



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 September 2024 and October 2024.

### Purpose

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Informational

### Attachments

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Attachment 1–Finance and Administration group activities for September 2024 and October 2024.

# Finance Group Activities Report for September 2024 and October 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.**

Metropolitan is continuing its Member Agency Manager Treated Water Cost Recovery Workshops.

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

The Risk Management Unit completed 43 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 40 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.**

- Collaborated with Water Quality to finalize Business Continuity Plan updates.
- Participated in the Fire Management Plan Technical Advisory Committee to provide input regarding items relating to critical business operations and contingency plans.
- Continued working with the core planning team on finalizing the draft Hazard Mitigation Plan.
- In preparation for the annual ShakeOut earthquake preparedness drill on October 17 at 10:17 am, led the planning efforts for an employee-wide GM memo distribution, MetAlert notification, digital display board signage, and promotion of earthquake preparedness on the Metropolitan intranet.

## 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) <sup>2</sup>		Variance		Revenue (\$) <sup>1</sup>		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	(18,570)	-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	(19,873,983)	-14%
August	October	136,454	118,724	(17,730)	-13%	145,410,622	136,227,231	(9,183,391)	-6%
September	November	127,137	115,902	(11,235)	-9%	133,836,426	125,914,754	(7,921,672)	-6%
<b>YTD Total</b>		<b>627,951</b>	<b>543,588</b>	<b>(84,363)</b>	<b>-13%</b>	<b>679,200,317</b>	<b>596,327,806</b>	<b>(82,872,511)</b>	<b>-12%</b>
October	December	123,989	-	-	0%	128,665,932	-	-	0%
November	January	124,881	-	-	0%	125,782,252	-	-	0%
December	February	104,337	-	-	0%	103,324,010	-	-	0%
January	March	88,988	-	-	0%	95,074,177	-	-	0%
February	April	77,291	-	-	0%	81,911,825	-	-	0%
March	May	82,757	-	-	0%	88,153,603	-	-	0%
April	June	107,565	-	-	0%	116,431,176	-	-	0%
<b>FY Total</b>		<b>1,337,760</b>	<b>543,588</b>	<b>N/A</b>	<b>N/A</b>	<b>1,418,543,293</b>	<b>596,327,806</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> Includes Water Sales, Exchanges, and Wheeling for member agency and non-member agency.

<sup>2</sup> AF reflected does not include non-member agency transactions.

**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 October 16, 2024, Metropolitan received 26 responses from underwriting firms and banks to a Request for Qualifications (RFQ) to select financing teams for Metropolitan financings planned in 2025. Staff expects to complete the review of the RFQs in November 2024, with a final selection of financing teams completed in December 2024.

Staff drafted for Metropolitan board approval an action item presenting a reimbursement resolution for capital expenditures made from operating revenues and/or reserves to be reimbursed with bond proceeds. A similar resolution was drafted, presented, and adopted by the AVEK Financing Authority (JPA) specifically for the High Desert Groundwater Banking program.

Staff prepared the annual compliance report for Metropolitan's Board as an informational item, certifying compliance with all the relevant covenants and requirements for our bond program.

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

As of September 30, 2024, Metropolitan's investment portfolio balance was \$1.1 billion; the total September earnings were \$3.38 million, and the effective rate of return was 4.18 percent.

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

In September 2024, Metropolitan's portfolio manager executed 14 buy trades.

Treasury staff completed the following transactions:

- Thirty-nine Dreyfus Cash Management Fund transactions
- Nineteen CAMP Investment Pool transactions
- \$6.26 million in Metropolitan's bond and SWAP payments
- 1,024 disbursements by check, 19 by Automated Clearing House (ACH), and 139 by wire transfer
- 64 receipts by check, 24 by ACH, and 56 by incoming wires and bank transfers
- Prevented four unauthorized ACH transactions

The Treasury staff also processed for DCA the following transactions:

- Received and deposited 13 checks totaling \$0.70 million
- Issued 7 checks and 13 wires totaling approximately \$2.67 million

In addition, Treasury staff processed seventeen professional services invoice payment requests totaling approximately \$0.49 million. Treasury staff also issued an RFP for investment management services in coordination with the Admin Services contracting team.

Furthermore, 9,027 P-One Card transactions, totaling \$1.24 million, recorded in the September bank statement were monitored by the P-One Card Administrator.