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 May 2026 and June 2026.

Purpose

Informational

Attachments

Attachment 1– Finance and Administration group activities for May 2026 and June 2026

Date of Report: July 14, 2026

Finance and Administration Group Activities Report for May 2026 and June 2026

Maintain Strong Financial Position

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

The Risk Management Unit completed 49 incident reports, communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 44 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 A06.

- Continued working with various areas across Metropolitan on Business Continuity Plan updates.
- Continued collaboration with the Office of Enterprise Cybersecurity and Emergency Management team on planning efforts for a comprehensive tabletop exercise in October focused on a cyberattack scenario.
- Facilitated a business continuity tabletop exercise for the Office of Safety, Security, and Protection. The exercise focused on a wildfire scenario and tested the ability to continue critical operations when faced with impacts to facilities, staffing levels, and technology.
- In partnership with Information Technology facilitated a disaster recovery application test with 35 employees from across Metropolitan to validate select critical applications in the backup data center functioned as they should.
- Conducted the triannual Business Continuity Steering Committee meeting with leadership from across Metropolitan. Updates were shared with the committee, as well as a roadmap of deliverables for the upcoming fiscal year.
- Participated in briefings to prepare for the 2026 FIFA World Cup events to ensure the continuity of operations and minimize disruption. Union Station Headquarters was most impacted due to road closures and a large influx of crowds due to its designation as a Fan Zone.

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	To be 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	90,739	78,972	(11,767)	-13%	105,775,733	97,372,901	(8,402,832)	-8%
February	April	78,856	56,904	(21,953)	-28%	91,212,001	66,031,067	(25,180,934)	-28%
March	May	84,484	79,212	(5,272)	-6%	98,206,004	89,923,032	(8,282,972)	-8%
April	Jun [3]	110,200	101,065	(9,135)	-8%	129,990,583	120,106,395	(9,884,188)	-8%
FY Total		**1,343,930**	**1,243,361**	**(100,569)**	**-7%**	**1,530,209,068**	**1,425,450,180**	**(104,758,888)**	**-7%**

[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 net of 2026 RCP delivery transactions; 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 are preparing for two bond issues in the fall of 2026, consistent with the recommendation in the Adopted Biennium Budget for FY 2027/28. The bond issues are planned to be a $290 million fixed-rate bond issue and a $200 million variable-rate bond issue. The financing team was selected from an RFP issued in later 2025. The Senior Managing Underwriter for the fixed-rate transaction will be Siebert, Williams & Schank, and the Senior Managing Underwriter for the variable-rate transaction will be JP Morgan. In October 2026, Metropolitan will present for the Board's approval a Bond Ordinance that will provide for additional bond authorization of $500 million, for these and other bond issues. Staff utilizes a comprehensive debt software, DebtBook, and has been updating important components of the software to allow for greater utilization.

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

As of May 31, 2026, Metropolitan's investment portfolio balance was $1.8 billion; in the same month, total earnings were $5.59 million, and the effective rate of return was 3.98 percent.

In May 2026, Metropolitan's portfolio manager executed 22 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:

- 34 Dreyfus Cash Management Fund transactions
- 23 CAMP Investment Pool transactions
- $4.31 million in Metropolitan's bond and Swap payments
- 996 disbursements by check, 25 by Automated Clearing House (ACH), and 162 by wire transfer
- 48 receipts by check, 39 by ACH, and 60 by incoming wires and bank transfers

- One exception confirmation and zero unauthorized ACH
- Stop payments: 3 for the Demand Account; zero for the Payroll Account
- Zero wire confirmation alert from Bank of America, the Global Payment Operations fraud prevention on suspicious high-risk transactions

The Treasury staff also processed for DCA the following transactions:

- Received and deposited fourteen checks totaling $4.88 million
- Issued six checks and twenty-two wires totaling approximately $5.15 million

In addition, Treasury staff processed nine professional services invoice payment requests totaling approximately $0.22 million.

Furthermore, 12,183 P-One Card transactions totaling $1.76 million recorded in the May bank statement were monitored by the P-One Card Administrator.

Administrative Services

1. During FY 2025/26, **Investment Recovery (Salvage)** generated nearly one million dollars (**$976,917.77)** in revenue through the responsible disposition of surplus assets and materials. Revenue sources included $959,260.84 from auctions of miscellaneous surplus property and vehicles, $12,358.78 from scrap metal recycling, $4,550.72 from electronic waste recycling, and $747.43 from HVAC refrigerant collection. These results reflect the **Inventory Management Team's** continued commitment to maximizing the value of District assets while supporting operational efficiency, reducing disposal costs, and returning value to the District through the sale and reuse of surplus assets.

   In addition to the financial benefits, Investment Recovery provided significant environmental value through the proper recycling and diversion of 176,624 pounds of scrap metal and 29,958 pounds of electronic waste from landfills. By ensuring these materials were processed through approved recycling channels, the District helped conserve natural resources, reduce energy consumption associated with manufacturing new materials, and prevent potentially hazardous electronic components from entering the waste stream. Through these efforts, Investment Recovery continues to support the District's sustainability goals while generating nearly $1 million in revenue and promoting responsible stewardship of public resources.

FY25-26					
	Q1 (7/1-9/30/25)	Q2 (10/1-12/31/25)	Q3 (1/1-3/31/26)	Q4 (4/1-6/30/26)	TOTAL FY
SCRAP METAL	$ 4,431.01	$ 3,786.54	$ 4,141.23	$ -	$ 12,358.78
E-WASTE COLLECTION	$ -	$ 1,613.00	$ -	$ 2,937.72	$ 4,550.72
HVAC COLLECTION	$ -		$ -	$ 747.43	$ 747.43
ONLINE AUCTIONS	$ 148,185.22	$ 186,670.00	$ 210,730.86	$ 413,674.76	$ 959,260.84
Total	$ 152,616.23	$ 192,069.54	$ 214,872.09	$ 417,359.91	$ 976,917.77

2. 2026 AEP Award Winner: The Contracts Unit (Professional Services, Warehouse, Inventory Control, and Procurement teams) has earned the Achievement of Excellence in Procurement Award for the 19th year. This prestigious recognition honors our organization's dedication to procurement excellence and reflects our

commitment to innovation, professionalism, e-procurement, productivity, and leadership. Our achievement demonstrates the highest standards in public and non-profit procurement practices.

3. We celebrated the 40th anniversary of Oscar Real. Oscar's four decades of service have played a central role in shaping the Records Management & Imaging Services team. Joining Metropolitan in 1986 right out of high school, he learned the printing craft from the ground up and has continuously adapted as the work transformed from manual, reverse-run processes to today's state-of-the-art automated equipment. As he noted in a recent Inside Met feature, the job has evolved from hand-collating and binding to technology that prints, trims, cuts, and folds in a single run, reflecting both industry advances and Oscar's commitment to growth. Throughout every change, he has remained a steady and generous resource, known across the District not only for his technical expertise but also for his willingness to help others, his reliability, and the warm professionalism he brings to every interaction. His dedication, craftsmanship, and spirit continue to make a lasting impact, and we are grateful to recognize his 40 years of service.

4. Rideshare staff recently attended two Safety Fair Events at Diemer and Weymouth, representing the Rideshare program and engaging with both current and prospective participants. These events provided an excellent opportunity to connect with employees across MWD worksites and share information about the many benefits of the Rideshare program.

During the fair, staff spoke with attendees about how ridesharing helps improve air quality, conserve energy, reduce traffic congestion, minimize wear and tear on personal vehicles, and lessen the stress of commuting alone. To encourage participation and generate excitement, Rideshare staff also raffled off "goodie bags" filled with useful promotional items, including sunscreen, cups, wet towels, pens and notepads.

Participating in Safety Fairs alongside safety-related vendors and other internal MWD employee programs is a valuable way to raise awareness of the resources and benefits available to employees while promoting sustainable options.