



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# Board Report

## Finance and Administration Group

- **Finance and Administration Group Activities Report**

### Summary

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This report provides a summary of the Finance and Administration Group activities for March 2026 and April 2026.

### Purpose

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Informational

### Attachments

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**Attachment 1– Finance and Administration Group activities for March 2026 and April 2026**

# Finance and Administration Group Activities Report for March 2026 and April 2026

## GM Business Plan – Goals, Outcomes, Target Measures

Develop a Biennial Budget that Meets Metropolitan’s Needs	
Provide transparency and broad engagement to support informed policy making; Budget for enhanced mission-critical capabilities	In April, the Board approved the Proposed Biennial Budget for fiscal years 2026/27 and 2027/28, which included the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28 and the ten-year forecast; and adopted the resolutions fixing and adopting the water rates and charges for calendar years 2027 and 2028.

## 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 April, the Board approved the Biennial budget for fiscal years 2026/27 and 2027/28 with overall rate increases of 6.2 percent in CY 2027 and 6.2 percent for CY 2028, which includes the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28 and the ten-year financial forecast.

**Manage risk to protect Metropolitan’s assets against exposure to loss.**

The Risk Management Unit completed 54 incident reports, communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 45 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events, and film permits.

## Business Continuity

**Facilitate districtwide 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 A06.**

- Continued working with various areas across the District on Business Continuity Plan updates.
- Continued collaboration with the Office of Enterprise Cybersecurity on planning efforts for a comprehensive Tabletop exercise focused on a cyberattack scenario.
- In preparation for a Business Continuity tabletop exercise next month, partnered with the Office of Safety, Security and Protection on exercise design and objectives.
- Met with the Fusion vendor to define requirements for a new Third-Party Risk Management module, enabling structured assessments of critical vendors’ disaster-readiness and their ability to support Metropolitan during disruptive events.

- In support of the planned headquarters power outage, staff coordinated with Facilities and monitored operations for any unexpected issues.
- Worked with Emergency Management to move forward with updating 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.**

### *FY 2025/26 Cash Water Transactions and Revenues Budget vs Actual (Preliminary, subject to change)*

Month		Acre-Feet (AF) <sup>1</sup>		Variance		Revenue (\$) <sup>2</sup>		Variance	
Delivered/Billed In	Collected in	Budget	Actual	AF	%	Budget	Actual	\$	%
May	July	110,834	104,802	(6,032)	-5%	122,873,672	134,899,988	12,026,316	10%
June	August	117,893	105,957	(11,936)	-10%	150,194,358	117,905,817	(32,288,541)	-21%
July	September	130,799	117,324	(13,475)	-10%	149,512,493	134,297,129	(15,215,364)	-10%
August	October	133,060	121,437	(11,623)	-9%	152,486,828	153,574,498	1,087,670	1%
September	November	125,227	131,836	6,609	5%	141,365,920	150,893,965	9,528,045	7%
October	December	126,161	123,200	(2,961)	-2%	139,251,899	132,150,366	(7,101,533)	-5%
November	January	128,056	103,951	(24,105)	-19%	136,399,566	109,283,424	(27,116,142)	-20%
December	February	107,621	118,702	11,081	10%	112,940,009	119,011,598	6,071,589	5%
January	March	90,739	78,972	(11,767)	-13%	105,775,733	97,372,901	(8,402,832)	-8%
February	April <sup>3</sup>	78,856	54,170	(24,686)	-31%	91,212,001	66,575,828	(24,636,173)	-27%
March	May <sup>3</sup>	84,484	78,592	(5,892)	-7%	98,206,004	92,435,206	(5,770,799)	-6%
<b>YTD Total</b>		<b>1,233,730</b>	<b>1,138,943</b>	<b>(94,787)</b>	<b>-8%</b>	<b>1,400,218,485</b>	<b>1,308,400,720</b>	<b>(91,817,765)</b>	<b>-7%</b>
April	June	110,200	-	-	0%	129,990,583	-	-	0%
<b>FY Total</b>		<b>1,343,930</b>	<b>1,138,943</b>	<b>N/A</b>	<b>N/A</b>	<b>1,530,209,068</b>	<b>1,308,400,720</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> AF reflected does not include non-member agency transactions.

<sup>2</sup> Includes Water Sales, Exchanges, and Wheeling for member agency and non-member agency.

<sup>3</sup> Information is presented on an accrual basis; corresponding cash data is not yet available.

**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.**

Staff has initiated plans to issue revenue bonds in the fall of 2026, in the amount of approximately \$620 million, as approved by the Board, with the recent adoption of the FY 2026/27 and FY 2027/28 Biennium Budget. The bond sales are expected to be a mix of fixed-rate and variable-rate bonds, on the District’s senior and subordinate liens, respectively. Staff is developing the schedule for disclosure (Appendix A) updates as well as training for both staff and the Board in advance of the upcoming Appendix A development and approval process. Solicitation of bids for legal counsel has commenced, enabling staff upon completion the ability to finalize our financing teams. The transaction process will likely commence in August, with pricing and closing anticipated in late October or early November.

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

As of March 31, 2026, Metropolitan's investment portfolio balance was \$1.6 billion; in the same month, total earnings were \$5.5 million, and the effective rate of return was 4.03 percent.

In March 2026, Metropolitan's portfolio manager executed 38 buy and 15 sell trades.

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

Treasury staff completed the following transactions:

- 46 Dreyfus Cash Management Fund transactions
- 23 CAMP Investment Pool transactions
- \$4.27 million in Metropolitan's bond and Swap payments
- 1,041 disbursements by check, 25 by Automated Clearing House (ACH), and 172 by wire transfer
- 70 receipts by check, 25 by ACH, and 53 by incoming wires and bank transfers
- One exception confirmation and zero unauthorized ACH
- Stop payments: Six for the Demand Account; 0 for the Payroll Account

The Treasury staff also processed for DCA the following transactions:

- Received and deposited twenty-four checks totaling \$4.96 million
- Issued six checks and twenty-six wires totaling approximately \$4.71 million

In addition, Treasury staff processed 16 professional services invoice payment requests totaling approximately \$0.73 million.

Furthermore, 9,485 P-One Card transactions totaling \$1.41 million recorded in the March bank statement were monitored by the P-One Card Administrator.

## **Administrative Services**

Investment Recovery (Salvage), part of the Inventory Control Team within the Administrative Services Section, provides strong value to the Metropolitan Water District's Supply Chain by maximizing returns on assets that are no longer in use. As the final step in the asset lifecycle, the team reviews and inspects items upon arrival and determines the most effective next step: reuse, recycle, scrap, or sale through public auction.

By leveraging online auction platforms with nationwide reach, the team has expanded its buyer pool and strengthened fair, open, and competitive bidding. This broader exposure has led to higher returns, including recent sales to out-of-state and international buyers, such as those in Alaska, Maine, Canada and Mexico.

In the most recent auction (April), the team generated \$413,000 in revenue, a 48 percent increase over the previous high of \$280,000. This success reflects the team's strong day-to-day dedication, capturing clear, high-quality photos, responding promptly to buyer inquiries, and delivering excellent customer service throughout the auction process. These efforts build buyer confidence, attract more bidders, and drive higher final sale prices.



A tractor and loader were successfully sold and picked up for shipment to Alaska