



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 February 2026 and March 2026.

Purpose

Informational

Attachments

Attachment 1– Finance and Administration group activities for February 2026 and March 2026

Finance and Administration Group Activities Report for February 2026 and March 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	<p>In March, staff continued to present on the Proposed biennial budget, which included the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28; proposed water rates and charges for calendar years 2027 and 2028 to meet revenue requirements for fiscal years 2026/27 and 2027/28; ten-year financial forecast; and Cost of Service Report.</p> <p>Budget Workshops #3 and #4, which discussed the above and addressed numerous board member questions and requests, were held at the Finance and Asset Management Committee on March 10, 2026, and at a Board of Directors Workshop on March 24, 2026.</p>

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 March, at the Finance, Affordability, Asset Management, and Efficiency Committee an informational report was provided on the District’s second quarter financial condition for the fiscal year ended June 30, 2026.

In addition, Budget Workshops #3 and #4 were held in March, where the Proposed Biennial Budget was discussed, board member questions and requests were addressed, and various alternatives were evaluated.

Lastly, the Board set a public hearing regarding the proposed water rates and charges for calendar years 2027 and 2028 necessary to meet the revenue requirements for fiscal years 2026/27 and 2027/28.

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

The Risk Management Unit completed 48 incident reports, communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 52 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 critical 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.
- Collaborated with the Office of Enterprise Cybersecurity on planning efforts for a comprehensive Tabletop exercise focused on a cyberattack scenario.
- Delivered training to the Office of Safety, Security and Protection on how to send MetAlert emergency notifications.

- Worked with the Office of Enterprise Cybersecurity to implement and configure an email authentication method for the Fusion Risk Management system in accordance with vendor requirements.
- Participated in training at Eagle Rock for Metropolitan’s Emergency Operations Center (EOC) Management section.

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.

FY25-26 Cash Water Transactions and Revenues Budget vs Actual (Preliminary, subject to change)

Month		Acre-Feet (AF) ¹		Variance		Revenue (\$) ²		Variance	
Delivered/Billed In	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 ³	90,739	79,717	(11,022)	-12%	105,775,733	100,240,583	(5,535,150)	-5%
February	April ³	78,856	60,176	(18,680)	-24%	91,212,001	74,119,741	(17,092,260)	-19%
YTD Total		1,149,246	1,067,102	(82,144)	-7%	1,302,012,481	1,226,377,109	(75,635,372)	-6%
March	May	84,484	-	-	0%	98,206,004	-	-	0%
April	June	110,200	-	-	0%	129,990,583	-	-	0%
FY Total		1,343,930	1,067,102	N/A	N/A	1,530,209,068	1,226,377,109	N/A	N/A

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

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

³ 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.

Metropolitan’s debt management team and financial advisors issued a bank RFP for standby credit facilities to supplement the underwriter RFP issued in late 2025. This information was analyzed and summarized to help inform the team selection process for the anticipated plan of finance for the Fall 2026 transactions.

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

As of February 28, 2026, Metropolitan’s investment portfolio balance was \$1.7 billion; in the same month, total earnings were \$5.0 million, and the effective rate of return was 4.20%.

In February 2026, Metropolitan’s portfolio manager executed twenty-four buy and six sell trades.

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

Date of Report: April 14, 2026

Treasury staff completed the following transactions:

- 30 Dreyfus Cash Management Fund transactions
- 23 CAMP Investment Pool transactions
- \$1.09 million in Metropolitan's bond and Swap payments
- 893 disbursements by check, 25 by Automated Clearing House (ACH), and 152 by wire transfer
- 63 receipts by check, 35 by ACH, and 50 by incoming wires and bank transfers
- Four exception confirmations and zero unauthorized ACH
- Stop payments: 4 for the Demand Account; zero for the Payroll Account

The Treasury staff also processed for DCA the following transactions:

- Received and deposited fifteen checks totaling \$4.42 million
- Issued ten checks and twenty-five wires totaling approximately \$5.55 million

In addition, Treasury staff processed eight professional services invoice payment requests totaling approximately \$0.24 million.

Furthermore, 10,157 P-One Card transactions totaling \$1.68 million recorded in the February bank statement were monitored by the P-One Card Administrator.

Administrative Services

Records Management and Imaging Services has partnered closely with External Affairs to support the development of content for the new *Inside MET* newsletter, helping bring Metropolitan's history and institutional knowledge to a broader audience. Through this collaboration, the team has contributed curated archival materials, research, and storytelling that highlight the organization's legacy and operational milestones, such as features like "Spotted in the Archives," which showcase historical artifacts and innovations from Metropolitan's past. By combining subject matter expertise in records and archives with External Affairs' communications strategy, this partnership not only preserves and shares institutional memory but also strengthens employee engagement by connecting current work to the organization's rich history.

INSIDE MET: OUR PEOPLE, OUR STORIES JANUARY 2025

Left, nine designs considered in the development of Metropolitan's logo in 1929. Above, Metropolitan's first seal.

SPOTTED IN THE ARCHIVES: FUN FACTS FROM MET'S HISTORY

Metropolitan's Seal

Story By: Sara Seltzer, Archivist

The Metropolitan Archives [seal and logo collection](#) documents the development of Metropolitan's corporate seal, an indelible part of District history. The collection, a rich source of historical information and artistic intrigue, contains the original designs considered for adoption, including the image that briefly served as the District's inaugural seal.

When the issue of a corporate seal was first discussed in 1920, at least nine designs were presented to the Board of Directors. The images vary in composition – some center the expanding metropolis while others evoke the awe of nature – but they all share common symbolic themes: prosperity, growth, the dawn of a new era, and, of course, water as the foundation for all of it. Each one conveys a sense of monumentality and purpose, communicating a clear vision of how Met saw itself at that moment.

The design approved by the Board on April 22, 1930, combined urban and pastoral elements, featuring a palm tree in the foreground with an aqueduct, dam and town in the background. This relatively simplistic design served as the emblem of Met for just shy of three years, when it was formally replaced on April 14, 1933, by the seal we still use today.

[View this newsletter online for a link to the full story in "Spotted in the Archives."](#)

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INSIDE MET: OUR PEOPLE, OUR STORIES FEBRUARY 2025

SPOTTED IN THE ARCHIVES: FUN FACTS FROM MET'S HISTORY

Metropolitan's First Tunnel Cleaning Machine

Story By: Sara Seltzer, Archivist

The "tunnel cleaning machine" – a motorized apparatus comprised of a metal cage with wire brushes along its perimeter – is a familiar fixture of shutdown season.

While deceptively modern in its appearance, the design dates back to the early years of Metropolitan's distribution system. The inventor of this machine was Alfred E. "Al" Preston, Metropolitan's foreman in charge of the Banning Field Headquarters garage, a critical operational hub during the construction of the Colorado River Aqueduct. He later also served as master mechanic at La Verne.

According to Al, the idea for the invention came to him while clearing out a blockage in the CTR's Freda Siphon. He recalled calling Robert B. Diemer, former general manager: "I called Diemer and told him what I thought it was and told him I wanted to try something. I had a little power unit and wanted to try to build something to clean it."

He described building a machine with "steel brushes all the way around. Put the rig in the back and started it up – went in – pushed it through the tunnel and then pushed it back through." He added, "That cleaning machine was the forerunner of the cleaning of the aqueduct – about 1935."

Above, cleaning crews at the West Portal of the San Jacinto Tunnel in 1956. Below, the tunnel cleaning machine pictured in 1963.

Visit the online version of this newsletter for links to:

- The full-length Spotted in the Archives story
- Preston's anecdote in Aqueduct Magazine's 50th anniversary issue
- Other archival materials pertaining to the tunnel cleaning machine

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