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 June 2026 and July 2026.

Purpose

Informational

Attachments

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

Date of Report: 8/18/2026

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

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.

At the July Finance, Affordability, Asset Management, and Efficiency Committee, staff presented an informational report that provided an overview of Metropolitan's finances.

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

The Risk Management Unit completed 66 incident reports, communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 54 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 the Security Management Unit on planning efforts for a comprehensive tabletop exercise in October focused on a cyberattack scenario.
- Continued working on updates to Operating Policy A-06, Business Continuity and Emergency Management.
- Conducted kickoff meetings to develop a Business Continuity Plan for the Equal Employment Opportunity Office.
- Participated in the Emergency Operations Center activation to support Metropolitan coordination related to the LADWP water main break in West Hollywood.

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	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	74,027	(10,457)	-12%	98,206,004	89,923,032	(8,282,972)	-8%
April	June	110,200	95,572	(14,628)	-13%	129,990,583	111,056,955	(18,933,628)	-15%
FY Total		**1,343,930**	**1,232,684**	**(111,246)**	**-8%**	**1,530,209,068**	**1,416,400,740**	**(113,808,328)**	**-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.

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 is preparing for two bond issues in the fall of 2026 to fund $490 million of our CIP, 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 late 2025. The Senior Managing Underwriter for the fixed-rate transaction will be Siebert, Williams & Schank, and for the variable-rate transaction, JP Morgan.

Debt Management staff and Legal have been working on the development of a board item regarding Metropolitan's authorization to issue debt to be delivered in two components. In September 2026, staff will introduce a hearing of the Board item, and in October 2026, present an action item for the Board's approval of a Bond Ordinance that will provide for an additional bond authorization of $600 million.

Staff utilizes a comprehensive debt software, DebtBook, and has been updating important components of the software to allow for greater utilization and reporting of our debt portfolio.

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

Treasury operations staff have been working on the refinement of our Cash Management Module and implementation of our new Investment Module on the DebtBook platform. Staff's focus to date has been on securing online access to our commercial and custodian banks for detailed transaction activity data. Staff is close to having the three components of the DebtBook ecosystem online. Once complete, we can begin developing our various reporting templates.

As of June 30, 2026, Metropolitan's investment portfolio balance was $1.8 billion; in the same month, total earnings were $5.61 million, and the effective rate of return was 4.02 percent.

In June 2026, Metropolitan's portfolio manager executed twenty buy and nine sell trades.

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

Treasury staff completed the following transactions:

- 25 Dreyfus Cash Management Fund transactions
- 23 CAMP Investment Pool transactions
- $1.38 million in Metropolitan's bond and Swap payments
- 1,204 disbursements by check, 22 by Automated Clearing House (ACH), and 209 by wire transfer
- 50 receipts by check, 34 by ACH, and 55 by incoming wires and bank transfers
- Two exception confirmations and zero unauthorized ACH
- Stop payments: 5 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 eighteen checks totaling $4.19 million
- Issued eight checks and eighteen wires totaling approximately $3.75 million

In addition, Treasury staff processed 28 professional services invoice payment requests totaling approximately $0.72 million.

Furthermore, 10,028 P-One Card transactions totaling $1.64 million, recorded on the June bank statement, were monitored by the P-One Card Administrator.

Administrative Services

The Records Management and Imaging Services Team, together with the Innovation Program, has launched the Generations Project in anticipation of Metropolitan's Centennial Anniversary in 2028. This initiative aims to preserve and elevate the institutional wisdom of Metropolitan by building a comprehensive digital collection that captures community experiences, mentorship practices, and expert insights shared by current staff, directors, and Met alumni. The project is designed to strengthen knowledge continuity, support intergenerational collaboration, and equip Team Met to meet present and future challenges with the same courage, conviction, and commitment to the public good that have shaped Metropolitan's world-class achievements.

A key component of the Generations Project is Met Stories, an open invitation for employees and directors to document and share their personal experiences and perspectives. These contributions will become part of a digital collection housed in the Metropolitan Archives Portal. Submissions may take any written, visual, performance, or other creative form, and may be submitted by individuals or groups such as project teams, field site teams, or Employee Resource Groups. Guidelines for participation are provided in the Generations Project: Met Stories Submission Form, which will remain open through June 30, 2027, to encourage broad representation across the organization.

The Met Stories collection will serve both as a celebration of Metropolitan's diverse voices and as a long-term research resource for current and future employees and directors. As Metropolitan continues to navigate historic times, the Generations Project seeks to tap into the organization's longstanding culture of bold, pioneering public works and carry that legacy forward into the next century. Participation is voluntary, and staff are encouraged to contribute their stories to help enrich Metropolitan's institutional history.

The submission form is accessible only to current employees and directors. Retirees or other Met alumni who may be interested in contributing are invited to contact Sara Seltzer at sseltzer@mwdh2o.com for more information.

Warehouse Team Provides After-Hours Emergency Support for LADWP Repair Effort

On the evening of July 16, 2026, in response to an after-hours request coordinated by Construction Services O&M Supervisor Michael Haley, the Warehouse Operations team mobilized to retrieve and stage critical materials in support of a mutual aid response following a major LADWP water main rupture near a Metropolitan service line. Team Manager Danny Sandridge and Warehouse Operator Joe Ortega responded quickly, ensuring the materials were available for overnight pickup. Their professionalism and commitment helped facilitate the emergency repair effort and demonstrated Metropolitan's strong culture of cross-functional collaboration and customer service.