



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 January 2024 and February 2024.

Purpose

Informational

Attachments

Attachment 1–Finance group and Administrative Services section activities for January 2024 and February 2024.

Finance Group and Administrative Services Section

Activities Report for January 2024 and February 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.

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

The Risk Management Unit completed 35 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.

- Met with key stakeholders to plan an outreach campaign to encourage employees to enter their mobile numbers into MyHR. This will enable emergency notifications to transmit to mobile and text devices, which are the most effective methods of communication if normal methods are temporarily unavailable.
- In conjunction with Information Technology, conducted planning meetings for an employee webinar focused on alternate ways of accessing systems.
- Continued working with the District on Business Continuity Plan updates and approvals.
- In conjunction with the core planning team, continued working on the district-wide Local Hazard Mitigation Plan.
- Continued working on updates to Operating Policy A-06, Emergency Management and Business Continuity.
- Met with HR to develop templates in the MetAlert emergency notification system to notify employees of possible COVID-19 exposures.
- Participated in an emergency response tabletop exercise for the Information Technology Group and Jensen plant.

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 January 2024 (for water delivered in November 2023) totaled 107.2 thousand acre-feet (TAF), which was 39.3 TAF lower than the budget of 146.5 TAF and translates to \$111.0 million in receipts, which was \$28.6 million lower than the budget of \$139.6 million.
- Year-to-date water transactions through January 2024 (for water delivered in May 2023 through November 2023) were 741.7 TAF, which was 257.6 TAF lower than the budget of 999.3 TAF. Year-to-date water receipts through January 2024 were \$751.8 million, which was \$254.0 million lower than the budget of \$1,005.8 million.
- In January 2024, Accounts Payable processed approximately 3,700 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.

Metropolitan staff commenced working on two upcoming bond sales, the approximately \$425 million, Water Revenue Refunding Bonds, 2024 Series A, and the approximately \$270 million, Subordinate Lien Water Revenue Refunding Bonds, 2024 Series B. The 2024 Series A bonds are scheduled to be marketed the week of April 22, 2024, and the Subordinate 2024 Series B are expected to be marketed the week of June 3, 2024. Members of the financing teams for the two refunding projects are assisting Metropolitan in preparing the documentation as well as meetings with the rating agencies for the two upcoming bond sales.

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

As of January 31, 2024, Metropolitan’s investment portfolio balance was \$1.04 billion; the total January earnings were \$4.08 million, and the effective rate of return was 4.38%.

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

In January 2024, Metropolitan’s portfolio manager executed 34 “buy” and 2 “sale” trades. Treasury staff completed the following transactions:

- 44 Dreyfus Cash Management Fund transactions
- 24 CAMP Investment Pool transactions
- \$42.32 million in Metropolitan’s bond and SWAP payments
- 1,215 disbursements by check, 23 by Automated Clearing House (ACH), and 145 by wire transfer
- 91 receipts by check, 38 by ACH, and 61 by incoming wires and bank transfers
- Stopped three unauthorized ACH transactions

The Treasury staff also processed for DCA the following transactions:

- Received and deposited 21 checks totaling \$2.41 million
- Issued 4 checks and 20 wires totaling approximately \$3.09 million

In addition, Treasury staff processed 20 professional services invoice payment requests totaling approximately \$1,645,435.

Furthermore, 8,949 P-One Card transactions, totaling \$1.03 million, recorded in the January bank statement were monitored by the P-One Card Administrator.

Administrative Services

Sustainability-Inventory Control- 2023 E-Waste and Scrap Metal Collection

At Investment Recovery (Salvage), our approach goes beyond generating revenue through public auctions; we also prioritize the collection of E-waste and Scrap Metal. This collection is essential as both materials contain valuable components that can be recycled, reducing the demand for new raw materials and lessening environmental impacts. Our commitment extends to ensuring the safe disposal of these materials and preventing harmful substances from contaminating soil, water, and air. During the calendar year 2023, Investment Recovery collected and disposed of 194,558 lbs. of scrap metal and 19,450 lbs. of E-waste. This achievement underscores our dedication to environmental responsibility and the promotion of sustainable business practices.