



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 May 2025 and June 2025.

Purpose

Informational

Attachments

Attachment 1 – Finance and Administration group activities for May 2025 and June 2025.

Finance and Administration Group Activities Report for May 2025 and June 2025

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 June, an information report was provided to the Special Finance, Affordability, Asset Management, and Efficiency Committee on potential business model financial refinements.

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

The Risk Management Unit completed 47 incident reports, communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 46 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 A06.

In response to anti-ICE protest activity in Los Angeles, staff participated in Metropolitan's Emergency Operations Center activation to ensure business continuity. The protest activity was in close proximity to Headquarters, which prompted the closure of Headquarters from June 9 to June 23. Employees were able to successfully work remotely during this time, with a few exceptions made by Security for employees who had to briefly enter Headquarters for essential business tasks. The main business impact was on Board meetings, which were rescheduled. Staff sent out several MetAlert emergency notifications to reiterate the closure information contained in the General Manager memos. Executive management requested all Group Managers to update their Business Continuity Plans.

Staff continued implementation efforts for the new MetAlert emergency notification system, involving the transfer of data, settings, and templates from the old system (MIR3) to the new system (Everbridge). MIR3 will expire on September 30.

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.

FY24-25 Cash Water Transactions and Revenues Budget vs Actual (Preliminary, subject to change)

Month		Acre-Feet (AF) ¹		Variance		Revenue (\$) ²		Variance	
Delivered/ Billed In	To be Collected in	Budget	Actual	AF	%	Budget	Actual	\$	%
May	July	111,381	93,988	(17,393)	-16%	115,411,844	111,844,425	(3,567,419)	-3%
June	August	119,830	101,259	(18,571)	-15%	142,766,424	100,440,378	(42,326,046)	-30%
July	September	133,150	113,715	(19,435)	-15%	141,775,001	121,901,017	(19,873,984)	-14%
August	October	136,454	116,650	(19,804)	-15%	145,410,622	129,047,328	(16,363,294)	-11%
September	November	127,137	114,291	(12,846)	-10%	133,836,426	124,663,850	(9,172,576)	-7%
October	December	123,989	115,743	(8,246)	-7%	128,665,932	122,055,973	(6,609,959)	-5%
November	January	124,881	99,081	(25,800)	-21%	125,782,252	110,437,861	(15,344,391)	-12%
December	February ³	104,337	240,153	135,816	130%	103,324,010	265,305,379	161,981,369	157%
January	March	88,988	85,190	(3,799)	-4%	95,074,177	97,621,268	2,547,091	3%
February	April	77,291	67,427	(9,864)	-13%	81,911,825	75,915,932	(5,995,893)	-7%
March	May	82,757	81,180	(1,577)	-2%	88,153,603	90,319,192	2,165,589	2%
April	June	107,565	107,388	(177)	0%	116,431,176	128,935,943	12,504,767	11%
FY Total		1,337,760	1,336,065	(1,696)	0%	1,418,543,292	1,478,488,546	59,945,254	4%

¹ AF reflected does not include non-member agency transactions.² Includes Water Sales, Exchanges, and Wheeling for member agencies and non-member agencies.³ Actual amounts include 100 TAF and \$125.6 million of Reversed Cyclic sales to be delivered within five years.***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	To be Collected in	Budget	Actual	AF	%	Budget	Actual	\$	%
May	July	110,834	104,883	(5,951)	-5%	122,873,000	121,413,402	(1,459,598)	-1%
YTD Total		110,834	104,883	(5,951)	-5%	122,873,000	121,413,402	(1,459,598)	-1%
June	August	117,893	-	-	0%	150,144,000	-	-	0%
July	September	130,799	-	-	0%	149,512,000	-	-	0%
August	October	133,060	-	-	0%	152,486,000	-	-	0%
September	November	125,227	-	-	0%	141,366,000	-	-	0%
October	December	126,161	-	-	0%	139,251,000	-	-	0%
November	January	128,056	-	-	0%	136,399,000	-	-	0%
December	February	107,621	-	-	0%	112,940,000	-	-	0%
January	March	90,739	-	-	0%	105,776,000	-	-	0%
February	April	78,856	-	-	0%	91,212,000	-	-	0%
March	May	84,484	-	-	0%	98,206,000	-	-	0%
April	June	110,200	-	-	0%	129,990,000	-	-	0%
FY Total		1,343,930	104,883	N/A	N/A	1,530,155,000	121,413,402	N/A	N/A

¹ AF reflected does not include non-member agency transactions.² Includes Water Sales, Exchanges, and Wheeling for member agencies and non-member agencies.***Unclaimed Fund Process***

In compliance with Administrative Code Section 2750, the Metropolitan Water District (Metropolitan) published public notices on April 1 and April 8, 2025, regarding unclaimed funds held for over three years. These funds originated from outstanding vendor payments, refunds, and other disbursements that remained uncashed.

Upon completion of all required public notice procedures, staff initiated the escheatment process in accordance with Metropolitan's policies and timelines. The outcomes are as follows:

Description	Amount
Published unclaimed checks	\$864,760.46
Unpublished unclaimed checks*	\$165,027.46
Subtotal	\$1,029,787.92
Claims approved for payment	\$96,168.86
Reclassified to General Fund	\$933,619.06

*Unpublished due to lack of payee information.

These unclaimed funds have been recognized as miscellaneous revenue in accordance with applicable accounting standards, resulting in an increase to Metropolitan's unrestricted reserves. Staff remains committed to legal compliance and transparency in the management of public funds.

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 May 2025, Finance's Debt Management section led the completion of Metropolitan's various financing bond documents, including the Preliminary Official Statement, which incorporates Metropolitan's Appendix A, for our first transaction. Also, staff finalized discussions with the three rating agencies to obtain credit ratings for the two bond pricings in June. Metropolitan staff answered follow-up questions and reviewed draft press releases and credit reports from each rating agency, which were coordinated activities specifically by debt management, legal, outside counsel, as well as reviewed/approved by the AGM/CFO and Finance Group Manager. In June, Metropolitan received confirmation of its senior lien ratings from S&P and Moody's of "AAA" and "Aa1", respectively, for the 2025A transaction.

On June 11, 2025, Metropolitan priced its' \$131.93 million, Water Revenue Refunding Bonds, 2025 Series A. Also coming on June 26, 2025, Metropolitan will price approximately \$174 million, through the Antelope Valley-East Kern (AVEK) Water Agency Financing Authority. Credit ratings for this transaction from S&P and Fitch were assigned at "AA+" and "AA+", respectively. Staff will prepare an update to the Board at the July FAAME committee on the pricing of both transactions.

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

As of May 31, 2025, Metropolitan's investment portfolio balance was \$1.5 billion; the total May earnings were \$5.34 million, and the effective rate of return was 4.31%.

In May 2025, Metropolitan's portfolio manager executed twenty-eight buy and four sell trades.

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

Treasury staff completed the following transactions:

- 38 Dreyfus Cash Management Fund transactions
- 23 CAMP Investment Pool transactions
- \$2.57 million in Metropolitan's bond and Swap payments
- \$0.34 million BANA Revolver interest payments
- 1,201 disbursements by check, 25 by Automated Clearing House (ACH), and 190 by wire transfer

- 68 receipts by check, 39 by ACH, and 55 by incoming wires and bank transfers
- Two exception confirmations and no unauthorized ACH
- Stop payments: 14 for the Demand Account; zero for the Payroll Account
- Two GOP Alerts received from Bank of America

The Treasury staff also processed for DCA the following transactions:

- Received and deposited 16 checks totaling \$2.99 million
- Issued 9 checks and 22 wires totaling approximately \$2.87 million

In addition, Treasury staff processed eight professional services invoice payment requests totaling approximately \$97.5 thousand.

Furthermore, 9,918 P-One Card transactions, totaling \$1.50 million, recorded in the May bank statement, were monitored by the P-One Card Administrator.

Administrative Services

Accomplishments

Metropolitan now has a membership to Online Computer Library Center Interlibrary Loan. The OCLC is a global library organization that shares library resources to extend what libraries can provide to their patrons. Interlibrary Loan will allow Metropolitan staff to borrow the latest editions of textbooks and journal articles behind paywalls for a fraction of the cost of buying the item. If you're interested in utilizing Interlibrary Loan, check if the item is available in the GeniePlus Library Catalog (accessible through the Microsoft 365 apps list) and contact Librarian, Jen Becker, to make a request.