



Board of Directors
Lynn E. Maulhardt, President
Catherine P. Keeling, Vice President
Gordon Kimball, Secretary/Treasurer
Keith Ford
Mohammed A. Hasan
Steve Huber
Rachel Jones

General Manager
Mauricio E. Guardado, Jr.

Legal Counsel
David D. Boyer

**MINUTES
FINANCE AND AUDIT COMMITTEE MEETING**

**Monday, December 2, 2024, at 9:00 a.m.
UWCD Headquarters, First Floor, Board Room
1701 N. Lombard Street, Oxnard CA 93030**

OPEN SESSION

Chair Catherine Keeling called the meeting to order at 9:05 a.m.

Committee Members Roll Call

Present: Directors Huber, Keeling, and Maulhardt.

Absent: None.

1. **Public Comment:** None.

2. **Consent Calendar**

Action: M/S/C (Maulhardt, Huber) to approve the Consent Calendar items.

Vote: Ayes: Keeling, Maulhardt, and Huber; Noes: None; Absent: None.

2.1 **Approval of Agenda**

Motion

Approved December 2, 2024, UWCD Finance and Audit Committee Meeting Agenda.

2.2 **Approval of Minutes**

Motion

Approved Minutes from September 30, 2024, UWCD Finance and Audit Committee Meeting.

2.3 **District Staff and Board Member Reimbursement Quarterly Report**

Information Item

Received and filed.

2.4 **Board Requested Cost Tracking Items**

Information Item

Received and filed.

2.5 **Check Recap Monthly Report**

Information Item

Received and filed.



**2.6 Investment Monthly Report
Information Item**

Received and filed.

**2.7 Pipeline Delivery Monthly Report
Information Item**

Received and filed.

3. UWCD Board of Directors Meeting Agenda Item

Reviewed and discussed the following agenda item to be considered for approval at the December 11, 2024, Board of Directors meeting:

**3.1 Request from Pleasant Valley County Water District to Waive Interest Charges for Late Payment
Motion**

After discussion between the Committee members and staff, it was requested to update the staff report going to the Board to include the corrective measures being taken in the process of date-stamping all incoming mail and providing receipts to customers for in-person payment which would avert discrepancies in the future.

Also, prior to the conclusion of the meeting, the Committee agreed it would be appropriate to include this Motion under the Consent Calendar when going before the Board.

Action: M/S/C (Maulhardt, Huber) recommending approval authorizing the General Manager to execute the Courtesy Waiver of Interest Request approving Pleasant Valley County Water District's request to waive interest charges of approximately \$6,276 for late payment of their September 2024 Pipeline invoice to the full Board.

Vote: Ayes: Maulhardt, Huber, and Keeling; Noes: None; Absent: None.

**4. Fiscal Year 2024-2025 First Quarter Financial Report
Information Item**

Received an overview and presentation of the District's quarterly financial report for the period of July 1 through September 30, 2024, from the District's Chief Financial Officer Brian Zahn (presentation attached).

Director Huber mentioned he would be attending the ACWA conference and offered his readiness to meet with someone there if staff so desired. Chair Keeling added, touching base with people would be a great idea. Mr. Zahn included, next year would be a good time to begin conversations with Casitas Municipal Water District since the District will begin negotiations and start taking water then.



**5. Administrative Services Department Monthly Report
Information Item**

Received an overview and presentation of the Administrative Services Department activities for the month of November 2024 (presentation attached).

6. Future Agenda Items

None were offered by the Committee members.

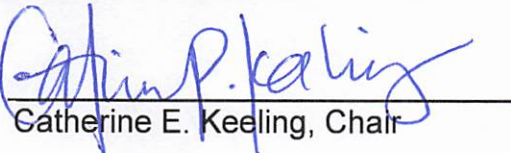
When discussing what items the Committee may want to bring forward to the Board of Directors, it was mentioned that staff should consider key highlights.


7. Adjournment

Chair Keeling adjourned the meeting at 9:37 a.m.

I certify that the above is a true and correct copy of the minutes of the UWCD Finance and Audit Committee Meeting of December 2, 2024.

Approved: _____


Catherine E. Keeling, Chair



United Water
CONSERVATION DISTRICT

FINANCE AND AUDIT COMMITTEE MEETING
December 2, 2024

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Q1 FY2024-2025
Financial Review

Presented by:
Brian H. Zahn, Chief Financial Officer

December 02, 2024

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Highlights - Revenue

GRANTS REVENUE DRIVES UNFAVOURABILITY TO BUDGET

REVENUE

Total operating revenue is \$1.1M or 12% favorable to budget

- Pipeline revenue is favorable to budget by \$0.8M or 16%
- Groundwater revenue is flat to budget
- Taxes are unfavorable to budget by \$0.2K or 100%
- Other Operating Revenue is \$0.1M or 52% favorable to budget
- Non-Operating Revenue is favorable to budget by \$0.5M or 12% primarily due \$3.8M in WIFIA loan proceeds for 2023-24 off-set by Grants that were not received in Q1

in \$000's	Q1 FY24-25 Actual	Q1 FY24-25 Budget	Q1 FY23-24 Actual
Taxes	-	217	0
Water Delivery/Fixed Cost	5,852	5,028	3,529
Groundwater	(70)	-	(118)
Other Operating Revenue	379	250	292
Non-Operating Revenue	4,195	3,740	950
Total Revenue	\$ 10,356	\$ 9,236	\$ 4,653



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Highlights - Expenses

PROFESSIONAL FEES AND CAPITAL SPEND DRIVE FAVORABILITY TO BUDGET

EXPENDITURE

Total expenditures are \$11.3M or 47% favorable to budget

- Professional and legal fees are less than budget \$2.1M or 82% due to underspending across all departments
- Operations expenses are below budget \$7.7M or 57% favorable primarily due to Capital being \$6.8M under spent

in \$000's	Q1 FY24-25 Actual	Q1 FY24-25 Budget	Q1 FY23-24 Actual
Personnel Expense	4,005	4,013	3,628
Professional Fees	458	2,596	507
Operating Expense	5,832	13,500	5,743
Allocated Overhead	710	1,825	1,143
Debt Service	260	654	283
Other	1,228	1,164	1,172
Total Expenditure	\$ 12,494	\$ 23,752	\$ 12,477



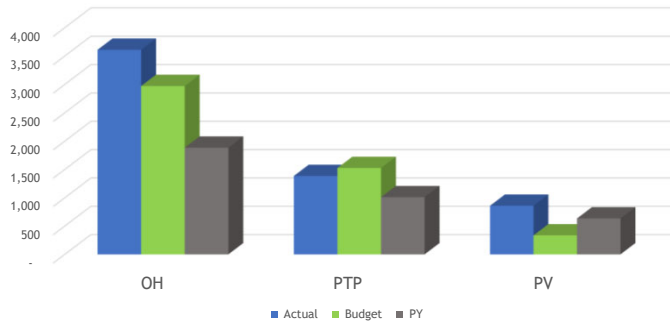
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Pipeline Revenue

EXCLUDING IN-LIEU OF PUMPING CHARGES

Water Delivery Revenue



- Pipeline revenue up 21% against the budget
- OH 21% favorable
- PTP (9%) unfavorable
- PV 156% favorable

Pipeline	Actual	Budget	PY	vs Budget	vs PY	% var Budget	% var PY
OH	3,610	2,972	1,884	638	1,726	21%	92%
PTP	1,384	1,525	1,010	(141)	374	-9%	37%
PV	858	335	634	523	224	156%	35%
	\$ 5,852	\$ 4,832	\$ 3,528	\$ 1,020	\$ 2,324	21%	66%



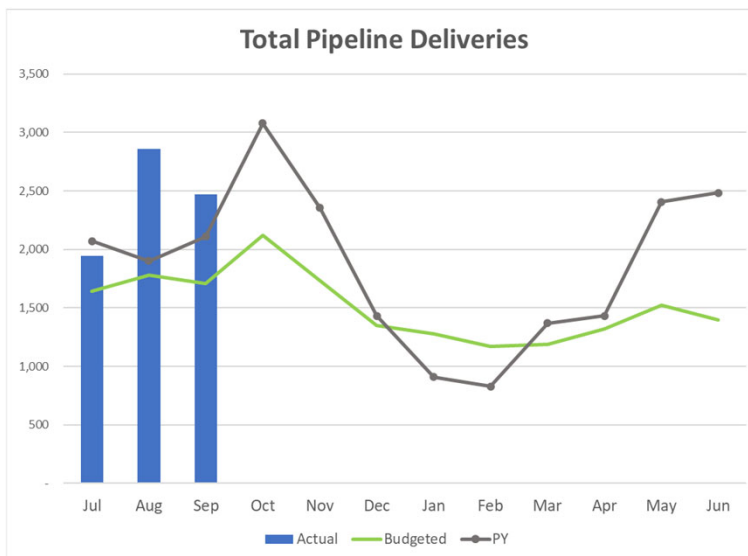
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Pipeline Volume

DELIVERY VOLUME 7,271 AF YTD VS. BUDGET OF 5,130 AF

Total Pipeline Deliveries



- Delivery volume 42% above budget (7,271 AF Actual vs. 5,130 AF Budget)
- OH and PV pipelines driving the positive variance.



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Top AG Pipeline Customers

CUSTOMER	TOTAL AF	Total Revenue
PVCWD	297.90	\$ 180,205.67
OceanView	213.63	\$ 145,478.90
Laubacher Farms Inc	164.91	\$ 108,156.44
Reiter Brothers Inc	118.36	\$ 78,515.73
3H Custom Farming Inc	96.93	\$ 64,870.18
Sorrento Berry Farms	95.53	\$ 67,128.73
Catalinos Berry Farms	75.42	\$ 54,323.69
Chas Nakama Inc	74.12	\$ 50,345.91
Tom Vujovich	72.27	\$ 49,167.92
Laguna Farms	46.84	\$ 32,975.37
Total	1,255.91	\$ 831,168.54



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Top M&I Pipeline Customers

CUSTOMER	TOTAL AF	Total Revenue
City of Oxnard	2,302.80	\$ 634,701.90
Port Hueneme Water Agency	1,110.40	\$ 894,125.39
Vineyard Estates	836.24	\$ 691,785.83
Dempsey Road MWC	45.15	\$ 38,408.19
Cypress Mutual	34.66	\$ 28,208.58
Saviers Road MWC	12.98	\$ 11,210.68
USNCBC (PHWA)	9.09	\$ 7,469.79
Rio Del Valle	7.74	\$ 4,846.25
E & H Land Company, LLC	1.45	\$ 8,299.42
Total	4,360.51	2,319,056.04



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Personnel Expenses

000's	Q1 2024-25 Actual	Q1 2024-25 Budget	PY Actual	Var to Budget	% Var to Budget	Var to PY	% Var to PY
Regular Salary	1,899	2,560	1,801	661	26%	98	5%
Over-time Salary	37	84	60	47	56%	-23	-38%
Part-time	173	130	115	(43)	-33%	59	51%
Salaries	\$ 2,109	\$ 2,774	\$ 1,975	665	24%	\$ 134	7%
Retirement- Classic	1,284	473	1,097	(812)	-172%	188	17%
Retirement - PEPRA	106	120	78	14	12%	28	36%
Soc Sec/457b Expense	120	144	113	24	16%	7	7%
Medicare Expense	30	38	28	8	20%	2	6%
SUI Expense	2	3	2	2	52%	-1	-33%
Medical Ins Exp	232	310	231	79	25%	0	0%
LTD	7	9	5	2	25%	2	36%
Life Insurance	5	8	5	2	31%	0	2%
Worker's Comp Expense	63	87	54	24	27%	9	16%
OPEB	10	10	9	0	0%	1	10%
Deferred Comp	17	19	17	1	8%	1	0%
Other	20	19	13	(1)	0%	7	0%
Employee Benefits	\$ 1,896	\$ 1,239	\$ 1,652	-657	-53%	\$ 244	15%
Personnel Expenses	\$ 4,005	\$ 4,013	\$ 3,628	8	0%	\$ 377	10%

- Salaries are favorable to budget \$0.7M or 24%
- Employee Benefits are unfavorable to budget \$0.7M or 53% primarily due to:
 - Higher Retirement costs



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Operating Expenses

PROFESSIONAL AND LEGAL FEES DRIVE BUDGET FAVORABILITY

000's	Q1 2024-25 Actual	Q1 2024-25 Budget	PY Actual	Var to Budget	% Var to Budget	Var to PY	% Var to PY
Profess Fees - Engineering	0	0	22	-	-	(22)	-100%
Prof. Fees - Environmental	71	450	129	(379)	-84%	(58)	-45%
Prof. Fees - IT consulting	12	69	19	(58)	-83%	(8)	-40%
Prof. Fees - GW Consulting	6	22	11	(17)	-75%	(5)	-49%
Prof. Fees - Other	113	548	250	(435)	-79%	(137)	-55%
Professional Fees	\$ 201	\$ 1,090	\$ 431	\$ (889)	-82%	\$ (230)	-53%
Legal Fees	\$ 257	\$ 1,400	\$ 76	\$ (1,143)	-82%	\$ 180	236%
Utilities	333	658	382	(325)	-49%	(49)	-13%
Maintenance	245	653	348	(408)	-62%	(103)	-30%
Field Supplies	147	124	19	23	18%	128	667%
Insurance	941	324	776	617	190%	165	21%
Office Expenses	62	216	304	(154)	-71%	(241)	-79%
Miscellaneous	244	244	243	-	0%	2	1%
Travel, Trainings and Meetings	22	86	39	(64)	-74%	(17)	-43%
Gasoline, Diesel, Fuel	45	60	54	(15)	-25%	(9)	-17%
Fox Canyon GMA	0	221	-	(221)	-100%	-	-
Safety, supplies, clothing	42	61	25	(18)	-30%	17	100%
Telephone	22	25	17	(3)	-12%	5	31%
General Operating Expenses	\$ 2,104	\$ 2,673	\$ 2,207	\$ (569)	-21%	\$ (103)	-5%
State Water Import Costs	\$ 1,989	\$ 1,300	\$ 3,165	\$ 690	53%	\$ (1,176)	100%
Total Operating Expenses	\$ 4,551	\$ 6,462	\$ 5,879	\$ (1,911)	-30%	\$ (1,328)	-23%

- Professional Fees are favorable to budget by \$0.9M
- Legal Fees are favorable to budget by \$1.2M
- Operating Expenses are flat to budget Key variances include:
 - Utilities \$325K favorable
 - Maintenance \$408K favorable
 - Off-set by unfavorable Insurance \$617K
- State Water Import Costs higher due to state water purchases



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Top 10 Accounts Payable Vendors

Vender	Payment Amount
CASITAS MUNICIPAL WATER	\$1,936,449.46
US BANK NATIONAL ASSOCIATION	\$1,462,558.28
GEI CONSULTANTS, INC	\$1,425,956.70
SPECIAL DISTRICT RISK	\$1,227,966.11
ABC Liovin Drilling Inc.	\$962,720.50
Granite Construction Company	\$686,470.00
SO. CALIFORNIA EDISON	\$642,727.44
ATKINSON, ANDELSON, LOYA, RUUD AND ROMO	\$642,436.23
GSE CONSTRUCTION COMPANY INC	\$620,798.73
BLACK & VEATCH CORPORATION	\$328,925.08



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Supplemental Water Purchase Fund

STATUS UPDATE

	<u>Revenue (\$000'S)</u>
Beginning Balance - July 1, 2024	\$5,145
Changes in Surcharge	\$747
Other	\$0
Ending Balance - September 30, 2024	\$5,892



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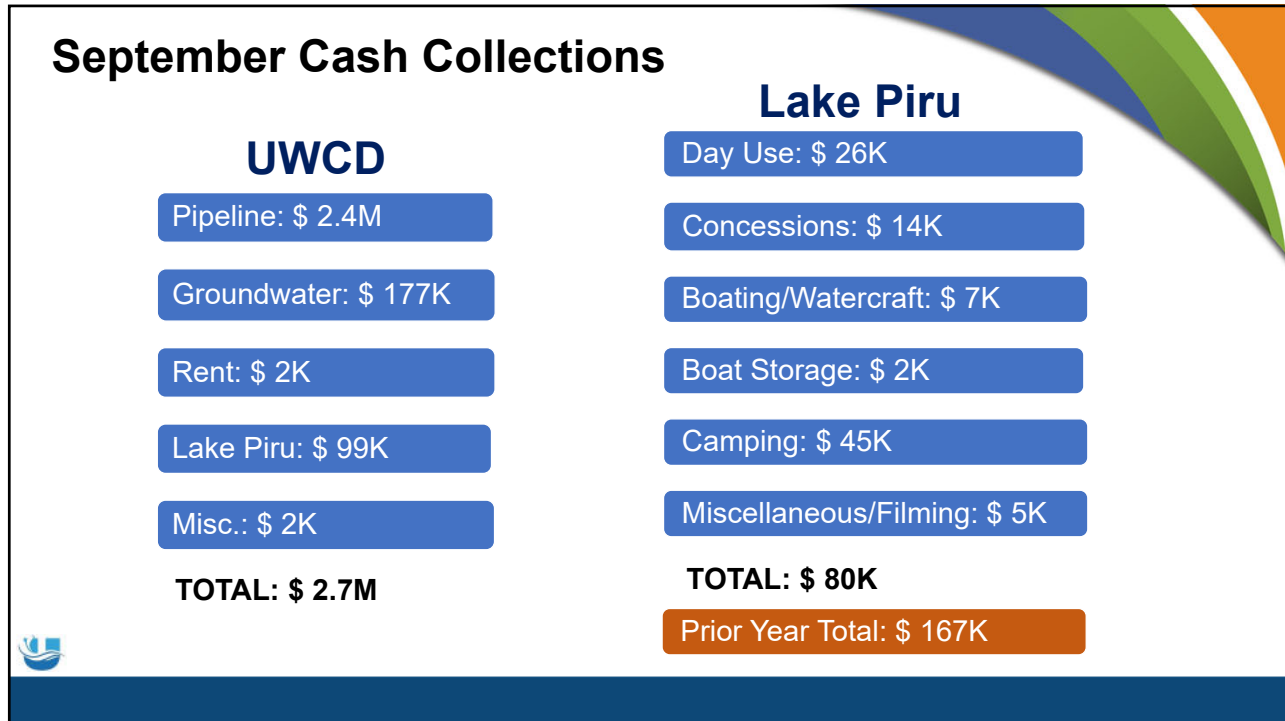
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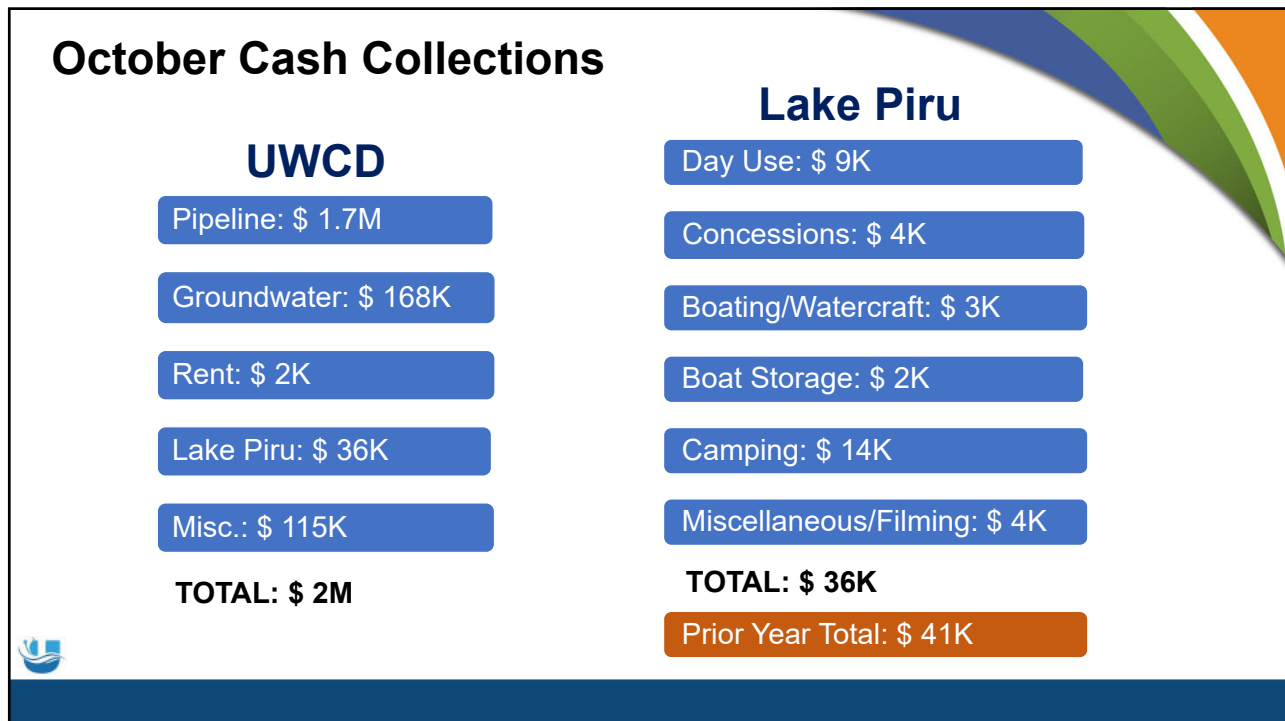
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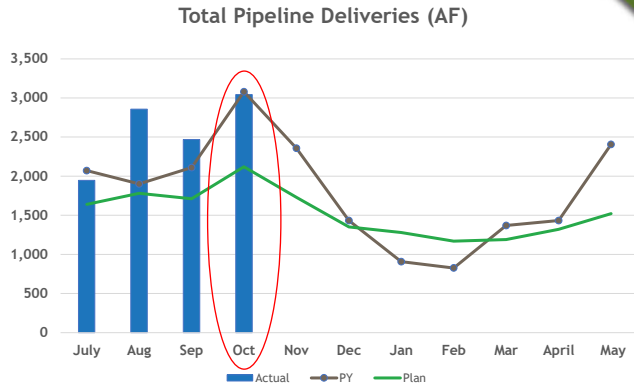


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October 2024 Pipeline

	\$ Billed	Actual AF	Plan AF	Variance
OH	\$1.1M	1034	1020	14
PT	\$801K	831	800	31
PV	\$379K	1177	300	877

- Year-to-date October deliveries are 42% above plan and 13% above prior year.




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Finance Department

- Strategic Rates Model complete to forecast water rates for FY 2025-26 completed and awaiting Board approval
- Beginning the initiation of the WIFIA loan (Construction) for the FY 2025-26 budget
- FY 2025-26 Budget begins in December 2024
- Annual Financial Audit begins on December 9, 2024



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Administrative Update

Josh Perez
Chief Human Resources Officer

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Human Resources

- Worked with GM to facilitate interviews and Assistant General Manager selection.
- Park Ranger Cadet selection and background initiation.
- Held *Financing Your Future* brownbag.
- Coordinated with Finance and Budget Development brownbag.
- Completed open enrollment for FSA and AFLAC.
- Participated in a Ventura College Water Science Program presentation.
- Updated all management contracts in the District.
- Coordinated Operations and Maintenance specialized assistance through temporary support contract.

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Current Employee Recruitments

Park Ranger Cadet

Interviews completed, two individuals currently in background to fill the positions



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Risk Management

- Coordinated Mountain Fire response and provided timely information to key internal stakeholders.
- Conducted Emergency Operations Center (EOC) training for Leadership team and their alternates alongside CHRO and Senior Park Ranger.
- Along with AGM, met with Ventura County Public Works and Ventura County Sheriff's Office on ongoing encampment challenges along Santa Clara River.
- In conjunction with CHRO and Control Systems Supervisor, began coordinating security assessment for Operational Technology network.
- Explored with California Military Department on cyber security services that are offered to critical infrastructure/public entity.



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(continued)

- Enrolled the District into the Regional Cybersecurity Coalition spearheaded by various regional partners in southern California which enhances access to real time information on cybersecurity threats.
- Conducted monthly safety meeting which featured roadside and traffic control safety.
- Supported Engineering Department with development of annual Saticoy Duty Operator cross training for Santa Felicia Dam Emergency Action Plan. Covered radio and satellite phone communication protocol during this training.
- Coordinated with County IT to program new radios to District's new satellite internet service connections as an additional redundancy.



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Technology Systems

- Balanced critical emergency response efforts with ongoing operational support. While the Mountain Fire response took priority early in the month, the helpdesk team continued to address tickets, resolve issues, and support district operations.
- Emergency Response and Communications Support
 - Mountain Fire Response*
 - Deployed a satellite-based internet system, restoring connectivity where conventional methods failed.
 - Minimal downtime due to quick response
 - Cybersecurity Campaigns*
 - Baseline cybersecurity training was successfully rolled out. Ongoing phishing campaign reviews demonstrated positive results, significantly raising awareness of cybersecurity risks and reducing vulnerabilities.



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(continued)

Support for Hydrology Research Lab

- Prepared a secure research lab with four workstations for hydrology experts to review and refine district water resource models.
 - Provided a cost-effective and secure environment for a two-day review process.
 - Significant time was spent ensuring the system ran smoothly, enabling experts to focus on their work.

Critical Support for Virtual Meetings

- UWCD Board of Directors Regular and Committee, Fillmore and Piru Basins Groundwater Sustainability Agency, Association of Water Agencies, Farm Bureau of Ventura, and California University Extended Education Seminars



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