



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 July 2024 and August 2024.

Purpose

Informational

Attachments

Attachment 1–Finance and Administration group activities for July 2024 and August 2024.

Finance and Administration Group Activities Report for July 2024 and August 2024

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 July an information report was provided to the Finance and Asset Management Committee on Metropolitan's Financial Condition, Key Financial Metrics and Debt Program.

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

The Risk Management Unit completed 42 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 A-06.

- In conjunction with Information Technology, continued planning for employee videos focused on creating awareness about alternate ways of accessing systems.
- Continued working across the District on Business Continuity Plan updates and approvals.
- Conducted training on the MetAlert emergency notification system for the Health and Safety team.
- In conjunction with the core planning team, continued working on the district-wide Local Hazard Mitigation Plan.
- Renewed the vendor contract for the MetAlert emergency notification system for another year.

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) ²		Variance		Revenue (\$)¹		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	(18,570)	-15%	142,766,424	100,440,378	(42,326,046)	-30%
July	September	133,150	113,842	(19,308)	-15%	141,775,001	121,855,439	(19,919,562)	-14%
YTD Total		364,360	309,090	(55,271)	-15%	399,953,269	334,140,242	(65,813,026)	-16%
August	October	136,454	-	-	0%	145,410,622	-	-	0%
September	November	127,137	-	-	0%	133,836,426	-	-	0%
October	December	123,989	-	-	0%	128,665,932	-	-	0%
November	January	124,881	-	-	0%	125,782,252	-	-	0%
December	February	104,337	-	-	0%	103,324,010	-	-	0%
January	March	88,988	-	-	0%	95,074,177	-	-	0%
February	April	77,291	-	-	0%	81,911,825	-	-	0%
March	May	82,757	-	-	0%	88,153,603	-	-	0%
April	June	107,565	-	-	0%	116,431,176	-	-	0%
FY Total		1,337,760	-	-	0%	1,418,543,293	-	-	0%

¹ Reflects amount billed, not collected.

² AF reflected does not include non-member agency transactions.

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.

For July 2024, Metropolitan staff worked on preparing documentation and requesting credit ratings for the upcoming, approximate, \$212,600,000, Water Revenue and Refunding Bonds, 2024 Series C, and the approximate, \$150,000,000, Variable Rate Subordinate Water Revenue Refunding Bonds, 2024 Series D bonds. The Series D bonds will be supported by a Standby Bond Purchase Agreement from BARCLAYS, PLC. The bonds are expected to be priced in early September 2024.

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

As of July 31, 2024, Metropolitan's investment portfolio balance was \$1.03 billion; the total July earnings were \$4.44 million, and the effective rate of return was 4.48 percent.

Treasury staff managed daily cash flow to cover Metropolitan's operational expenditures and invest excess funds. The Treasury staff updated the Monthly Treasurer's Report to include a chart of projected cashflows relative to projected expenditures over a six-month period.

In July 2024, Metropolitan's portfolio manager executed seventeen buys and three sales trades.

Treasury staff completed the following transactions:

- 39 Dreyfus Cash Management Fund transactions
- 26 CAMP Investment Pool transactions
- \$153.85 million in Metropolitan's bond and SWAP payments
- 1,132 disbursements by check, 22 by Automated Clearing House (ACH), and 190 by wire transfer
- 90 receipts by check, 38 by ACH, and 68 by incoming wires and bank transfers
- Prevented four unauthorized ACH transactions

The Treasury staff also processed for DCA the following transactions:

- Received and deposited 20 checks totaling \$5.25 million
- Issued seven checks and 21 wires totaling approximately \$5.46 million

In addition, Treasury staff processed fourteen professional services invoice payment requests totaling approximately \$0.29 million.

Furthermore, 9,209 P-One Card transactions, totaling \$1.35 million, recorded in the June bank statement were monitored by the P-One Card Administrator.

Administrative Services

Accomplishments

Contracting Services Unit was named as a recipient of the Achievement of Excellence in Procurement award by the National Procurement Institute. The Achievement of Excellence in Procurement® recognizes organizational excellence in public and non-profit procurement nationwide. The Contracting Services Unit was evaluated based on operations across all its functional areas of Procurement, Inventory Management and Warehousing. The evaluation also included an assessment of the education and experience of staff. The award criteria are designed to measure innovation, professionalism, e-procurement, productivity, and leadership attributes of the procurement function.