



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 April 2025 and May 2025

Purpose

Informational

Attachments

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

Finance and Administration Group Activities Report for April 2025 and May 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 May, the Finance, Affordability, Asset Management, and Efficiency Committee took action to adopt a resolution to continue Metropolitan's Water Standby Charge for fiscal year 2025/26. In addition, information reports were provided on (1) Metropolitan's 3rd Quarter financial projections for fiscal year 2024/25 and (2) potential drivers of the next biennium budget.

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

The Risk Management Unit completed 48 incident reports, communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 42 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-critical 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.

Staff continued working with various areas across the District to facilitate Business Continuity plan updates.

In collaboration with the Office of Safety, Security and Protection, staff participated in several meetings in an effort to transition to a new MetAlert emergency notification system. Staff continues to spend a significant amount of time moving information from the existing system (MIR3) to the new system (Everbridge).

In collaboration with Information Technology, a Disaster Recovery Business Continuity live exercise was conducted to validate the functionality of critical Oracle-based applications in the backup-up data center. Cognos and AP Imaging were in scope for business user testing and both applications tested successfully. Performing periodic testing of critical backup applications ensures readiness and application availability during an emergency.

Staff responded to a power outage incident at Union Station Headquarters on May 13, 2025, to monitor for business impacts and ensure business continuity. Stemming from a major electrical failure, the outage impacted the low-rise areas only. Security operations and building cameras, along with board and committee meetings were primarily impacted, and staff had to implement workarounds for business continuity. Staff from the affected areas were able to continue working remotely. Business continuity plans will be reviewed and updated with lessons learned.

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	(18,571)	-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	80,579	(2,178)	-3%	88,153,603	89,256,411	1,102,808	1%
April	June	107,565	107,388	(177)	0%	116,431,176	128,935,943	12,504,767	11%
FY Total		1,337,760	1,335,464	(2,297)	0%	1,418,543,292	1,477,425,765	58,882,473	4%

¹ Includes Water Sales, Exchanges, and Wheeling for member agency and non-member agency.

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

³ 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 May 2025, Metropolitan and Bank of America, N.A., completed the renewal of a Standby Bond Purchase Agreement to support the \$221.2 million Variable Rate Subordinate Water Revenue Refunding Bonds, 2021 Series A.

Also in May, staff and the respective financing teams were finalizing documentation for two bond issues to be issued in July 2025. Metropolitan's General Manager, AGM/CFO, Group Finance Manager and Treasury and Debt Manager prepared and presented an update of Metropolitan's key credit factors to the respective rating agencies involved in the two upcoming bond sales.

Treasury operations and Debt management staff worked through several technical updates to the DebtBook cash management and debt modules for customization of their respective implementations.

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

As of April 30, 2025, Metropolitan's investment portfolio balance was \$1.5 billion; the total April earnings were \$4.73 million, and the effective rate of return was 4.27 percent.

In April 2025, Metropolitan's portfolio manager executed 29 buy and six sell trades.

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

Treasury staff completed the following transactions:

- 43 Dreyfus Cash Management Fund transactions
- 25 CAMP Investment Pool transactions
- \$55.09 million in Metropolitan's bond and SWAP payments
- \$0.28 million BANA Revolver interest payments
- \$0.95 million renewal of SMARA PNC Certificate of Deposit
- 1,006 disbursements by check, 23 by Automated Clearing House (ACH), and 206 by wire transfer
- 77 receipts by check, 29 by ACH, and 64 by incoming wires and bank transfers
- One exception confirmation and no unauthorized ACH
- Stop payments: 7 for Demand Account; 2 for Payroll Account

The Treasury staff also processed for DCA the following transactions:

- Received and deposited 11 checks totaling \$1.93 million
- Issued 6 checks and 12 wires totaling approximately \$1.79 million

In addition, Treasury staff processed thirteen professional services invoice payment requests totaling approximately \$0.73 million.

Furthermore, 9,869 P-One Card transactions, totaling \$1.43 million, recorded in the April bank statement were monitored by the P-One Card Administrator.

Administrative Services

Accomplishments

The La Verne Warehouse Team was called upon to provide off-hours emergency services and support on Wednesday, April 23rd at approximately 8:00 PM. Conveyance & Distribution Teams were in immediate need of replacement valves to resolve a potential failure that had only presented itself a few short hours prior to the call for support. Shutdown stakeholders collaborated with responding Warehouse Team personnel and arranged to meet at the F.E. Weymouth facility in La Verne to obtain the required valve units. Under Warehouse Team Manager supervision, Raymond Hy (operating the forklift in the image below) provided expert Storekeeper support to the shutdown staff by successfully fulfilling their emergency order, including the loading and securing of the desired units onto MWD vehicles for immediate mobilization.



Once again, the La Verne Warehouse Team was tasked with providing expert warehouse support during the recently completed Rialto Feeder Shutdown during the weekend of May 9th through May 11th. The LV Team strategically positioned one Inventory Coordinator and one Storekeeper as onsite support for a full day of coverage for Friday, Saturday, and Sunday. This staffing commitment allows the shutdown stakeholders immediate support when visiting the warehouse for supplies, materials, and tools. Additionally, the support provided by the Warehouse Team during shutdowns increases efficiencies by reducing time lost to acquiring goods from non-MWD sources and provides an active onsite P-Cardholder to acquire emergency non-inventory items quickly when traditional procurement methods are not readily available due to off-hours operations.