%	209	(15)	-7%
Operating Expenditures	455	1,098	(643)	-59%	623	(168)	-27%
Capital Outlay	16	243	(227)	-93%	129	(113)	-88%
Transfers out	775	775	0	0%	395	380	96%
Total Expenses	1,440	2,301	(861)	-37%	1,356	84	6%
Net Surplus / (Shortfall)	437	(628)	1,065	-170%	247	190	77%

 Revenues
 (\$ thousands)

 Expenses
 (\$ thousands)

Revenue Status vs. Budget

- Revenue received through Q2 \$1.9M, up \$204K (12%). This is due to higher Water Deliveries \$152K (10%) Transfers In (\$198K), and Earnings on Investments (\$39K) being over projection.
- Water Deliveries 436 AF (16%) over Plan.
- Offsetting the increase was Fox Canyon fees which were \$188K under Budget as there were significant surface water deliveries in Q2 and GMA did not have anticipated rate increase in new water year.

Revenue Status vs. Prior Year

- Revenue up \$273K (17%) from prior year. This is primarily due to \$374K (30%) increase in water delivery. There was 244 AF more water deliveries in FY 2023-24.
- Earnings on investments up \$18K (49%) from prior year due to higher interest rates.
- Offsetting increase was Fox Canyon fees (\$135K), which is lower this fiscal year versus last fiscal year.



FY 2023-24 Second Quarter Financial Review

July 1, 2023 through December 31, 2023

50% of Fiscal Year Completed

Pumping Trough Pipeline Fund - continued

Appropriation/Expenditure Status vs. Budget

- Total expenditures through Q2 are \$1.4M, \$861K (37%) below Budget predominantly due to lower Operating Expenditures of \$643K (59%).
- Utilities (\$183K), Maintenance (\$108K), Overhead costs (\$72K), and Water Chemicals (\$19K) under Plan but expected to pick up later in the fiscal year.
- Fox Canyon expense (\$54K) under projection due to more surface water deliveries and a delay in invoicing.
- Principal payments \$177K under Budget due to 2020 COP payments budgeted as expense but paid directly to liability.
- Professional fees also underutilized by \$24K due to delayed infrastructure analysis.
- Capital outlay (\$227K) also lower than anticipated due to fewer than planned PTP isolation valves and VFD replacements.
- Slightly offsetting the savings is an increase in Insurance Premiums of \$13K, which was caused by SDRMA payments made in July 2023 and budget distributed throughout 12 months.
- Salary and benefits also slightly over Plan by \$9K due to unfunded liability payment.

Appropriation/Expenditure Status vs. Prior Year

- Compared to last fiscal year, expenditures are higher by \$84K (6%) predominantly due to higher CIP transfers out of \$380K for PTP Recycled Water Connection and Critical Well Environmental projects.
- Offsetting expenditures increase is Capital Outlay (\$113K), which is due to a delay in PTP isolation valves being replaced.
- Operating Expenditures are also lower by \$168K (27%) in FY 2023-24 compared to last fiscal year. This predominately due to lower electricity costs due to significant surface water deliveries in the current fiscal year. Personnel costs also down \$15K (7%) from prior year.

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.



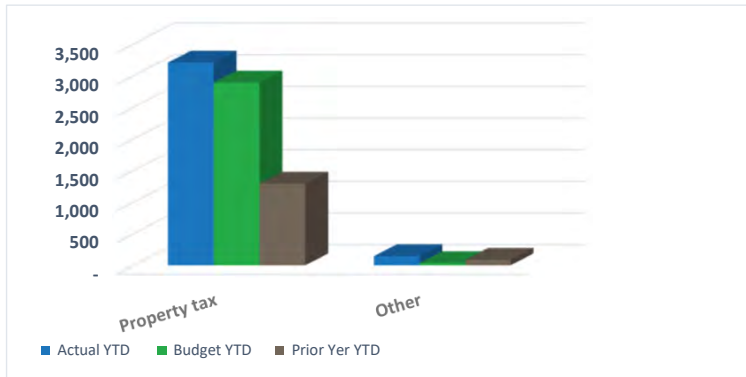
FY 2023-24 Second Quarter Financial Review
 July 1, 2023 through December 31, 2023

50% of Fiscal Year Completed

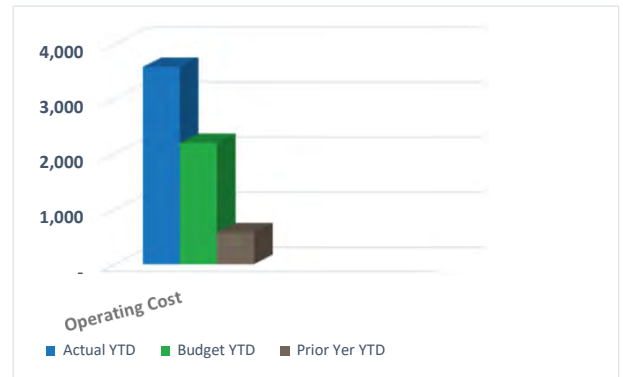
State Water Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Earnings on Investments	144	33	110	330%	85	59	70%
Property Taxes	3,206	2,892	314	11%	1,291	1,915	148%
Total Revenues	3,350	2,925	425	15%	1,376	1,974	143%
Expenses							
Personnel Costs	0	0	0	0%	0	0	0%
Operating Expenditures	3,581	2,199	1,382	63%	576	3,005	522%
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	3,581	2,199	1,382	63%	576	3,005	522%
Net Surplus / (Shortfall)	(231)	726	(957)	-132%	800	(1,031)	-129%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status vs. Budget and vs. Prior Year

- Revenue received through Q2 is above plan by \$425K (15%).
- Property tax revenue was favorable by \$314K (11%) largely due to higher than budgeted unsecured taxes. Earnings on investments also over Plan by \$110K due to GAAP market value adjustment to LAIF in addition to increase in rate of return.
- Compared to Prior Year, revenue is up \$2M (143%) due to an increase in property taxes.

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

- Total expenditures of \$3.6M over budget by \$1.4M (63%). This is primarily due to higher variable costs from State Water Purchases.
- Compared to Prior Year, expenditures are up by \$3M (522%). 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 Second Quarter Financial Review

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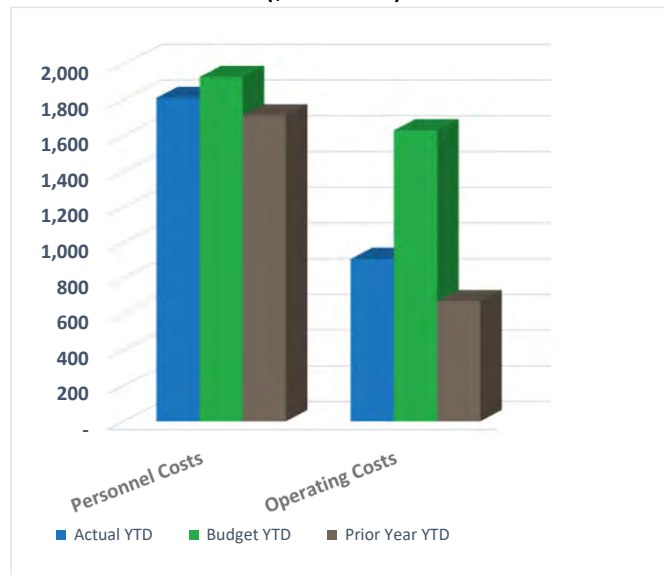
50% of Fiscal Year Completed

Overhead Fund

in \$ thousands	CY Actuals	CY Revised Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Expenses							
Personnel Costs	1,810	1,928	(117)	-6%	1,712	98	6%
Operating Expenditures	909	1,629	(720)	-44%	672	237	35%
Capital Outlay	0	208	(208)	0%	0	0	0%
Total Expenses	2,719	3,765	(1,046)	-28%	2,384	335	14%

Expenses

(\$ thousands)



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

- Expenditures under budget by \$1M (28%).
- The largest savings were in Professional Fees \$644K primarily due to Admin Consulting Fees and Legal Counsel being underutilized. Contributing to the variance are Salaries and Benefits \$117K under budget due to vacant Receptionist, Finance Manager and Finance Supervisor positions. Safety Supplies \$16K and Travel \$29K are expected to be fully utilized by the end of the year. Slightly offsetting the savings are Telephone Expenses, which were \$8K over plan due to rollout of new District cell phones.
- Capital Outlay \$208K under budget due to the purchase of a Ceragon radio link replacement and for a Siklu radio monitoring software which is expected to be purchased later in year.
- Compared to prior year, expenditures are lower by \$335K (14%). The variance is mainly due to office expenses lower by \$109K, travel \$7K and maintenance by \$20K.