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 July 2026 and August 2026.

Purpose

Informational

Attachments

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

Date of Report: September 15, 2026

Finance and Administration Group Activities Report for July 2026 and August 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.

In August, an informational report on Metropolitan's Financial Results for Fiscal Year 2025/26 was provided to the Finance, Affordability, Asset Management, and Efficiency Committee.

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

The Risk Management Unit completed 61 incident reports, communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 51 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 development and updates.
- Continued collaboration with the Office of Enterprise Cybersecurity and the Security Management Unit on planning efforts for a comprehensive tabletop exercise focused on a cyberattack scenario.
- Continued working on updates to Operating Policy A-06, Business Continuity and Emergency Management.
- Assisted the Office of Safety, Security and Protection with various Emergency Management-related activities, including leading planning efforts for the District-wide Great ShakeOut Earthquake Drill on 10/15.

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.

Date of Report: September 15, 2026

FY 2026/27 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	88,007	84,117	(3,890)	-4%	106,807,407	103,829,443	(2,977,964)	-3%
June	August [3]	100,273	99,781	(493)	0%	142,982,093	118,312,931	(24,669,161)	-17%
July	September [3]	130,405	104,360	(26,045)	-20%	157,742,188	127,282,698	(30,459,490)	-19%
YTD Total		**318,685**	**288,258**	**(30,428)**	**-10%**	**407,531,688**	**349,425,072**	**(58,106,615)**	**-14%**
August	October	122,166	-	-	0%	149,863,472	-	-	0%
September	November	113,796	-	-	0%	137,073,826	-	-	0%
October	December	109,682	-	-	0%	130,180,190	-	-	0%
November	January	125,222	-	-	0%	144,965,566	-	-	0%
December	February	95,061	-	-	0%	110,082,797	-	-	0%
January	March	76,566	-	-	0%	87,818,744	-	-	0%
February	April	71,831	-	-	0%	81,557,218	-	-	0%
March	May	77,425	-	-	0%	88,368,140	-	-	0%
April	Jun	99,692	-	-	0%	114,539,881	-	-	0%
FY Total		**1,210,126**	**288,258**	**N/A**	**N/A**	**1,451,981,521**	**349,425,072**	**N/A**	**N/A**

[1] AF reflected does not include non-member agency transactions.
[2] Includes Water Sales, Exchanges, and Wheeling for member agencies and non-member agencies.
[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 is preparing for two bond issues in the fall of 2026, consistent with the recommendation in the Adopted Biennium Budget for FY 2026/27 and FY 2027/28. The first bond issue is planned to be a $290 million fixed-rate bond issue for the CIP, as well as a currently TBD amount for a tender refunding that could reduce Metropolitan's debt service on some of its outstanding bonds. The second bond issue is a $200 million multimodal bond, initially issued in weekly variable-rate mode, that will fund the balance of the biennium's new money requirements for the CIP.

In August 2026, Metropolitan's Disclosure Working Group (DWG) provided two disclosure training workshops: one to staff and the other to senior leaders. These trainings were scheduled to prepare subject matter experts on key requirements of federal law concerning disclosure and materiality as the DWG initiated the process of updating Appendix A for this bond cycle. In September 2026, the DWG will provide training to the Board. 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 upcoming and other future bond issues. Bond-related documents, in addition to Appendix A, will be presented to the Board for approval in October 2026.

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

As of July 31, 2026, Metropolitan's investment portfolio balance was $1.5 billion; in the same month, total earnings were $5.41 million, and the effective rate of return was 4.05 percent.

In July 2026, Metropolitan's portfolio manager executed 19 buy and seven sell trades.

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

Treasury staff completed the following transactions:

- 42 Dreyfus Cash Management Fund transactions
- 28 CAMP Investment Pool transactions
- $153.81 million in Metropolitan's bond and Swap payments
- 828 disbursements by check, 32 by Automated Clearing House (ACH), and 187 by wire transfer
- 69 receipts by check, 44 by ACH, and 71 by incoming wires and bank transfers
- Two exception confirmations and zero unauthorized ACH
- Stop payments: One for the Demand Account; zero for the Payroll Account
- Three wire confirmation alerts 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 24 checks totaling $6.72 million
- Issued six checks and 21 wires totaling approximately $3.79 million

In addition, Treasury staff processed 13 professional services invoice payment requests totaling approximately $0.25 million.

Furthermore, 9,673 P-One Card transactions totaling $1.47 million, recorded on the July bank statement, were monitored by the P-One Card Administrator.