



Finance and Asset Management Committee

Quarterly Financial Review December 31, 2023 (Cash Basis)

Item 6b

March 12, 2024

Item 6b Overview of the Quarterly Financial Review

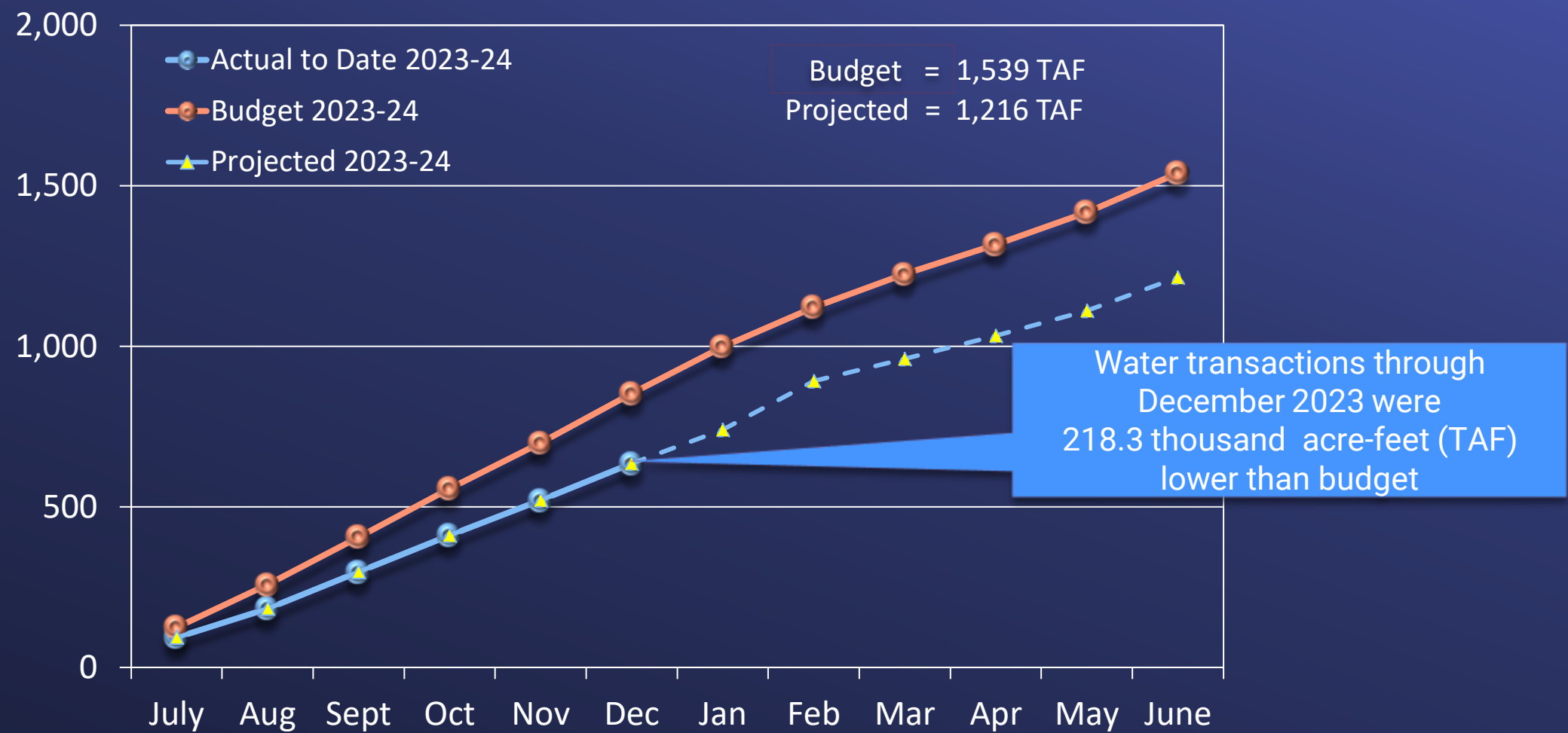
Subject

- The District's Financial Report for the quarter ended December 31, 2023 and projections through June 30, 2024

Purpose

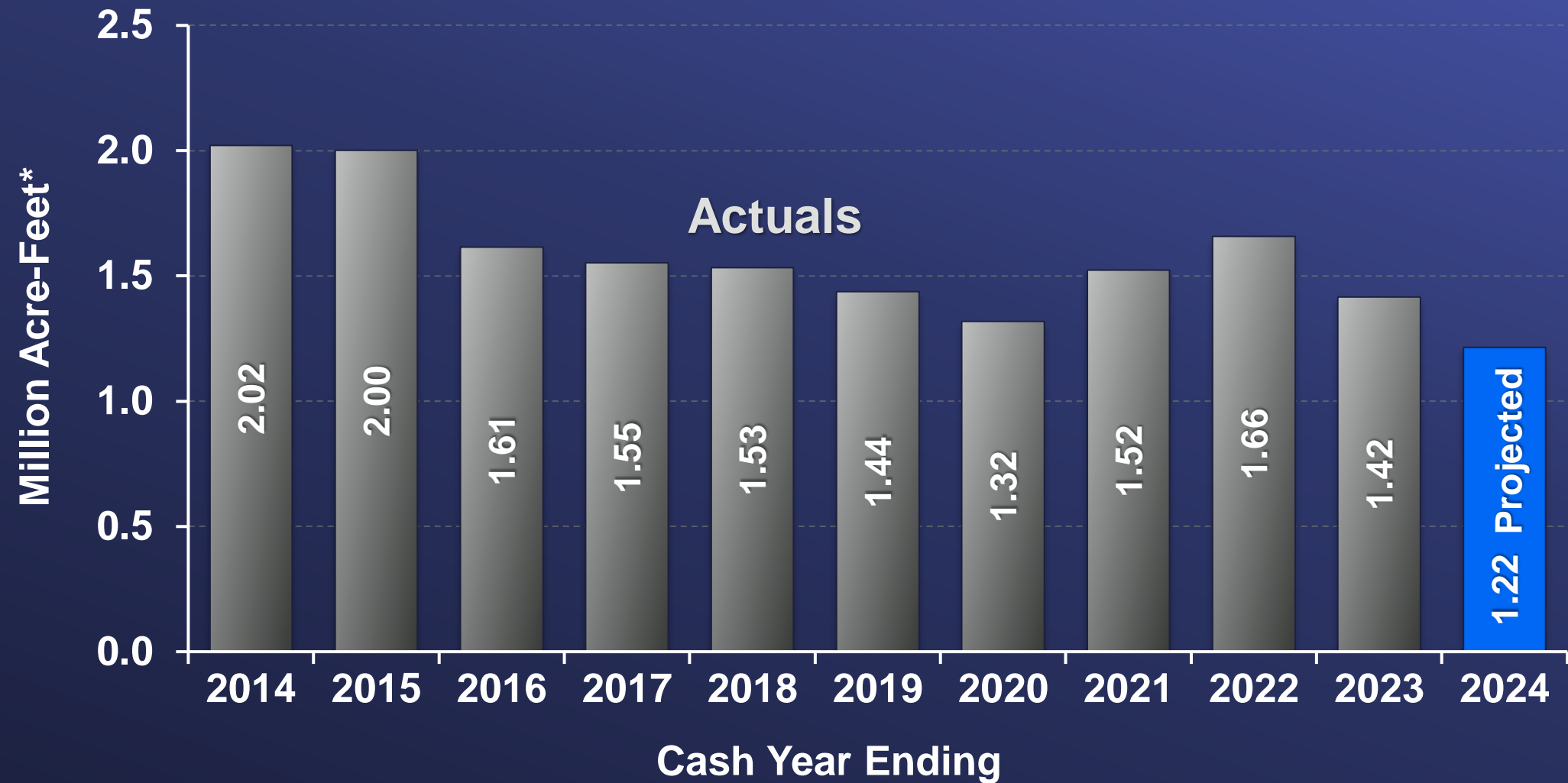
- Present the financial performance for the second quarter (cash basis, actuals)
- Present the cumulative water transactions and its components
- Assess revenues, expenses, and insights into cash flow
- Compare full-year Fiscal Year 23/24 projections with the budget
- Present projected Fiscal Year 23/24 unrestricted reserve ending balance

Cumulative Water Transactions⁽¹⁾ (AF in thousands)



⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

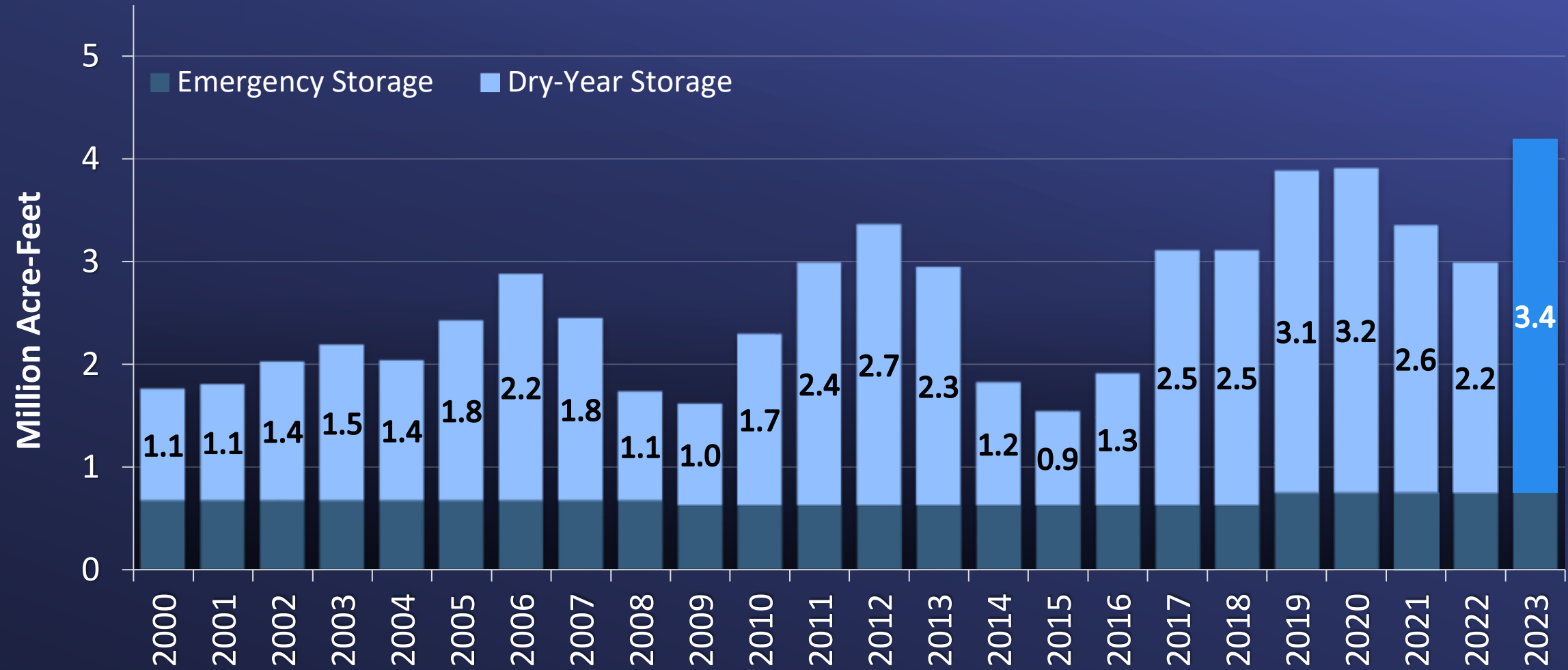
Metropolitan's Water Transactions⁽¹⁾



⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

Record-High Storage Projection for Metropolitan

End-of-Year Balances

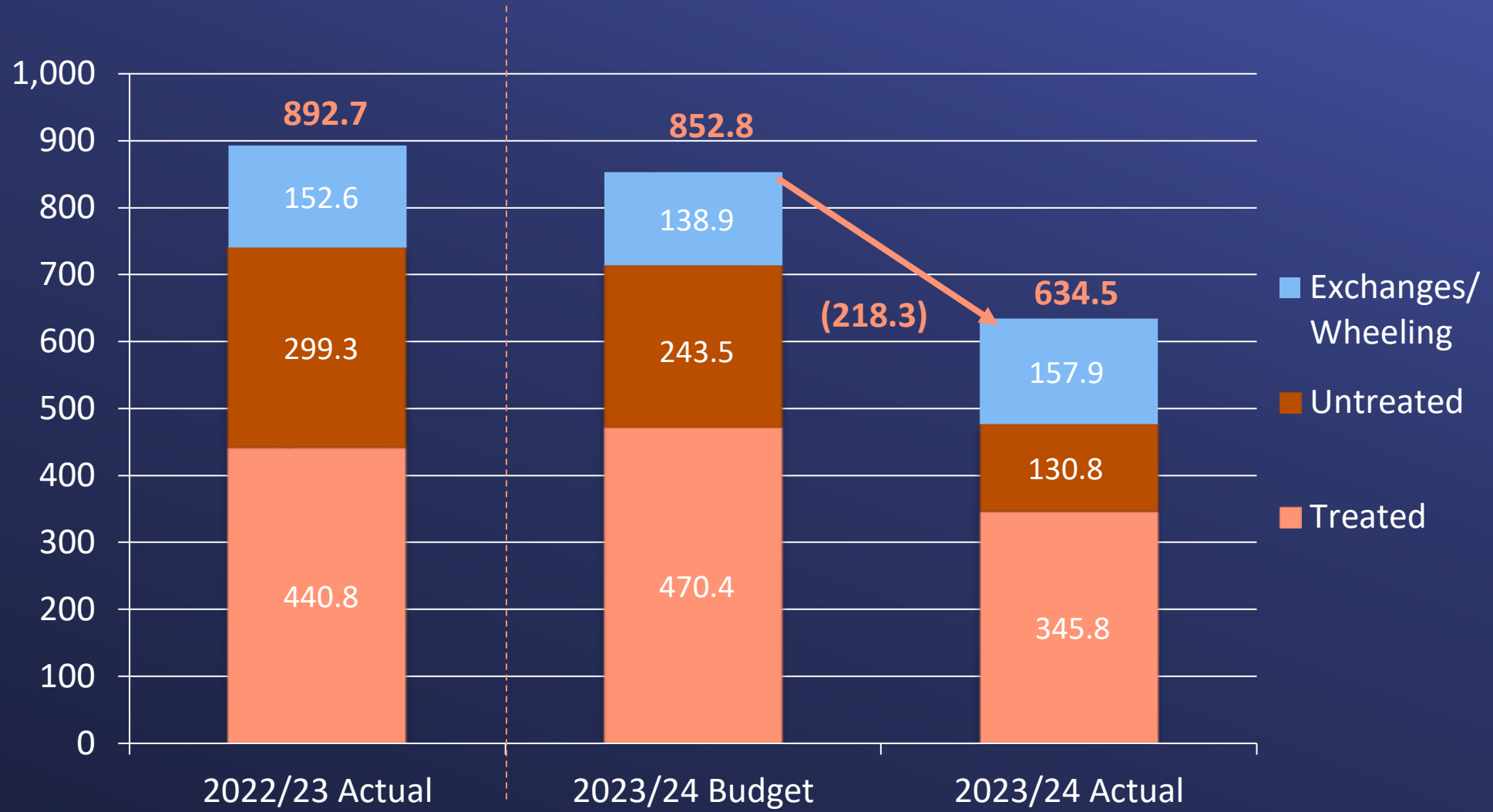


Note:

2023 end-of-year balance is preliminary as it is subject to USBR final accounting.

Water Transactions through December 2023⁽¹⁾

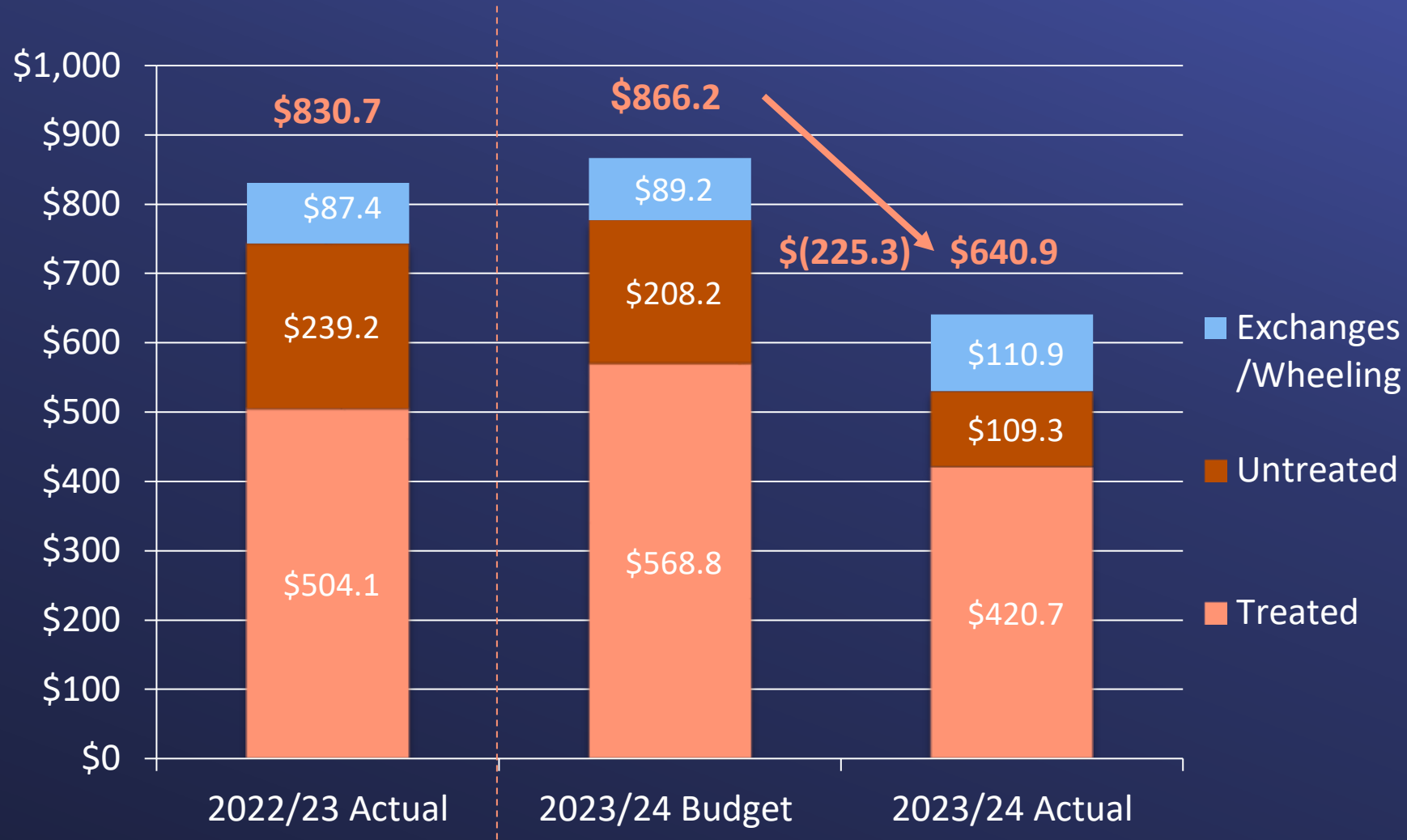
(AF in thousands)



⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

Water Revenues through December 2023⁽¹⁾

(\$ in millions)



⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member and non-member agencies.

(\$ in millions)

FY 23/24 Revenues (Cash Basis)

December 31, 2023

	2023/24 YTD Actuals	2023/24 Projected	2023/24 Budget	Variance
Water	\$ 640.9	\$ 1,221.6	\$ 1,538.3	\$(316.7)
RTS	71.7	160.5	160.5	-
Capacity Charge	17.2	35.2	35.2	-
Power	4.6	8.4	14.2	(5.8)
Taxes, net	79.8	185.9	168.3	17.6
Interest	24.1	31.2	9.6	21.6
Other	9.2	71.8	30.5	41.3
Total Revenues	\$ 847.5	\$ 1,714.6	\$ 1,956.6	\$ (242.0)

(\$ in millions)

FY 23/24 Expenses (Cash Basis)

December 31, 2023

	2023/24 YTD Actuals	2023/24 Projected	2023/24 Budget	Variance
State Water Contract	\$ 453.6	\$ 773.2	\$ 726.7	\$ 46.5
Supply Programs	75.7	135.4	110.1	25.3
CRA Power Costs	21.1	46.4	85.7	(39.3)
Debt Service	227.1	326.7	301.0	25.7
Demand Management	25.7	62.7	67.1	(4.4)
Departmental O&M	339.7	599.3	599.3	-
PayGo	16.3	35.0*	135.0	(100.0)
Delta Conveyance	23.0	64.5	64.5	-
Total Expenses	\$ 1,182.2	\$ 2,043.2	\$ 2,089.4	\$ (46.2)

** Assumes \$100 million of pay-as-you-go CIP expenditures will be bond financed*

(\$ in millions)

FY 23/24 Net Cash Flow

Estimate June 30, 2024

	FY 2023/24 Projected
Total Revenues	\$ 1,714.6
Total Expenses	<u>2,043.2</u>
Net Expenses	<u>\$ (328.6)</u>

The FY 2023/24 operating deficit requires the use of approximately \$227 million from the Water Rate Stabilization Fund

(\$ in millions)

FY 23/24 Cash Basis Unrestricted Reserves

Estimate June 30, 2024

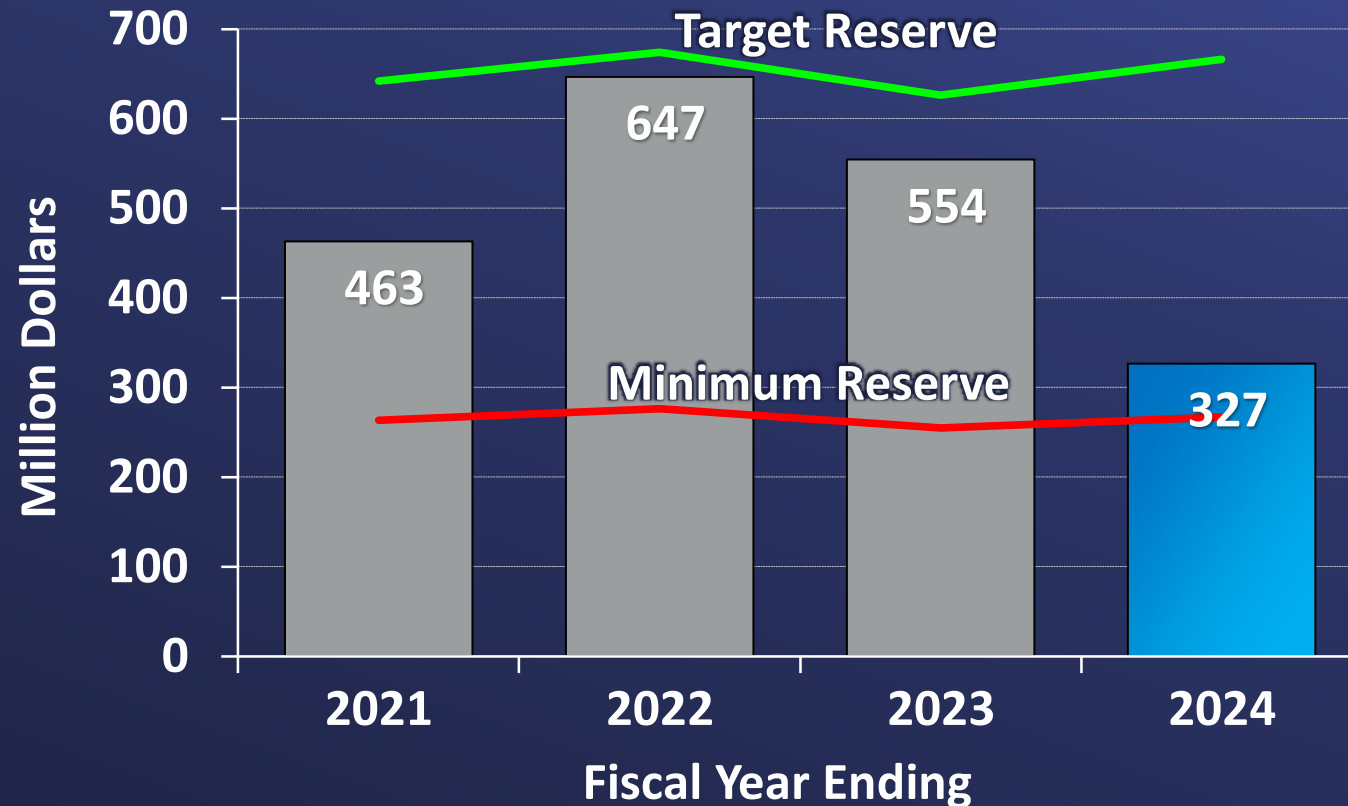
	FY 2023/24 Projected
Beginning Unrestricted Reserves Balance	\$ 554.2
Net Cash Flow	(328.6)
Increase in Required Reserves	(23.8)
Funding from SWRCB for Pure Water SoCal	23.0
Other Funding Sources (e.g., Debt and CWF Refund)	<u>102.0</u>
Ending Unrestricted Reserves Balance	<u>\$ 326.8</u>

The estimated FY 2023/24 ending unrestricted reserve balance is about \$60 million above the minimum policy level

(\$ in millions)

FY 23/24 Cash Basis Unrestricted Reserves

Estimate June 30, 2024



Second Quarter Basic Financial Statements Unaudited Actuals through December 31, 2023

- A copy of Metropolitan's Second Quarter Basic Financial Statements (Unaudited) can be accessed here:

https://www.mwdh2o.com/media/cd3c1gxo/dec-23-quarterly-bfs_final.pdf

