

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
Monday, March 4, 2024, at 9:00 a.m.
UWCD Headquarters, First Floor, Board Room
1701 N. Lombard Street, Oxnard, CA 93030

OPEN SESSION

The meeting was called to order at 9:02 a.m.

Committee Members Roll Call

Two Committee members were present (Keeling, Maulhardt). One seat is currently vacant.

1. Public Comment

No public speakers.

2. Approval of Agenda
Motion

Action: M/S/C (Keeling, Maulhardt) to approve the March 4, 2024, agenda.

Vote: Ayes: Keeling and Maulhardt; Noes: None; Absent: None

3. Approval of Minutes
Motion

Action: M/S/C (Keeling, Maulhardt) to approve the February 5, 2024, minutes.

Vote: Ayes: Keeling and Maulhardt; Noes: None; Absent: None

4. UWCD Board of Directors Meeting Agenda Items

4.1 Approve Payment Plan for Southside Improvement Company January 2024
Groundwater Billing
Board Motion

Action: M/S/C (Keeling, Maulhardt) to recommend approval of a payment plan for Southside Improvement Company to the full Board.

Vote: Ayes: Keeling and Maulhardt; Noes: None; Absent: None

4.2 A Resolution of the Board of Directors of United Water Conservation District Ordering
the Operator of Well No. 03N20W02H05S to Cease Extraction of Groundwater per
Water Code Section 75637, Subdivision (b).
Board Motion

Action: M/S/C (Keeling, Maulhardt) to recommend approval of a Resolution ordering the operator of well no. 03N20W02H05S to cease extraction of groundwater per Water Code Section 75637, Subdivision (b) to the full Board.

Vote: Ayes: Keeling and Maulhardt; Noes: None; Absent: None



4.3 A Resolution Establishing Lake Piru Recreation Area Fees, Fee Administration, and Loyalty Rewards Program

Board Motion

No motion. Subject to Recreation Committee review, public notice, and recommendation for approval to the full Board.

Directors proposed a solution or new protocol with motions that overlap the operational side but also have a financial component. The motion would be subject to approval from one Committee before moving forward to the second Committee to ensure it is fully vetted before requesting approval from the full Board. This way the Committees in question are aware of the motion being discussed before making its final recommendation. Chair Maulhardt mentioned that this new protocol may be something the Board needs to discuss.

5. Second Quarter Fiscal Year 2023-24 Financial Reports

Information Item

Reviewed the District's second quarter fiscal year 2023-24 financial reports and received a presentation from Chief Financial Officer Brian Zahn (presentation attached).

6. Monthly Investment Report (January 2024)

Information Item

Received and reviewed the District's investment portfolio and cash position as of January 31, 2024.

7. Monthly Pipeline Delivery Report (January 2024)

Information Item

Received and reviewed the District's pipeline water activities as of January 31, 2024.

8. Monthly Administrative Services Department Update

Information Item

Received the Finance Department monthly update as well as updates from Human Resources, Risk Management, and Information Technology Departments (presentation attached).

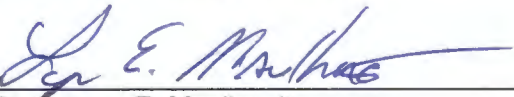
9. Future Agenda Items


- With the Committee's support, budget for an analysis of costs associated with regulation and Finance Department staff to bring a plan to the Committee for review.
 - Work with a rate consultant; capture data from the past 10 to 15 years; include all the costs to rate payers; breakout costs so that it represents the financial impact to the District based on regulatory requirements outside of normal day-to-day operational activities. This could help the average rate payer better understand why the rates are the way they are, and the impact these regulatory costs have on their rates such as rate increases.
 - Propose presenting results at the UWCD Water Sustainability Summit so others understand how the regulatory world has consequences that are impacting the District.

ADJOURNMENT

The meeting was adjourned at 9:53 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 March 4, 2024.


ATTEST: 
Chair Lynn E. Maulhardt



United Water
CONSERVATION DISTRICT


FINANCE AND AUDIT COMMITTEE MEETING
March 4, 2024

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Q2 2022-2023
Financial Review

MARCH 4, 2024



United Water
CONSERVATION DISTRICT

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Highlights

FEMA REIMBURSEMENT AND GRANTS REVENUE DRIVE UNFAVOURABILITY TO BUDGET



REVENUE

Total operating revenue is \$3.2M or 35% unfavorable to budget

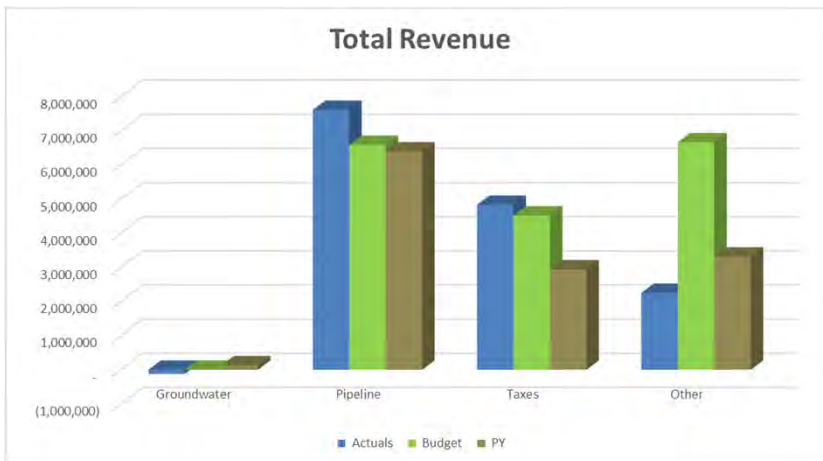
- Pipeline revenue is favorable to budget by \$1.0M or 16%
- Groundwater revenue is flat to budget (first billing in January 2024)
- Taxes are flat to budget by \$0.3M or 7%
- Other Operating Revenue is flat to budget by \$55K or 13%
- Non-Operating Revenue is unfavorable to budget by \$4.4M or 70% primarily due \$2.0M in FEMA reimbursement and \$0.6M in State Grants that did not materialize yet along with \$3.0M due to funding not requested yet from the WIFIA loan which is off-set by positive variances in Interest income.

in \$000's	Q2 FY23-24 Actual	Q2 FY23-24 Budget	Q2 FY22-23 Actual
Taxes	4,830	4,517	2,940
Water Delivery/Fixed Cost	7,610	6,585	6,393
Groundwater	(120)	-	132
Other Operating Revenue	382	437	354
Non-Operating Revenue	1,870	6,226	2,959
Total Revenue	\$ 14,572	\$ 17,766	\$ 12,778

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Total Revenue



- Groundwater revenue starts in January '24
- Pipeline favorable \$1.0M or 16%
- Taxes favorable \$313K or 7%
- Other Revenue unfavorable \$3.0M or 70%

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Highlights

PROFESSIONAL FEES AND CAPITAL SPEND DRIVE FAVORABILITY TO BUDGET



EXPENDITURE

Total expenditures are \$14.3M or 39% favorable to budget

- Professional and legal fees are favorable to budget \$0.6M or 7% due to underspending across all departments
- Operations expenses are below budget \$11.0M or 50% due completely to favorable Capital spend \$11.1M (Design, Construction and CEQA Permits)

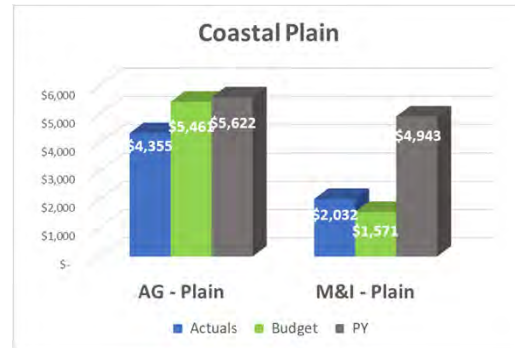
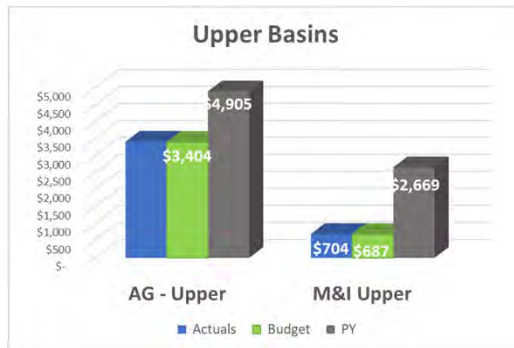
in \$000's	Q2 FY23-24 Actual	Q2 FY23-24 Budget	Q2 FY22-23 Actual
Personnel Expense	7,150	7,723	5,937
Professional Fees	4,558	4,887	1,366
Operating Expense*	10,874	21,849	2,989
Allocated Overhead	2,604	3,554	2,318
Debt Service	296	1,515	83
Other	1,466	1,690	1,020
Total Expenditure	\$ 26,947	\$ 41,217	\$ 13,713

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Groundwater Revenue

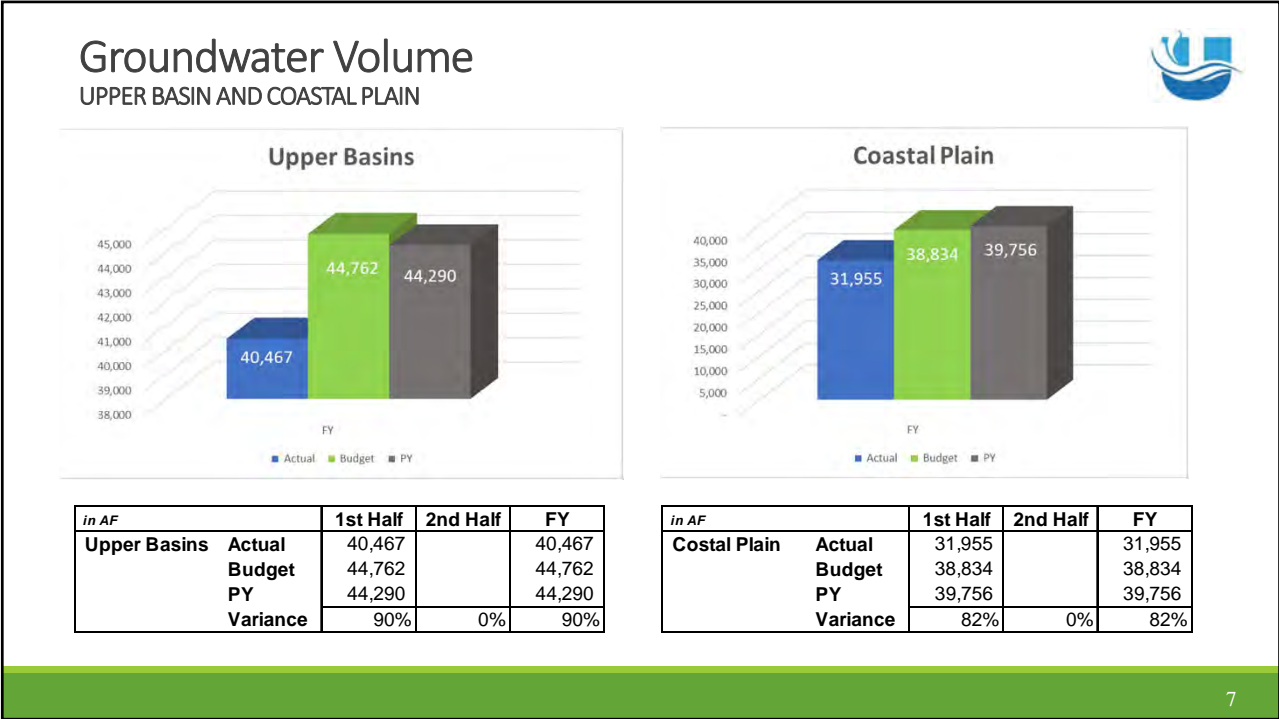
UPPER BASIN AND COASTAL PLAIN



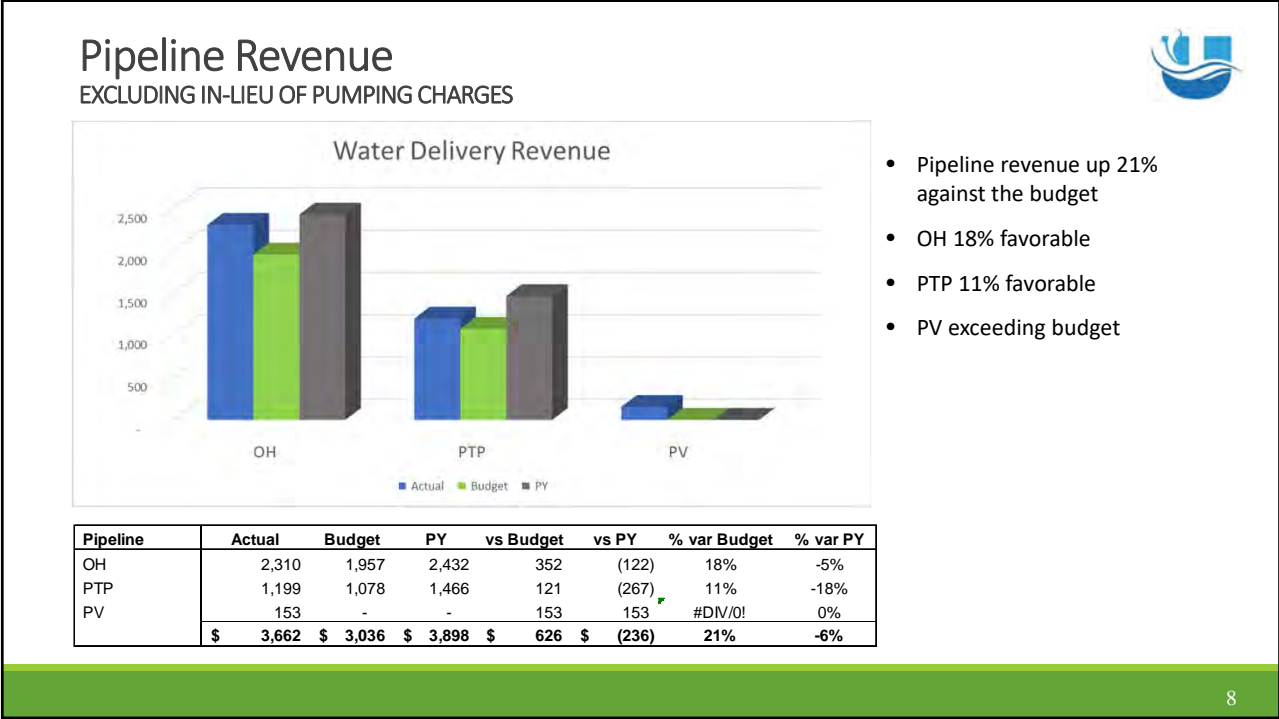
In \$000's	Groundwater	Actuals	Budget	PY	vs Budget	vs PY	% var Budget	% var PY
Zone A	AG - Upper	\$ 3,423	\$ 3,404	\$ 4,905	19	(1,482)	1%	-30%
	M&I Upper	\$ 704	\$ 687	\$ 2,669	17	(1,965)	2%	-74%
Zone B	AG - Plain	\$ 4,355	\$ 5,461	\$ 5,622	(1,106)	(1,267)	-20%	-23%
	M&I - Plain	\$ 2,032	\$ 1,571	\$ 4,943	461	(2,911)	29%	-59%
		\$ 10,514	\$ 11,123	\$ 18,139	\$ (609)	\$ (7,625)	-5%	-42%

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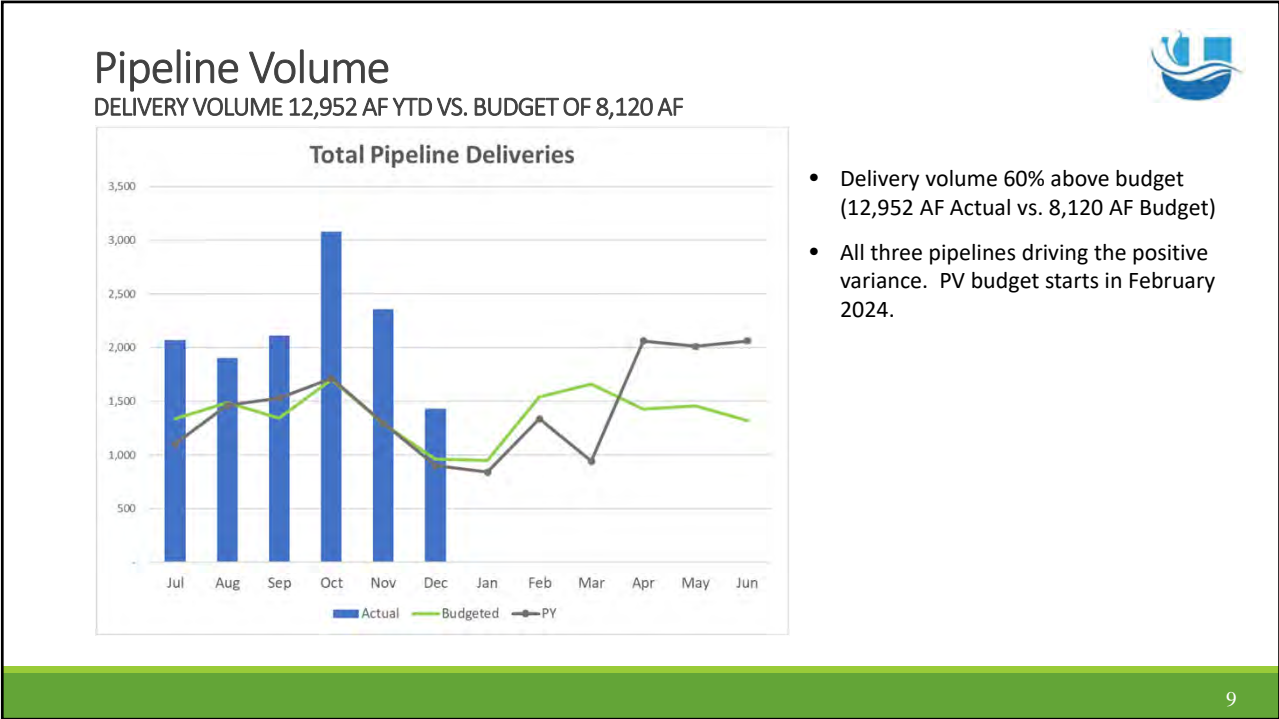
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Top 10 Groundwater AG Customers

Customers	Total Revenue	Total AF
FARMERS IRRIGATION CO.	\$ 491,211.90	4,924.43
SOUTHLAND SOD FARMS	\$ 421,272.55	2,255.81
REITER BROTHERS INC.	\$ 407,141.29	2,354.49
DUDA FARM FRESH FOODS INC	\$ 383,154.40	2,232.82
FILLMORE FISH HATCHERY	\$ 218,874.44	2,194.23
SESPE AGRICULTURAL WATER,	\$ 213,319.37	2,138.54
DEL NORTE WATER COMPANY,	\$ 185,134.62	991.35
NAUMANN RANCH	\$ 180,230.57	965.09
RUTLEDGE FARMING CO.	\$ 154,164.00	825.51
MARZ FARMS INC.	\$ 145,046.86	776.69
Grand Total	\$ 2,799,550.00	19,658.96



Top 10 Groundwater M&I Customers

Customers	Total Revenue	Total AF
OXNARD - WTR DIV, CITY OF	\$ 997,194.26	4,190.42
SAN BUENAVENTURA, CITY OF	\$ 931,665.25	4,934.40
SANTA PAULA, CITY OF	\$ 236,982.51	2,144.25
FILLMORE, CITY OF	\$ 133,531.37	1,208.21
RIVER RIDGE GOLF COURSE	\$ 115,129.88	483.80
CALIFORNIA AMERICAN WATER	\$ 54,986.52	396.70
STERLING HILLS GOLF CLUB,	\$ 36,987.77	177.86
BOSKOVICH FARMS INC,	\$ 29,082.31	122.21
VINEYARD AVE ACRES MUTUAL	\$ 22,846.49	109.86
CAMARILLO (A/P), CITY OF	\$ 19,317.40	92.89
Grand Total	\$ 2,577,723.76	13,860.60

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Personnel Expenses



\$000's	Q2 2023-24 Actual	Q2 2023-24 Budget	PY Actual	Var to Budget	% Var to Budget	Var to PY	% Var to PY
Regular Salary	4,309	4,537	3,451	228	5%	858	25%
Over-time Salary	116	129	81	12	10%	35	44%
Part-time	229	291	153	63	21%	76	50%
Salaries	\$ 4,654	\$ 4,957	\$ 3,685	303	6%	\$ 969	26%
Retirement- Classic	1,279	960	349	(319)	-33%	930	266%
Retirement - PEPRA	174	172	1,096	(2)	-1%	-922	-84%
Soc Sec/457b Expense	242	272	191	30	11%	51	27%
Medicare Expense	66	70	53	4	6%	13	25%
SUI Expense	3	10	1	7	67%	2	236%
Medical Ins Exp	488	602	381	114	19%	107	28%
LTD	13	12	10	(1)	-11%	3	30%
Life Insurance	11	15	10	4	27%	1	11%
Worker's Comp Expens	124	156	93	32	20%	31	34%
OPEB	30	-	31	(30)	0%	-1	-2%
Deferred Comp	33	12	38	(21)	-175%	-5	0%
Other	31	484	-	453	0%	31	0%
Employee Benefits	\$ 2,495	\$ 2,766	\$ 2,253	271	10%	\$ 242	11%
Personnel Expenses	\$ 7,150	\$ 7,723	\$ 5,938	574	7%	\$ 1,212	20%

- Salaries are favorable to budget \$0.3M or 6%
- Employee Benefits are favorable to budget \$0.2M or 10% primarily due to:
 - Medical Insurance Expense

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Operating Expenses

PROFESSIONAL AND LEGAL FEES DRIVE BUDGET FAVORABILITY



000's	Q2 2023-24 Actual	Q2 2023-24 Budget	PY Actual	Var to Budget	% Var to Budget	Var to PY	% Var to PY
Profess Fees - Engineering	47	154	134	(107)	-70%	(87)	-65%
Prof. Fees - Environmental	528	1,270	244	(742)	-58%	284	116%
Prof. Fees - IT consulting	29	74	10	(46)	-62%	19	185%
Prof. Fees - GW Consulting	11	35	8	(24)	-69%	3	36%
Prof. Fees - Other	494	1,196	252	(702)	-59%	242	96%
Professional Fees	\$ 1,108	\$ 2,729	\$ 648	\$ (1,622)	-59%	\$ 460	71%
Legal Fees	\$ 3,450	\$ 2,157	\$ 719	\$ 1,293	60%	\$ 2,731	380%
Utilities	904	1,216	797	(312)	-26%	107	13%
Maintenance	900	1,225	583	(324)	-26%	317	54%
Field Supplies	511	511	23	0	0%	488	2122%
Insurance	777	498	696	279	56%	81	12%
Office Expenses	418	759	84	(341)	-45%	334	397%
Miscellaneous	114	184	516	(70)	-38%	(402)	-78%
Travel, Trainings and Meetings	47	148	35	(101)	-68%	12	35%
Gasoline, Diesel, Fuel	91	103	94	(11)	-11%	(3)	-3%
Fox Canyon GMA	142	269	(81)	(127)	-47%	223	-276%
Safety, supplies, clothing	75	68	73	7	11%	2	100%
Telephone	39	41	33	(2)	-5%	6	19%
General Operating Expenses	\$ 4,019	\$ 5,020	\$ 2,853	\$ (1,001)	-20%	\$ 1,166	41%
State Water Import Costs	\$ 3,569	\$ 2,139	\$ 572	\$ 1,430	67%	\$ 2,997	100%
Total Operating Expenses	\$ 12,147	\$ 12,046	\$ 4,792	\$ 101	1%	\$ 7,355	153%

- Professional Fees are favorable to budget by \$1.6M
- Legal fees are unfavorable to budget by \$1.2M
- Operating expenses are favorable to budget \$1.0M.
Key variances include:
 - Office Exp \$341K favorable
 - Maintenance \$324K favorable
 - Utilities \$312K favorable
 - Off-set by unfavorable Insurance \$279K
- State Water cost higher due to state water purchases

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Top 10 Accounts Payable Vendors



Vendor	Payment Amount
CITY OF VENTURA	\$ 2,054,686
ATKINSON, ANDELSON, LOYA, RUUD AND ROMO	\$ 1,103,297
GSE CONSTRUCTION COMPANY INC	\$ 601,057
GEI CONSULTANTS, INC	\$ 592,586
BAKERSFIELD WELL & PUMP C	\$ 584,965
CASITAS MUNICIPAL WATER	\$ 543,807
FOX CANYON GW MGMNT AGENC	\$ 356,734
SO. CALIFORNIA EDISON	\$ 294,151
PACIFIC VISTA LANDSCAPE SERVICES, INC.	\$ 184,892
ASCENT ENVIRONMENTAL INC	\$ 171,464

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SUPPLEMENTAL WATER PURCHASE FUND STATUS UPDATE

	<u>Revenue (\$000'S)</u>
Beginning Balance - July 1, 2023	\$3,582
Changes in Surcharge	\$517
Other	\$0
Ending Balance - December 31, 2023	\$4,099

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FINANCE AND AUDIT COMMITTEE MEETING

Finance and Administrative Services Monthly Update

March 4, 2024

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Financial Update

Brian H. Zahn
Chief Financial Officer

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January Cash Collections

UWCD	Lake Piru
Pipeline: \$ 1.8M	Day Use: \$ 10K
Groundwater: \$ 3M	Concessions: -
Rent: \$ 37K	Boating/Watercraft: \$ 2K
Lake Piru: \$ 34K	Boat Storage: \$ 1K
Misc.: \$ 988K	Camping: \$ 20K
TOTAL: \$ 5.9M	Miscellaneous: \$1K
	Prior Year Total: \$ 17K
	TOTAL: \$ 34K

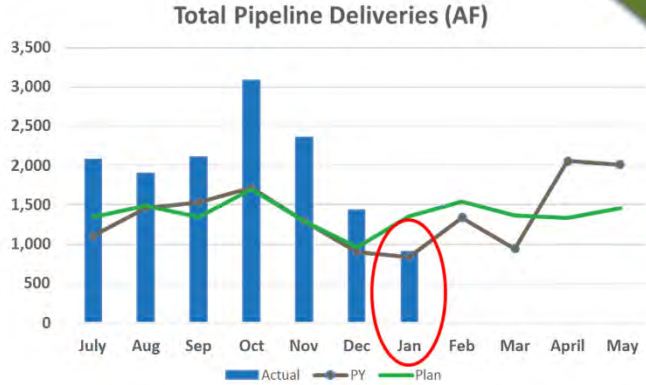
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January 2024 Pipeline

	\$ Billed	Actual AF	Plan AF	Variance
OH	\$535K	581	710	(129)
PT	\$194K	227	240	(13)
PV	\$50K	100	400	(300)

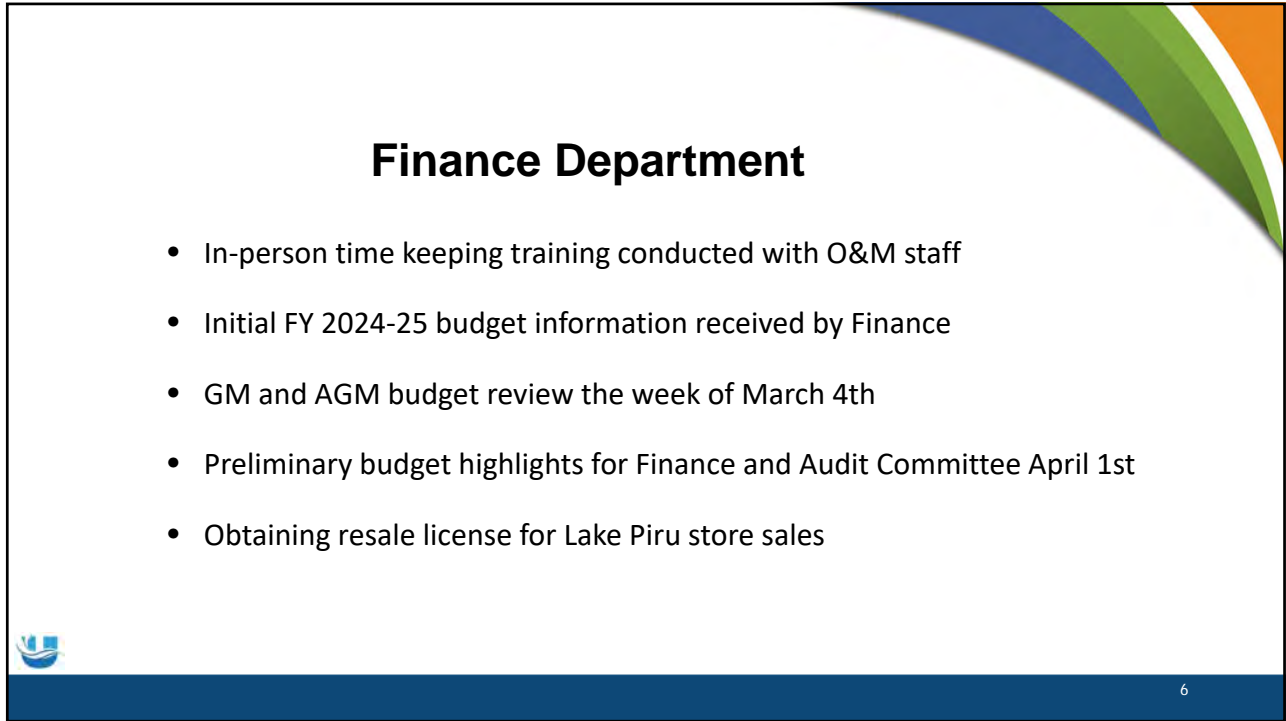
- Year-to-date January deliveries are 46% above plan and 57% above prior year.



Board Motions with Fiscal Impact


Sponsor	Description/Summary	Budget Y/N	Funding Source	Cash Impact of Approval	Other Financial Impact
Eng. and Operations	PCS Agreement with Stantec Consulting Services, Inc. to Develop 30% Design of the Lake Piru Recreation Area Facility Improvement Plan (CIP 8055)	Y	CIP 8055	\$407K	N/A
Eng. and Operations	Construction Contract with ABC - Liovin Drilling, Inc. for EBB Phase 1 Monitoring Wells (CIP 8019)	Y	CIP 8019	\$2.75M (incl. 2% contingency)	N/A
TOTAL				\$3.2M	





Finance Department

- In-person time keeping training conducted with O&M staff
- Initial FY 2024-25 budget information received by Finance
- GM and AGM budget review the week of March 4th
- Preliminary budget highlights for Finance and Audit Committee April 1st
- Obtaining resale license for Lake Piru store sales



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Administrative Update

Josh Perez
Chief Human Resources Officer

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Human Resources

- Promotions**
 - No internal promotions during February
- New Hires**
 - Senior Park Ranger Bernard Riedel started February 12th
 - Technology Systems Intern starts March 4th
- Other Human Resources Efforts**
 - Completed all ACA reporting
 - Enacted with Lincoln Financial Secure 2.0 Act changes into 457 Plan
 - Distributed 2024 Brown Bag Schedule (February 28 presentation on District Technology)
 - Finalized rollout of District cell phones to staff
 - Assisted in posting of OSHA Forms at all District facilities
 - Developed and completed FY24-25 budget for personnel from departments
 - Assisted Risk and Safety in reporting damages from storms to SDRMA

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Current Employee Recruitments

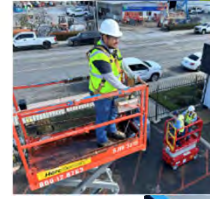
- Senior Engineer and Associate Engineer**
Position closed, interviews scheduled
- Engineering Assistant**
Position closed, interviews scheduled

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Risk Management

- Responded to FEMA EHP Request for Information for Public Assistance Grant stemming from January 2023 winter storms (remaining projects are pending FEMA obligation)
- Completed CSDA ChatGPT/A.I. virtual workshop
- Assisted with compiling Lake Piru Recreation Area signage updates as part of reported activities to FERC, and collaborated in virtualizing Historical Properties Management Plan (HPMP) annual training in District's learning management system (TargetSolutions)
- Coordinated electrical safety (NFPA 70E) and aerial lift safety training
- Completed the five-year sprinkler test and inspection for HQ building
- Certified District staff in Adult & Pediatric CPR/AED/First Aid
- Attended legal webinar on new Workplace Violence Prevention Plan requirement under Cal/OSHA on Feb. 27



Fall Protection Training on February 27



Fire Sprinkler Inspection on February 16



Technology Systems

- Provided critical departmental support ensuring effective technology integration for essential discussions.
- Offered comprehensive IT assistance to the AWA Board of Directors, the California Avocado Commission, and Ventura County Women for Agriculture, promoting efficient hybrid meeting environments.
- Supported five key workshops and meetings, enabling productive hybrid meeting environments.
- Executed a significant update to our management systems enhancing cloud connectivity and backup protocols.
- Coordinated with external providers for system upgrades which enhanced cybersecurity.



Technology Systems (continued)

- Developed and implemented the OT Ticketing System which will optimize management of OT technology.
- Conducted strategic discussions and upgrades for the network and firewall, enhancing security and synchronization across our systems.
- Completed a Threat Detection System upgrade, ensuring comprehensive backup and restoration processes.
- Conducted Technology Systems site surveys at Lake Piru for retail operations, preparing for future store infrastructure.



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Questions



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