



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Finance and Administration Group

- **Finance and Administration Group Activities Report**

Summary

This report provides a summary of the Finance and Administration group activities for September 2025 and October 2025.

Purpose

Informational

Attachments

Attachment 1–Finance and Administration group activities for September 2025 and October 2025

Finance and Administration Group Activities Report for September 2025 and October 2025

GM Business Plan – Goals, Outcomes, Target Measures

Develop a Biennial Budget that Meets Metropolitan’s Needs	
Provide transparency and broad engagement to support informed policy making; Budget for enhanced mission-critical capabilities	Staff presented an informational item to the FAAME Committee held in October to review the near-term budget drivers and long-range financial forecast

Maintain Strong Financial Position

Provide timely and discerning financial analyses, planning, and management to ensure that forecasted revenues are sufficient to meet planned expenses and provide a prudent level of reserves consistent with board policy.

In October at the Finance, Affordability, Asset Management, and Efficiency Committee an informational report was provided on the integrated financial overview of near-term budget drivers and long-term resource planning.

Manage risk to protect Metropolitan’s assets against exposure to loss.

The Risk Management Unit completed 41 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 51 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events, and film permits.

Business Continuity

Facilitate district-wide planning and training to prepare employees and managers to effectively carry out critical roles and recover mission essential functions thus ensuring continuity of operations and resiliency in the event of a disaster.

Manage the Business Continuity Management Program in accordance with Operating Policy A-06.

- Spearheaded the District-wide annual Great Shakeout Earthquake Drill and preparedness campaign. The objective was to educate employees about how to protect themselves during an earthquake and to improve overall preparedness. Key activities included an employee-wide memo distribution, MetAlert notifications, practicing drop, cover and hold on, and the Office of Safety, Security and Protection worked with Incident Command Posts on managing incident response.
- Participated in planning efforts to finalize Metropolitan’s Local Hazard Mitigation Plan, which will enable Metropolitan to apply for grant funding.
- Participated in the monthly cybersecurity sync meeting and provided updates on Business Continuity activities.
- Facilitated business user testing for the October Information Technology HPUX Disaster Recovery exercise. The purpose of this exercise was to have business users work on a select backup system to ensure they perform the same as primary systems. More than 50 employees participated across Metropolitan.

Financial Management

Manage Metropolitan’s finances in an ethical and transparent manner and provide consistent, clear, and timely financial reporting. Update Metropolitan’s capital financing plans and work with rating agencies and investors to communicate Metropolitan’s financial needs, strategies, and capabilities, thus ensuring that Metropolitan has cost-effective access to capital markets and the ability to finance ongoing future needs. In addition, actively manage Metropolitan’s short-term investment portfolio to meet ongoing liquidity needs and changing economic environments.

Record and report the financial activities of Metropolitan in a timely, accurate, and transparent manner to the Board, executive management, member agencies, and the financial community.

FY25-26 Cash Water Transactions and Revenues Budget vs Actual (Preliminary, subject to change)

Month		Acre-Feet (AF) ¹		Variance		Revenue (\$) ²		Variance	
Delivered/ Billed In	Collected in	Budget	Actual	AF	%	Budget	Actual	\$	%
May	July	110,834	104,802	(6,032)	-5%	122,873,672	134,899,988	12,026,316	10%
June	August	117,893	105,957	(11,936)	-10%	150,194,358	117,905,817	(32,288,541)	-21%
July	September	130,799	117,324	(13,475)	-10%	149,512,493	134,297,129	(15,215,364)	-10%
August	October ³	133,060	122,998	(10,062)	-8%	152,486,828	149,830,784	(2,656,044)	-2%
September	November ³	125,227	131,748	6,521	5%	141,365,920	148,845,233	7,479,313	5%
YTD Total		617,813	582,830	(34,983)	-6%	716,433,272	685,778,951	(30,654,321)	-4%
October	December	126,161	-	-	0%	139,251,899	-	-	0%
November	January	128,056	-	-	0%	136,399,566	-	-	0%
December	February	107,621	-	-	0%	112,940,009	-	-	0%
January	March	90,739	-	-	0%	105,775,733	-	-	0%
February	April	78,856	-	-	0%	91,212,001	-	-	0%
March	May	84,484	-	-	0%	98,206,004	-	-	0%
April	June	110,200	-	-	0%	129,990,583	-	-	0%
FY Total		1,343,930	582,830	N/A	N/A	1,530,209,068	685,778,951	N/A	N/A

¹ AF reflected does not include non-member agency transactions.

² Includes Water Sales, Exchanges, and Wheeling for member agency and non-member agency.

³ Information is presented on an accrual basis; corresponding cash data is not yet available.

Update capital financing plans and work with rating agencies and investors to communicate financial needs and capabilities, ensure cost-effective access to capital markets, and maintain long-term bond ratings of AA or better.

In October 2025, Metropolitan staff and the financing team developed the key documentation, including an updated Appendix A, for the Special Variable Rate Revenue Refunding Bonds, 2025 Series B, to be sold in mid-December 2025. The 2025 Series B refunding bonds will refund, on a tax-exempt basis, the \$134,625,000, taxable, Special Variable Rate Water Revenue Refunding Bonds, 2022 Series C-2; the tax-exempt, \$25,325,000, Special Variable Rate Water Revenue Refunding Bonds, 2016 Series B-2; and the \$24,275,000, Water Revenue Bonds, 2017 Authorization, Series A.

The 2025 Series B refunding bonds will be supported by a Standby Bond Purchase Agreement with PNC Bank, National Association.

On October 1, 2025, Metropolitan reduced the Short-Term Revolving Credit Agreement with Bank of America, NA, from \$400 million to \$300 million, which is anticipated to reduce Metropolitan’s carry costs for the program by \$300,000/year. Metropolitan may draw on the Credit Agreement for the funding of Metropolitan’s capital and operating requirements. Currently, Metropolitan has no outstanding draws on the Credit Agreement.

On October 2, 2025, Metropolitan entered into a \$35 million Master Equipment Lease Agreement with Banc of America Public Capital Corp., for funding, over time, vehicles for Metropolitan’s fleet of automobiles and heavy equipment. This novel structure for Metropolitan utilized its leasing authority which activated the use of the MWD Asset Finance

Corporation for the first time since its creation. The Master Equipment Lease Program assists the Water System Operations team address some important risk concerns related to the deferred replacement of vehicles that are at their limits of operational reliability. Moreover, the ability to acquire more vehicles in advance of current California Air Resources Board regulations was recommended by staff and approved by the Board as an effective strategy to manage Metropolitan's fleet program.

Prudently manage the investment of Metropolitan's funds in accordance with policy guidelines and liquidity considerations.

As of September 30, 2025, Metropolitan's investment portfolio balance was \$1.3 billion. In the same month, total earnings were \$4.28 million, and the effective rate of return was 4.23 percent.

In September 2025, Metropolitan's portfolio manager executed 16 buy and nine sell trades.

Treasury staff managed daily cash flow to cover Metropolitan's operational expenditures and invest excess funds.

Treasury staff completed the following transactions:

- 25 Dreyfus Cash Management Fund transactions
- 23 CAMP Investment Pool transactions
- \$50 million deposited in Local Agency Investment Fund
- \$5.62 million in Metropolitan's bond payments and Swap payments
- 1,065 disbursements by check, 23 by Automated Clearing House (ACH), and 180 by wire transfer
- 61 receipts by check, 20 by ACH, and 49 by incoming wires and bank transfers
- One exception confirmation and one unauthorized ACH
- Stop payments: 10 for the Demand Account; zero for the Payroll Account
- No GOP Alerts received from Bank of America

The Treasury staff also processed for DCA the following transactions:

- Received and deposited seven checks totaling \$0.49 million
- Issued five checks and 14 wires totaling approximately \$0.67 million

In addition, Treasury staff processed 18 professional services invoice payment requests totaling approximately \$56 thousand.

Furthermore, 9,874 P-One Card transactions, totaling \$1.49 million, recorded in the September bank statement, were monitored by the P-One Card Administrator.

Administrative Services

Library and Archives Services participated in the [20th Annual Los Angeles Archives Bazaar](#) at Cal State LA on October 18, 2025. The flagship event for the Los Angeles archival profession, librarian Jen Becker and archivist Sara Seltzer presented items from the library and archival collections reflecting the event theme of *community*. Jen and Sara staged the display in the Union Station Headquarters rotunda the following week for an outreach event with Met staff, where they also launched the [Library and Archives Services Centennial Events Planning Survey](#). The Archives Bazaar display is now on view in the Central Library through the end of the year.

