



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Finance Group and Administrative Services Section

• Finance and Administrative Services Activities Report

Summary

This report provides a summary of the Finance group and Administrative Services section activities for March 2024 and April 2024

Purpose

Informational

Attachments

Attachment 1–Finance group and Administrative Services section activities for March 2024 and April 2024

Finance Group and Administrative Services Section

Activities Report for March 2024 and April 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.

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

The Risk Management Unit completed 53 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 58 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.

- Distributed a memo from the Office of the General Manager regarding emergency communications and the need for employees to add their mobile numbers to MyHR.
- In conjunction with Information Technology, continued planning for employee webinars focused on creating awareness of alternate ways of accessing systems.
- Continued working with the district on Business Continuity Plan updates and approvals.
- In conjunction with the core planning team, continued working on the district-wide Local Hazard Mitigation Plan.
- Continued working on updates to Operating Policy A-06, Emergency Management and Business Continuity.

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.

- Water Transactions for March 2024 (for water delivered in January 2024) totaled 68.2 thousand acre-feet (TAF), which was 34.8 TAF lower than the budget of 103.0 TAF and translates to \$66.6 million in receipts for March 2024, which was \$36.1 million lower than budget of \$102.7 million.

- Year-to-date water transactions through March 2024 (for water delivered in May 2023 through January 2024) were 954.8 TAF, which was 270.3 TAF lower than the budget of 1,225.1 TAF. Year-to-date water receipts through March 2024 were \$957.9 million, which was \$266.0 million lower than the budget of \$1,223.9 million.
- In March 2024, Accounts Payable processed approximately 3,500 vendor invoices for payment.

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.

Debt Management staff developed and coordinated comprehensive presentations between three rating agencies (Moody's, S&P, and Fitch) and Executive Management to secure credit ratings for Metropolitan's upcoming bond sales. The presentations covered Metropolitan's overall vision and strategic priorities, Water Supply Conditions and Resources, Historical Financial Performance, Proposed FY25 and FY26 Budget and Debt Issuance Overview. Debt management staff also managed the posting of key finance documents to Metropolitan's investor relations website to ensure that investors have access to Metropolitan's most current information.

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

As of March 31, 2024, Metropolitan's investment portfolio balance was \$1.04 billion; the total March earnings were \$3.8 million, and the effective rate of return was 4.33 percent.

Treasury staff managed daily cash flow to cover Metropolitan's operational expenditures and invest excess funds. Metropolitan's portfolio was managed in compliance with the Board's Investment Policy approved for FY24.

In March 2024, Metropolitan's portfolio manager executed 16 buy and 7 sale trades. The Treasury staff also performed treasury functions for the DCA, which includes 13 check deposits totaling \$2.92 million and 11 payments totaling approximately \$1.29 million.

In addition, Treasury staff processed 15 professional services invoice payment requests totaling approximately \$0.18 million.

Furthermore, 9,604 P-One Card transactions, totaling \$1.25 million, recorded in the March bank statement were monitored and processed by the P-One Card Administrator.

Administrative Services

Accomplishments

Records Management and Imaging Services (RMIS) had a busy month. The team worked with External Affairs to install an exhibit celebrating the 50th anniversary of Metropolitan's Water Quality Laboratory. The exhibit—staged in the lobby of the laboratory building at La Verne—features a historical timeline, narrative text, and archival records and objects that tell the story of the lab's creation and development. RMIS staff assisted External Affairs with conducting research, editing content, selecting materials and producing materials from and for the Metropolitan Archives and Water Quality library collection to showcase. The team also worked with External Affairs to produce the "2024 Leadership Today Water Tomorrow" booklet. This job required a cover with spot clear coverage (gloss), which we can now do with the new production machines. Also, in March, we

began offering a new service: outdoor signage. Our first request, which was just in time for wildflower season, was the replacement of Diamond Valley Lake signage that had deteriorated over time. This project consisted of a total of 55 signs of various sizes. The in-house production of signs and collateral increases the district's efficiency and effectiveness.





During the month of **April**, the Professional Services Contracting Team (PSCT) completed the following transaction in support of the General Manager's initiatives:

Request for Proposal (RFP) No. 1364—Pressure Control Structure (PCS) and Electrical Upgrades Progressive Design-Build Owner's Advisor (OA) Services. This solicitation is to provide OA services for the Lake Mathews PCS and Electrical Upgrade Project. The OA will complete the conceptual design report (CDR) of the new Lake Mathews PCS and the electrical upgrades, assist with the development of the project's design build procurement documents, assist in the selection of design-build contractor, including the preparation of an RFQ for the project, and assist Metropolitan in the administration of the design build contract.