



Finance, Affordability, Asset Management and
Efficiency Committee

Quarterly Financial Report

Item 6a

November 18, 2025

Item 6a
Quarterly
Financial
Report

Subject

- Fiscal Year 2025/26 1st Quarter Financial Review and Forecast

Purpose

- Review Metropolitan's 1st Quarter financial projections for Fiscal Year 2025/26

Agenda

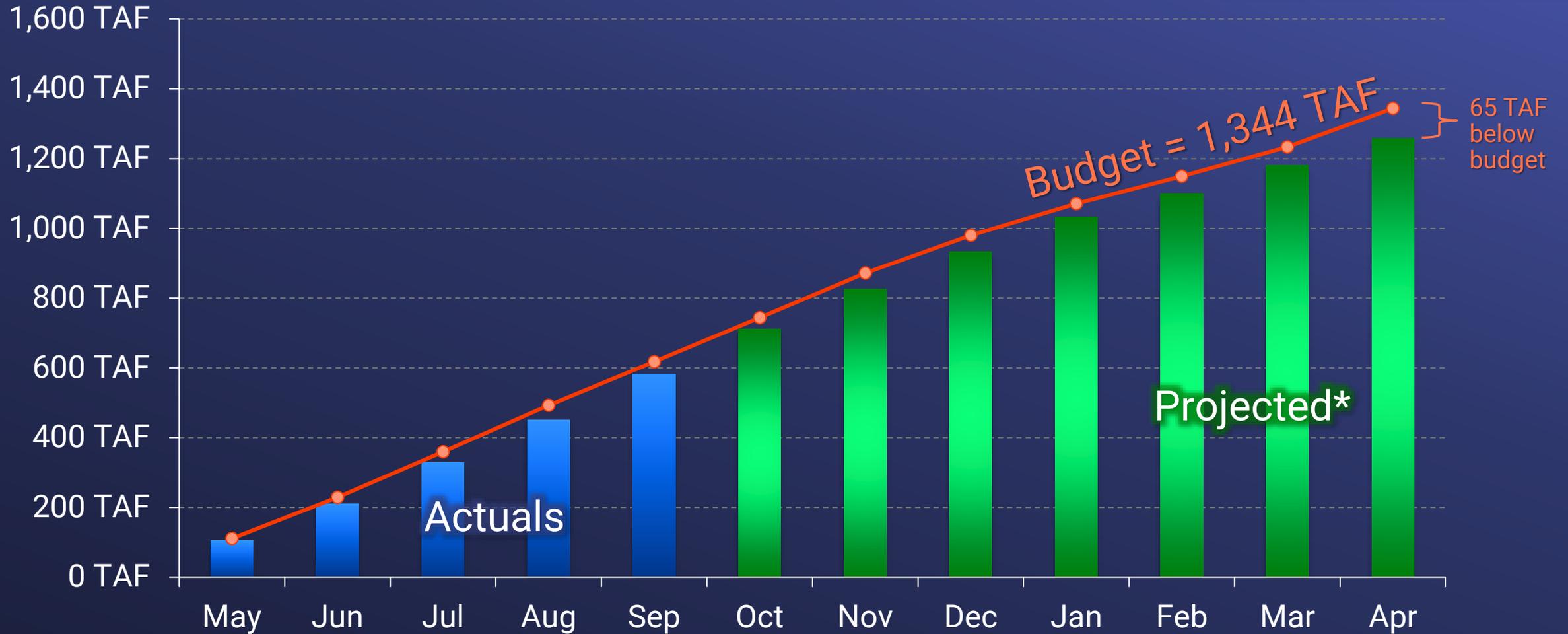
- 1st Quarter Financial Results and Forecast
- Update on FY 2025/26 revenue generation

1st Quarter Financial Results and Forecast

Cumulative Water Transactions ⁽¹⁾

Cash Year 2025/26

*Assumed 20 TAF Reverse Cyclic Program (RCP) Water Delivery (Prepaid) for the fiscal year

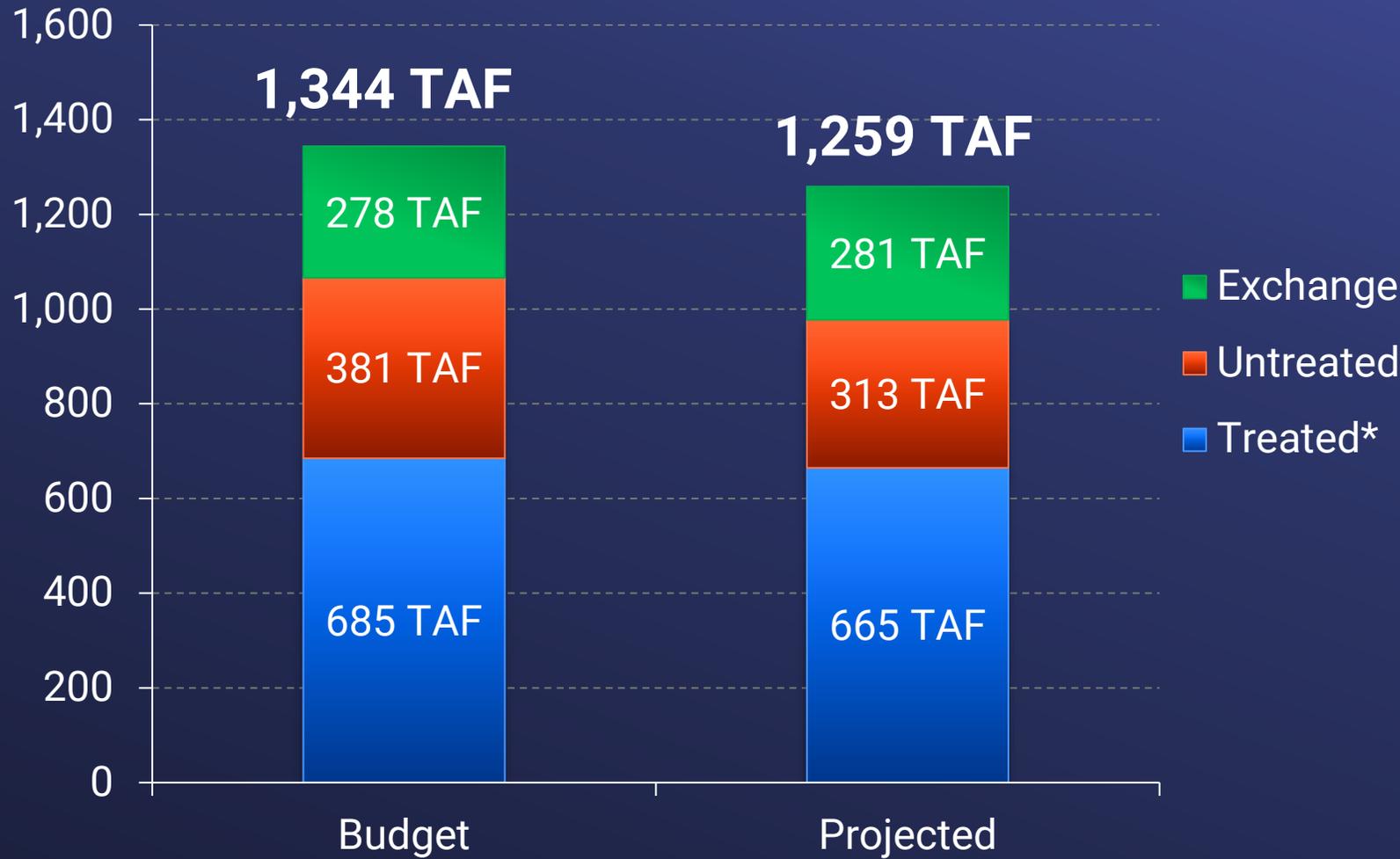


⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

Water Transactions ⁽¹⁾

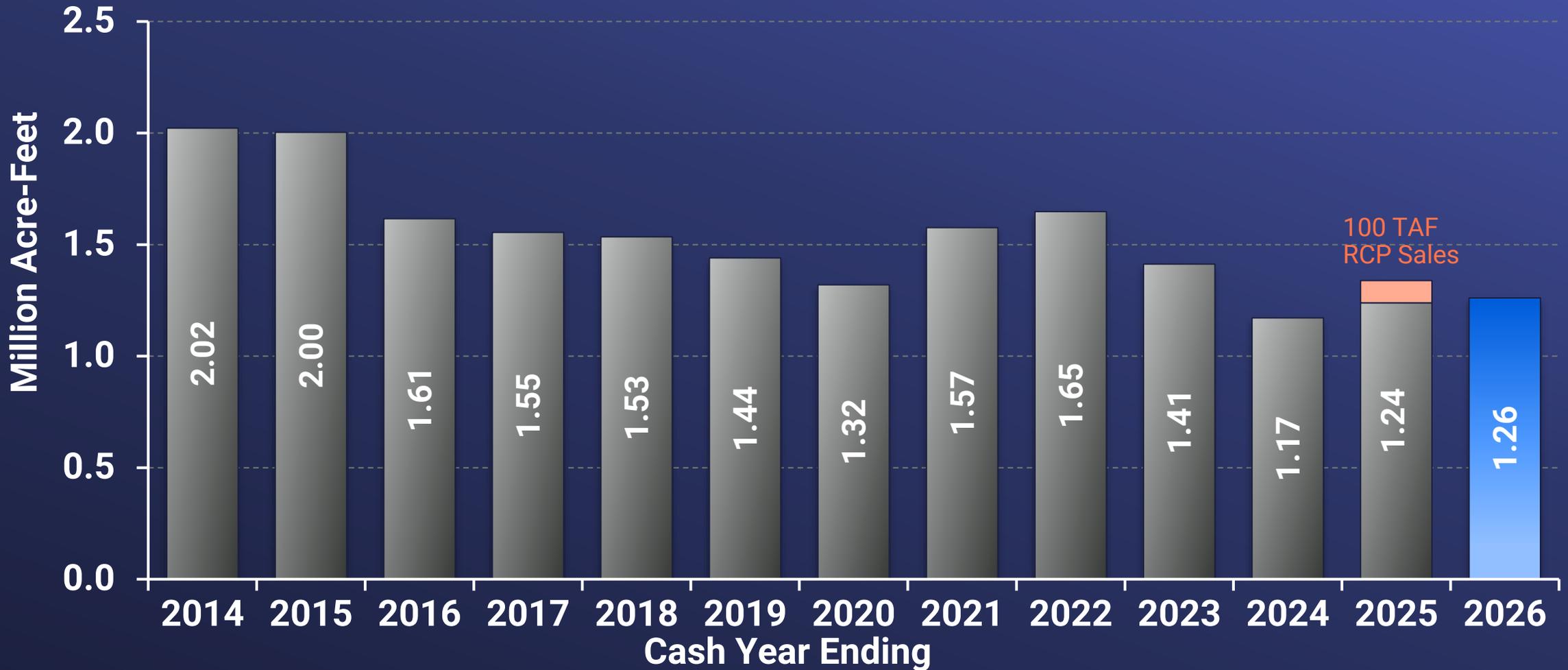
Cash Year 2025/26

*Assumed 20 TAF Reverse Cyclic Program (RCP) Treated Water Delivery (Prepaid / Non-revenue) for the fiscal year



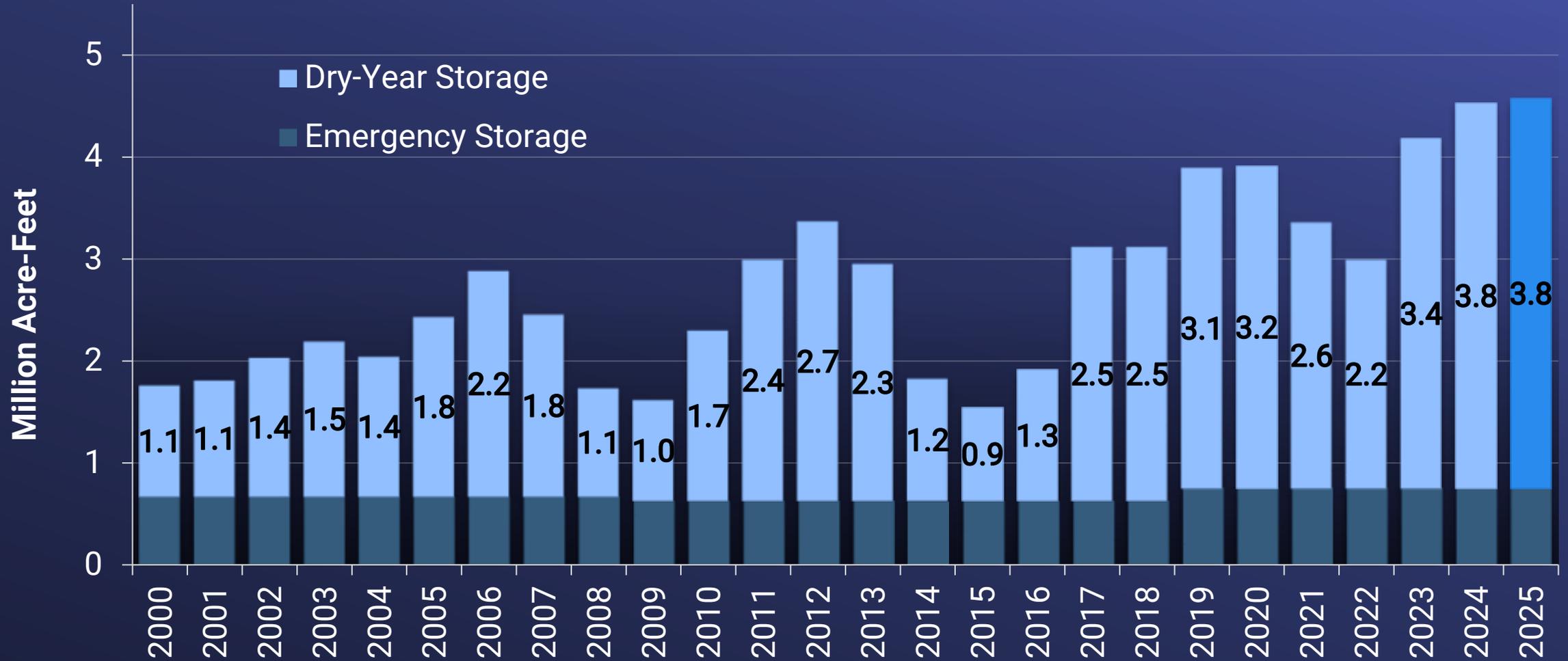
⁽¹⁾ Includes Water Sales and Exchange from member agencies. Non-member agency transactions are excluded.

Historic Water Transactions ⁽¹⁾



(1) Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.
For FY 2026, water transactions are adjusted for 20TAF assumed treated water delivery under RCP, which were prepaid in Dec 2024

Storage Projection for Metropolitan End-of-Year Balances



Note:

2025 end-of-year balance is preliminary as it is subject to DWR adjustments and USBR final accounting.

FY 2025/26 Q1 Financial Results

in millions	Revised Budget	Projected	Change
Water Transactions	1,530.2	1,462.2	(68.1)
RTS Charge & Capacity Charge	229.4	229.4	0.0
Taxes	333.8	395.6	61.8
Interest Income	45.4	28.7	(16.7)
IRA Bucket 1 Funding	47.3	43.8	(3.5)
Other	109.7	73.8	(35.9)
Total Revenues	2,295.8	2,233.5	(62.3)
State Water Contract ⁽¹⁾	703.9	631.4	(72.5)
Delta Conveyance ⁽¹⁾	25.7	25.7	0.0
Departmental O&M & Operating Eq ⁽²⁾	682.8 ⁽³⁾	689.7	6.9
CRA Power	93.3	79.3	(14.0)
Supply Programs	135.0	98.9	(36.1)
Demand Management	80.3	69.6	(10.6)
Debt Service	353.5	346.9	(6.6)
PAYGO	205.0	205.0	0.0
Total Expenditures	2,279.4	2,146.5	(132.9)
Increase in Required Reserves	31.8	26.4	(5.4)
AVEK Debt Funded	(44.1)	(21.0)	23.1
Conservation Debt Funded	(19.2)	(19.2)	0.0
Total Fund Deposits (Withdraws)	(31.5)	(13.8)	17.7
Change in Unrestricted Reserves*	47.8	100.8	52.9

A

B

C

= A-B-C

- \$100.8 M deposit to unrestricted reserves
 - Includes \$15.9M Water sales agreement with Coachella Valley Water District
 - Includes \$47.5M SWP water sales outside of the service area
 - Assumed 20TAF RCP treated water delivery (prepaid in Dec 2024)

Footnotes:

- 1) DCP Planning Cost \$141.6M approved in Dec 2024. Assumed \$26M SWC credit of the \$75M credits to be received
- 2) Includes full \$18M expenditure reduction in adopted budget and adds \$1M approved expenses for additional position and equipment for revised budget
- 3) Net of PWS expenses funded from SWRCB \$80M State Fund

*Revenue Remainder and Water Rate Stabilization Funds

Revenues and expenditures are net of reimbursements.

Unrestricted Reserves*

End-of-Year Balances



* Revenue Remainder and Water Rate Stabilization Funds

June 30, 2026, Unrestricted Reserves are \$677M

- Current Reserve Policy
 - \$391M above current min reserve
 - \$72M below current target reserve
- Revised Reserve Policy effective July 1, 2026
 - \$253M above new min reserve
 - \$404M below new target reserve

Note: Projected Unrestricted Reserves for FY ending 2026 assumed 20TAF prepaid Reverse Cyclic delivery; remaining RCP obligations to be delivered in future years

Revenue Generation

The FY 2024/25 and FY 2025/26 Biennial Budget was adopted with an unidentified \$60 million per year in new revenues (\$120M over the biennium)

Type	Item Descriptions	Actual FY 2024/25	Est. for FY 2025/26	Status / Details
New Revenue	Agreement with IID, SDCWA, and MWD for SDCWA to purchase Full-Service water from MWD, rather than exchange IID conserved water with MWD	\$17M		Board Approved in Aug 2024 50TAF included in Q2 FY 2025 Actual
New Revenue / Cash Mgmt	Water sales agreement with Coachella Valley Water District		\$15.9M	Approved in May 2025. Invoiced in Aug / Sep 2025. Discussing payment schedule for remaining amount.
New Revenue	SWP water sales outside of the service area		\$47.5M	Approved in May 2025 Payments are expected to be received in Q2 and Q3
Cash Mgmt	Reverse Cyclic Program	\$126M		100 TAF in Dec 2024 with signed agreements
	Total	\$143M	\$63.6M+	

