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May 13, 2026

Board of Directors  
United Water Conservation District

**Subject: Third 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 Third Quarter Financial Reports. These reports represent nine (9) months of financial information for District operations as well as Capital Improvement Project (CIP) updates (January 1 through March 31, 2026).

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 provide the Board's Finance and Administration 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 March 31, 2026, 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 March 17, a Purchase Order–Construction Work Agreement was executed with L.O. Lynch Quality Wells & Pumps, Inc., for the redevelopment, rehabilitation, and testing of Well 17.
  
- ***Freeman Diversion Expansion (CIP # 8001)***
  - From January through March, staff met with and provided comments to GEI and NHC on the 30% design plan set. At the March 11 Board of Directors meeting, a 60% design contract was awarded to GEI with NHC as a subconsultant with the goal to complete the 60% design by August 31.
  
- ***Santa Felicia Dam Outlet Works Rehabilitation (CIP # 8002)***
  - From January through March, staff prepared key documents for the BOC Meeting No. 11, which took place on March 25 and 26. Participants included the BOC, regulators including FERC and DSOD, and consultants including GEI, Black & Veatch, and Rincon. Several new specification comments were raised by the BOC at the meeting, and all proposed closed comments were accepted as resolved. Staff e-filed responses to FERC comments from the BOC Meeting No. 9 on March 26.
  - On March 11, staff provided an update to the BOD regarding the SFD SIP Schedule.
  - On March 17, staff presented the SFD SIP to the City of Oxnard City Council and received a signed letter of support.
  
- ***Freeman Conveyance System Upgrade – Freeman to Ferro Recharge Basin (CIP # 8018)***
  - On March 18, a contract with NHC to update the Freeman Conveyance model was executed.
  
  - Three Barrel Culvert Replacement:
    - There are no updates for this period.



- Vineyard Avenue Crossing:
  - Staff continues to receive comments from Caltrans on the encroachment permit application and the District's consultant, HDR, has revised and resubmitted packages to Caltrans in February and March.
  
- ***Extraction Barrier and Brackish Water Treatment (CIP # 8019)***
  - From January through late March, staff has been responding to several RFIs from the Navy in relation to the Phase 1B Site Approval Request. Staff continue to hold monthly drumbeat meetings with Navy staff.
  - Staff have been preparing for potholing activities at NBVC Point Mugu with its contractors and consultants, including C-Below, BGI, Filippin Engineering, and ECG.
  - Staff have been preparing for the temporary piezometer well installation at NBVC Point Mugu in coordination with its consultant Earth Systems.
  
- ***Rice Avenue Grade Separation Project (CIP # 8021)***
  - On March 12, staff received an updated CPM schedule showing activities related to the PTP starting in 2027.
  
- ***Pumping Trough Pipeline Metering Improvement Project (CIP # 8022)***
  - Staff are proceeding to close out the project and complete all grant-required deliverables.
  
- ***State Water Interconnection (CIP # 8025)***
  - In January, staff received 100% Plans and Specs from the City of Ventura (City). On March 13, the City solicited construction bids for the project.
  
- ***Asset Management System – CMMS System (CIP # 8041)***
  - On January 16, an opportunistic inspection using a robotic camera crawler was conducted in an 870-foot section of the PV pipeline while it was undergoing repair.
  - A kick-off meeting was held in February with HDR for condition assessment of the OHP, and coordination efforts were ongoing through March.
  
- ***Pumping Trough Pipeline Recycled Water Connection – Laguna Road Pipeline (CIP # 8043)***
  - In February, staff received ongoing post-construction monitoring data from the Phase 1 project contractor (Toro Enterprises) and found the results to be within allowable ranges.
  - In March, staff coordinated with LARWQCB staff on the updated NPDES permit for the PTP System.
  
- ***SCADA Hardware Update (CIP # 8046)***
  - Staff continue to coordinate with Cal OES on implementation of the SLCGP Grant.
  - Staff continue to make improvements to the SCADA System.



- **Lake Piru Recreation Area Pavement Maintenance Program (CIP # 8047)**
  - In late January, staff surveyed distressed pavement areas at the Marina and Piru Canyon Road and prepared the FY 2026-2027 CIP budget for the LPRA Pavement Maintenance Program.
  
- **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)**
  - **LOG Restroom Repair:** In February, bid documents were released to nine (9) general contractors. Four (4) bids were received from contractors including: Ghazal Construction, Inc. (\$234,080), JG Contracting (\$282,720), MDJ Management, LLC (\$253,564), and Quincon, Inc. (\$628,387). Staff reviewed the bids and performed reference checks to determine the lowest responsive and responsible bidder. On March 18, Ghazal Construction, Inc., was awarded the contract for LPRA LOG Repair. An application to VCRMA Building and Safety was subsequently submitted for the permitted portions of the repair scope.
  
  - **Water Treatment Plant Upgrades:** On February 11, the Phase 1 design contract was executed with Stantec in the amount of \$169,070. Staff conducted site visits and held a design kick-off meeting with its consultants.
  
- **Oxnard Hueneme Pipeline Low-Flow Upgrade (CIP # 8056)**
  - This project has been postponed until further notice.
  
- **Piru Early Warning System Replacement (CIP # 8058)**
  - Day Wireless installed the outdoor mass notification system at VCFD Fire Station No. 28 and Airwave Communication performed programming of the mass notification which was successfully tested.
  
- **Oxnard Hueneme Well No. 13 Rehabilitation (CIP # 8059)**
  - There are no updates for this time period.
  
- **OH Well 14 Energy Efficiency Upgrades (CIP # 8060)**
  - Staff continued to develop the workplan for the rehabilitation of Well 14.
  
- **El Rio Office Rehabilitation (CIP # 8061)**
  - There are no updates for this time period.
  
- **OHP Gas Booster Replacement Project (CIP # 8062)**
  - This project is on hold.



### Acronym Index

<b>Acronym</b>	<b>Definition</b>
BGI	Black Gold Industries
BOC	Board of Consultants
BOD	Board of Directors
Caltrans	California Department of Transportation
CIP	Capital Improvement Plan
CPM	Critical Path Management
DSOD	Division of Safety of Dams
EBB	Extraction Barrier and Brackish
ECG	Encompass Consultant Group
FERC	Federal Regulatory Commission
FY	Fiscal Year
GEI	GEI Consultants
HDR	HDR Consultants, Inc.
K/J	Kennedy Jenks Consultants
LARWQCB	Los Angeles Regional Water Quality Control Board
LOG	Lower Olive Grove
LPRA	Lake Piru Recreation Area
LPWTP	Lake Piru Water Treatment Plant
NBVC	Naval Base Ventura County
NHC	Northwest Hydraulic Consultants
NPDES	National Pollutant Discharge Elimination System
OH	Oxnard Hueneme
OHP	Oxnard-Hueneme Pipeline
PTP	Pumping Trough Pipeline
PV	Pleasant Valley
RFI	Request for Information
SLCGP	State and Local Cybersecurity Grant Program
Toro	Toro Enterprises, Inc.
VCRMA	Ventura County Resource Management Agency



**CASH POSITION AND INVESTMENTS OF THE DISTRICT**

As of March 31, 2026, the District had a total of \$68.9M 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:

	<b>Mar-26</b>	<b>Mar-25</b>
Citizens Business Bank	\$ 5,513,367	\$ 4,062,611
Petty Cash	\$ 5,400	\$ 5,400
County Treasury	\$ 4,415	\$ 3,217
LAIF Investments	\$ 63,394,713	\$ 45,923,238
<b>Total</b>	<b>\$ 68,917,895</b>	<b>\$ 49,994,466</b>

Any restrictions on the remaining \$68.9M 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 Third Quarter Financial Review

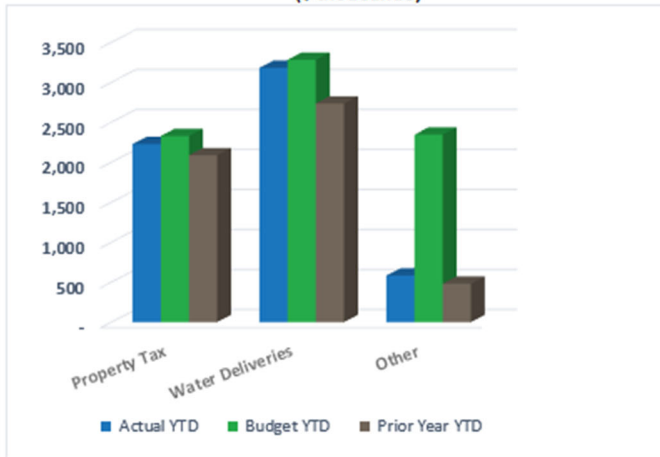
July 1, 2025, through March 31, 2026

75% of Fiscal Year Completed

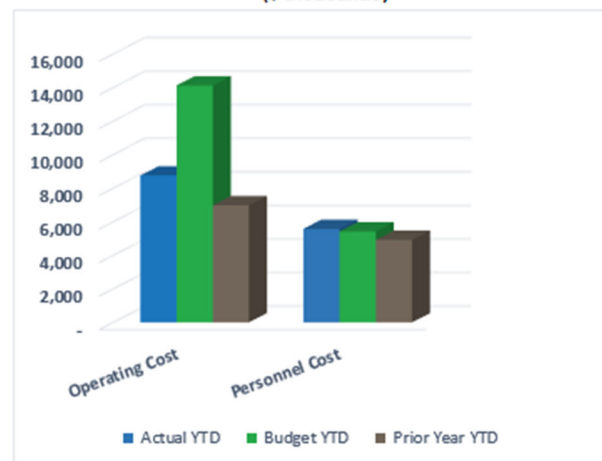
### General/Water Conservation Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
<b>Revenues</b>							
Water Delivery	3,183	3,282	(99)	-3%	2,735	448	16%
Groundwater	11,901	14,572	(2,671)	-18%	11,254	647	6%
Supplemental Water	0	0	0	0%	0	0	0%
Property Taxes	2,229	2,329	(100)	-4%	2,088	140	0%
Earnings on Investments	387	429	(42)	-10%	635	(248)	-39%
Other	1,271	7,978	(6,707)	-84%	4,482	(3,211)	-72%
Transfers in	0	0	0	0%	0	0	0%
<b>Total Revenues</b>	<b>18,971</b>	<b>28,589</b>	<b>(9,619)</b>	<b>-34%</b>	<b>21,195</b>	<b>(2,224)</b>	<b>-10%</b>
<b>Expenses</b>							
Personnel Costs	5,577	5,422	155	3%	4,920	657	13%
Operating Expenditures	8,763	14,130	(5,366)	-38%	6,990	1,774	25%
Capital Outlay	(50)	642	(692)	-108%	1,167	(1,217)	-104%
Transfers out	10,799	13,341	(2,541)	-19%	14,178	(3,379)	-24%
<b>Total Expenses</b>	<b>25,090</b>	<b>33,535</b>	<b>(8,445)</b>	<b>-25%</b>	<b>27,255</b>	<b>(2,165)</b>	<b>-8%</b>
<b>Net Surplus / (Shortfall)</b>	<b>(6,119)</b>	<b>(4,945)</b>	<b>(1,174)</b>	<b>24%</b>	<b>(6,060)</b>	<b>(59)</b>	<b>1%</b>

Revenues  
(\$ thousands)



Expenses  
(\$ thousands)



### Revenue Status v. Budget

- Revenue received through the Third Quarter totals \$19M, which is \$9.6M (34%) below Plan. This shortfall is predominantly due to delayed receipt of awarded grant funding (\$4.8M). Additionally, groundwater revenue reduced \$2.7M due to a 16% reduction in well pumping (6,993 AF).
- Water Delivery totaled \$3.2M, \$99K (3%) below Plan, attributed to deliveries of 578 AF under projection, driven by weather conditions.



## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

- Earnings on Investments are \$42K (10%) below Budget, due to market adjustments and an interfund loan coming out of Fund 050.
- Grant Revenue shortfall of \$4.8M (100%) in Fund 050 from delayed SCRCB Grant payment for the Phase 1 Pumping of Coastal Brackish Groundwater Wells Project.
- Property Taxes received in the Third Quarter are under plan by \$100K due to timing differences but are expected to pick up by completion of the fiscal year.
- Other Revenue received fell short of Plan by \$1.7M (78%) mainly due to delayed receipt of WIFIA loan funding.
- Recreation Activities Revenue in the Third Quarter is under plan by \$31K (4%), mainly due to decreased camping reservations and day use passes during the conservation release.

### ***Revenue Status v. Prior Year***

- Third Quarter revenue was \$2.2M (10%) lower than the previous fiscal year, primarily due to receipt of the grant payments in the 2024-25 FY.
- Grant Revenue in the Third Quarter is \$3.4M 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 \$448K (16%) higher in the current fiscal year, mainly due to an increase in rates. However, there were 2,773 (14%) AF less delivered in 2025-26.

### ***Appropriation/Expenditure Status v. Budget***

- Total Expenditures were \$25.1M, \$8.4M (25%) under Plan. Operating Expenditures (\$8.8M) mainly contributed to the savings, coming in \$5.4M (38%) below Budget. This is largely attributed to decreased expenses in Professional Fees.
- Additional savings in Expenditures were from Transfers out for CIP of \$10.8M, (\$2.5M) 19% under plan due to WIFIA Loan proceeds.
- Overall Professional Fees of \$3.6M were \$2.1M under Budget, mainly due to savings in Environmental Services (\$1M) fees from delays in studies for State Water Imports and FERC items. Also contributing to the savings was a delay in completion of the Debris Clean Up Project at Lake Piru, creating an offset of \$924K in Professional Fees. Additional savings of \$300K were incurred due to the hiring of in-house Public Relations staff.
- These savings were partially offset by higher legal services costs related to OPV, FERC, and Takings Claim, with total legal expenses reaching \$3.4M, \$857K over plan for all legal counsel.
- Maintenance Expenditures reflect \$410K in underspending, with savings resulting from FEMA reimbursement in Fund 020. Of this amount, \$169K was from delayed maintenance to equipment in Fund 050. Additional VFD's and Soft Starts for Lake Piru and Saticoy are



## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

expected to be purchased along with Generator Maintenance performed for both locations by the close of the fiscal year.

- Public Relations Outreach and Education was less than projected by \$291K in Fund 010. Outreach efforts should increase throughout the remainder of the fiscal year.
- Salaries and Benefits (\$5.6M) are close to Plan with an overage of \$155K (3%) for the Third Quarter.
- Budgeted Principal (\$276K) and Interest payments (\$267K) related to 2020 COP Payments are budgeted as expenses but paid directly to liability.

### ***Appropriation/Expenditure Status v. Prior Year***

- Expenditures are \$2.2M (8%) lower in the current fiscal year largely due to higher Transfers-Out (\$3.4M) for Capital Improvement Projects in FY 2024-25.
- Personnel Costs are also \$657K greater in the current fiscal year, stemming from a Board approved 3% COLA increase, new Public Outreach Position added and annual merit increases.
- Operating Expenditures in the Third Quarter are up \$1.8M (25%) compared to last year.
- Higher Insurance Expense (\$178K) and Professional Services (\$695K) in current fiscal year compared to FY 2024-25.
- Maintenance Costs in the current fiscal year are \$134K lower than FY 2024-25. This is due in part to funds received from FEMA for the damage at Lake Piru.
- Capital Outlay is also lower in the current fiscal year by \$1.2M, which is attributed to the Desilting Basins Cleanout project that occurred last year and a \$375K FEMA reimbursement to fund 020 received in February 2026.

### ***Fund Balance***

- The projected ending undesignated working capital balance for FY 25-26 is approximately \$9.4M.
- The District's reserve policy requires an undesignated balance of \$4M for this fund, which is expected to be met.

## FY 2025-26 Third Quarter Financial Review

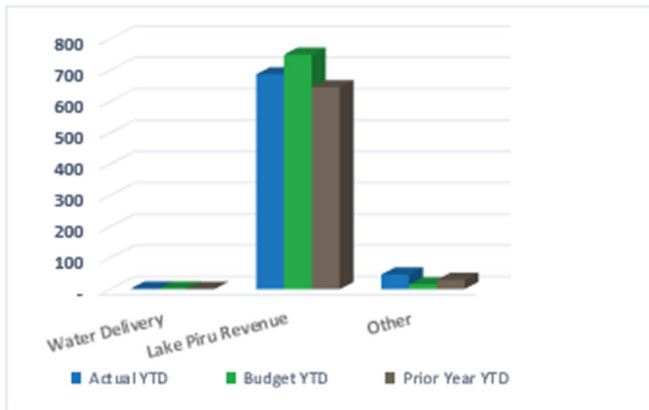
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75% of Fiscal Year Completed

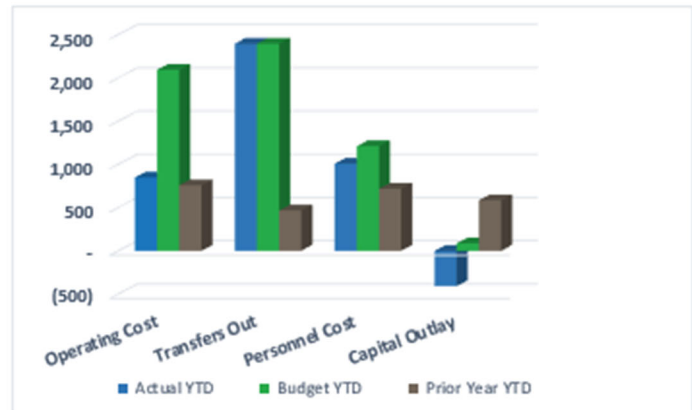
### Recreation Sub-Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
<b>Revenues</b>							
Water Delivery	2	2	(0)	-7%	1	1	112%
Earnings on Investments	0	0	0	0%	0	0	0%
Lake Piru Revenue	687	750	(63)	-8%	645	41	6%
Other	47	15	32	205%	30	17	58%
<b>Total Revenues</b>	<b>736</b>	<b>767</b>	<b>(31)</b>	<b>-4%</b>	<b>676</b>	<b>60</b>	<b>9%</b>
<b>Expenses</b>							
Personnel Costs	1,007	1,212	(205)	-17%	718	290	40%
Operating Expenditures	847	2,093	(1,246)	-60%	758	90	12%
Capital Outlay	(406)	87	(493)	-565%	584	(990)	-170%
Transfers out	2,396	2,396	0	0%	467	1,929	413%
<b>Total Expenses</b>	<b>3,844</b>	<b>5,788</b>	<b>(1,944)</b>	<b>-34%</b>	<b>2,526</b>	<b>1,318</b>	<b>52%</b>
<b>Net Surplus / (Shortfall)</b>	<b>(3,108)</b>	<b>(5,021)</b>	<b>1,912</b>	<b>-38%</b>	<b>(1,850)</b>	<b>(1,259)</b>	<b>68%</b>

**Revenues**  
(\$ thousands)



**Expenses**  
(\$ thousands)



#### Revenue Status v. Budget

- Operational Revenue in the Third Quarter is under plan by \$31K (4%), mainly due to decreased camping reservations and day use passes during the conservation release.

#### Revenue Status v. Prior Year

- Compared to the Third Quarter of FY 2024–25, revenues increased by nearly \$60K (9%), due to increased camping reservations, concessions and boat rental revenue in Current Year.



## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

### ***Appropriation/Expenditure Status v. Budget***

- Total Expenditures were \$3.8M, \$1.9M (34%) under Budget due to lower Operating Expenditures (\$847K), and Personnel Costs (\$1M).
- Operating Expenditures were \$1.2M lower than planned due to a delay in completion of the Debris Clean Up Project, creating an offset of \$924K in Professional Fees. Additionally, there were underutilized Legal Fees of \$27K.
- Salary (\$151K) and Benefits (\$53K) costs savings are due to temporary staffing via an outside agency 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 (\$87K) to be utilized by fiscal year-end.
- Overall Maintenance costs (\$152K) are still below Plan (\$128K) due to offset from reimbursement payment received from FEMA (\$116K).
- Vehicle and Equipment Maintenance costs (\$111K) are over Plan by \$51K due to increased repairs for Recreation utility vehicles and operated trucks along with the purchase of additional landscaping vehicles and equipment.
- 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 \$1.3M (52%) higher in the current fiscal year, predominantly due to Transfers out for CIP projects of \$1.9M.
- Contributing to increase is Miscellaneous Expense (\$54K), 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 are also higher (\$290K) in the current fiscal year compared to the third quarter of FY 2024-25.
- Capital Outlay for Capital Improvement Projects is (\$990K) lower in fiscal year 2025-26 due to FEMA reimbursements received.

## FY 2025-26 Third Quarter Financial Review

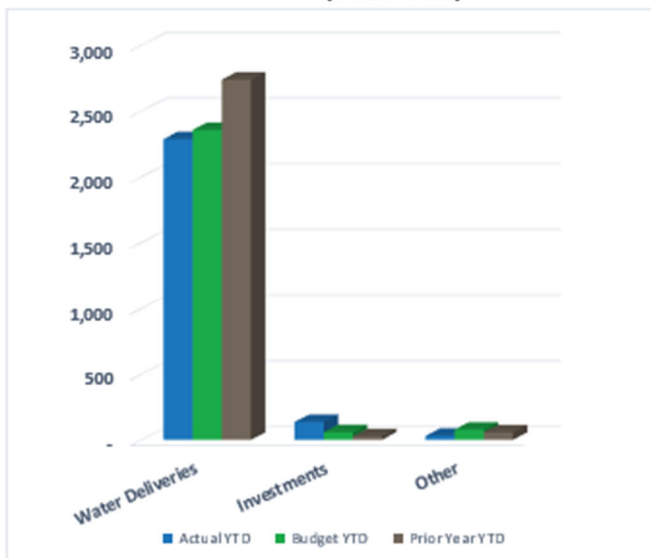
July 1, 2025, through March 31, 2026

75% of Fiscal Year Completed

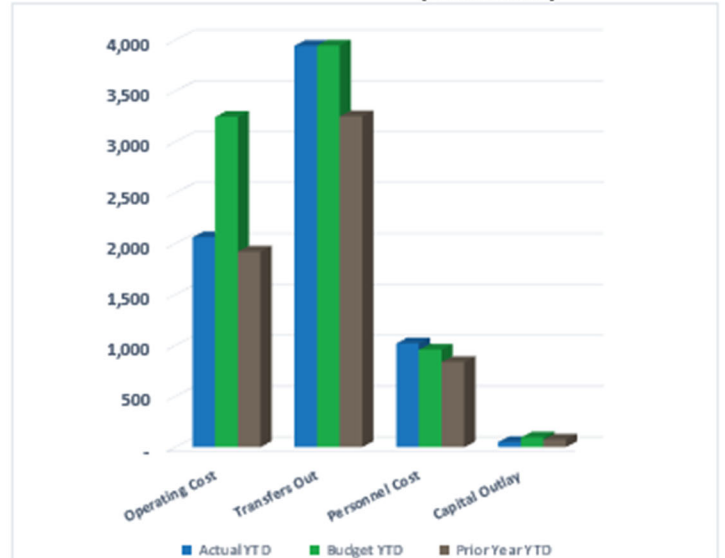
### Freeman Diversion Fund (Zone B)

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
<b>Revenues</b>							
Groundwater	3,663	4,662	(999)	-21%	4,292	(629)	-15%
Water Delivery	2,286	2,356	(70)	-3%	2,738	(452)	-17%
Earnings on Investments	136	58	78	134%	28	109	393%
Other	32	124	(93)	-74%	58	(26)	-45%
Transfers in	0	0	0	0%	0	0	0%
<b>Total Revenues</b>	<b>6,117</b>	<b>7,200</b>	<b>(1,084)</b>	<b>-15%</b>	<b>7,115</b>	<b>(999)</b>	<b>-14%</b>
<b>Expenses</b>							
Personnel Costs	1,020	958	62	6%	835	184	22%
Operating Expenditures	2,061	3,244	(1,183)	-36%	1,920	141	7%
Capital Outlay	50	96	(46)	-48%	75	(25)	-33%
Transfers out	3,942	3,945	(3)	0%	3,249	693	21%
<b>Total Expenses</b>	<b>7,073</b>	<b>8,244</b>	<b>(1,170)</b>	<b>-14%</b>	<b>6,080</b>	<b>993</b>	<b>16%</b>
<b>Net Surplus / (Shortfall)</b>	<b>(957)</b>	<b>(1,043)</b>	<b>87</b>	<b>-8%</b>	<b>1,035</b>	<b>(1,992)</b>	<b>-192%</b>

**Revenues**  
(\$ thousands)



**Expenses**  
(\$ thousands)





## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

### ***Revenue Status v. Budget***

- Revenue for the Third Quarter was \$6.12M, which is \$1.08M (15%) below the projection. This was primarily due to groundwater revenue which is under plan by \$999K (4,165 AF). Followed by lower pipeline water deliveries \$70K (578 AF) specifically PTP and PV system.
- Grant Revenue is also lower by \$46K (100%) caused by the delayed grant reimbursement related to a Cal OES State and Local Cybersecurity grant which is expected to be received later in the fiscal year. Also, late fees were lower by \$46K (59%), reflecting less penalties and interest calculated for the third quarter.
- Offsetting the decrease in revenue was the increase of \$78K (134%) in Earning on Investments due to higher LAIF interest rates.

### ***Revenue Status v. Prior Year***

- FY 2025-26 Third Quarter Revenue is \$999K (14%) lower compared to the prior year, caused by groundwater revenue decrease by \$629K (1,167 AF) decreased water pumped. Also, the pipeline water delivery is \$452K (2,773 AF) lower across all systems.
- Late fees also underperformed by \$26K (45%) compared to the prior year.
- In contrast the Earnings on Investments increased by \$109K (393%) compared to the prior year due to higher LAIF interest rates this year.

### ***Appropriation/Expenditure Status v. Budget***

- Total year-to-date expenditure is \$7.07M, which is \$1.17M (14%) below budget. Primarily attributed to the underutilization of operating expenditure totaling \$1.18M (36%) and capital outlay \$46K (48%)
- The major contributors of operating expenditures underrun are overhead costs by \$397K, followed by the professional fees of \$320K under plan caused by the delayed billing of legal, consulting, and environmental services. It is expected these expenses will have savings at year end.
- Principal expenses related to the 2020 COP and the Interfund Loan are less than planned by \$310K as these items are budgeted as expenses but paid directly to liabilities.
- Maintenance expenditures show savings of \$109K due to delayed FEMA reimbursement assistance and delays in repairs and maintenance at the Freeman Diversion. These delays also contributed to lower permit and license expenses of \$49K. These expenses are expected to pick up in the next quarter. Other minor contributors include utilities (\$6K), office expenses (\$5K), travel (\$4K), and water quality costs due to delayed billing.
- These Operational savings are partially offset by the higher rental and lease of equipment cost by \$10K, fuel \$7K due to significant increase of gas prices, and Insurance expenses by \$4K
- Capital Outlay underperformed by \$46K (48%) attributed to delays in replacing El Rio Pond inlet piping and moss screens.



## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

- While the budget is underutilized, personnel costs have exceeded the budget by \$ 62K (6%). Salaries are over by \$38K and benefits are higher by \$23K due to the retirement costs, CalPERS Classic (\$26K), and PEPRA (\$5K).

### ***Appropriation/Expenditure Status v. Prior Year***

- Compared to prior fiscal year, total expenditure in current fiscal year increased by \$993K (16%).
- The key factor is an increase in Transfers-Out for Capital Improvement Projects \$693K (21%) in the current fiscal year for the Freeman Diversion Expansion Project.
- Salaries and benefits also increased by \$184K (22%). Attributed to increased salaries expenses, \$130K due to the approved Board 2% COLA and annual merit increases. Benefits are higher by \$55K, due to higher retirement cost \$27K, medical insurance \$13K, and social security expense of \$8K.
- Operating expenditure is higher this year by \$141K (7%) caused by the increase in insurance expenses of \$29K, fuel \$7K, safety supplies \$5K and utilities \$2K.
- Offsetting the over-plan operational expenditures are savings in interest expense of \$20K, lower costs in rent and lease of equipment of \$14K due to delayed maintenance and repairs, a \$4K decrease in office expenses, and a \$1K reduction in maintenance costs due to delayed processing of FEMA reimbursement assistance.
- Capital Outlay is lower by \$25K (33%) attributed to delays in projects at the El Rio facility.

### ***Fund Balance***

- The projected ending undesignated working capital balance for FY 2025-26 is approximately \$4.2M.
- The District's reserve policy requires an undesignated balance of \$1.5M which is expected to be met.

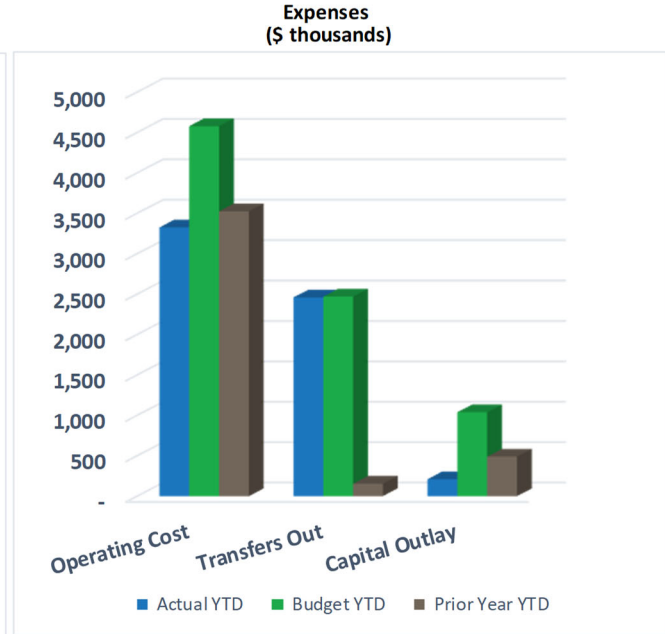
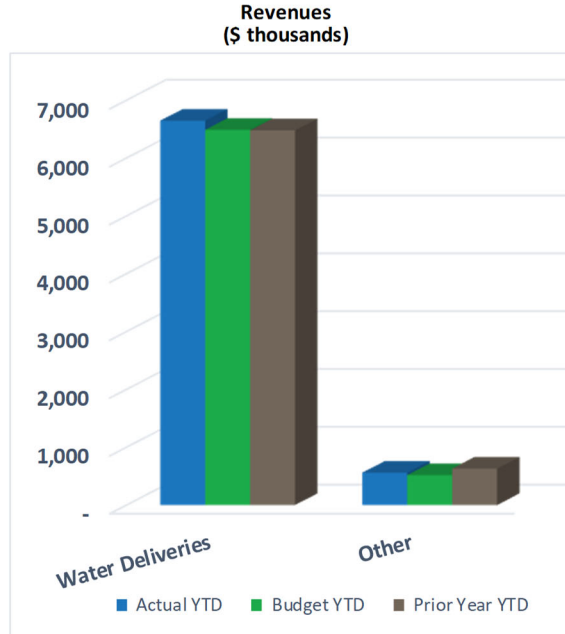
## FY 2025-26 Third Quarter Financial Review

July 1, 2025, through March 31, 2026

75% of Fiscal Year Completed

### Oxnard Hueneme Pipeline Fund

In \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
<b>Revenues</b>							
Water Delivery	6,646	6,487	159	2%	6,479	167	3%
Earnings on Investments	123	25	98	391%	83	40	49%
Grants	0	74	(74)	-100%	0	0	
Other	436	491	(55)	-11%	547	(111)	-20%
<b>Total Revenues</b>	<b>7,206</b>	<b>7,078</b>	<b>128</b>	<b>2%</b>	<b>7,109</b>	<b>97</b>	<b>1%</b>
<b>Expenses</b>							
Personnel Costs	1,145	823	322	39%	1,025	120	12%
Operating Expenditures	2,180	3,755	(1,575)	-42%	2,499	(319)	-13%
Capital Outlay	210	1,039	(829)	-80%	489	(279)	-57%
Transfers out	2,459	2,469	(10)	0%	154	2,305	1500%
<b>Total Expenses</b>	<b>5,994</b>	<b>8,086</b>	<b>(2,092)</b>	<b>-26%</b>	<b>4,167</b>	<b>1,827</b>	<b>44%</b>
<b>Net Surplus / (Shortfall)</b>	<b>1,212</b>	<b>(1,008)</b>	<b>2,220</b>	<b>-220%</b>	<b>2,942</b>	<b>(1,730)</b>	<b>-59%</b>



#### Revenue Status v. Budget and v. Prior Year

- Total revenue for Q3 of \$7.2M, is above plan by \$128K (2%).
- Water Deliveries led the overflow, exceeding budget by \$159K (2%) and 222 AF. Revenue rose \$167K (3%) over the prior year, driven by rate increases despite a 528 AF decrease in deliveries.



## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

- Earnings on Investments (\$123K) increased by \$98K through the third quarter, and \$40K (49%) year-over-year, attributable to higher LAIF deposits.
- Slightly offsetting increase was Fox Canyon revenue of \$415K, under plan \$29K. Compared to last year, revenue fell by \$71K. These variances are a result of lower GMA fees.
- Other Revenue was \$436K, also down \$55K. This was primarily due to a reduction in late fees from an agreement with a customer.

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

- Total Q2 Expenditures were \$6M, which is \$2.1M (26%) below Plan.
- Utilities saw savings of \$375K due to delayed Edison invoices but remained \$103K higher than the preceding year.
- Maintenance costs of \$213K were \$262K less than expected, mainly due to reduced spending on equipment and structural upkeep. Compared to the previous year, expenses were down \$65K, largely from deferred purchases of replacement VFDs, soft starts, and chlorine equipment.
- Water chemical expenses showed \$144K in cost savings due to reduced spending on treatment chemicals, representing a \$15K decrease compared to the prior year.
- Fox Canyon expenses were \$103K under budget due to a delayed invoice, however, this is expected to be offset by year-end.
- Insurance expenses of \$108K were \$100K below forecast, mainly due to decreased premiums. This amount is also \$69K less than last year.
- Miscellaneous expenses were also down by \$21K, largely from a prorated software refund and lower rental equipment costs related to container relocation. The software refund alone contributed to a \$16K year-over-year decrease.
- Permit and licensing expenses in the third quarter were \$19K under budget and \$3K lower than last year. This was mainly due to the early payment of Annual Water Systems Fees, as well as overall lower permit and licensing costs.
- Safety supplies totaled \$18K, which is \$7K over budget due to higher-than-expected costs for El Rio safety equipment.
- Fuel expenses continue increasing, exceeding the Q3 budget by \$2K and rising by \$6K compared to last year.
- Contractual services decreased by \$37K, primarily due to lower Water Quality Analysis expenses. Additional savings came from reduced demand for appointed legal counsel and IT consulting, which was driven by diminished alarm software licensing fees.
- Overhead costs came in \$245K below budget through the third quarter and were \$240K lower than the prior year.
- Principal payments showed a \$194K favorable variance as 2020 COP payments were applied directly against liability.



## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

- Capital Outlay of \$210K was down 80% (\$829K) from the projected amount. The variance is largely attributable to postponing several major projects, including OH Pipeline valve replacements, gas engine piping upgrades, and other acquisitions for OH Structures and Improvements. Compared to last year, Capital Outlay fell by \$279K, following the completion of a pressure relief station and accelerated work on the OH Pipeline and El Rio Fe/Mn Plant in the prior-year period.
- Personnel costs over plan by \$322K (39%), principally due to additional work on the OH Pipeline system. The variance also reflects the July 2025 CalPERS unfunded liability payment, which is distributed evenly over the year.
- Total Expenditures rose \$1.8M (44%) from prior year, largely 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 \$3.5M.
- The District's reserve policy requires an undesignated balance of \$1.3M for this fund which is expected to be met.

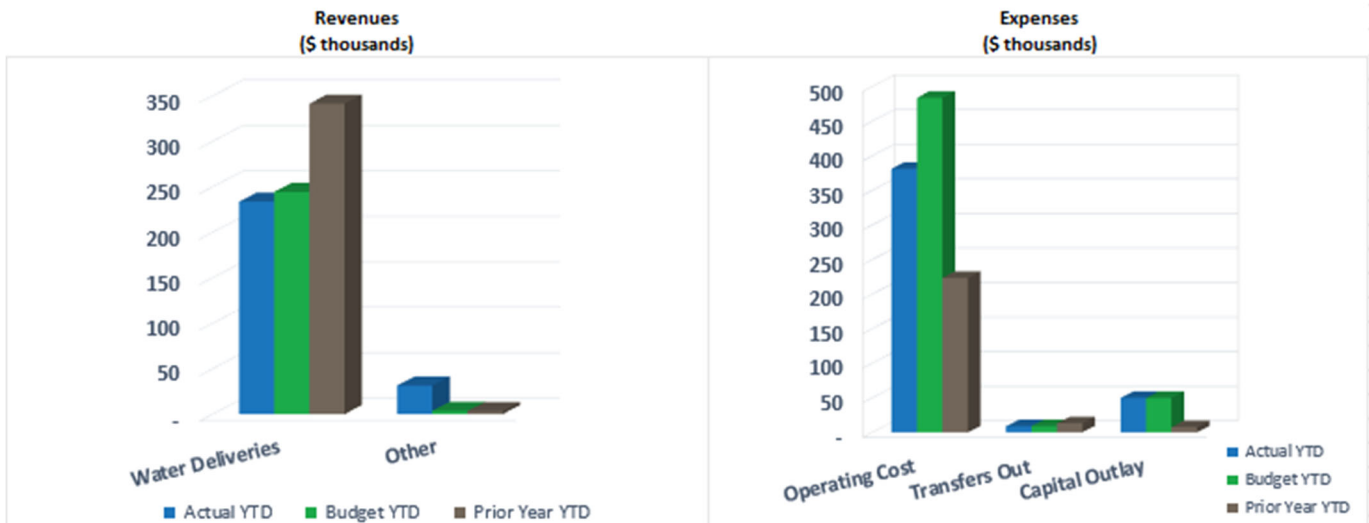
## FY 2025-26 Third Quarter Financial Review

July 1, 2025, through March 31, 2026

75% of Fiscal Year Completed

### Pleasant Valley Pipeline Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
<b>Revenues</b>							
Water Delivery	234	244	(11)	-4%	341	(108)	-32%
Earnings on Investments	28	24	4	17%	44	(16)	-36%
Other	32	13	19	143%	3	28	857%
<b>Total Revenues</b>	<b>294</b>	<b>282</b>	<b>12</b>	<b>4%</b>	<b>389</b>	<b>(95)</b>	<b>-25%</b>
<b>Expenses</b>							
Personnel Costs	111	226	(116)	-51%	82	28	34%
Operating Expenditures	270	257	13	5%	141	130	92%
Capital Outlay	50	50	0	0%	8	42	557%
Transfers out	9	9	0	0%	13	(4)	-32%
<b>Total Expenses</b>	<b>440</b>	<b>543</b>	<b>(102)</b>	<b>-19%</b>	<b>244</b>	<b>196</b>	<b>80%</b>
<b>Net Surplus / (Shortfall)</b>	<b>(146)</b>	<b>(261)</b>	<b>115</b>	<b>-44%</b>	<b>145</b>	<b>(291)</b>	<b>-201%</b>



#### Revenue Status v. Budget and v. Prior Year

- Revenue for the third quarter totaled \$294K, which is \$12K (4%) over the year-to-date budget.
- Other Revenues in the third quarter are up by \$19K (143%) driven primarily by Fox Canyon GMA Charges due to pumping at the Saticoy Well Field.
- LAIF investment earnings were over plan by \$4K, reflecting a (17%) variance due to higher interest rates and greater than budgeted fund balances throughout the year.



## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

- Grants were under plan by \$9K, due to a delay in the request for reimbursements from the Cal OES State and Local Cybersecurity Grant Program, however, invoicing is expected to pick up in the next quarter.
- Water delivery also under plan by \$11K (4%) due to 531AF less than budgeted delivered.
- Compared to the prior fiscal year, overall revenue is down \$95K (25%), driven primarily by a \$108K decrease in Water Delivery revenue—a difference of 1,971 AF less water being delivered in the current fiscal year. Other variances include a year-over-year decrease in investment earnings of -\$16K (36%), contributing to the overall revenue decline.

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

- Total expenditures through Q3 were \$440K, coming in \$102K (19%) under budget. The main contributor to this positive variance was Personnel Costs were \$116K (51%) under budget, driven by staff vacancies, lower benefit costs, and payroll savings due to timing and classification differences.
- Operating Expenditures were over budget by \$13K (5%), largely due to the purchase of Water Treatment Chemicals (\$42K) for the Moss Screens.
- Capital Outlay (\$50K) and Transfers Out (\$9K) remained aligned with budget, supporting planned capital projects and infrastructure reserves.
- Compared to the same period in the prior fiscal year, total expenditure is up by \$196K (80%), driven primarily by additional Operating Expenses (\$130K), Capital Outlay expenditures in the current fiscal year (\$42K) largely due to replacing Travel Screen #2 for the Moss Screen Building, and Personnel Costs (\$28K).

### ***Fund Balance***

- The projected ending undesignated working capital balance for FY 25-26 is approximately \$993K.
- The district's reserve policy requires a \$444K minimum undesignated balance which is expected to be met.

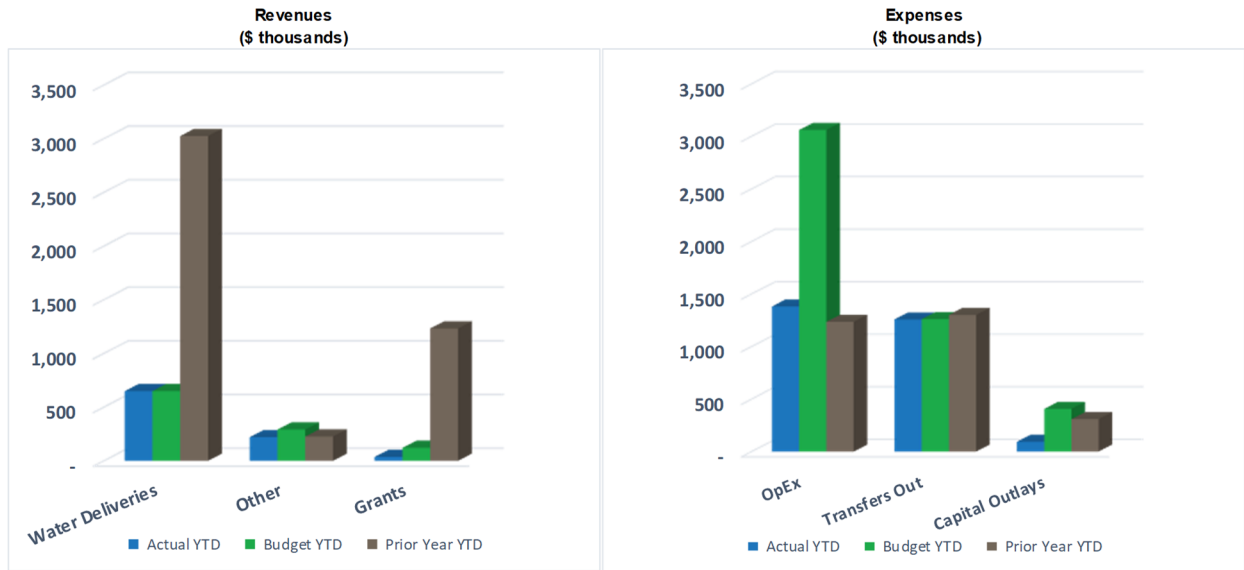
## FY 2025-26 Third Quarter Financial Review

July 1, 2025, through March 31, 2026

75% of Fiscal Year Completed

### Pumping Trough Pipeline Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
<b>Revenues</b>							
Water Delivery	649	649	0	0%	3,025	(2,376)	-79%
Earnings on Investments	134	53	81	153%	90	44	49%
Grants	36	121	(85)	-70%	1,233	(1,197)	-97%
Other	85	238	(153)	-64%	136	(51)	-38%
<b>Total Revenues</b>	<b>904</b>	<b>1,060</b>	<b>(157)</b>	<b>-15%</b>	<b>4,483</b>	<b>(3,580)</b>	<b>-80%</b>
<b>Expenses</b>							
Personnel Costs	360	541	(181)	-33%	339	21	6%
Operating Expenditures	1,021	2,520	(1,499)	-59%	896	126	14%
Capital Outlay	94	407	(313)	-77%	309	(216)	-70%
Transfers out	1,258	1,261	(3)	0%	1,301	(44)	-3%
<b>Total Expenses</b>	<b>2,733</b>	<b>4,729</b>	<b>(1,996)</b>	<b>-42%</b>	<b>2,846</b>	<b>(113)</b>	<b>-4%</b>
<b>Net Surplus / (Shortfall)</b>	<b>(1,829)</b>	<b>(3,669)</b>	<b>1,840</b>	<b>-50%</b>	<b>1,638</b>	<b>(3,467)</b>	<b>-212%</b>



#### Revenue Status v. Budget

- Third quarter revenue totaled \$904K, which is \$157K (15%) below plan. The primary driver is other revenue, which is \$154K (64%) under target due to lower Fox Canyon GMA collections resulting from reduced water deliveries pumped from PTP wells to the PTP System. Of the 3,770 AF delivered on the third quarter, 2,540 AF was from surface water.



## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

- Grant revenue was also \$85K (70%) below the projection due to a delay in funding for the PTP Recycled Water Connection Project, with receipt expected within the current fiscal year.
- Partially offsetting the low revenue is higher Earnings on Investments, which increased by \$81K (153%) due to higher LAIF interest rates.
- Water deliveries totaled \$649K and were aligned with budgeted figures for the Third Quarter.

### ***Revenue Status v. Prior Year***

- FY 2025-26 third quarter revenue decreased by \$3.6M (80%) compared to the prior fiscal year. The main contributing factor is the lower water delivery revenue of \$ 2.4M (79%), due to significant decrease in the PTP O&M fee in the current year.
- Grant revenue declined by \$1.2M (97%) compared to the third quarter of the prior year due to additional SGMA Grant funding received in the prior year.
- CIP Transfers-In (\$55K) were lower than Prior Year due to CIP budget corrections in FY 24-25.
- Increased revenue in the current year is seen in Earnings on Investments, which increased by \$44K (49%) due to higher LAIF interest rates, Fox Canyon GMA \$6K, miscellaneous \$2K, and rents and leases for \$1K.

### ***Appropriation/Expenditure Status v. Budget***

- Total expenditure was \$2.7M, which is \$1.9M (42%) below plan, primarily due to operating expenditure being \$1.5M (59%) under budget. The major contributor to the underutilization is principal expenditures of \$660K related to the 2020 COP, which are budgeted as expenses but applied directly to liabilities and an interfund loan that is budgeted throughout the year but is paid in June. Maintenance expenses are \$211K under budget due to delays in repairs and maintenance of the PTP line.
- More savings include utilities \$182K below projections caused by the delay of invoicing from Southern California Edison and reduced pumping from PTP wells due to increased surface water deliveries. Overhead costs are also \$170K below budget and are expected to increase in the last quarter. Fox Canyon GMA expenses are under \$131K, interest expense \$126K, insurance expenses \$17K, and professional fees of \$14K due to delayed billing and are expected to catch up in the last quarter.
- Other contributors to the favorable variance are water quality expenses \$7K, office expenses \$3K and travel costs \$2K.
- Offsetting these savings are higher water chemical expenses of \$9K for the purchase of hypochlorite solution for the Moss Screens and the PTP Reservoir, as well as increased fuel expenses of \$7K due to higher gas prices.
- Small tools also increased by \$4K used for O&M projects and maintenance, safety supplies \$3K, and permits and licenses of \$3K.



## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

- In addition to the operational budget underutilization, Capital Outlay budget is also underused by \$313K (77%) attributed to delays in replacing El Rio Pond inlet piping and moss screens.
- Personnel salary costs are also down by \$134K, largely from less than expected workload related to PTP activities. The same with benefits savings in medical insurance \$23K, worker's compensation expense \$11K, and Social Security \$8K due timing issue.

### ***Appropriation/Expenditure Status v. Prior Year***

- Total Expenditures FY 2025-26 decreased \$113K (4%) compared to the last fiscal year primarily due to \$216K (70%) reduction in Capital Outlay. The decline reflects PTP turnout valve replacements completed in Q1 of the prior year. Followed by Transfers-Out for capital Improvement Projects under \$44K (3%) from FY 2024-25.
- Offsetting these savings are increase in operating expenditures for FY 2025-26 \$126K (14%) higher than the prior fiscal year. The primary driver is interest expense of \$79K due to interfund loan. Maintenance expenses are higher by \$43K caused by the emergency repair of PTP wells VFD. Fox Canyon GMA expenses increased by \$11K (194 AF) due to higher water pumped from the PTP wells. Other contributors are overhead cost \$7K, utilities \$5K, and fuel \$2K.
- Counteracting the higher operating expenses are savings in water quality \$7K, miscellaneous \$3K, insurance expenses \$3K, and office expenses \$2K.
- Personnel Costs increased by \$21K (6%), attributed to increase in benefits due to increased retirement costs for Pepra Classic \$14K, and medical Insurance \$2K. Salaries had slight increase of \$2K.

### ***Fund Balance***

- The projected ending undesignated working capital balance for FY 2025-26 is \$3.4M.
- The District's reserve policy requires an undesignated balance of \$1M for this fund which is expected to be met.



## FY 2025-26 Third Quarter Financial Review

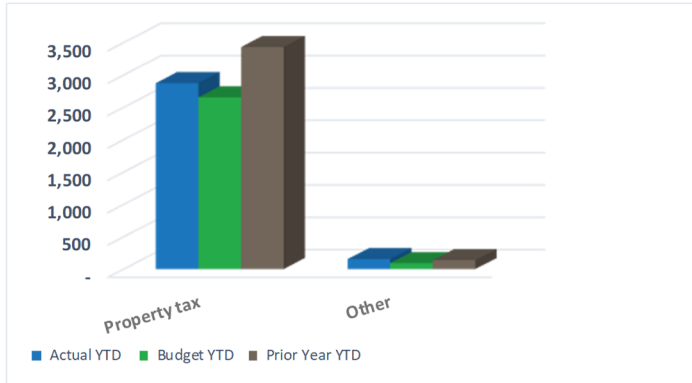
July 1, 2025, through March 31, 2026

75% of Fiscal Year Completed

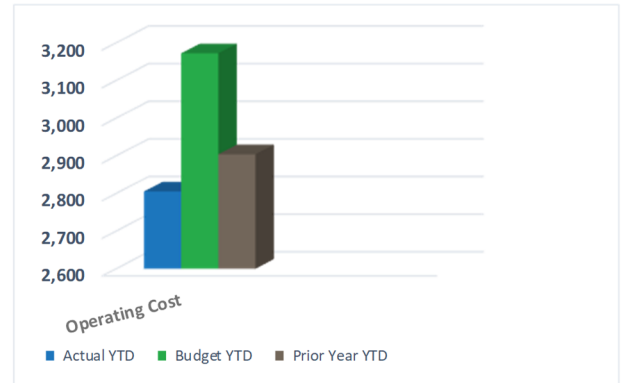
### State Water Fund

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
<b>Revenues</b>							
Earnings on Investments	153	91	62	67%	137	16	11%
Property Taxes	2,874	2,655	219	8%	3,430	(557)	-16%
<b>Total Revenues</b>	<b>3,027</b>	<b>2,746</b>	<b>281</b>	<b>10%</b>	<b>3,568</b>	<b>(541)</b>	<b>-15%</b>
<b>Expenses</b>							
Personnel Costs	0	0	0	0%	0	0	0%
Operating Expenditures	2,805	3,172	(367)	-12%	2,904	(99)	-3%
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%
<b>Total Expenses</b>	<b>2,805</b>	<b>3,172</b>	<b>(367)</b>	<b>-12%</b>	<b>2,904</b>	<b>(99)</b>	<b>-3%</b>
<b>Net Surplus / (Shortfall)</b>	<b>222</b>	<b>(426)</b>	<b>648</b>	<b>-152%</b>	<b>664</b>	<b>(442)</b>	<b>-67%</b>

Revenues  
(\$ thousands)



Expenses  
(\$ thousands)



#### Revenue Status v. Budget and v. Prior Year

- Revenue for the third quarter was \$3M, over plan by \$281K (10%) due to an additional \$219K (8%) received in property taxes. Also contributing to the increase were earnings on LAIF investments, which were up by \$62K (67%), influenced by the GAAP market value adjustment.
- Compared to FY 2024-25, overall revenue is down by \$541K (15%), largely due to lower property taxes received of \$557K (16%) and Earnings on Investments down \$16K (11%) year over year.

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

- Total expenditure for the third quarter was \$2.8M, being under budget by \$367K (12%) due to lower than expected State Water Purchases.
- Compared to prior year, expenditures decreased by \$99K (3%), this was influenced by SWP Table A purchases and variable costs incurred earlier in the fiscal year of \$1.7M.



## **FY 2025-26 Third Quarter Financial Review**

**July 1, 2025, through March 31, 2026**

*75% of Fiscal Year Completed*

### ***Fund Balance***

- The projected ending undesignated working capital balance for FY 26-27 is approximately \$9M, which is over 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 Third Quarter Financial Review**

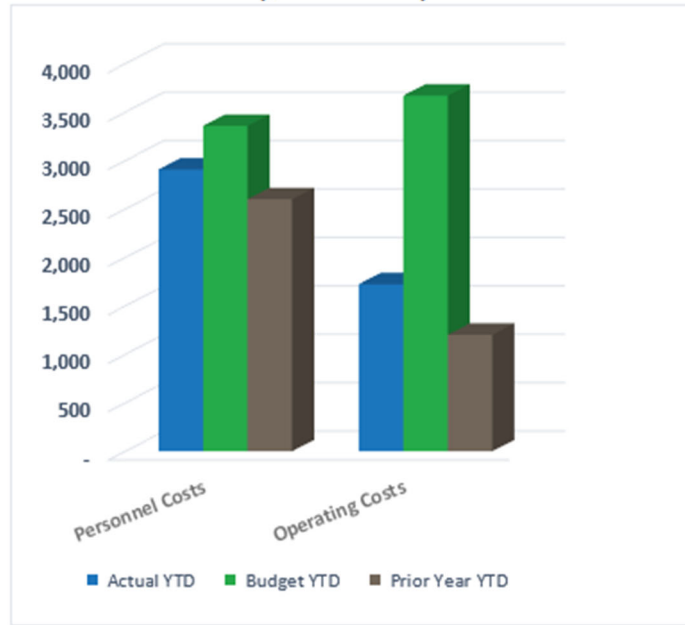
July 1, 2025, through March 31, 2026

75% of Fiscal Year Completed

**Overhead Fund**

in \$ thousands	CY Actuals	CY Budget	Variance	% Variance	PY Actuals	Variance	% Variance
<b>Expenses</b>							
Personnel Costs	2,909	3,358	(449)	-13%	2,601	307	12%
Operating Expenditures	1,724	3,670	(1,946)	-53%	1,203	522	43%
Capital Outlay	0	43	(43)	0%	0	0	0%
<b>Total Expenses</b>	<b>4,633</b>	<b>7,071</b>	<b>(2,438)</b>	<b>-34%</b>	<b>3,804</b>	<b>829</b>	<b>22%</b>

**Expenses**  
(\$ thousands)



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

- Total Expenditures through Q3 amount to \$4.6M, which is \$2.4M (34%) below budget.
- Total Personnel Cost was under projection by \$449K (13%) due to several positions hired at a lower range than budgeted.
- The largest savings were in Professional Fees, \$1.7M primarily due to hiring in house Public Outreach External Affairs Manager, delayed specialized services and lower than anticipated Legal Counsel usage, savings are expected through year end.
- Contributing to the variance, Safety Supplies are down (\$95K) from a delay in Santa Clara Riverbed security enhancements. Additional savings include Maintenance (\$33K), Travel (\$50K) and Utilities (\$23K) that are expected to be fully utilized later in the fiscal year.
- Current year expenditures up \$829K (22%) over prior year due to Personnel Costs (\$307K), Professional Fees (\$307K), Office Expenses (\$122K) and Utilities (\$42K).