



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 October 2025 and November 2025.

Purpose

Informational

Attachments

Attachment 1 – Finance and Administration group activities for October 2025 and November 2025

Finance and Administration Group Activities Report for October 2025 and November 2025

GM Business Plan – Goals, Outcomes, Target Measures

In July 2025, the Board approved revisions to the Treated Cost Recovery methodology, which include new fixed charges for treatment peaking and standby, as well as revisions to the reserve policy and water transactions assumptions. These revisions will be incorporated into the FY 2026/27 and 2027/28 biennial budget.

The following remaining items, identified by the Financial Sub-Working Group, will be brought back for discussion at a later date following adoption of the FY 2026/27 and 2027/28 biennial budget:

1. Exploring alternatives and impacts of a Voluntary Level Pay Plan.
2. Evaluating new and expanded fixed charges based on recommendations made by the water resources sub-working group, including expansion of RTS and capacity charges.
3. Further possible refinement to the Treated Water Cost Recovery fixed charges.

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 November, at the Finance, Affordability, Asset Management, and Efficiency (FAAME) Committee, an informational report was provided on the District's first quarter financial condition for the fiscal year ending June 30, 2026.

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

The Risk Management Unit completed 39 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 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.

- Facilitated the quarterly Steering Committee meeting. Comprised of leadership from across Metropolitan, this committee provides guidance and support for the Business Continuity program.
- Initiated planning for a comprehensive tabletop exercise focusing on a cyberattack scenario with objectives to test Emergency Response, Cybersecurity, and Business Continuity plans.
- Conducted the final review of Metropolitan's Hazard Mitigation Plan, in preparation for submitting to the California Office of Emergency Services (CalOES) for their review.

- Continued collaboration with SRI and OSSP to develop Metropolitan’s Fire Management Suppression Plan.
- Participated in meetings regarding the MetAlert emergency notification system to review templates, permissions, and triggers to send employee alerts.
- Recorded a voice introduction for MetAlert phone call notifications to identify messages as coming from Metropolitan.

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	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 ³	125,227	131,748	6,521	5%	141,365,920	148,845,233	7,479,313	5%
October	December ³	126,161	123,488	(2,674)	-2%	139,251,899	162,069,208	22,817,309	16%
YTD Total		743,974	704,756	(39,219)	-5%	855,685,171	851,591,873	(4,093,297)	0%
November	January	128,056	-	-	0%	136,399,566	-	-	0%
December	February	107,621	-	-	0%	112,940,009	-	-	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	704,756	N/A	N/A	1,530,209,068	851,591,873	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 staff worked on the provision of information to the credit rating agencies for the upcoming bond sale. Staff coordinated review of preliminary press releases and credit reports for the same transaction. In addition, five board reports and information items were prepared for the November 2025 FAAME Committee and board meeting, including items for the determination finding related to MWD Act Section 124.5, Bond Compliance Report (FY 2025), SB450 Bond Overview, and Appendix A. Staff also worked on the preliminary plan of finance for the CY 2026 bond sale as an initial step in selecting the financing team.

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

As of October 31, 2025, Metropolitan’s investment portfolio balance was \$1.3 billion; in the same month, total earnings were \$4.22 million, and the effective rate of return was 4.18 percent.

In October 2025, Metropolitan’s portfolio manager executed 13 buy and four sell trades.

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

Treasury staff completed the following transactions:

- 27 Dreyfus Cash Management Fund transactions
- 24 CAMP Investment Pool transactions
- \$60.49 million in Metropolitan’s bond payments and Swap payments
- 1,099 disbursements by check, 24 by Automated Clearing House (ACH), and 172 by wire transfer
- 67 receipts by check, 29 by ACH, and 58 by incoming wires and bank transfers
- One exception confirmation and zero unauthorized ACH
- Stop payments: 9 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 20 checks totaling \$5.24 million
- Issued seven checks and 20 wires totaling approximately \$4.59 million

In addition, Treasury staff processed ten professional services invoice payment requests totaling approximately \$0.44 million. Staff also presented the Quarterly Investment Activities Report for the quarter ending September 30, 2025, to the FAAME Committee in November.

Furthermore, 9,921 P-One Card transactions, totaling \$1.6 million, recorded in the October bank statement, were monitored by the P-One Card Administrator.

Administrative Services

Contracting/Procurement

- AEP Award (2025): Contracting Services Unit received the Achievement of Excellence in Procurement from the National Procurement Institute, recognizing innovation, professionalism, productivity, e-procurement, and leadership.
- Helicopter Dip Tank (Palos Verdes Peninsula): Executed contract to provide a strategically located water source for aerial fire suppression.
- Security Guard Services: Completed a public bid and award for District-wide security services, approved by the Board.
- Zero Emission Vehicles: Executed 27 purchase contracts totaling \$52.6M (each within 30 days of requisition) in support of the clean fleet transition.

Library and Archives Services

- Outreach event (November 18, Union Station HQ rotunda): Presented a new display from the Metropolitan Archives seal and logo collection, featured in a recent *Spotted in the Archives* post.
- Exhibit on view: The seal display is installed in the Central Library (US 4-322) through the end of January.
- Companion online exhibit: First online exhibit created by Library and Archives Services; available via the Metropolitan Archives Portal.

