



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 July 2025 and August 2025.

Purpose

Informational

Attachments

Attachment 1 – Finance and Administration group activities for July 2025 and August 2025.

Finance and Administration Group Activities Report for July 2025 and August 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 August, an information report was provided to the Finance, Affordability, Asset Management, and Efficiency Committee on Metropolitan's Financial Results for Fiscal Year 2024/25 and the review of the mid-cycle biennial budget status.

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

The Risk Management Unit completed 40 incident reports, communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 46 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.

- Continued implementation of the Everbridge MetAlert emergency notification system and facilitated training.
- Participated in the annual Emergency Operations Center exercise, with an emphasis on communication.

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) ¹		Variance		Revenue (\$) ²		Variance	
Delivered/ Billed In	To be Collected in	Budget	Actual	AF	%	Budget	Actual	\$	%
May	July	110,834	104,802	(6,032)	-5%	122,873,672	134,899,988	12,024,896	10%
June	August	117,893	106,070	(11,823)	-10%	150,194,358	142,830,958	(7,364,820)	-5%
July	September	130,799	117,705	(13,094)	-10%	149,512,493	134,460,017	(15,053,896)	-10%
YTD Total		359,526	328,577	(30,949)	-9%	422,580,523	412,190,963	(10,389,560)	-2%
August	October	133,060	-	-	0%	152,486,828	-	-	0%
September	November	125,227	-	-	0%	141,365,920	-	-	0%
October	December	126,161	-	-	0%	139,251,900	-	-	0%
November	January	128,056	-	-	0%	136,399,566	-	-	0%
December	February	107,621	-	-	0%	112,940,010	-	-	0%
January	March	90,739	-	-	0%	105,775,733	-	-	0%
February	April	78,856	-	-	0%	91,212,001	-	-	0%
March	May	84,484	-	-	0%	98,206,004	-	-	0%
April	June	110,200	-	-	0%	129,990,583	-	-	0%
FY Total		1,343,930	328,577	N/A	N/A	1,530,209,068	412,190,963	N/A	N/A

¹ AF reflected does not include non-member agency transactions.

² Includes Water Sales, Exchanges, and Wheeling for member agencies and non-member agencies.

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 July 1, 2025, Metropolitan closed on its' \$131.93 million Water Revenue Refunding Bonds, 2025 Series A, bonds, that were sold on June 11, 2025. On July 10, 2025, Metropolitan closed on the \$170.05 million Antelope Valle-East Kern (AVEK) Water Agency Financing Authority Water Bank Revenue Bonds, which were sold on June 26, 2025. The bonds AVEK were sold as two series, the \$52.4 million, Water Bank Revenue Bonds, Series 2025A (Fixed Rate Bonds), and the \$117.6 million, Water Bank Revenue Bonds, Series 2025B (Term Mode Rate Bonds). Metropolitan will fund debt service on the bonds through installment payments, as a subordinate lien obligation.

In August 2025, Treasury and Debt Management staff coordinated several discussions with the Controller section on the procedures for reporting of activities related to the unique AVEK 2025A and 2025B transactions. Debt Management staff also worked on the issuance of an RFP for underwriting services for all anticipated debt transactions in 2026.

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

As of July 31, 2025, Metropolitan's investment portfolio balance was \$1.3 billion; in the same month, total earnings were \$4.92 million, and the effective rate of return was 4.22 percent.

In July 2025, Metropolitan's portfolio manager executed 13 buy and three sell trades.

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

Treasury staff completed the following transactions:

- 33 Dreyfus Cash Management Fund transactions
- 26 CAMP Investment Pool transactions
- \$315.17 million in Metropolitan's bond payments, refunding 2022 Ser C1 bonds, and Swap payments
- \$230.9 million in issuing of 2025 Ser. A Water Revenue Refunding Bonds and 2025 Ser A&B High Desert Water Bank Program
- \$99.4 million and \$0.34 million of payments BANA Revolver 2025 Ser A1 prepayment and interest, respectively
- \$0.96 million renewal of PNC certificate of Deposit for Surface Mining and Reclamation Act

- 1,125 disbursements by check, 31 by Automated Clearing House (ACH), and 211 by wire transfer
- 82 receipts by check, 36 by ACH, and 67 by incoming wires and bank transfers
- No exception confirmations and unauthorized ACH
- Stop payments: 12 for the Demand Account; zero for the Payroll Account
- No GOP Alerts received from Bank of America

The Treasury staff also processed for DCA the following transactions:

- Received and deposited 11 checks totaling \$3.15 million
- Issued seven checks and 20 wires totaling approximately \$3.31 million

In addition, Treasury staff processed 27 professional services invoice payment requests totaling approximately \$0.78 million.

Furthermore, 9,921 P-One Card transactions, totaling \$1.23 million, recorded in the July bank statement, were monitored by the P-One Card Administrator.

Administrative Services

Accomplishments

The Contracting Services Unit has been awarded the prestigious 2025 Annual Achievement of Excellence in Procurement® (AEP) from the National Procurement Institute, Inc. (NPI). The AEP Award is earned by agencies that demonstrate a commitment to procurement excellence. This annual program recognizes procurement organizations that embrace innovation, professionalism, productivity, leadership, and e-Procurement. It also encourages the development of excellence as well as continued organizational improvement to earn the award annually.

The Records Management Team recently attended the ARMA Summer Conference, where they engaged with industry leaders and explored emerging trends in information governance, compliance, and data lifecycle management. Eric Bryan from the Records Management and Imaging Services Team was instrumental in planning the conference. Jacob Margolis, Director of Info Tech Services, was a guest speaker on cybersecurity. Their participation provided valuable insights into best practices and innovative technologies such as interdepartmental AI implementation, which will support Metropolitan's ongoing efforts to enhance records retention, security, and regulatory compliance. Key takeaways from the conference are being integrated into current workflows to further strengthen the team's strategic alignment with organizational goals.

