



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 May 2024 and June 2024

Purpose

Informational

Attachments

Attachment 1–Finance group and Administrative Services section activities for May 2024 and June 2024

Finance Group Activities Report for May 2024 and June 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 May the Board approved a resolution to continue Metropolitan's Water Standby Charge for fiscal year 2024/25. In addition, Metropolitan had its first Member Agency Manager Treated Water Cost Recovery Workshops.

Metropolitan is continuing its Member Agency Manager Treated Water Cost Recovery Workshops.

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 47 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 with the district on Business Continuity Plan updates and approvals.
- Met with Water Quality to discuss business continuity planning for the Pure Water Southern California (PWSC) facility.
- In conjunction with the core planning team, continued working on the district-wide Local Hazard Mitigation Plan.
- In preparation for compliance with the Workplace Violence Prevention Plan, conducted a thorough review of the MetAlert employee emergency notification system and set up templates for staff to quickly send alerts.

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 May 2024 (for water delivered in March 2024) totaled 78.8 thousand acre-feet (TAF), which was 21.6 TAF lower than the budget of 100.4 TAF and translates to \$77.1 million in receipts for May 2024, which was \$22.4 million lower than the budget of \$99.5 million.
- Year-to-date water transactions through May 2024 (for water delivered in May 2023 through March 2024) were 1,093.7 TAF, which was 324.4 TAF lower than the budget of 1,418.1 TAF. Year-to-date water receipts through May 2024 were \$1,092.5 million, which was \$322.4 million lower than the budget of \$1,414.9 million.
- In May 2024, Accounts Payable processed approximately 3,600 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.

On May 8, 2024, Metropolitan closed its \$367 million Water Revenue Refunding Bonds, 2024 Series A. The bonds were priced on April 22, 2024. The bond sale was very successful, with over \$884 million in orders from 34 separate investment firms. The Series A bonds were priced at interest rates that were well below comparable indicies for tax-exempt bonds, resulting in an all-in TIC of 3.10 percent.

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

As of May 31, 2024, Metropolitan's investment portfolio balance was \$1.03 billion; the total April earnings were \$3.9 million, and the effective rate of return was 4.31 percent.

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

In May 2024, Metropolitan's portfolio manager executed four trades. Treasury staff completed the following transactions:

- 28 Dreyfus Cash Management Fund transactions
- 26 CAMP Investment Pool transactions
- \$313.1 million in Metropolitan's bond and SWAP payments
- 1,141 disbursements by check, 22 by Automated Clearing House (ACH) and 157 by wire transfer
- 62 receipts by check, 42 by ACH and 65 by incoming wires and bank transfers
- Prevented four unauthorized ACH transactions

The Treasury staff also processed for DCA the following transactions:

- Received and deposited 12 checks totaling \$2.85 million
- Issued 5 checks and 17 wires totaling approximately \$2.68 million

In addition, Treasury staff processed 14 professional services invoice payment requests totaling approximately \$0.38 million.

Furthermore, 9,461 P-One Card transactions, totaling \$1.4 million, recorded in the May bank statement were monitored by the P-One Card Administrator.