



Finance, Affordability Asset Management and Efficiency  
Committee

# Quarterly Financial Report

Item 6c

May 13, 2025

## Item 6c

# Quarterly Financial Update

### Subject

- Fiscal Year 2024/25 3<sup>rd</sup> Quarter Financial Review and Forecast

### Purpose

- Review Metropolitan's 3<sup>rd</sup> Quarter financial projections for Fiscal Year 2024/25

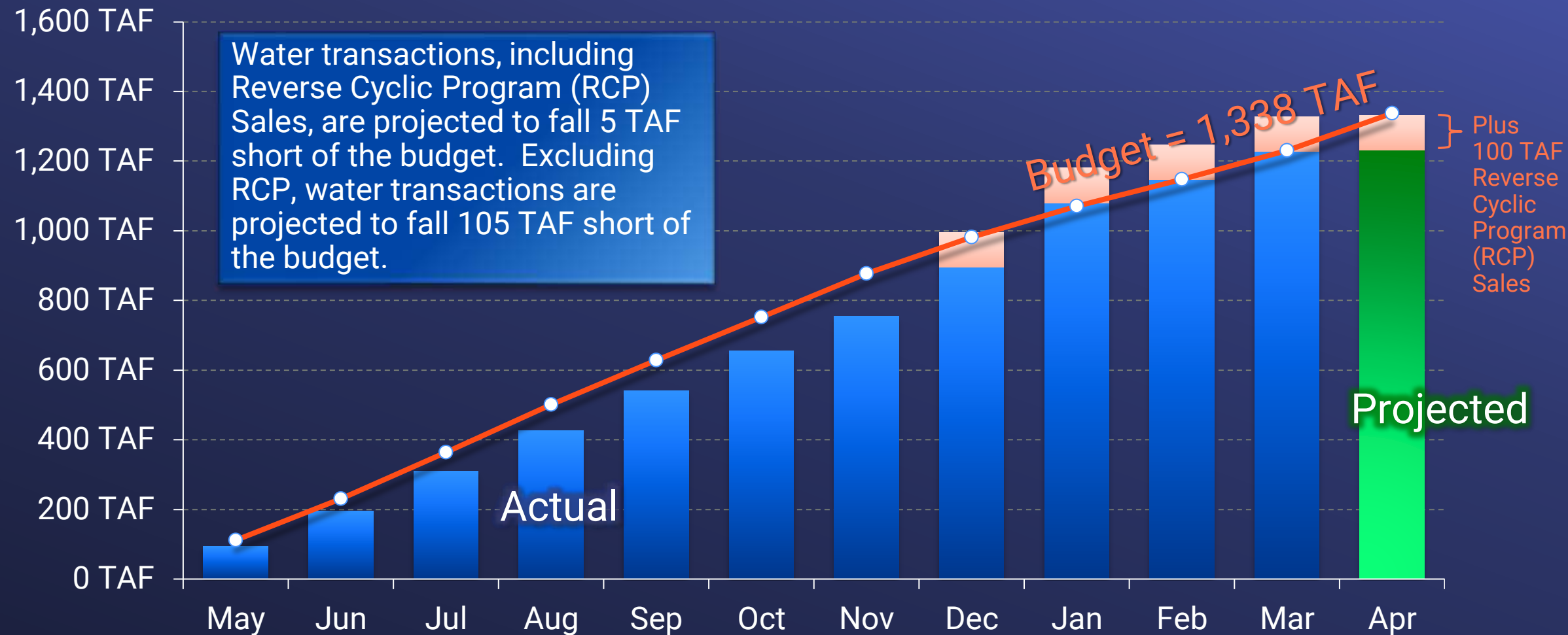
# Agenda

- 3<sup>rd</sup> Quarter Financial Results and Forecast
- Update on FY 2024/25 Revenue Generation
- Unaudited Basic Financial Statements

# 3<sup>rd</sup> Quarter Financial Results and Forecast

# Cumulative Water Transactions <sup>(1)</sup>

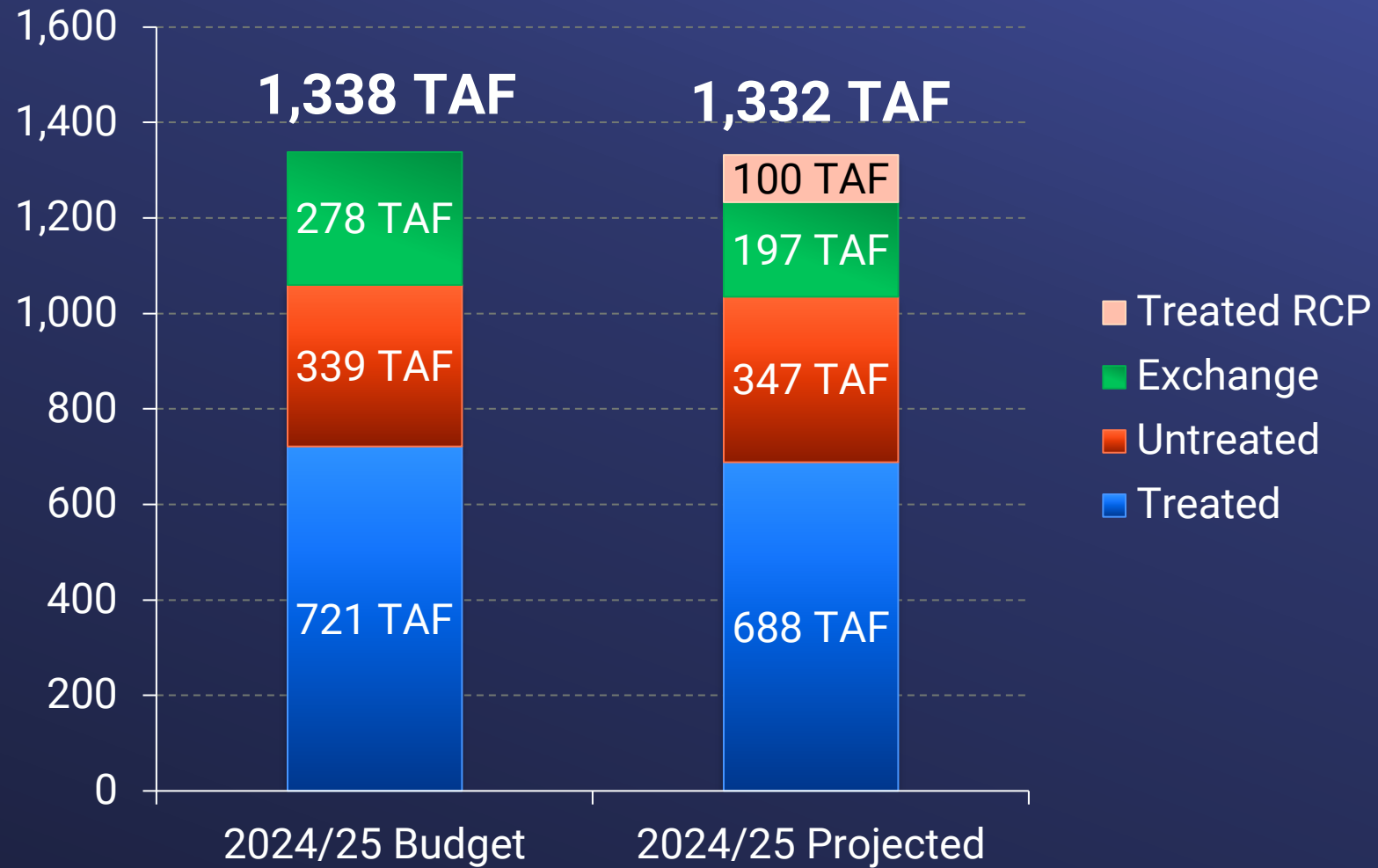
Cash Year 2024/25



<sup>(1)</sup> Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

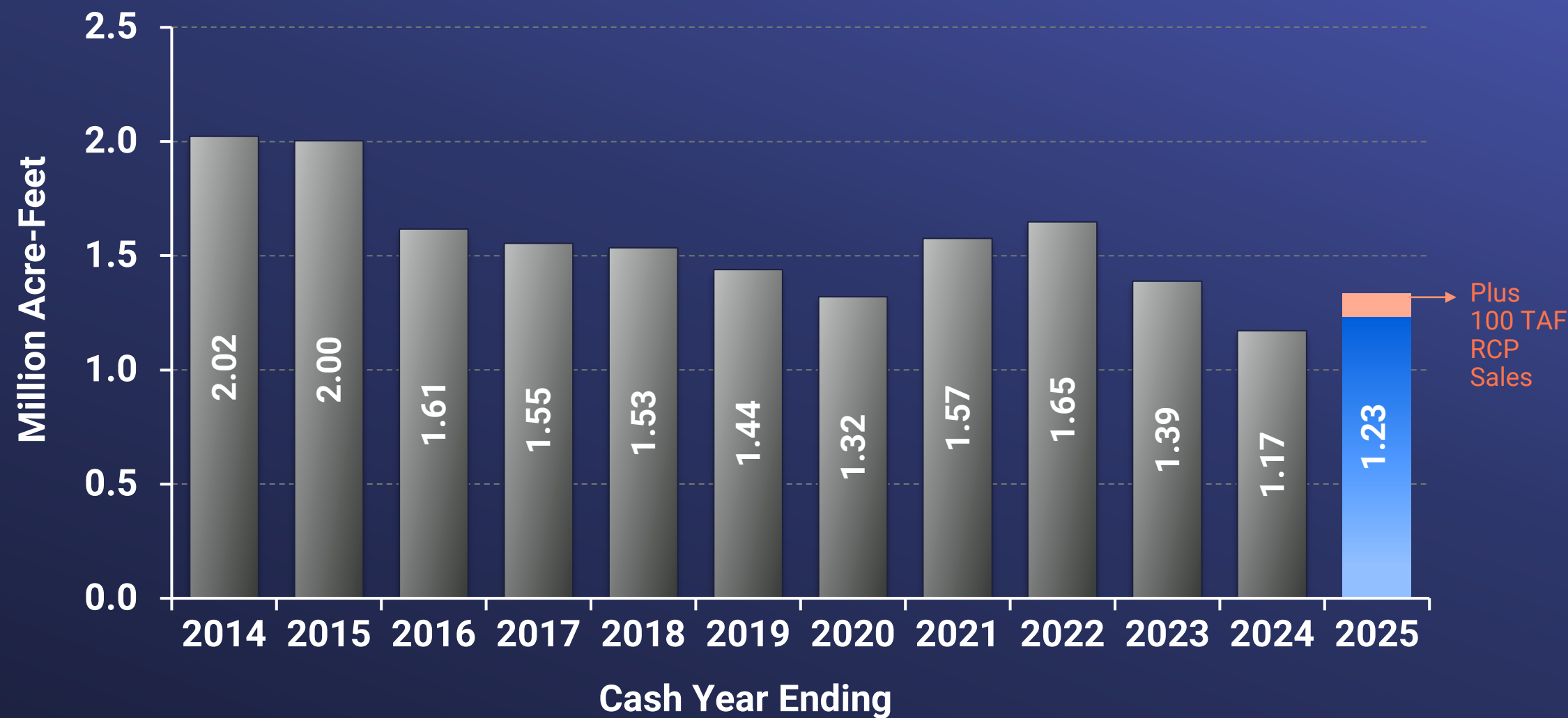
# Water Transactions <sup>(1)</sup>

## Cash Year 2024/25



<sup>(1)</sup> Includes Water Sales and Exchange from member agencies. Non-member agency transactions are excluded.

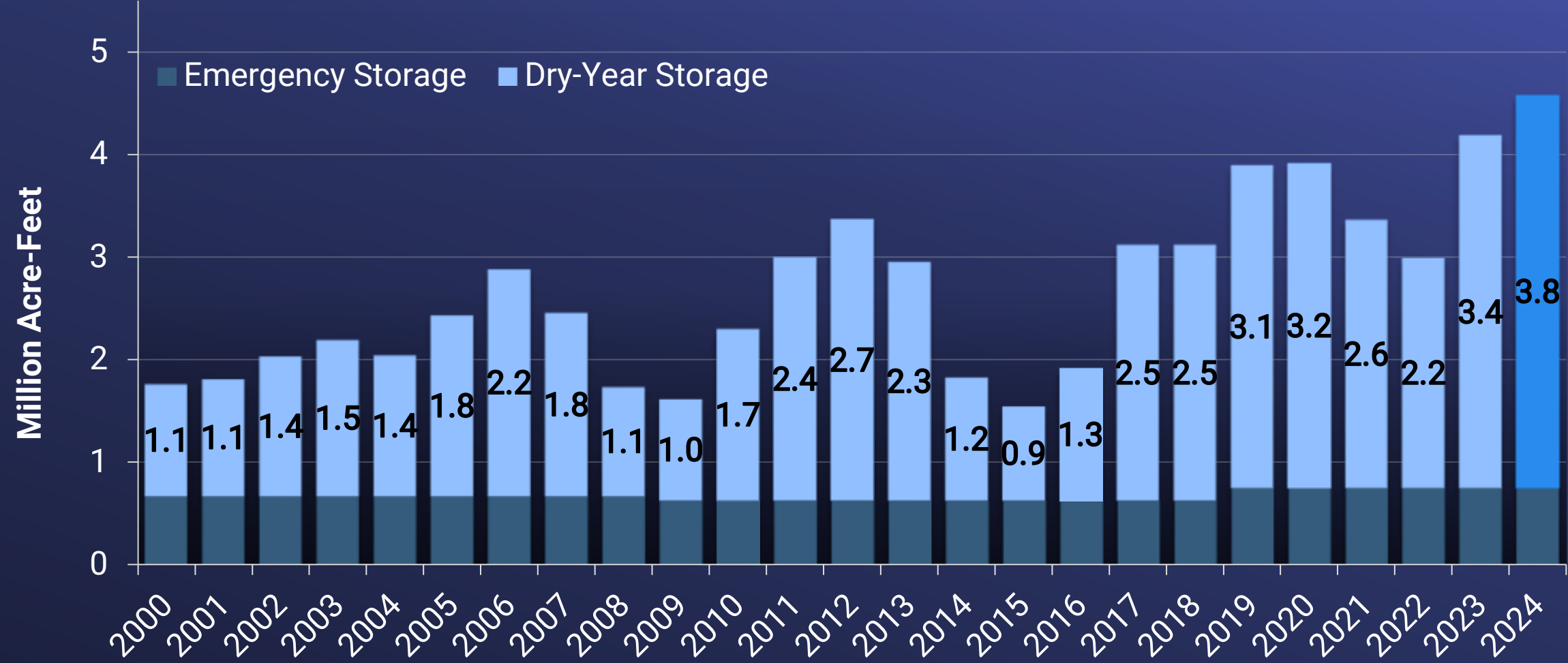
# Historic Water Transactions <sup>(1)</sup>



<sup>(1)</sup> Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

# Record-High Storage Projection for Metropolitan

## End-of-Year Balances



Note:  
2024 end-of-year balance is preliminary as it is subject to USBR final accounting.



# FY 2024/25 Q3 Financial Projection

in millions	Budget	Actuals/ Projected	Change
Water Transactions	1,418.5	1,347.9	(70.7)
Reverse Cyclic Sales Revenues	-	125.6	125.6
RTS Charge & Capacity Charge	213.8	213.8	-
Taxes	316.5	349.4	32.9
Interest Income	50.3	30.3	(20.0)
IRA Bucket 1 Funding	47.3	92.9	45.6
Other	112.7	41.4	(71.3)
<b>Total Revenues</b>	<b>2,159.2</b>	<b>2,201.3</b>	<b>42.1</b>
State Water Contract	689.0	578.8	(110.2)
Delta Conveyance	11.6	11.6	-
Departmental O&M & Operating Eq <sup>(1)</sup>	652.7 <sup>(2)</sup>	658.4	5.7
CRA Power	84.5	69.0	(15.5)
Supply Programs	179.5	107.0	(72.5)
Demand Management	87.6	72.5	(15.1)
Debt Service	340.4	342.3	1.9
PAYGO	175.0	175.0	-
<b>Total Expenditures</b>	<b>2,220.3</b>	<b>2,014.6</b>	<b>(205.7)</b>
Increase in Required Reserves	27.4	27.7	(0.3)
Transfers to Treatment SSF	-	-	-
AVEK & Conservation Debt Funded	(114.6)	(50.0)	64.6
USBR Grants to Fund 7102	-	18.1	18.1
<b>Total Fund Deposits (Withdraws)</b>	<b>(87.2)</b>	<b>(4.1)</b>	<b>83.1</b>
<b>Change in Unrestricted Reserves<sup>(3)</sup></b>	<b>26.0</b>	<b>190.8</b>	<b>164.8</b>

- 100TAF Treated RCP Sales  
→ \$126M Revenues
- \$191M deposit to  
unrestricted reserves
  - \$65M without counting  
Reverse Cyclic Sales

A

B

C

= A-B-C

## Footnotes:

- (1) Net of PWSC expenses funded from SWRCB \$80M State Fund
  - (2) Includes full \$18M expenditure reduction
  - (3) Revenue Remainder and Water Rate Stabilization Funds
- Revenues and expenditures are net of reimbursements.

# Unrestricted Reserves\*

## End-of-Year Balances



\* Revenue Remainder and Water Rate Stabilization Funds

June 30, 2025, Unrestricted Reserves are Projected at \$513M (\$388M + \$126M from RCP Sales)

- \$285M above min reserve
- \$131M below target reserve

### Fiscal Year Ending 2025

- Cost-saving measures & new revenues initiatives have improved MWD's unrestricted reserves
- Risks remain for upcoming fiscal year:
  1. Increasing costs to maintain critical & aging infrastructure essential for operational integrity
  2. Financial pressure related to organization-wide resource and staffing needs
  3. Property Tax impacts from wildfires
  4. Uncertainty surrounding grant funds
  5. Funding gap and additional financial challenges for the next fiscal year

# FY 2024/25 Revenue Generation

# Revenue Generation

Items included in the Q3 projection

Other items under evaluation

The FY 2024/25 and FY 2025/26 Biennial Budget was adopted with an unidentified \$60 million per year in new revenues (\$120M over the biennium)

Type	Item Descriptions	Est. for FY 2024/25	Est. for FY 2025/26	Status / Details
New Revenue	Agreement with IID, SDCWA, and MWD for SDCWA to purchase Full-Service water from MWD, rather than exchange IID conserved water with MWD	\$17M	\$13M	Board Approved in Aug 2024 50TAF included in Q2 2025 Actual
New Revenue	Water sales agreements with Colorado River water contractors	\$0M	\$60M	Present to Board in May 2025
New Revenue	Water sales agreements with Central Valley parties	\$5M	\$25M	Agreements being finalized
Cash Mgmt	Reverse Cyclic Program	\$126M	N/A	100 TAF in Dec 2024 with signed agreements
Total		\$148M+	\$98M+	

# Unaudited Basic Financial Statements

# Quarterly Financial Statements

The latest Quarterly Financial Statements are located on our website at:

<https://www.mwdh2o.com/budget-finance/financial-reports-documents/>



- The unaudited Quarterly Financial Statements for the Third Quarter ending March 31, 2025, will be available and posted to the MWD website at the end of May 2025
  - The Third Quarter Basic Financial Statement will reflect write-off of \$58.7 million related to Delta Habitat Conservation and Conveyance based on review and assessment of collection viability in accordance with Generally Accepted Accounting Principles



