



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# Board Report

## Finance and Administration Group

- **Finance and Administration Group Activities Report**

### Summary

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This report provides a summary of the Finance and Administration group activities for for February 2025 and March 2025

### Purpose

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Informational

### Attachments

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Attachment 1–Finance and Administration group activities for February 2025 and March 2025.

# Finance and Administration Group Activities Report for February 2025 and March 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 February, an informational report was provided to the Finance and Asset Management Committee to review 2nd Quarter Financial Results and projections for Fiscal Year 2024/25. In addition, the Committee provided an update from the Business Model Review and Refinement Ad Hoc Working Group on treated water cost recovery, fixed versus volumetric revenues and unrestricted reserve policy.

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

The Risk Management Unit completed 43 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 48 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.**

- Developed a template in the Fusion software to capture and print Business Impact Analyses (BIA) information. The BIA information describes financial and operational impacts over time for business processes and determines recovery priorities.
- Worked with various areas across the District to facilitate Business Continuity Plan updates.
- Continued working with Fusion Risk Management to implement a third-party risk management module to the software. This would allow for us to survey critical vendors to ensure that Metropolitan can count on their products/services during an emergency.

## 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) <sup>2</sup>		Variance		Revenue (\$) <sup>1</sup>		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 <sup>3</sup>	104,337	240,153	135,816	130%	103,324,010	265,305,379	161,981,369	157%
January	March	88,988	85,355	(3,633)	-4%	95,074,177	97,849,865	2,775,688	3%
February	April	77,291	67,202	(10,089)	-13%	81,911,825	75,548,551	(6,363,274)	-8%
<b>YTD Total</b>		<b>1,147,438</b>	<b>1,147,437</b>	<b>(1)</b>	<b>0%</b>	<b>1,213,958,513</b>	<b>1,259,094,627</b>	<b>45,136,114</b>	<b>4%</b>
March	May	82,757	-	-	0%	88,153,603	-	-	0%
April	June	107,565	-	-	0%	116,431,176	-	-	0%
<b>FY Total</b>		<b>1,337,760</b>	<b>1,147,437</b>	<b>N/A</b>	<b>N/A</b>	<b>1,418,543,292</b>	<b>1,259,094,627</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> Includes Water Sales, Exchanges, and Wheeling for member agency and non-member agency.

<sup>2</sup> AF reflected does not include non-member agency transactions.

<sup>3</sup> Actual amounts include 100 TAF and \$125.6 million of Reversed Cyclic sales to be delivered within five years.

**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 February 2025, staff convened our Disclosure Working Group to initiate the process of updating Appendix A for upcoming bond sales in June 2025. Staff also selected bond counsel for the various financial transactions that we anticipate over the next four to five months. Workplans and schedules were developed accordingly. Coordination with internal and external team members was discussed to identify key milestones and/or challenges.

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

As of February 28, 2025, Metropolitan's investment portfolio balance was \$1.3 billion; the total February earnings were \$3.85 million, and the effective rate of return was 4.33%.

In February 2025, Metropolitan's portfolio manager executed 18 buy and three sell trades.

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

Treasury staff completed the following transactions:

- 42 Dreyfus Cash Management Fund transactions
- 19 CAMP Investment Pool transactions
- \$2.54 million in Metropolitan's bond and Swap payments
- 1,103 disbursements by check, 22 by Automated Clearing House (ACH), and 153 by wire transfer
- 74 receipts by check, 28 by ACH, and 48 by incoming wires and bank transfers
- One exception confirmation and no unauthorized ACH

The Treasury staff also processed for Delta Conveyance Design and Construction Authority the following transactions:

- Received and deposited five checks totaling \$0.26 million
- Issued seven checks and 14 wires totaling approximately \$2.80 million

In addition, Treasury staff processed 13 professional services invoice payment requests totaling approximately \$0.34 million.

Furthermore, 8,785 P-One Card transactions, totaling \$1.37 million, recorded in the February bank statement were monitored by the P-One Card Administrator.

## Administrative Services

### Accomplishments

**Request for Proposal (RFP) No. 1388 – Landscape and Residential Survey Program.** Completed and awarded solicitation to conduct in-person commercial and residential large landscape irrigation surveys with a minimum of one acre of irrigated area and in-person indoor/outdoor residential surveys.

**Request for Proposal (RFP) No. 1367 – Cybersecurity Operation Center Support Services.** Completed and awarded solicitation for support services for the Metropolitan Cybersecurity Operations Center (CSOC), which operates around the clock, 365 days a year, to protect the Metropolitan's information technology, operational technology, and enterprise network infrastructure.

**Request for Proposal (RFP) No. 1379 – Investment Management Services.** Completed and awarded solicitation to provide investment management services for Metropolitan's short-term liquidity, long-term core, and endowment portfolio in accordance with the laws of the State of California, California Government Code § 53600-53686, and Metropolitan's Investment Policy.

**Request for Qualifications (RFQ) No. 1380 – Agricultural and Urban Water Use Measurement, Modeling, and Analysis.** Completed solicitation to develop a list of pre-qualified Respondents to provide support for Water Resource Management programs related to agriculture and urban water use, design of urban and agricultural conservation programs, irrigation flow and soil moisture measurement, land cover classification, evapotranspiration estimation, and data analysis on an on-call basis.

**Sole Source Agreement Workflow Controls:** Updated the Sole Source Justification form to prompt users and approvers to diligently deliberate the merits of why their procurement cannot be competitively bid, provide a strong sole source justification, and clearly identify which Admin Code exemption to competitive procurement they intend to use.