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March 2, 2026

Board of Directors
United Water Conservation District

Subject: Second Quarter Fiscal Year 2025-2026 Financial Reports

Dear Board Members:

Enclosed for your review are the United Water Conservation District's (District) Fiscal Year (FY) 2025-2026 Second Quarter Financial Reports. These reports represent six months of financial information for District operations as well as Capital Improvement Project (CIP) updates (October 1, 2025, through December 31, 2025).

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 with a preliminary financial view (subject to audit adjustments at year-end). The following discussion will provide a summary of the District's projected revenues and approved spending plan compared to what actually occurred throughout the fiscal year. It also provides an update on approved and funded CIPs.



OPERATING FUNDS

Narrative and graphical analyses are provided by fund (and the Recreation sub-fund) on the pages following the CIP Status.

CAPITAL IMPROVEMENT PROGRAM STATUS

A one-page summary of the District's current five-year CIP appears along with Benchmark Interest Rates as part of Attachment B. As of December 31, 2025, 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. Please refer to the end of the CIP status section for a list of acronyms.

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

- On November 5, a Professional Services Agreement for Hydrogeologic and Field Oversight Services in Connection with the Rehabilitation and Redevelopment of Wells El Rio Nos. 17, 13, and 14 was executed with KYLE Groundwater, Inc.
- The District's consultant, KYLE Groundwater, Inc., prepared a workplan for redevelopment of Well No. 17 to address high turbidity in produced water.

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

- Staff coordinated with the design team (NHC and GEI) and technical advisors on the preliminary design and cost estimates for the Improved Denil. On November 13, Staff conducted a site visit with GEI to support the 30% design effort for the Improved Denil. Six key staff members from GEI joined four United staff members for an extensive site walk of the existing Freeman Facility and related infrastructure. In early December, Staff provided a workshop to Recharge Operators to discuss proposed changes to the Freeman facility and to obtain feedback from frontline operators.
- On November 6, Legal counsel submitted an ex parte application to Judge Carter to extend all deadlines in the September 10, 2025, Opinion (Dkt 693) by 60 days due to the federal government shutdown. Wishtoyo opposed United's application and on November 10, 2025, Judge Carter issued an order denying the application. Due to the denial of the ex parte application, and in accordance with the requirements of the September 10, 2025, Court Order, on November 10, 2025, United submitted a request to the U.S. Army Corps of Engineers for initiation of ESA Section 7 consultation for construction of the Hardened Ramp fish passage design.
- On December 9, 2025, the U.S. Bureau of Reclamation (USBR) issued the final grant agreement for the WaterSMART Environmental Water Resource Projects program award to the Freeman Diversion Fish Screen and Fish Bypass System project. The grant award totals \$3 million for construction.
- On December 16, 2025, United staff met with NMFS West Coast Region staff to discuss the Improved Denil fish passage project, and on December 17, 2025, United staff met with CDFW staff to present the project. Additionally, on December 30, 2025, United staff met with CDFW staff to discuss permitting processes to support the



January 8, 2026, permit deadlines outlined in Judge Carter's September Opinion, as a follow-up to a November 13, 2025, meeting on the same subject.

- ***Santa Felicia Dam Outlet Works Rehabilitation (CIP # 8002)***
 - On October 3, GEI submitted the Intake Control Facility Structural Analysis TM which was reviewed by the District and BV. On December 22, Staff submitted the Updated Kinematic and Structural Stability Analysis of Sloping Intake Structure to FERC and DSOD.
 - In October through December, Staff received multiple RFIs from Cal OES related to the HMGP sub-application for the SFD OW Improvement Project. Staff prepared and submitted responses in coordination with BV and GEI to Cal OES.
 - On November 18, Staff presented to the VC Board of Supervisors on the SFD SIP, during which the Board adopted a resolution supporting the project.
 - On November 25, Staff e-filed a request with FERC for an extension of time to close any remaining BOC comments on the SFD OW Project by BOC Meeting No. 11, which had been rescheduled from November 3-4, 2025, to March 25–26, 2026.

- ***Freeman Conveyance System Upgrade – Freeman to Ferro Recharge Basin (CIP # 8018)***
 - Three Barrel Culvert Replacement:
 - There are no updates for this time period.

 - Inverted Siphon Replacement:
 - This project is complete, and there are no updates for this time period.

 - Vineyard Avenue Crossing:
 - On October 28, Staff submitted Progress Report/Invoice No. 8 to DWR for the IRWM Prop 1 Round 2 grant.
 - On December 31, the Caltrans encroachment permit application was officially accepted for the Vineyard Ave Crossing.

- ***Extraction Barrier and Brackish Water Treatment (CIP # 8019)***
 - Staff continued coordination with NBVC Environmental, Public Works, and Real Property Management Staff on Site Approval Requests (SAR) for the Phase 1 project. On December 5, Staff received the fully executed Navy approval for Phase 1A SAR (remaining field activities related to design). Staff provided responses to multiple Navy RFIs related to the Phase 1B SAR (30% design).
 - In October, Staff received sieve analyses for the EBB-2 and EBB-4 exploratory borings. The information will be used by the well design subconsultant (RCS) in the well gravel pack design. In October, K/J's electrical engineer reviewed and provided comments on the power monitoring study prepared by P2S, Inc. Additionally, K/J's structural engineer reviewed and provided comments on the draft geotech report prepared by Earth Systems.



- On November 12, Staff submitted the SWRCB invoice and progress report No. 5 and the revised labor certification on November 18 related to the SWRCB GWGP grant.
- On November 19, Staff held a meeting with NBVC's Leadership. Staff provided project background, project status, and a financial summary. NBVC's Leadership agreed to elevate the priority of review and approval of the Phase 1A and 1B SARs.
- On November 3, Staff received a request from NBVC regarding the expiring Phase 1A license agreement which authorizes access for land surveying, geotechnical exploration, and environmental surveying. Staff discussed a potential two-year extension with NBVC Staff. On December 5, Staff issued a Letter of Request to CNRSW for a Phase 1A license extension for 2 years (February 2026 to February 2028).
- On December 3, Staff as well as Director Huber met with Commander Navy Region Southwest Rear Admiral Rich Jared in San Diego to provide a debrief on the Extraction Barrier and Brackish Water Treatment project and to confirm the Navy's continuous support of the project.
- Throughout December, Staff updated the water quality database for reporting EBB sampling data to the State, planned for geotechnical site work and installation of piezometers, and conducted quarterly sampling for monitoring wells.
- ***Rice Avenue Grade Separation Project (CIP # 8021)***
 - Staff continued to monitor construction progress. The Contractor continues to build the earthen embankment east of PTP Well No. 4 and anticipates constructing piles for the bridge embankment supports over Fifth Street between late 2025 and early 2026. District Staff anticipate conducting a land survey in 2026 of the area south of PTP Well No. 4, which the County identified as the parcel to be incorporated into the PTP Well No. 4 site and transferred to the District upon completion of construction to ensure ease of access to the well site in the future.
- ***Pumping Trough Pipeline Metering Improvement Project (CIP # 8022)***
 - Staff continued to work with the property owner at PTP Turnout No. 156 for final signatures on the proposed easement deed.
 - On October 9, Staff received an executed copy of Amendment No. 5 providing a descoping from sixty-two (62) to fifty-seven (57) PTP turnout meters and a time extension through January 31, 2026, for the Prop 1 Agricultural Water Use Efficiency Grant.
- ***State Water Interconnection (CIP # 8025)***
 - There are no updates for this time period.
- ***Asset Management System – CMMS System (CIP # 8041)***
 - After completion of an Asset Management Program pilot project related to the El Rio Disinfection Facility and OH Pipeline, Staff worked with its consultant (HDR) to



- develop a scope of work for the next stage of OH Pipeline condition assessments and cathodic protection system improvements.
- In early December, Staff completed the PV asset registry and utility binder.
 - ***Pumping Trough Pipeline Recycled Water Connection – Laguna Road Pipeline (CIP # 8043)***
 - Staff continued planning and coordination efforts with the City of Oxnard and PVCWD for short-term operational testing for recycled water deliveries through the new Laguna Road Recycled Water Pipeline. Staff continued to update the LARWQCB on the short-term operational testing planning efforts.
 - Staff continued to work with Toro Enterprises, Inc. on a pressure testing plan of the newly installed flow meter. Staff closed out VCWPD permit (2024-029) related to the construction of the Laguna Road Pipeline on December 18.
 - ***SCADA Hardware Update (CIP # 8046)***
 - Staff completed the project to move the SCADA alarm notification system from WIN-911 to the Ignition platform. The project was successful and is ready for implementation and deployment. Staff has successfully completed a PLC upgrade at the Freeman Diversion, going from PLC technology to EPIC (Edge Programmable Industrial Controller) technology by OPTO22.
 - ***Lake Piru Recreation Area Pavement Maintenance Program (CIP # 8047)***
 - On November 7, Staff submitted a CDFW Boating Access Grant Program application and 65% design documents for pavement rehabilitation in the Marina area requesting a grant amount of \$363,000 to partially cover a total estimated project cost of \$484,000. There is a 25% local cost match requirement for the grant. Award announcements are anticipated in Summer 2026.
 - ***Main Supply Pipeline Sodium Hypochlorite Injection Facility (CIP # 8053)***
 - This project has been postponed until further notice.
 - ***Lake Piru Campground and Recreation Area Renovations (CIP # 8055)***
 - Staff consulted with prospective consultants in the development of a scope of work to improve the LPRA Water Treatment Plant operations which is currently operated in a manual batch process mode due to a lack of automation and encounters operational issues with changing source water quality.
 - Staff coordinated with environmental testing companies to receive quotations for hazardous material testing for the LOG and Oak Lane restrooms in preparation of bid documents for a restroom repair project.
 - ***Oxnard Hueneme Pipeline Low-Flow Upgrade (CIP # 8056)***
 - This project has been postponed until further notice.



- ***Piru Early Warning System Replacement (CIP # 8058)***
 - The contractor completed the physical installation of the new replacement siren at Fire Station 28 in Piru. This siren matches the new siren that was installed at the Piru Spreading Grounds in Q1 FY 2025-2026.

- ***Oxnard Hueneme Well No. 13 Rehabilitation (CIP # 8059)***
 - On November 5, a Professional Services Agreement for Hydrogeologic and Field Oversight Services in Connection with the Rehabilitation and Redevelopment of Wells El Rio #17, #13, and #14 was executed with KYLE Groundwater, Inc.

- ***OH Well 14 Energy Efficiency Upgrades (CIP # 8060)***
 - On November 5, a Professional Services Agreement for Hydrogeologic and Field Oversight Services in Connection with the Rehabilitation and Redevelopment of Wells El Rio #17, #13, and #14 was executed with KYLE Groundwater, Inc.

- ***El Rio Office Rehabilitation (CIP # 8061)***
 - There are no updates for this time period.

- ***OHP Gas Booster Replacement Project A (CIP # 8062)***
 - This project is on hold.

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Acronym Index

Acronym	Definition
BOC	Board of Consultants
BV	Black & Veatch Corporation
Cal OES	California Governor's Office of Emergency Services
CDFW	California Department of Fish and Wildlife
CIP	Capital Improvement Project
CMMS	Computerized Maintenance Management System
DWR	California Department of Water Resources
EBB	Extraction Barrier and Brackish
ESA	Environmental Science Associates; or Endangered Species Act
GEI	GEI Consultants, Inc.
GWGP	Groundwater Grant Program
HDR	HDR Consultants, Inc.
HMGP	Hazard Mitigation Grant Program
IRWM	Integrated Water Management Plan
K/J	Kennedy Jenks Consultants
LOG	Lower Olive Grove
LPRA	Lake Piru Recreation Area
NBVC	Naval Base Ventura County
NMFS	National Marine Fisheries Service
NHC	Northwest Hydraulic Consultants, Inc.
O&M	Operations and Maintenance
OH	Oxnard Hueneme
OHP	Oxnard-Hueneme Pipeline
OW	Outlet Works
PLC	Programmable Logic Controller
PTP	Pumping Trough Pipeline
PVCWD	Pleasant Valley County Water District
PVP	Pleasant Valley Pipeline
RFI	Request for Information
SAR	Site Approval Request
SFD	Santa Felicia Dam
SIP	Safety Improvement Plan
SWRCB	State Water Resources Control Board
USBR	United States Bureau of Reclamation
WTP	Water Treatment Plant/Project
VCWPD	Ventura County Watershed Protection District



CASH POSITION AND INVESTMENTS OF THE DISTRICT

As of December 31, 2025, the District had a total of \$63.3M 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-25	Dec-24
Citizens Business Bank	\$ 9,916,822	\$ 9,286,066
Petty Cash	\$ 5,400	\$ 5,400
County Treasury	\$ 4,415	\$ 3,217
LAIF Investments	\$ 53,368,094	\$ 24,612,033
Total	\$ 63,294,731	\$ 33,906,716

Any restrictions on the remaining \$63.3M 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 2025-26 Second Quarter Financial Review

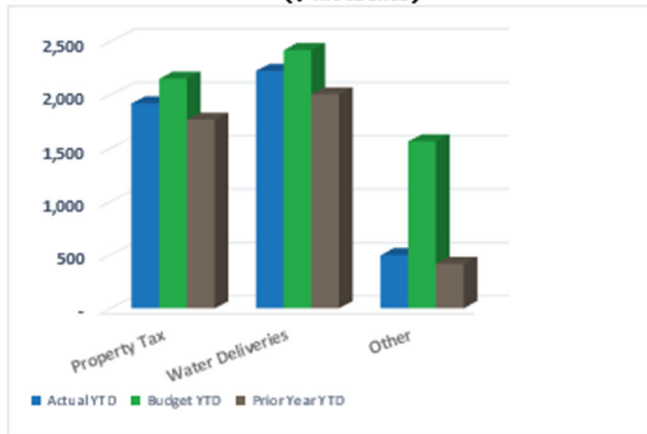
July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

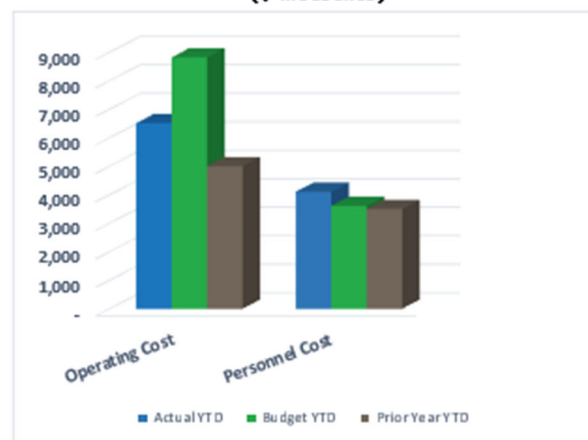
General/Water Conservation Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	2,224	2,419	(195)	-8%	2,004	220	11%
Groundwater	(28)	0	(28)	0%	552	(580)	-105%
Supplemental Water	0	0	0	0%	0	0	0%
Property Taxes	1,919	2,151	(232)	-11%	1,766	153	0%
Earnings on Investments	167	286	(119)	-42%	420	(253)	-60%
Other	987	5,319	(4,331)	-81%	3,851	(2,864)	-74%
Transfers in	0	0	0	0%	0	0	0%
Total Revenues	5,270	10,176	(4,906)	-48%	8,594	(3,324)	-39%
Expenses							
Personnel Costs	4,109	3,615	494	14%	3,503	606	17%
Operating Expenditures	6,517	8,823	(2,306)	-26%	5,004	1,513	30%
Capital Outlay	401	427	(26)	-6%	547	(146)	-27%
Transfers out	10,799	13,341	(2,541)	-19%	6,969	3,830	55%
Total Expenses	21,827	26,206	(4,378)	-17%	16,024	5,803	36%
Net Surplus / (Shortfall)	(16,557)	(16,030)	(527)	3%	(7,430)	(9,127)	123%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status v. Budget

- Revenue received through the Second Quarter totals \$5.3M, which is \$4.9M (48%) below plan. This shortfall is predominantly due to delayed receipt of awarded grant funding but is expected to meet projections by the end of the fiscal year.
- Groundwater Revenue reflects adjustments from the prior fiscal year. The first billing of FY 2025-26 was completed in February 2026.
- Water Delivery totaled \$2.2M, \$195K (8%) below Plan, can be attributed to deliveries of 1164 AF under projection, driven by weather conditions.



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

- Earnings on Investments are \$119K (42%) below Budget, due to market adjustments and an interfund loan coming out of Fund 050.
- Grant Revenue shortfall of \$3.3M (100%) from delayed SCRCB Grant payment for the Phase 1 Pumping of Coastal Brackish Groundwater Wells Project.
- Property Taxes received in the second quarter are under plan by \$232K due to timing differences but are expected to pick up later in the fiscal year.
- Recreation Activities Revenue is higher than budgeted by \$18K (3%).

Revenue Status v. Prior Year

- Second quarter revenue was \$3.3M (39%) higher than the previous fiscal year, primarily due to receipt of the grant payments in the 2024-25 FY.
- Grant Revenue in the second quarter is \$2.9M lower than the prior fiscal year, mainly due to delayed Grant reimbursements and the initiation of two additional grants for Phase 1 Pumping Coastal Brackish GW Project and Flood Diversion and Recharge Enhancement Project.
- Water Delivery Revenue is \$220K (11%) higher in the current fiscal year, mainly due to an increase in rates. However, there were 2,705 (19%) AF less delivered in 2025-26.

Appropriation/Expenditure Status v. Budget

- Total Expenditures were \$21.8M, \$4.4M (17%) under Plan, largely due to Transfers out for CIP of \$10.8M, (\$2.5M) 19% under plan due to Wifia Loan proceeds.
- Operating Expenditures also contributed to the savings, being \$2.3M (26%) below Budget. This is largely attributed to decreased expenses in Professional Fees.
- Overall Professional Fees were \$582K under Budget, mainly due to savings in Environmental Services (\$751K) from delays in studies for State Water Import and reduced activity in other professional services. These savings were partially offset by higher legal services costs related to OPV, FERC, and Takings Claim, with total legal expenses reaching \$2.5M, \$891K over plan for appointed legal counsel.
- Public Relations Outreach and Education was less than projected by \$217K in Fund 010. Outreach efforts should increase throughout the remainder of the fiscal year.
- Maintenance Expenditures reflect \$408K in underspending, with savings resulting from FEMA reimbursement in Fund 020.
- Salaries and Benefits (\$4.2M) are over plan (\$494K) due to upfront payments for CALPERS unfunded liability and payroll liabilities for the 2025-26 fiscal year.
- Budgeted Principal (\$184K) and Interest payments (\$178K) related to 2020 COP Payments are budgeted as expenses but paid directly to liability.

Appropriation/Expenditure Status v. Prior Year

- Expenditures are \$5.8M (36%) higher in the current fiscal year largely due to higher Transfers-Out (\$3.8M) for Capital Improvement Projects.



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

- Personnel Cost are also \$606K greater in the current fiscal year, stemming from a Board approved 3% COLA increase, annual merit increase and an increase in CalPers unfunded liability payments.
- Operating Expenditures in the second quarter are up \$1.5M (30%) compared to last year. Largely attributed to higher general and administrative expenses, totaling \$957K.
- Maintenance Costs in the current fiscal year are \$178K lower than FY 2024-25. This is due in part to funds received from FEMA for the damage at Lake Piru.
- Higher Insurance Expense (\$182K) in current fiscal year compared to FY 2024-25.
- Capital Outlay is also lower in the current fiscal year by \$146K, which is attributed to traveling screens rebuild that occurred last year.

Fund Balance

- The projected ending undesignated working capital balance for FY 25-26 is approximately \$1.449M.
- The District's reserve policy requires an undesignated balance of \$4M for this fund, which is not expected to be met.

FY 2025-26 Second Quarter Financial Review

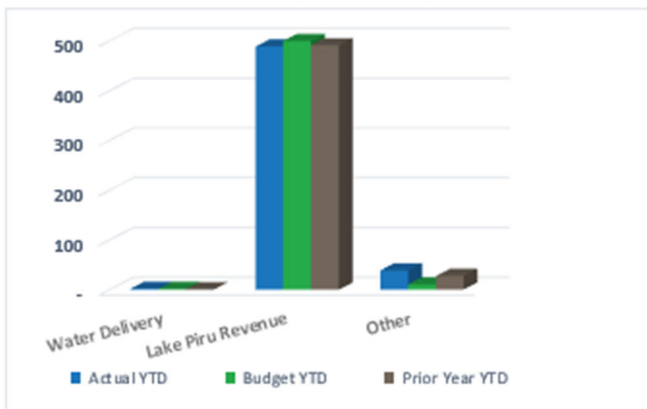
July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

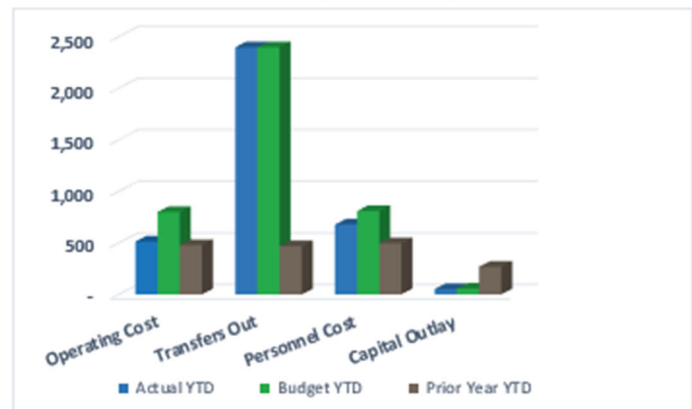
Recreation Sub-Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	2	1	0	18%	1	1	134%
Earnings on Investments	0	0	0	0%	0	0	0%
Lake Piru Revenue	489	500	(11)	-2%	491	(2)	0%
Other	39	10	28	277%	28	11	39%
Total Revenues	529	512	18	3%	520	10	2%
Expenses							
Personnel Costs	680	808	(128)	-16%	495	185	37%
Operating Expenditures	512	799	(286)	-36%	477	35	7%
Capital Outlay	53	57	(5)	-8%	268	(215)	-80%
Transfers out	2,396	2,396	0	0%	467	1,929	413%
Total Expenses	3,641	4,060	(419)	-10%	1,707	1,934	113%
Net Surplus / (Shortfall)	(3,111)	(3,548)	437	-12%	(1,187)	(1,924)	162%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status v. Budget

- Operational Revenue in the Second Quarter is above plan by \$18K (3%), which is mainly due to higher than anticipated Vehicle Passes Revenue.

Revenue Status v. Prior Year

- Compared to the Second Quarter of FY 2024–25, revenues increased by nearly \$10K (2%), due to increased camping reservations and filming fees revenue in Current Year.

Appropriation/Expenditure Status v. Budget

- Total Expenditures were \$3.6M, \$419K (10%) under Budget due to lower Operating Expenditures (\$286K), and Personnel Costs (\$128K).



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

- Salary (\$90K) and Benefits (\$38K) Costs savings are due to temporary staffing being utilized for Landscaping and Social Media functions. Vacancies in the Park Ranger positions are expected to be filled, leaving underspent costs in regular salaries (\$60K) to be utilized by fiscal year end.
- Professional Fees (\$5K) resulted in savings of \$51K from less than expected use of legal services (\$20K), Sheriffs Department Contract Services being under-utilized during the slow season and Marketing & Advertising savings due to new in-house Outreach position.
- Overall Maintenance costs (\$166K) are still below Plan due to offset from reimbursement payment received from FEMA (\$332K).
- Vehicle Maintenance costs (\$47K) are over plan by \$33K due to increased repairs for Recreation Utility vehicles and operated trucks.
- Savings are slightly offset by insurance costs (\$57K) due to increased liability premiums for the year occurring after the purchase of new rental boats for Recreation use.

Appropriation/Expenditure Status v. Prior Year

- Expenditures are \$1.9M (113%) higher in the current fiscal year, predominantly due to Transfers out for CIP projects (\$2M).
- Contributing to increase is Miscellaneous Expense (\$42K), mainly related to Costs of Goods Sold, which was higher in FY 2025-26 due to purchases of ice, merchandise, and inventory for Condor Point Store.
- Personnel Costs (\$680K) also are higher (\$185K) in the current fiscal year compared to the second quarter of FY 2024-25.
- Capital Outlay for Capital Improvement Projects is (\$215K) lower in fiscal year 2025-26 due to FEMA reimbursements, slightly offsetting the increase.

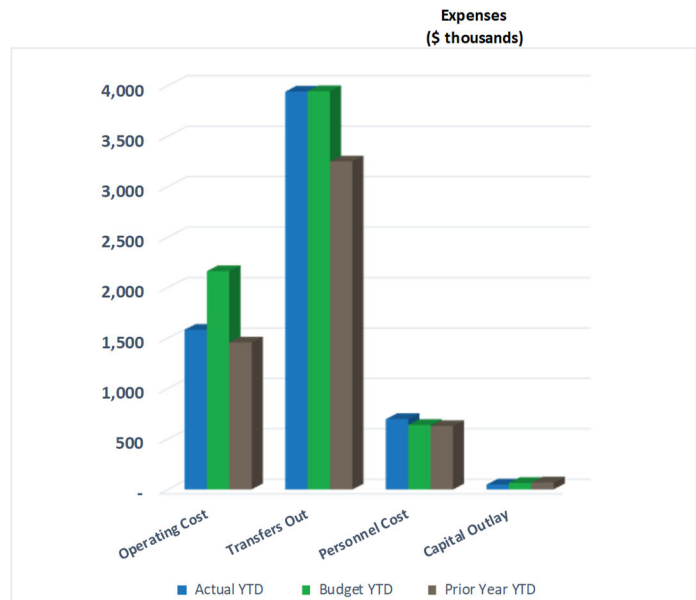
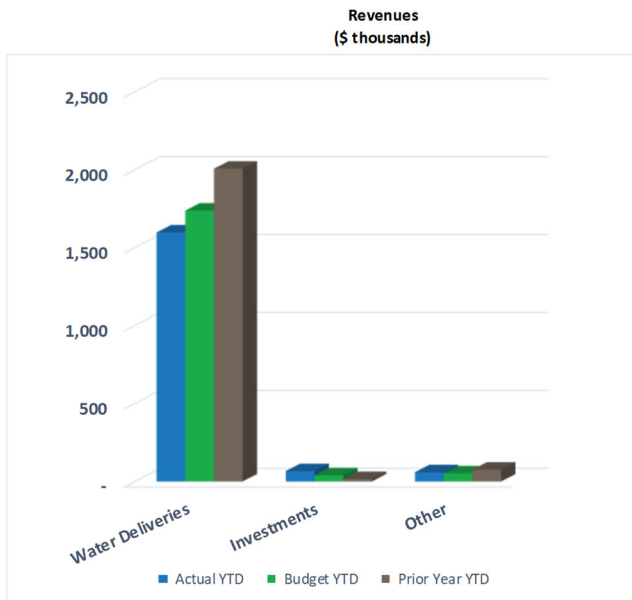
FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

Freeman Diversion Fund (Zone B)

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Groundwater	(37)	0	(37)		(62)	25	-40%
Water Delivery	1,597	1,737	(140)	-8%	2,006	(409)	-20%
Earnings on Investments	66	39	27	70%	15	51	346%
Other	59	83	(24)	-29%	76	(17)	-22%
Transfers in	0	0	0	0%	0	0	0%
Total Revenues	1,685	1,859	(174)	-9%	2,035	(350)	-17%
Expenses							
Personnel Costs	698	639	59	9%	628	70	11%
Operating Expenditures	1,582	2,163	(581)	-27%	1,456	126	9%
Capital Outlay	49	64	(16)	-24%	68	(20)	-29%
Transfers out	3,942	3,945	(3)	0%	3,249	693	21%
Total Expenses	6,270	6,811	(540)	-8%	5,402	869	16%
Net Surplus / (Shortfall)	(4,585)	(4,952)	367	-7%	(3,367)	(1,218)	36%



Revenue Status v. Budget

- Revenue for the Second Quarter was \$1.69M, which is under the plan \$174K (9%). This was primarily due to a decrease of \$140K (1,164 AF) in water deliveries to the three pipelines. Additionally, contributing to the lower revenue was \$38K in groundwater adjustments and delayed grant revenue of \$30K related to a Cal OES State and Local Cybersecurity grant which is expected to be invoiced later in the fiscal year.



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

- Offsetting the decrease in revenue was the increase of \$27K (70%) in Earning on Investments due to higher LAIF interest rates. Also \$7K (14%) additional revenue in late fees, rents and leases.

Revenue Status v. Prior Year

- FY 2025-26 Second Quarter is \$350K (17%) lower than the prior year, primarily due to a \$409K (2,706 AF) decrease in water deliveries. Additional contributing factor is a \$17K (22%) reduction in late fee charges compared to last year.
- In contrast, investment earnings increased by \$51K (346%) due to higher LAIF interest rates this year.

Appropriation/Expenditure Status v. Budget

- Total year-to-date expenditure is \$6.3M, which is \$540K (8%) below budget. Primarily attributed to the underutilization of operating expenditures totaling \$581K (27%) and capital outlay of \$16K (24%).
- The major contributor of underutilization are Principal payments related to the 2020 COP and the Interfund Loan are below plan by \$207K, as these items are budgeted as expenses but paid directly to liabilities. Followed by overhead cost of \$182K that is expected to pick up next quarter. Savings also in maintenance expenditure, which shows savings of \$107K, partially due to FEMA reimbursement assistance and delays in equipment maintenance.
- Additional savings in permits and licenses by \$31K, chemical treatment by \$19K, and other miscellaneous expenses by \$25K.
- Interest Expense is \$40K lower due to the timing of the second bond payment, which is scheduled to be posted in the third quarter.
- Professional fees are under \$18K due to delayed billing for legal, consulting, and environmental services. These costs are expected to catch up in the next quarter.
- Operational savings are partially offset by insurance expenses that are \$60K higher. Also, fuel expenses are up by 9K due to higher gas prices.
- Benefits are over budget by \$52K. This variance is primarily driven by higher retirement costs: CalPERS Classic (\$67K) and Pepra (\$3K). While Workers' Compensation expense shows a savings of \$9K, and medical insurance coverage shows a savings of \$7K.
- Salary is also over plan by \$7K due to FY 2025-26 Board-approved 2% COLA increase and annual merit increases.

Appropriation/Expenditure Status v. Prior Year

- Compared to prior fiscal year, total expenditure in the current fiscal year increased by \$869K (16%).
- The major contributor to the increase is Transfers-Out for Capital Improvement Projects \$693K (21%) in the current fiscal year. Followed by Salaries and Benefits of \$70K.



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

- Also, Operational Expenditure up this year by \$126K (9%) attributed to the increase in insurance expenses of \$31K. Current maintenance expenses are \$23K higher due to the delayed processing of FEMA reimbursement assistance.
- Additional higher utilization compared to last year in fuel expenses by \$7K, permits/licenses of \$4K, and safety supplies for \$4K.
- These increases were partially offset by lower professional fees this fiscal year by \$65K, mostly related to delayed billings expected to be received next quarter. Miscellaneous expenses are also \$54K lower due to delayed projects and billing. Other areas reflecting savings this fiscal year include small tools (\$6K) and office expenses (\$3K).

Fund Balance

- The projected ending undesignated working capital balance for FY 2025-26 is approximately \$1.5M.
- The District's reserve policy requires an undesignated balance of \$1.5M which is expected to be met.

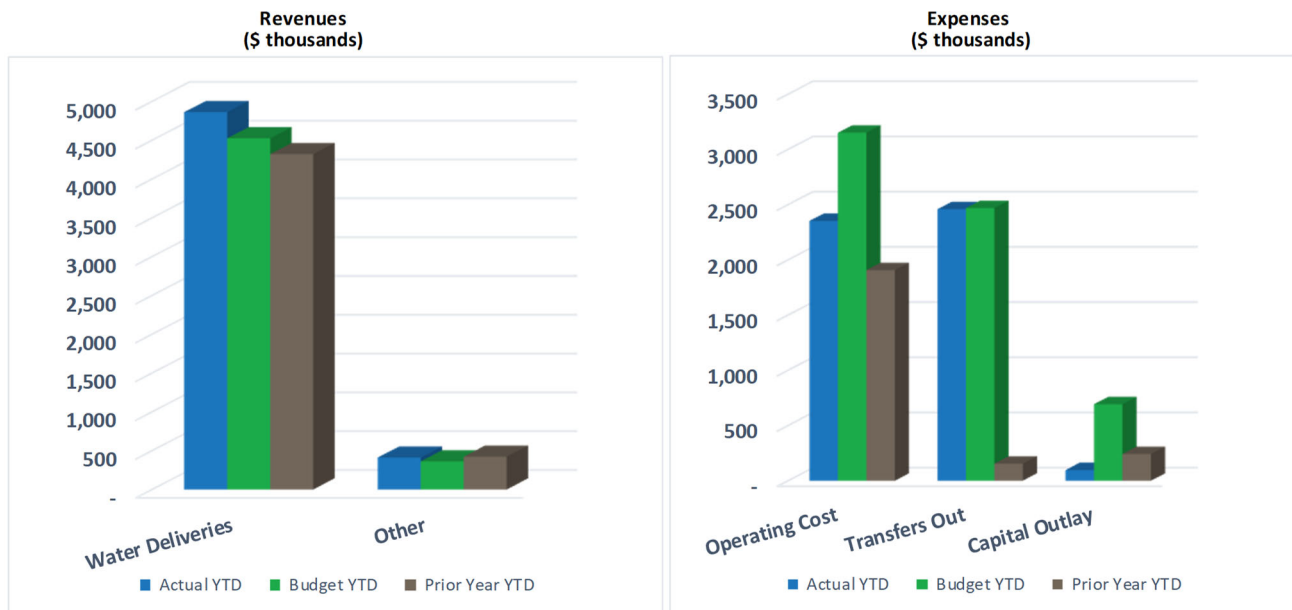
FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

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	4,863	4,525	337	7%	4,321	541	13%
Earnings on Investments	58	17	42	248%	53	5	10%
Grants	0	50	(50)	-100%	0	0	
Other	353	346	7	2%	370	(17)	-5%
Total Revenues	5,273	4,937	336	7%	4,745	529	11%
Expenses							
Personnel Costs	821	549	272	50%	720	101	14%
Operating Expenditures	1,532	2,603	(1,071)	-41%	1,187	345	29%
Capital Outlay	96	693	(596)	-86%	242	(146)	-60%
Transfers out	2,459	2,469	(10)	0%	154	2,305	1500%
Total Expenses	4,908	6,313	(1,406)	-22%	2,302	2,606	113%
Net Surplus / (Shortfall)	366	(1,376)	1,742	-127%	2,443	(2,077)	-85%



Revenue Status v. Budget and v. Prior Year

- Total Q2 Revenue reached \$5.3M, exceeding budget by \$336K (7%).
- Water Deliveries drove the surplus, outperforming budget by \$337K (7%) and 562 AF. Year-over-year growth of \$541K (13%) reflects rate increases and an additional 299 AF of deliveries.



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

- Earnings on Investments generated a \$42K favorable variance, up \$5K (10%) compared to last year as a result of increased LAIF deposits.
- Fox Canyon revenue tracked closely to projection at \$314K. However, compared to prior year, revenue decreased by \$15K due to reduced GMA fees.
- Additional revenue from Late Fees contributed \$8K to the budget surplus.

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

- Total Q2 Expenditures of \$4.9M came in \$1.4M (22%) below the budgeted amount.
- Utilities were down by \$285K due to a timing delay in Edison invoices, though still higher than last year by \$142K.
- Maintenance costs were under plan by \$188K from reduced equipment and structure upkeep expenses, however, this is expected to pick up later in the year. A year-over-year decline of \$24K reflects deferred chlorine purchases and motor maintenance services.
- Fox Canyon expenses were also down by \$103K. This is due to an invoicing timing difference and is expected to realign later in the year.
- Water Chemicals expenses had a \$97K favorable variance from reduced treatment chemical purchases, reflecting a \$18K decline year-over-year.
- Insurance costs saw savings of \$31K. This was attributable to lower premiums and represents a \$67K reduction from last year.
- Miscellaneous expenses came in \$19K under budget, mainly due to a prorated software refund and savings in rental equipment for the relocation of a container. The refund resulted in a \$16K decline compared to last year.
- Permit and Licensing expenses were \$4K below plan in the second quarter, but \$26K up from last year due to an earlier Annual Water Systems Fees payment.
- Fuel expenses continue to rise, coming in over budget by \$5K for Q2 and with an increase of \$7K from last year.
- Contractual Services reflected a \$19K favorable variance. This was due to lower Water Quality Analysis expenses along with reduced demand for IT Consulting, which was driven by savings in alarm software licensing fees.
- Overhead costs were \$113K down and decreased by \$95K year-over-year.
- Principal payments were under budget \$129K as 2020 COP payments were applied directly against liability.
- Capital Outlay underperformed budget by \$596K (86%) due to deferred projects, including OH Pipeline valve replacements, gas engine piping improvements, and OH Structures and Improvements acquisitions. This represents a \$146K year-over-year decline as the construction of a new pressure relief station along with accelerated OH Pipeline and El Rio Fe/Mn Plant work was completed in the prior-year period.
- Personnel Costs were over plan by \$272K (50%), primarily from the July 2025 CalPERS unfunded liability payment, which is allocated evenly throughout the year and from increased work on the OH Pipeline system.



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

- Total Expenditures increased \$2.6M (113%) from prior year, predominantly driven by \$2.3M in Transfers-Out for Capital Improvement Projects.

Fund Balance

- The projected ending undesignated working capital balance for FY 25-26 is approximately \$1.2M.
- The District's reserve policy requires an undesignated balance of \$1.2M for this fund which is expected to be met.

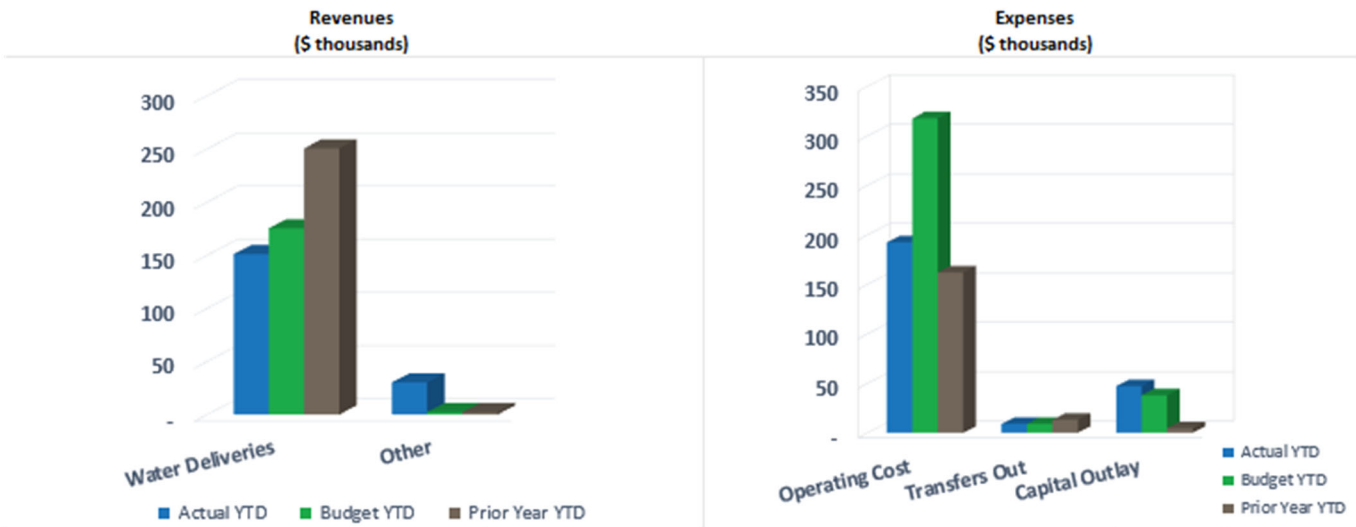
FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

Pleasant Valley Pipeline Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	151	175	(24)	-14%	250	(99)	-40%
Earnings on Investments	13	16	(3)	-17%	30	(16)	-54%
Other	30	9	22	249%	2	28	1120%
Total Revenues	195	200	(5)	-3%	282	(88)	-31%
Expenses							
Personnel Costs	70	186	(116)	-62%	59	11	19%
Operating Expenditures	122	132	(10)	-7%	103	19	19%
Capital Outlay	47	38	9	25%	5	43	929%
Transfers out	9	9	0	0%	13	(4)	-32%
Total Expenses	249	365	(116)	-32%	180	69	38%
Net Surplus / (Shortfall)	(54)	(165)	111	-67%	103	(157)	-153%



Revenue Status v. Budget and v. Prior Year

- Revenue for the second quarter totaled \$195K, which is \$5K (3%) under the year-to-date budget. Primarily driven by Water Delivery for the second quarter which totaled 2,734 AF versus the budgeted 3,951 AF, a difference of 1,217 AF, resulting in \$24K variance (14%) below budget. Grants were also under plan by \$6K, due to a delay in the request for reimbursement from the Cal OES State and Local Cybersecurity Grant Program, however, invoicing is expected to pick up in the next quarter. LAIF investment earnings were also under plan by \$3K, reflecting a (17%) variance due to lower interest rates and less than budgeted fund balances throughout the year.



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

- Other Revenue in the second quarter is up by \$28K (1,119%) driven primarily by Fox Canyon GMA Charges due to pumping at the Saticoy Well Field.
- Compared to the prior fiscal year, overall revenue is down \$88K (31%), driven primarily by a \$99K decrease in Water Delivery revenue—a difference of 2,471 AF less water being delivered in the current fiscal year. Other variances include a year-over-year decrease in investment earnings of -\$16K (54%), contributing to the overall revenue decline.

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

- Total expenditures through Q2 were \$249K, coming in \$116K (32%) under budget. The main contributor to this positive variance was that Personnel Costs were \$116K (62%) under budget, driven by staff vacancies, lower benefit costs, and payroll savings due to timing and classification differences.
- Operating Expenditures under budget by \$10K (7%), largely due to savings in maintenance which is expected to pick up later in the year.
- Capital Outlay came in over budget by \$9K (25%), due to additional Structures and Improvements expenditures related to the El Rio steel storage building.
- Transfers Out remained aligned with budget at \$9K, supporting planned capital projects and infrastructure reserves.
- Compared to the same period in the prior fiscal year, total expenditure is up by \$69K (38%), driven primarily by additional Capital Outlay expenditures in the current fiscal year (\$43K), Operating Expenses (\$19K) and Personnel Costs (\$11K).

Fund Balance

- The projected ending undesignated working capital balance for FY 25-26 is approximately \$692K.
- The district's reserve policy requires a \$329K minimum undesignated balance which is expected to be met.



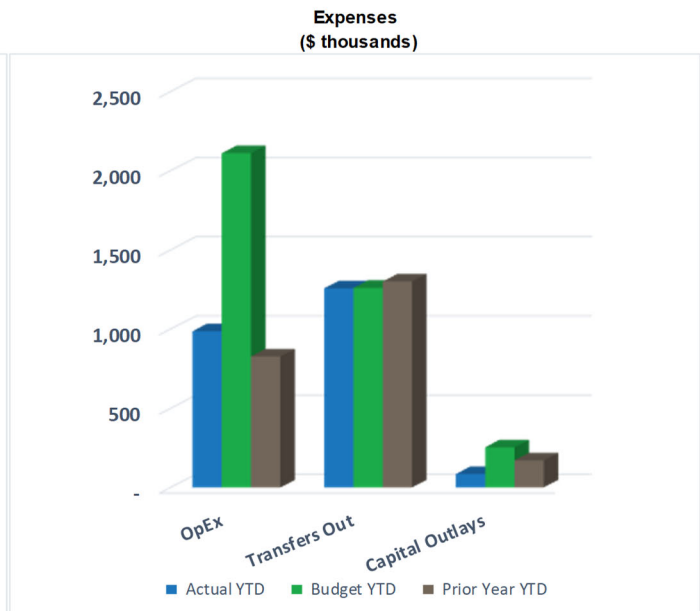
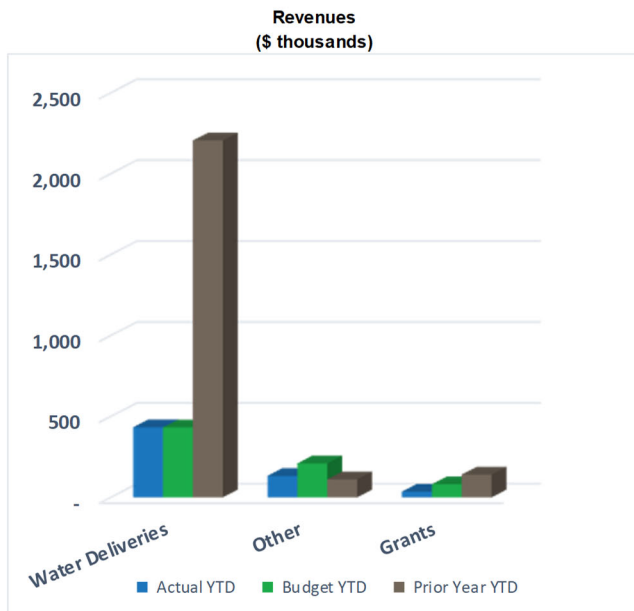
FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

Pumping Trough Pipeline Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Water Delivery	433	432	0	0%	2,205	(1,773)	-80%
Earnings on Investments	67	35	31	89%	62	5	8%
Grants	36	80	(45)	-56%	141	(105)	-75%
Other	66	174	(109)	-62%	49	17	34%
Total Revenues	601	723	(122)	-17%	2,457	(1,856)	-76%
Expenses							
Personnel Costs	255	361	(106)	-29%	259	(4)	-2%
Operating Expenditures	731	1,750	(1,019)	-58%	568	163	29%
Capital Outlay	85	254	(169)	-67%	171	(86)	-50%
Transfers out	1,258	1,261	(3)	0%	1,301	(44)	-3%
Total Expenses	2,329	3,626	(1,297)	-36%	2,299	30	1%
Net Surplus / (Shortfall)	(1,728)	(2,903)	1,175	-40%	158	(1,886)	-1195%



Revenue Status v. Budget

- Second Quarter revenue totaled \$601K, under plan by \$122K (17%). This variance is primarily due to lower Fox Canyon GMA revenue, resulting from reduced water deliveries through the PTP System. Of the 2,471 AF delivered in the second quarter, 1,442 AF was from surface water.



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

- Grant revenue was also \$45K below budget due to a delay in funding for the PTP Recycled Water Connection Project, with anticipated receipt within this fiscal year.
- Offsetting the decrease in revenue is increased Earnings on Investments of \$31K (89%) due to higher LAIF interest rates.
- Water deliveries totaled \$433K and aligned with the budgeted figures for the Second Quarter.

Revenue Status v. Prior Year

- FY 2025-26 Second Quarter revenue decreased by \$1.9M (76%) compared to the prior fiscal year. Primarily decrease is from \$1.7M (80%) less in water deliveries due to significant PTP O&M fee decrease in current fiscal year.
- Grant revenue declined by \$105K compared to the second quarter of the prior year, due to timing differences in grant reimbursements.
- The \$21K increase in Fox Canyon GMA revenue partially offset underrun in the second quarter of FY 2025–26. This increase is the result of higher pumped water deliveries (985 AF) compared to the prior fiscal year. Additionally, investment earnings increased by \$5K (8%) due to higher LAIF interest rates.

Appropriation/Expenditure Status v. Budget

- Total Expenditures were \$2.3M, coming in \$1.3M (36%) below plan. Largely due to operating expenditures \$1M (58%) below budget.
- The largest variance was in principal payments (\$440K) related to the 2020 COP which is budgeted as expenses but applied directly to liabilities.
- This variance is also contributed to by a decrease in Capital Outlay cost (\$169K), mainly due to delays in replacing the El Rio Pond inlet piping and moss screens.
- Maintenance expenses were also \$161K under budget due to delays in repairs and maintenance of the PTP line. In addition, Fox Canyon GMA expenses were \$131K below budget due to delayed payment processing.
- Utilities were \$130K lower than projected due to a delay in Southern California Edison invoicing and reduced pumping on PTP wells due to surface water deliveries.
- In addition, Overhead Costa are \$78K under plan and interest expense was \$97K below plan due to the timing but is scheduled to be posted in third quarter.
- Offsetting these savings in the operations expenditure are insurance expenses over budget by \$14K, primarily due to SDRMA premium payment made in July 2025 but budgeted across the full fiscal year.
- Other variances include in Water Chemical over budget of \$13K, due to increased purchase of Hypochlorite solution for the Moss Screens and the PTP Reservoir
- Permits and Licenses exceeded budget by \$6K, and Fuel expense was also \$6K higher.
- Personnel Costs reflect total salary savings of \$102K largely from less than anticipated workload related to PTP activities. Additional savings were in benefits, including Medical



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

Insurance Coverage (\$18K), Workers' Compensation (\$8K), and Social Security (\$7K), below budget.

Appropriation/Expenditure Status v. Prior Year

- Total Expenditures FY 2025-26 decreased \$30K (1%) compared to the last fiscal year, primarily due to \$86K (50%) reduction in Capital Outlay. The decline reflects PTP turnout valve replacements completed in Q1 of the prior year.
- Transfers-Out for Capital Improvement Projects decreased \$44K (3%) from FY 2024-25.
- Personnel Costs decreased \$4K, as salaries decreased \$15K due to reduced PTP Pipelines' activity, and additional savings (\$1.4K) resulting from lower Workers' Comp Expenses. Offsetting these savings are higher expenses in FY 2025-26, in Retirement-Classic \$12K and PEPRAs for \$1.2K.
- Offsetting savings are operating expenditures for FY 2025-26 \$163K (29%) higher than the prior fiscal year. The primary driver is the higher interest expense of \$47K due to interfund loan followed by increased overhead costs of \$46K. Utilities rose by \$40K due to higher electricity rates and an increase in usage. Fox Canyon GMA expenses increased by \$30K due to higher water production from the PTP wells. Additional increases include permit/license (\$26K), Safety Supplies (\$3K), and Fuel (\$3K).
- Counteracting the higher operating expenses are savings in miscellaneous expenses (\$10K) brought by an Electrical and DMV refund. Followed by Water Quality Analysis, it reduced \$8K due to delayed invoice processing this year. Additional savings are in Water chemical \$5K and Professional fees \$1.2K.

Fund Balance

- The projected ending undesignated working capital balance for FY 2025-26 is (\$115K).
- The District's reserve policy requires an undesignated balance of \$1M for this fund which is not expected to be met.



FY 2025-26 Second Quarter Financial Review

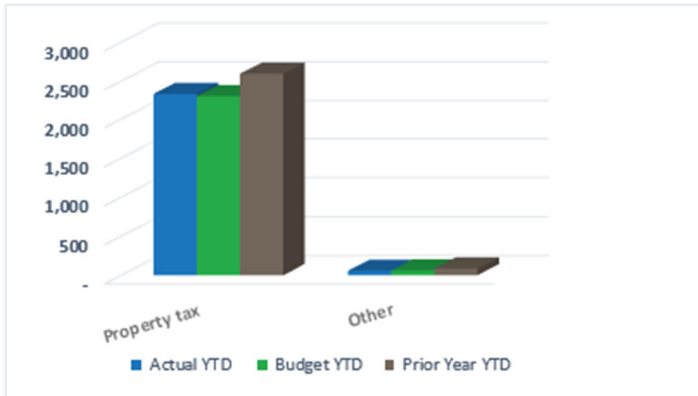
July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

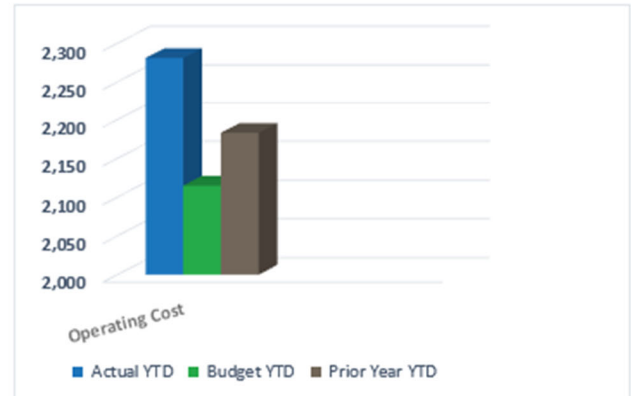
State Water Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Revenues							
Earnings on Investments	58	61	(3)	-6%	87	(30)	-34%
Property Taxes	2,336	2,308	29	1%	2,597	(260)	-10%
Total Revenues	2,394	2,369	25	1%	2,684	(290)	-11%
Expenses							
Personnel Costs	0	0	0	0%	0	0	0%
Operating Expenditures	2,281	2,115	166	8%	2,183	98	4%
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	2,281	2,115	166	8%	2,183	98	4%
Net Surplus / (Shortfall)	113	254	(141)	-56%	501	(388)	-77%

Revenues
(\$ thousands)



Expenses
(\$ thousands)



Revenue Status v. Budget and v. Prior Year

- Revenue for the second quarter was \$2.4M, over budget by \$25K (1%) due to \$29K in property taxes received over plan. Slightly offsetting increase are earnings on LAIF investment which were under plan by \$3K (6%), influenced by the GAAP market value adjustment.
- Compared to FY 2024-25, overall revenue is down by \$290K (11%), due to property taxes down by \$260K (10%) and Earnings on Investments down \$89K (30%).

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

- Total expenditure for the second quarter was \$2.2M, being over budget by \$166K (8%). This overage is mainly driven by increased variable costs from State Water Purchases, including a contract for additional Table A water paid in July but budgeted throughout the full year.
- Compared to prior year, expenditures increased by \$98K (4%), this came from an increase in Table A and supplemental water purchases in FY 2025-26.



FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

Fund Balance

- The projected ending undesignated working capital balance for FY 25-26 is approximately \$5.7M, which is within the District's fund reserve maximum of \$7.3M.
- The entire fund balance is designated for the fixed and variable costs related to the District's State Water Project allocation of 5,000 acre feet per year plus allowable Table A water.

FY 2025-26 Second Quarter Financial Review

July 1, 2025, through December 31, 2025

50% of Fiscal Year Completed

Overhead Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
Expenses							
Personnel Costs	1,945	2,239	(294)	-13%	1,779	165	9%
Operating Expenditures	1,108	2,447	(1,338)	-55%	683	425	62%
Capital Outlay	0	28	(28)	0%	0	0	0%
Total Expenses	3,053	4,714	(1,661)	-35%	2,463	591	24%

Expenses
(\$ thousands)



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

- Total Expenditures through Q2 amount to \$3M, which is \$1.6M (35%) under budget.
- Total Personnel Cost was under projection by \$294K (13%) due to several positions hired at a lower range than anticipated.
- The largest savings were in Professional Fees \$1.2M primarily due to hiring in house Public Outreach External Affairs Manager, delayed specialized services and a lower than anticipated Legal Counsel usage, both expected to increase later in the fiscal year.
- Contributing to the variance, Safety Supplies are down (\$65K) from a delay in Santa Clara Riverbed security enhancements.
- Also, under budget includes Maintenance (\$38K), Travel Expense (\$31K) and Utilities (\$18K) that are expected to be fully utilized later in the fiscal year.
- Slightly offsetting the savings are Office Expenses (\$29K).