



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 March 2025 and April 2025

Purpose

Informational

Attachments

Attachment 1–Finance and Administration group activities for March 2025 and April 2025.

Finance Group Activities Report for March 2025 and April 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.

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

The Risk Management Unit completed 52 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 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.

- Worked with various areas across the District to facilitate Business Continuity plan updates.
- Participated in planning meetings to ensure a smooth transition to a new emergency notification system (Everbridge).
- Conducted the quarterly Business Continuity Steering Committee meeting. There was good discussion and a special focus on the Business Impact Analyses (BIA) and next steps to update this. The BIA provides the foundation for continuity planning by prioritizing critical functions based on impacts to disruptions.
- Participated in the 4/23 Desert network outage response, monitoring for any business impacts.

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.

FY24-25 Cash Water Transactions and Revenues Budget vs Actual (Preliminary, subject to change)

Month		Acre-Feet (AF) ²		Variance		Revenue (\$)¹		Variance	
Delivered/ Billed In	To be Collected in	Budget	Actual	AF	%	Budget	Actual	\$	%
May	July	111,381	93,988	(17,393)	-16%	115,411,844	111,844,425	(3,567,419)	-3%
June	August	119,830	101,259	(18,571)	-15%	142,766,424	100,440,378	(42,326,046)	-30%
July	September	133,150	113,715	(19,435)	-15%	141,775,001	121,901,017	(19,873,984)	-14%
August	October	136,454	116,650	(19,804)	-15%	145,410,622	129,047,328	(16,363,294)	-11%
September	November	127,137	114,291	(12,846)	-10%	133,836,426	124,663,850	(9,172,576)	-7%
October	December	123,989	115,743	(8,246)	-7%	128,665,932	122,055,973	(6,609,959)	-5%
November	January	124,881	99,081	(25,800)	-21%	125,782,252	110,437,861	(15,344,391)	-12%
December	February ³	104,337	240,153	135,816	130%	103,324,010	265,305,379	161,981,369	157%
January	March	88,988	85,355	(3,633)	-4%	95,074,177	97,849,866	2,775,689	3%
February	April	77,291	67,202	(10,089)	-13%	81,911,825	75,548,551	(6,363,274)	-8%
March	May	82,757	80,579	(2,178)	-3%	88,153,603	89,256,411	1,102,808	1%
YTD Total		1,230,195	1,228,016	(2,179)	0%	1,302,112,116	1,348,351,039	46,238,923	4%
April	June	107,565	-	-	0%	116,431,176	-	-	0%
FY Total		1,337,760	1,228,016	N/A	N/A	1,418,543,292	1,348,351,039	N/A	N/A

¹ Includes Water Sales, Exchanges, and Wheeling for member agency and non-member agency.

² AF reflected does not include non-member agency transactions.

³ Actual amounts include 100 TAF and \$125.6 million of Reversed Cyclic sales to be delivered within five years.

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.

Over the past several months, staff has been working on the development of a new financing program that would enable the implementation of the Board's approval of financing for the purchase of replacement Fleet vehicles to support the ZEV Transition Program. Staff will be presenting a board action in May for the authorizing resolution.

Treasury and Debt Management staff have been working on the implementation of a new debt management software (DebtBook) to enable a more robust platform to administer and report on Metropolitan's debt program. In the next two months, the accounting interface and new variable rate features should be complete. By the end of 2025, the ability to include our Revolver Line of Credit and SWAP Obligations should be complete. Staff also began the process to onboard the Cash Management module as an add-on product from DebtBook.

In April 2025, staff and the respective financing teams are preparing documentation for two bond issues to be issued in July 2025. The first is the \$133.1 million, Water Revenue Refunding Bonds, 2025 Series A, which will refund a series of outstanding variable rate water revenue refunding bonds. The second issuance will be the \$173.2 million, 2025 Series A Bonds, to be issued in one or more series by the Antelope Valley-East Kern Water Agency Financing Authority, a Joint Powers Authority comprised of the Antelope Valley-East Kern Water Agency ("AVEK") and the California Municipal Finance Authority ("the JPS"). While the Bonds will be issued by the JPA, Metropolitan has agreed to pay the debt service through monthly installment payments to AVEK. Bond proceeds will fund Metropolitan's incurred and future capital costs for the Desert High Water Bank Program. A description of the two financings will be presented to the Board in May 2025.

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

As of March 31, 2025, Metropolitan's investment portfolio balance was \$1.4 billion; the total March earnings were \$4.83 million, and the effective rate of return was 4.23%.

In March 2025, Metropolitan's portfolio manager executed twenty-five buy and no-sell trades.

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

Date of Report: 5/13/2025

Treasury staff completed the following transactions:

- 40 Dreyfus Cash Management Fund transactions
- 21 CAMP Investment Pool transactions
- \$5.34 million in Metropolitan's bond and SWAP payments
- \$99.40 million receipt of BANA Revolver 2025 Series A1
- \$68.40 million prepayment of BANA Revolver 2024 Series A1 and A7
- 1,024 disbursements by check, 24 by Automated Clearing House (ACH), and 171 by wire transfer
- 80 receipts by check, 27 by ACH, and 46 by incoming wires and bank transfers
- One exception confirmation and no unauthorized ACH

The Treasury staff also processed for DCA the following transactions:

- Received and deposited 11 checks totaling \$2.72 million
- Issued 6 checks and 11 wires totaling approximately \$2.66 million

In addition, Treasury staff processed fourteen professional services invoice payment requests totaling approximately \$0.94 million.

Furthermore, 9,645 P-One Card transactions, totaling \$1.31 million, recorded in the February bank statement were monitored by the P-One Card Administrator.

Administrative Services

Accomplishments

The Document Services Unit, which includes the EForms Management Team and the Records Management and Imaging Services Team, participated in Earth Week events. Each team shared with the attendees ways to be greener and save money. The EForms Team provided statistics on the high volume of EForms transacted. EForms reduce the need to have a form printed, signed, and sent by snail mail, saving time, money, and resources. The Records Management Team shared their efforts to eliminate MWD's ROT—Redundant, Outdated, and Trivial—documents by identifying records that should be preserved or destroyed and efficiently managing records thereby reducing our carbon footprint. Imaging Services shared their sustainability contributions through optimally sizing print jobs, promoting scanning services to help reduce paper while providing easier document access, and using eco-friendly toner and ink. They also manage the walk-up copiers with scanners to scan documents.

The Inventory Management team has launched the Pony and Desert Transportation Service Request EForm. This digital solution addresses the challenge of tracking internal shipments through our Pony delivery service, enhancing operational efficiency and providing real-time updates throughout the process.

The EForm enables users to track shipments from start to finish, with automatic notifications sent at key stages. Once a shipment is requested, all relevant parties will be notified when the package is ready for pick-up, when it's in transit, and when it's successfully delivered. This ensures everyone involved is informed at every step.

Developed in collaboration with the EForms Team, the solution improves communication, transparency, and accountability within the shipment process. With this EForm, the internal shipment experience will become more efficient, user-friendly, and streamlined, ultimately optimizing overall business operations.