

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

FAAME Committee

C. Miller, Chair
D. Alvarez, VC Budget
G. Bryant
R. Crane
B. Dennstedt
L. Fong-Sakai
J. McMillan
P. Paule
M. Petersen
B. Pressman
T. Quinn
K. Seckel

Finance, Affordability, Asset Management, and Efficiency Committee

Meeting with Board of Directors *

March 10, 2026

8:30 a.m.

**Tuesday, March 10, 2026
Meeting Schedule**

**08:30 a.m. FAAME
11:30 a.m. BREAK
12:00 p.m. LEGAL
02:00 p.m. BOD**

Written public comments received by 3:00 p.m. the business day before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here: <https://mwdh2o.legistar.com/Legislation.aspx>.

The listen-only phone line is available at 1-877-853-5257; enter meeting ID: 873 4767 0235.

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda teleconference and in-person. To provide public comment by teleconference dial 1-833-548-0276 and enter meeting ID: 876 9484 9772 or to join by computer [click here](#).

Disclaimer: Written and oral public comments are received in compliance with the Ralph M. Brown Act. Please note that Metropolitan does not endorse or ensure the accuracy or reliability of the information provided as public comment or by third parties.

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

Teleconference Locations:

3008 W. 82nd Place • Inglewood, CA 90305

11973 Fuerte Drive • El Cajon, CA 92020

Scripps Institution of Oceanography • MESOM 208 • 8885 Biological Grade • La Jolla, CA 92037

Allendale Insurance Agency • 337 West Foothill Boulevard • Glendora, CA 91740

Conference Room • 1545 Victory Boulevard, 2nd Floor • Glendale, CA 91201

* The Metropolitan Water District’s meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

**** CONSENT CALENDAR ****

2. COMMITTEE ACTION (ONLY)

- A. Approval of the Minutes of the Finance, Affordability, Asset Management, and Efficiency Committee Meeting of February 10, 2026 [21-5477](#)

Attachments: [03102026 FAAME 2A \(02102026\) Minutes](#)

3. COMMITTEE ITEMS (FOR BOARD CONSIDERATION)

NONE

**** END OF CONSENT CALENDAR ****

4. COMMITTEE ITEMS (ACTION FOR BOARD CONSIDERATION)

NONE

5. COMMITTEE ITEMS (INFORMATIONAL FOR BOARD CONSIDERATION)

NONE

6. COMMITTEE ITEMS (INFORMATIONAL)

- a. Quarterly Financial Report [21-5478](#)

Attachments: [03102026 FAAME 6a C-L](#)
[03102026 FAAME 6a Presentation](#)

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. Finance, Affordability, Asset Management, and Efficiency activities [21-5516](#)

Attachments: [03102026 FAAME 7a Finance, Affordability, Asset Management, and Efficiency activities](#)

8. BOARD WORKSHOP ITEMS

- a. Proposed biennial budget, which includes the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28; proposed water rates and charges for calendar years 2027 and 2028 to meet revenue requirements for fiscal years 2026/27 and 2027/28; ten-year financial forecast; and Cost of Service Report (Workshop 3) [21-5503](#)

Attachments: [03102026 FAAME 8a Presentation](#)

9. FOLLOW-UP ITEMS

NONE

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

NOTE: This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Committee agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

**FINANCE, AFFORDABILITY, ASSET MANAGEMENT, AND EFFICIENCY
COMMITTEE**

February 10, 2026

Chair Miller called the meeting to order at 8:30 a.m.

Members present: Directors Alvarez, Bryant, Crane, Dennstedt, Fong-Sakai, McMillan (entered after rollcall), Miller, Paule, Pressman (entered after rollcall), Quinn (entered after rollcall) and Seckel.

Members absent: Director Petersen.

Other Members present: Ackerman, Camacho, De Jesus, Denham, Erdman, Faessel, Fellow, Garza, Gray, Jay, Kurtz, Lewitt, Shepherd Romey, and Sutley.

Committee Staff present: Beatty, Benson, Crosson, Deshmukh, Hudson, Kasaine, Ros, and Rubin.

**1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE
COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION**

None

CONSENT CALENDAR ITEMS – ACTION

2. COMMITTEE ACTION (ONLY)

- A. Subject: Approval of the Minutes of the Finance and Asset Management Committee Meeting for December 9, 2025

3. COMMITTEE ITEMS (FOR BOARD CONSIDERATION)

7-2 Subject: Review and consider the Mitigated Negative Declaration adopted by the Lead Agency for the project, and authorize the General Manager to grant a non-exclusive permanent easement to West Valley Water District for access purposes on Metropolitan fee-owned property in the city of Fontana and identified as County of San Bernardino Assessor Parcel Number 1107-262-16

 Motion: Review and consider the Mitigated Negative Declaration adopted by the Lead Agency for the project, and authorize the General Manager to grant a non-exclusive permanent easement to West Valley Water District for access purposes on Metropolitan fee-owned property in the city of Fontana and identified as County of San Bernardino Assessor Parcel Number 1107-262-16.

No Presentation was requested.

7-3 Subject: Set a public hearing on March 10, 2026, regarding the proposed water rates and charges for calendar years 2027 and 2028 necessary to meet the revenue requirements for fiscal years 2026/27 and 2027/28; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

 Motion: Set a public hearing on March 10, 2026, regarding the proposed water rates and charges for calendar years 2027 and 2028 necessary to meet the revenue requirements for fiscal years 2026/27 and 2027/28.

No Presentation was requested.

The following Director provided comments or asked questions:

1. Fong-Sakai

Director Fong-Sakai requested that Option 1 be amended to reflect the August 18, 2026, date for the future Board action regarding fixing the ad valorem property tax for FY 2026/27.

Staff responded to the Director's comments and questions.

Director Seckel made a motion, seconded by Director Fong-Sakai, to approve the consent calendar consisting of items 2A, 7-2, and 7-3 as amended.

The vote was

Ayes: Directors Alvarez, Bryant, Crane, Dennstedt, Fong-Sakai, Miller, Paule, and Seckel.

Noes: None

Abstentions: None

Absent: Directors McMillan, Petersen, Pressman, and Quinn

The motion for items 2A,7-2, and 7-3 as amended passed by a vote of 8 ayes, 0 noes, 0 abstentions, and 4 absent.

Director Pressman entered the meeting.

END OF CONSENT CALENDAR ITEMS

4. COMMITTEE ITEMS (ACTION FOR BOARD CONSIDERATION)

None

5. COMMITTEE ITEMS (INFORMATION FOR BOARD CONSIDERATION)

a. Subject: Quarterly Investment Activities Report

Presented by: Christopher Harris, CFA, CAIA, Head of Portfolio Strategies - PFM Asset Management
Riddhima Hinduja, CFA, Senior Client Strategist- PFM Asset Management

Mr. Benson introduced the item and Ms. Hinduja provided a summary of key market and investment activities that impacted portfolio performance over the period ending December 31, 2025.

Director Quinn entered the meeting.

6. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

a. Subject: Finance, Affordability, Asset Management, and Efficiency activities

No report was given.

7. BOARD WORKSHOP ITEM

9-1 Subject: Proposed biennial budget, which includes the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28; proposed water rates and charges for calendar years 2027 and 2028 to meet revenue requirements for fiscal years 2026/27 and 2027/28; ten-year financial forecast; and Cost of Service Report (Workshop 1)

Presented by: Adam Benson, Group Manager-Finance & Administration
Arnout Van den Berg, Section Manager-Revenue & Budget
Mai Hattar, Group Manager-Engineering Services

General Manager Shivaji Deshmukh addressed the committee and provided an overview of the proposed budget. His comments included how the two-year budget relates to the CAMP4W process. He noted that further discussion and analysis with the Board will be required to address staffing, property tax revenues, infrastructure investment, and initial funding associated with the Pure Water Southern California project.

Ms. Kasaine introduced the item and presented the committee with an overview of the agenda and a summary of the strategic planning efforts.

Mr. Benson presented the committee with budget highlights and key budget drivers. His presentation included the baseline budget, incremental drivers, estimated overall rate increases, and financial policies and goals.

Mr. Van den Berg continued the presentation with an overview of the biennial budget highlights, including water demands and supplies. He presented the historical water transactions and forecast, historic and projected overall rate increases, proposed expenditures, revenue requirements, rates and charges, and treatment surcharge. Next, he provided a summary of property tax rates, expenditures, demand management, O&M budget, staffing, and the Pure Water Southern California project. Lastly, he provided an overview of the Ten-Year financial forecast, including projected rate increases and financial metrics, revenue trends, expenditure trends, and water rates and charges.

Ms. Hattar presented the committee with an overview of the capital investment plan (CIP), and proposed CIP budget. Her presentation included the complexity of Metropolitan's CIP, infrastructure, and the proposed repair and rehabilitation budget. Next, she provided an overview of the basis for the proposed CIP budget, major contracts underway and upcoming, and the focus of the ten-year CIP on reducing risk.

Lastly, Ms. Kasaine provided the next steps.

Director McMillan entered the meeting.

The following Directors provided comments or asked questions:

1. Quinn
2. Seckel
3. Crane
4. Miller
5. Sutley
6. Pressman
7. Paule
8. Kurtz
9. De Jesus
10. Dennstedt
11. Garza
12. Fong-Sakai
13. Erdman
14. Alvarez
15. Shepperd Romey

Staff responded to the Directors' comments and questions.

8. FOLLOW-UP ITEMS

Director Sutley requested additional information on bond coverage, reserve levels, property tax, and fixed revenues.

Director Miller requested additional information about water costs with and without the Pure Water project for the ten-year period.

Director Dennstedt requested more information on staffing.

Director Garza requested staff take a deeper dive on the subsidence line item during a future finance committee and would like staff to include what others are contributing to the subsidence issue.

Director Crane requested information on the fixed costs.

Director Alvarez requested staff take a deeper dive on our base budget and costs and what the 7.5% base rate increase will include.

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

The meeting adjourned at 11:36 a.m.

Marty Miller
Chair



Finance, Affordability, Asset Management, and Efficiency Committee

3/10/2026 Committee Meeting

6a

Subject

Quarterly Financial Report

Executive Summary

The quarterly financial report presents Metropolitan’s unaudited, cash-basis financial performance for the second quarter of fiscal year 2025/26 (July through December) and provides a projection of the year-end position, comparing key metrics against budgeted values.

Fiscal Impact

There are no fiscal impacts associated with this item.

Applicable Policy

Metropolitan Water District Administrative Code Section 5107: Biennial Budget Process

Related Board Action(s)/Future Action(s)

The Quarterly Financial Report will be provided in May 2026 for the third quarter of fiscal year 2025/26 (July through March).

Details and Background

Background

The quarterly financial report presents Metropolitan’s unaudited, cash-basis financial performance for the second quarter of fiscal year 2025/26 (July through December) and provides a projection of the year-end position, comparing key metrics against budgeted values. The report covers the following key areas:

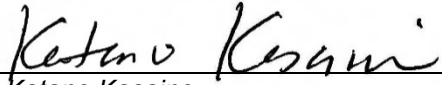
- **Water Transactions:** Reports Metropolitan’s water sales, exchanges, and wheeling activities with member agencies (in thousand-acre feet) that are invoiced through December 2025 and the projected quantity for the remaining of the fiscal year. Water transactions fluctuate based on demand, weather conditions, and local supply availability. Revenues from water transactions represent the primary source of Metropolitan’s operating revenues.
- **Second Quarter Financial Results:** The financial results summarize year-end projections with the budget across major revenues and expenditure categories in the current fiscal year. The financial projections combine cash-basis actuals for billings collected and expenditures paid from July through December with forecasted revenues and expenditures for the balance of the fiscal year. Major revenue categories include revenues from water sales and exchanges, Readiness-to-Serve (RTS) and Capacity Charges, property tax revenues, investment income and other revenues. Major expenditure categories encompass State Water Contract (SWC) and Delta Conveyance costs, departmental operations and maintenance, the Colorado River Aqueduct (CRA) power costs, supply and demand management

programs costs, debt service, and PAYGO funding. In addition, the FY 2024/25 and FY 2025/26 Biennial Budget was adopted with an unidentified \$60 million per year in new revenues (\$120 million over the biennium). The quarter updates summarize what have been identified as possible revenue-generating items for the biennium, with actual for FY 2024/25 and estimated for FY 2025/26. The potential that these items may not materialize further underscores the importance of preserving Metropolitan's financial flexibility and unrestricted reserves.

- **Unrestricted Reserves:** Reserves provide flexibility to manage cash flows, support operations, and maintain compliance with Board financial policy requirements. The fiscal year began with an unrestricted reserves balance of approximately \$577 million (including \$126 million from Reverse Cyclic Program sales). The Quarterly Financial Report presents updated projections of year-end balances for the current fiscal year 2025/26, informed by second-quarter financial performance.

The Annual Comprehensive Financial Report for Fiscal Year 2024/25 is available on Metropolitan's website at <https://www.mwdh2o.com/budget-finance/financial-reports-documents/>

The Third Quarter Financial Review and Forecast for FY 2025/26 will be provided to the FAAME Committee in May 2026 (covering July 2025 through March 2026).


 _____ 2/19/2026
 Katano Kasaine Date
 Assistant General Manager/
 Chief Financial Officer


 _____ 2/19/2026
 Shivaji Deshmukh Date
 General Manager

Ref# cfo12704669



Finance, Affordability, Asset Management and
Efficiency Committee

Quarterly Financial Report

Item 6a

March 10, 2026

Presented by: Khanh Phan

Item 6a
Quarterly
Financial
Report

Subject

Quarterly Financial Report

Purpose

Review Metropolitan's 2nd Quarter financial projections for Fiscal Year 2025/26

Agenda

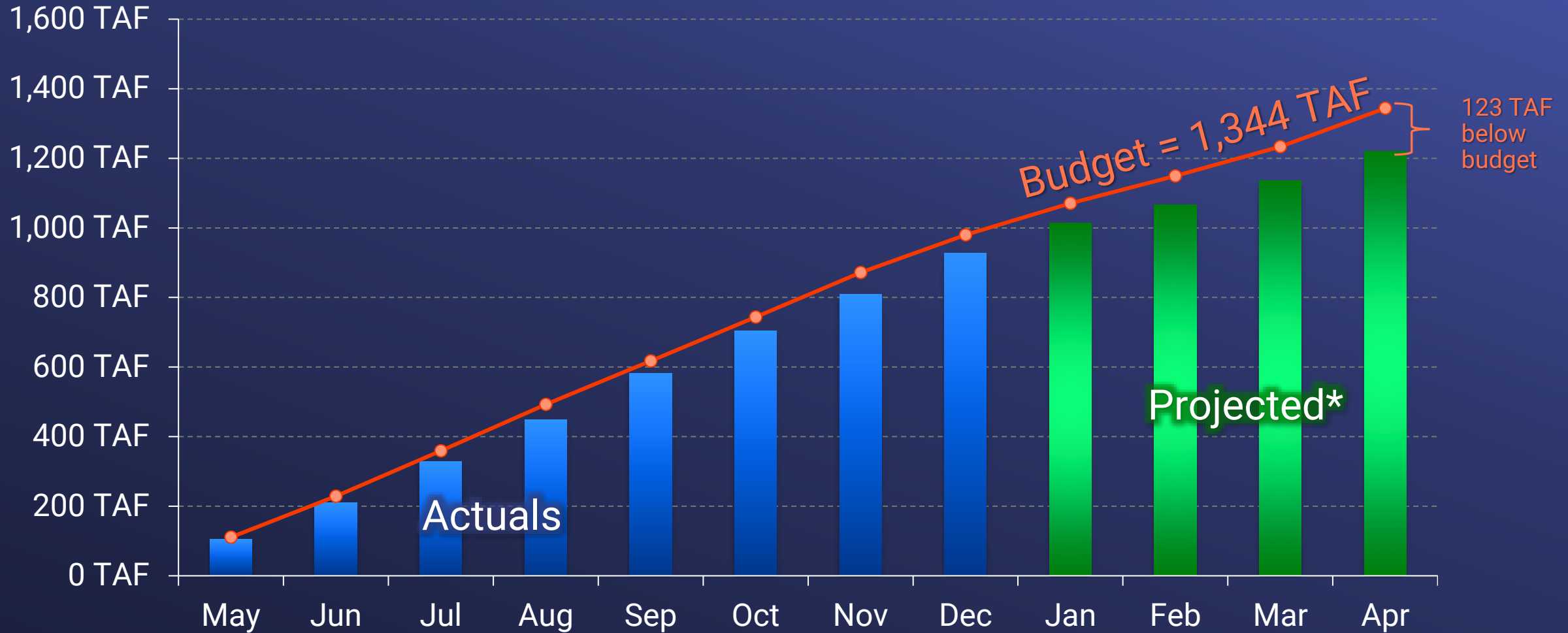
- 2nd Quarter Financial Results and Forecast
- Update on FY 2025/26 revenue generation

2nd Quarter Financial Results and Forecast

Cumulative Water Transactions ⁽¹⁾

Cash Year 2025/26

*Assumed 40 TAF Reverse Cyclic Program (RCP) Water Delivery (Prepaid) for the fiscal year

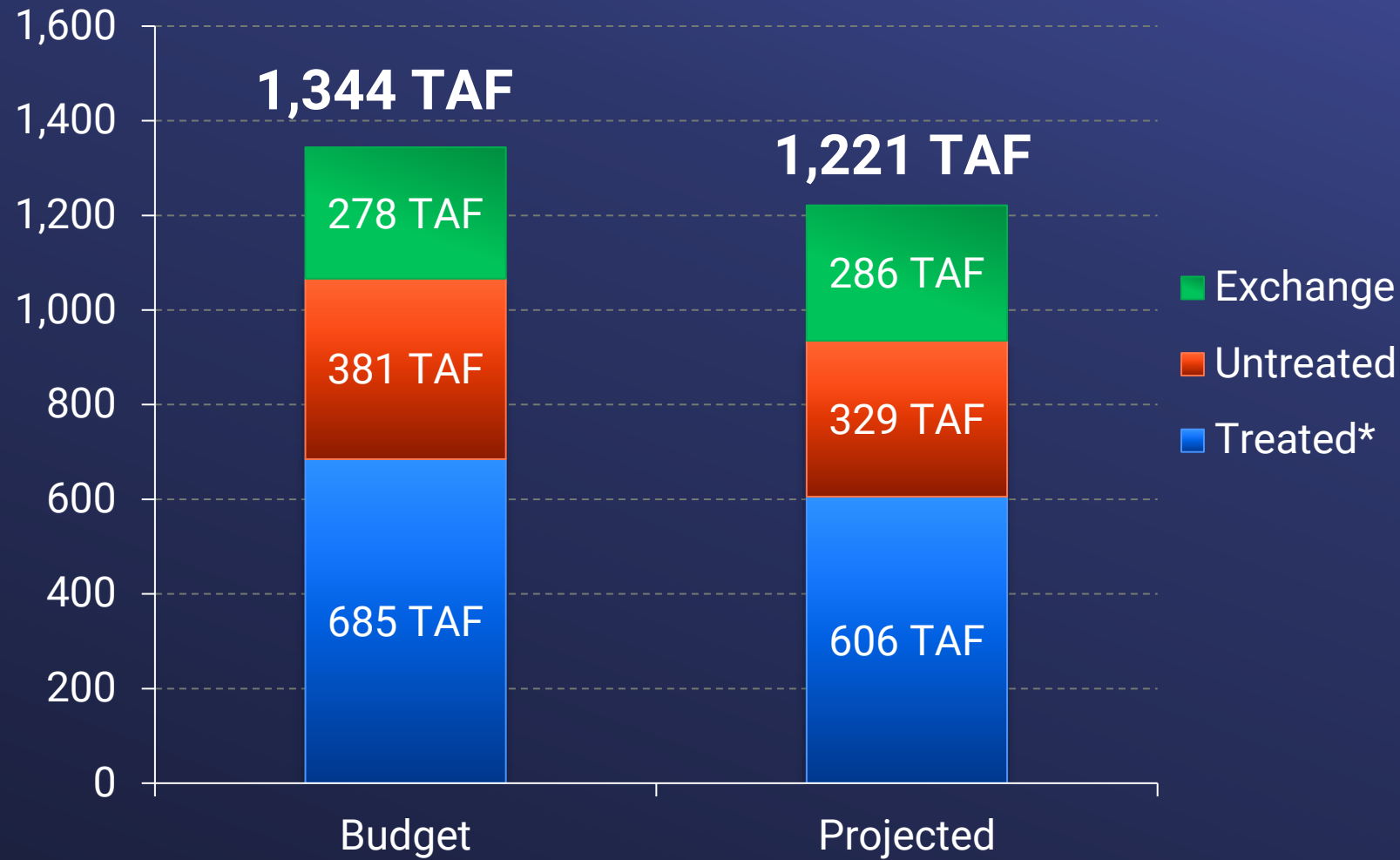


⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

Water Transactions ⁽¹⁾

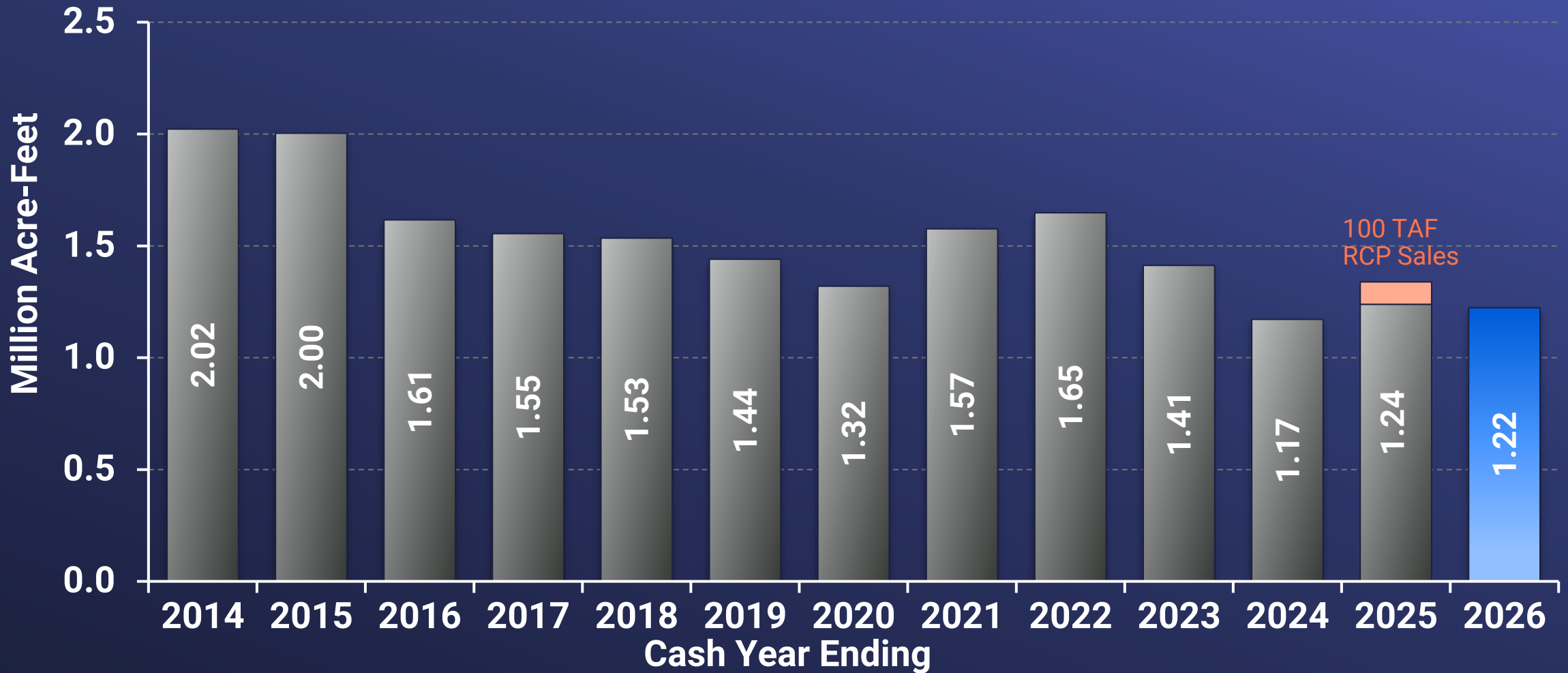
Cash Year 2025/26

*Assumed 40 TAF Reverse Cyclic Program (RCP) Treated Water Delivery (Prepaid / Non-revenue) for the fiscal year



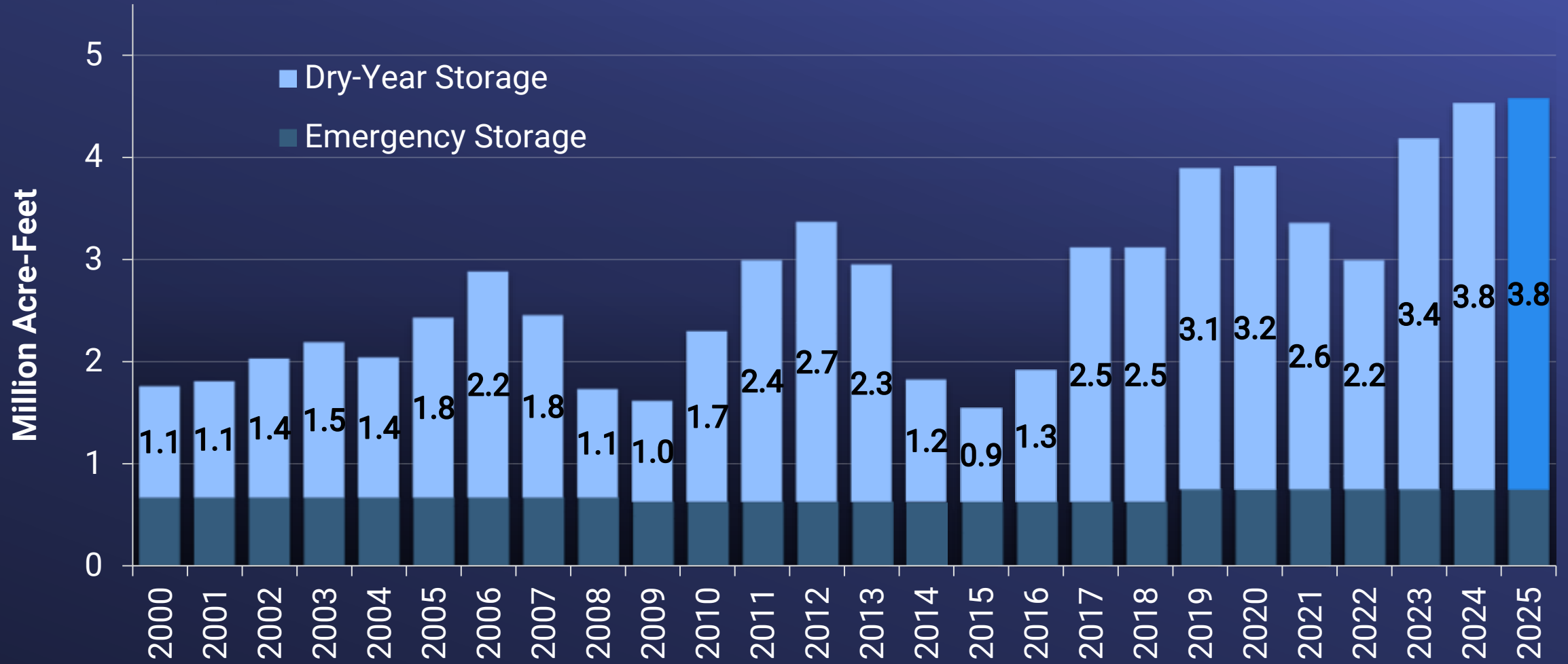
⁽¹⁾ Includes Water Sales and Exchange from member agencies. Non-member agency transactions are excluded.

Historical Water Transactions ⁽¹⁾



(1) Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.
For FY 2026, water transactions are adjusted for 20TAF assumed treated water delivery under RCP, which were prepaid in Dec 2024

Storage Projection for Metropolitan End-of-Year Balances



Note:

2025 end-of-year balance is preliminary as it is subject to USBR final accounting

FY 2025/26 Q2 Financial Results

in millions	Rev. Budget	Projected	Change	
Water Transactions	1,530.2	1,397.9	(132.4)	
RTS Charge & Capacity Charge	229.4	229.4	0.0	
Taxes	333.8	395.6	61.8	
Interest Income	45.4	40.7	(4.7)	
IRA Bucket 1 Funding	47.3	46.5	(0.9)	
Other	99.9	62.2	(37.7)	
Total Revenues	2,286.0	2,172.2	(113.9)	A
State Water Contract ⁽¹⁾	703.9	570.4	(133.5)	
Delta Conveyance ⁽¹⁾	25.7	25.7	0.0	
Departmental O&M & Operating Eq ⁽²⁾	682.8	691.0	8.2	
CRA Power	93.3 ⁽³⁾	56.4	(27.2)	
Supply Programs	135.0	88.4	(46.6)	
Demand Management	80.3	63.9	(16.3)	
Debt Service	353.5	341.9	(11.7)	
PAYGO	205.0	205.0	0.0	
Total Expenditures	2,269.6	2,042.7	(227.0)	B
Increase in Required Reserves	31.8	54.2	22.4	
AVEK Debt Funded	(44.1)	(20.2)	23.9	
Conservation Debt Funded	(19.2)	(19.2)	0.0	
PWSC Partner Contribution Reimb.		16.5	16.5	
Total Fund Deposits (Withdraws)	(31.5)	31.3	62.7	C
Change in Unrestricted Reserves*	47.8	98.2	50.4	= A-B-C

- \$98.2 M deposit to unrestricted reserves
 - Includes \$15.9M Water sales agreement with Coachella Valley Water District
 - Includes \$47.5M SWP water sales outside of the service area
 - Assumed 40TAF RCP treated water delivery (prepaid in Dec 2024)

Footnotes:

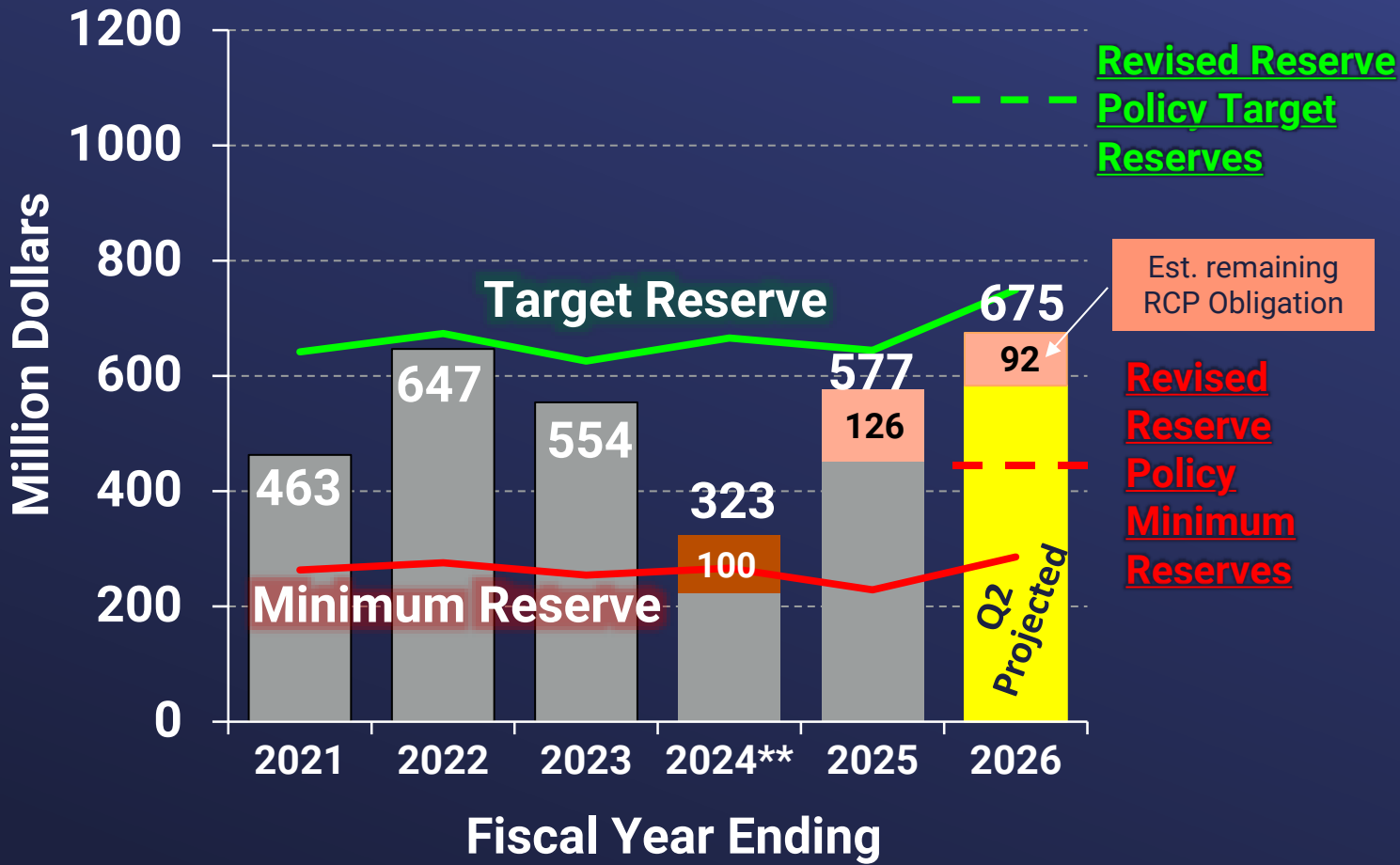
- 1) DCP Planning Cost \$141.6M approved in Dec 2024. \$75M credits received in Nov 2025
- 2) Includes full \$18M expenditure reduction in adopted budget and adds \$1M approved expenses for additional position and equipment for revised budget
- 3) Net of PWSC expenses funded from SWRCB \$80M State Fund

*Revenue Remainder and Water Rate Stabilization Funds

Revenues and expenditures are net of reimbursements.

Unrestricted Reserves*

End-of-Year Balances



* Revenue Remainder and Water Rate Stabilization Funds

** \$100M PAYGO reduction by using bond financing to preserve cash

June 30, 2026, Unrestricted Reserves are \$675M

- Current Reserve Policy
 - \$388M above current min reserve
 - \$75M below current target reserve
- **Revised Reserve Policy effective July 1, 2026**
 - \$251M above new min reserve
 - \$406M below new target reserve

Note: Projected Unrestricted Reserves for FY ending 2026 assumed 40TAF prepaid Reverse Cyclic delivery; remaining 60TAF RCP obligations to be delivered in future years

Revenue Generation

The FY 2024/25 and FY 2025/26 Biennial Budget was adopted with an unidentified \$60 million per year in new revenues (\$120M over the biennium)

Type	Item Descriptions	Actual FY 2024/25	Est. for FY 2025/26	Status / Details
New Revenue	Agreement with IID, SDCWA, and MWD for SDCWA to purchase Full-Service water from MWD, rather than exchange IID conserved water with MWD	\$17M		Board Approved in Aug 2024 50TAF included in Q2 FY 2025 Actual
New Revenue	SWP water sales outside of the service area		\$47.5M	Approved in May 2025 Payments are received in Oct 2025 and Mar 2026
Subtotal New Revenue		\$17M	\$47.5M	
Cash Mgmt	Water sales agreement with Coachella Valley Water District		\$15.9M	Approved in May 2025. Invoiced in Aug / Sep 2025. Discussing payment schedule for remaining amount.
Cash Mgmt	Reverse Cyclic Program	\$126M		100 TAF in Dec 2024 with signed agreements
Total New Revenue and Cash Management		\$143M	\$63.4M+	

Quarterly Financial Statements

The latest Quarterly Financial Statements are located on our website at:

<https://www.mwdh2o.com/budget-finance/financial-reports-documents/>

- The unaudited Quarterly Financial Statements for the Second Quarter ending December 31, 2025, is available and posted to the MWD website

The Annual Comprehensive Financial Report for FY 2025 is available and posted to the MWD website







THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Finance and Administration Group

- **Finance and Administration Activities Report**

Summary

This report provides a summary of the Finance and Administration group activities for January 2026 and February 2026.

Purpose

Informational

Attachments

Attachment 1– Finance and Administration group activities for January 2026 and February 2026

Finance and Administration Group Activities Report for January 2026 and February 2026

GM Business Plan – Goals, Outcomes, Target Measures

Develop a Biennial Budget that Meets Metropolitan’s Needs	
Provide transparency and broad engagement to support informed policy making; Budget for enhanced mission-critical capabilities.	In February, staff presented the Proposed Biennial Budget, which included the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28; proposed water rates and charges for calendar years 2027 and 2028 to meet revenue requirements for fiscal years 2026/27 and 2027/28; a ten-year financial forecast; and a Cost of Service Report. Budget Workshops #1 and #2, which discussed the above and addressed numerous board member questions and requests, were held at the Finance and Asset Management Committee on February 10, 2026, and at a Board of Directors Workshop on February 24, 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 February, the Proposed Biennial Budget was provided to the Board, which includes the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28; proposed water rates and charges for calendar years 2027 and 2028 to meet revenue requirements for fiscal years 2026/27 and 2027/28; ten-year financial forecast; and Cost of Service Report. Budget Workshop #1 and #2 discussed the Proposed Biennial Budget in detail and addressed board member questions and requests at the Finance, Affordability, Asset Management, and Efficiency Committee on February 10 and the Board of Directors Workshop on Finance, Affordability, Asset Management and Efficiency on February 24.

At the Finance, Affordability, Asset Management, and Efficiency Committee on February 10, the board set a public hearing regarding the proposed water rates and charges for calendar years 2027 and 2028, necessary to meet the revenue requirements for fiscal years 2026/27 and 2027/28.

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 46 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 the Information Technology Group and Engineering Services Group on Business Continuity Plan updates.
- Collaborated with the Office of Enterprise Cybersecurity on planning efforts for a comprehensive Tabletop exercise focused on a cyberattack scenario.
- In collaboration with the Information Technology Group, conducted a Disaster Recovery/Business Continuity exercise to validate select applications running in the backup data center.
- Updated the Fusion Risk Management software to the latest version, which includes several enhancements to improve the user interface and experience of maintaining Business Continuity Plans.

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	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 ³	107,621	119,244	11,623	11%	112,940,009	136,943,652	24,003,643	21%
January	March ³	90,739	79,717	(11,022)	-12%	105,775,733	100,240,583	(5,535,150)	-5%
YTD Total		1,070,390	1,007,468	(62,922)	-6%	1,210,800,480	1,170,189,422	(40,611,058)	-3%
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	1,007,468	N/A	N/A	1,530,209,068	1,170,189,422	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.

In January 2026, the debt team focused on updating the debt footnotes for our Quarterly Financial Statements, developing our Quarterly Swap Report as of December 31, 2025, and the relevant projections for our internal quarterly financial report.

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

As of January 31, 2026, Metropolitan's investment portfolio balance was \$1.7 billion; in the same month, total earnings were \$5.55 million, and the effective rate of return was 4.06 percent.

In January 2026, Metropolitan's portfolio manager executed nineteen 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:

- 28 Dreyfus Cash Management Fund transactions
- 23 CAMP Investment Pool transactions
- \$39.07 million in Metropolitan's bond payments and Swap payments
- 834 disbursements by check, 25 by Automated Clearing House (ACH), and 165 by wire transfer
- 56 receipts by check, 47 by ACH, and 51 by incoming wires and bank transfers
- Two exception confirmations and zero unauthorized ACH
- Stop payments: 7 for the Demand Account; zero for the Payroll Account
- One GOP Alert received from Bank of America

The Treasury staff also processed the following transactions for the Delta Conveyance Design and Construction Authority:

- Received and deposited fifteen checks totaling \$4.53 million
- Issued seven checks and 23 wires totaling approximately \$1.92 million

In addition, Treasury staff processed nineteen professional services invoice payment requests totaling approximately \$0.47 million.

Furthermore, 9,429 P-One Card transactions totaling \$1.09 million, as recorded in the January bank statement, were monitored by the P-One Card Administrator.

Administrative Services

In February, the Contracting Services Unit presented several amendments to the Administrative Code to the Board for consideration. The changes were approved by the Board, which will provide clarification and improve efficiency helping to prevent operational delays.

Finance, Affordability, Asset Management, and Efficiency Committee



Proposed biennial budget, which includes the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28; proposed water rates and charges for calendar years 2027 and 2028 to meet revenue requirements for fiscal years 2026/27 and 2027/28; ten-year financial forecast; and Cost of Service Report (Workshop 3)

Item 8a

March 10, 2026

Presented by: Adam Benson and Arnout Van den Berg

Item 8a
Proposed
biennial budget
Workshop 3

Subject

Proposed biennial budget, which includes the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28; proposed water rates and charges for calendar years 2027 and 2028 to meet revenue requirements for fiscal years 2026/27 and 2027/28; ten-year financial forecast; and Cost of Service Report (Workshop 3)

Purpose

Provide information to enable April Board action on Proposed Biennial Budget for Fiscal Years 2026/27 and 2027/28, Proposed Water Rates and Charges for Calendar Years 2027 and 2028, and Ten-Year Financial Forecast

Next Step

Workshop #4 on March 24, 2026

Agenda

Follow-up from Workshop #2

Updated Assumptions for Baseline Budget & Alternatives

Staffing

Unrestricted Reserve & PAYGO

Other Questions

Next Steps

Appendix – Detailed Position Requests

Updated Assumptions for Baseline Budget & Alternatives

Updated Water Transactions

- SDCWA reduced Metropolitan's second right of refusal to purchase Conserved and/or Canal Lining Water from 50.7 TAF to 5 TAF in Calendar Year 2026 *(from SDCWA letter dated March 1, 2026)*
- Results in revised assumptions, adjusting amount of exchange revenues, water sales, and supply program budget that impacts the baseline and proposed budget
- **Net effect (biennium): ~\$6M lower net revenues → ~0.5% rate reduction**

FY 2026/27 & FY 2027/28 Biennial Budget

Overall Estimated Rate Increases with Property Tax Rate: 0.007%

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Revised Baseline Budget⁽¹⁾	14.5% 7.3%	7.2%	6.5%	6.5%	5.0%	5.0%	4.5%	4.5%	4.0%	4.0%
Incremental Drivers										
Proposed Increase Base CIP	0.5%	1.0%	0.5%	0.5%	1.0%	1.0%	0.5%	0.5%	1.0%	1.0%
Proposed Operating Equipment	0.4%									
Proposed Staffing	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%				
Revised Baseline + Inc. Drivers	8.8%	8.7%	7.5%	7.5%	6.5%	6.5%	5.0%	5.0%	5.0%	5.0%
45-MGD PWSC (Stage 1)	0.5%	0.5%	1.5%	1.5%	2.5%	2.5%	4.0%	4.0%	3.0%	3.0%
Revised Proposed Budget (Baseline + Inc. Drivers + PWSC)	18.5% 9.3%	9.2%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	8.0%	8.0%
Lower Demand Mgmt Options										
Reduce Conservation to Min*	-0.5%	-0.5%								
No New LRP Agreements**	-0.3%	-0.2%								
Total w/ Lower Demand Mgmt	8.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	8.0%	8.0%

(1) Revised Baseline Budget includes 272.7 TAF SDCWA Exchange, 5 TAF 2nd right of refusal in the supply program, 51 TAF lower full-service water sales

* Minimum Conservation to meet grant matching requirements: \$23.1M in FY 2026/27 & \$15.5M in FY 2027/28

** No new LRP Agreements: LRP Reduced to \$14.3M in FY 2026/27 & \$20.2M in FY 2027/28

Note: Displayed as a simple summed total

Potential Combinations for Alternatives

- **Property Tax Scenarios:**
 - 1A & 1B = .007% (Current)
 - 2A & 2B = .008%
 - 3A & 3B = .009%
- **Conservation Scenarios:**
 - 1A, 2A and 3A – \$30.5M per year
 - 1B, 2B and 3B – Min Conservation: Reduce funding from \$30.5M per year to \$23.1M in FY 2026/27 and \$15.5M in FY 2027/28 to meet grant matching requirements for turf replacement program
- **All alternative scenarios reflect:**
 - Reduced LRP budget to exclude new agreements; \$14.3M in FY 2026/27 (~\$7M reduction) & \$20.2M in FY 2027/28 (~\$8M reduction)
 - Incremental drivers for staffing, Operating Equipment and CIP increases

PWSC Funding Alternatives

- If the Board **does not** fund PWSC in this biennial, PWSC funding would be limited to current received grants
 - No rate impact for the biennium
- Staff would continue to pursue reimbursements under the LSWRP grant in accordance with the existing agreement with USBR and will return to the Board for approval to appropriate any newly received reimbursed funds
- Staff would bring PWSC implementation decision to the Board for consideration at a later date based on the ongoing CAMP4W evaluations

FY 2026/27 & 2027/28 Biennial Budget Alternatives

All Alternatives Include Incremental Drivers for Staffing, Operating Equipment, and CIP increases

Alternatives	Descriptions			Est. Overall Rate Increases FY 26/27 & 27/28 Biennial Budget	
	Property Tax Rate*	No New LRP Agreements	Conservation Funding	w/ 45-MGD PWSC (\$150M funding)	w/o PWSC (-0.5% per year)
Rev. Proposed	0.007%		\$30.5M / yr	9.3% / 9.2%	8.8% / 8.7%
Alt 1A	0.007%	<input checked="" type="checkbox"/>	\$30.5M / yr	9.0% / 9.0%	8.5% / 8.5%
Alt 1B	0.007%	<input checked="" type="checkbox"/>	Min	8.5% / 8.5%	8.0% / 8.0%
Alt 2A	0.008%	<input checked="" type="checkbox"/>	\$30.5M / yr	8.0% / 8.0%	7.5% / 7.5%
Alt 2B	0.008%	<input checked="" type="checkbox"/>	Min	7.5% / 7.5%	7.0% / 7.0%
Alt 3A	0.009%	<input checked="" type="checkbox"/>	\$30.5M / yr	7.0% / 7.0%	6.5% / 6.5%
Alt 3B	0.009%	<input checked="" type="checkbox"/>	Min	6.5% / 6.5%	6.0% / 6.0%

* Property tax rate above 0.007% would fund a larger share of State Water Contract expenses

Staffing

Workforce Challenges

A National Perspective

- Metropolitan’s staffing challenges are not unique. Regulatory compliance, infrastructure investment, and financial sustainability are impacting workforce planning and retention across the water industry
- **2025 AWWA State of the Water Industry Report¹**
 - Workforce challenges ranked as the 7th most pressing issue for water utilities

AWWA Summary of Top Workforce Challenges

- | | |
|--|---|
| • Retirement eligible workforce / succession planning | • Difficulty hiring and retaining qualified operators |
| • Need for better compensation (wages, benefits, hazard pay) | • Training and education needs |
| • Need for workforce development programs | • Rotating shifts challenges |
| • Long-term job vacancies | |

- **2024 EPA Report to Congress - Water Sector Workforce Trends²**
 - **Succession planning:** One-third of water utility workers near retirement; institutional knowledge at risk
 - **High demand:** Infrastructure renewal and pipe replacement are escalating workforce needs

(1) <https://www.awwa.org/state-of-the-water-industry/>

(2) <https://www.epa.gov/dwcapacity/2024-interagency-water-workforce-working-group-report-congress>

2024 & 2025 Workplace Assessment

MWD Employee Engagement Survey Identifies Staffing Challenges

- The **2024 & 2025 Workplace Assessment** underscored Metropolitan's staffing challenges
- The survey results highlight the impact that staffing shortages are having on Metropolitan's employees – including morale problems, safety concerns, and other employee relations challenges – in part due to Metropolitan's growing response to climate change, addressing aging infrastructure, and regulatory changes
 - When asked to evaluate their current workload, **54% of respondents** reporting feeling **steady (but just barely)** (28%), **struggling** (16%), or **completely overwhelmed** (10%)

2025 Unfavorable Themes - Employee Comments

- Overwhelming workloads and insufficient staffing, leading to stress, burnout risk, and declining capacity to meet organizational demands.

Accumulated Staffing Needs

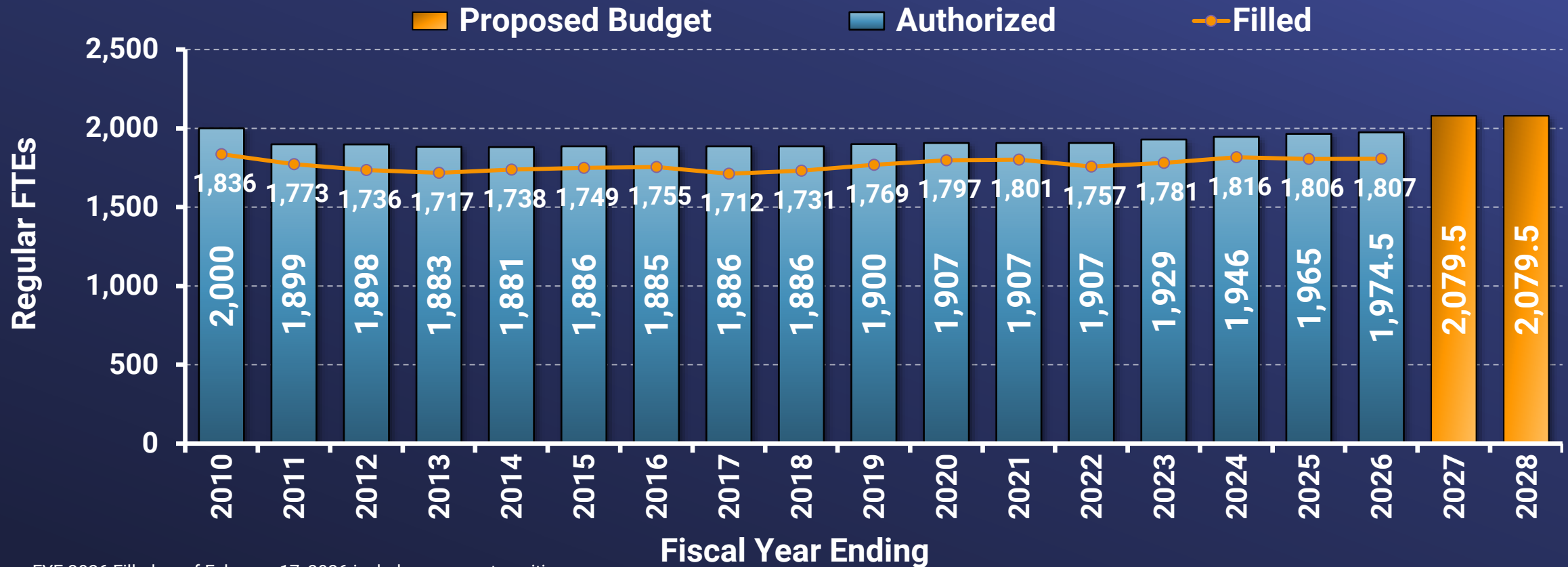
Prior Unfunded Budget Requests

- Over the last three budget cycles, **a majority of new position requests were not funded** due to Metropolitan’s financial conditions
- Importantly, a significant portion of the unfunded positions were requested to address pent-up demand for existing services and to meet emerging challenges due to aging infrastructure, climate change and other factors

Group	FY 2020/21 & FY 2021/22	FY 2022/23 & FY 2023/24	FY 2024/25 & FY2025/26
Conveyance and Distribution	6	14	24
Treatment and Water Quality	2	12	8
Integrated Operations Planning and Support Services	4	15	26
Engineering Services	0	23	20
External Affairs	2	1	7
Finance and Administration	8	3	2
Human Resources	5	2	1
Information Technology	3	1	1
Bay Delta Initiatives	0	0	2
Equal Employment Opportunity Office	0	1	0
Office of Sustainability Resilience & Innovation	1	0	5
Office of Diversity Equity & Inclusion	0	1	1
Office of Safety Security and Protection	3	4	7
Water Resource Management	1	0	0
Office of Ethics	0	4	0
Total Unfunded Position Requests	35	81	104

Historical Staffing Levels - Regular FTEs

- Over the 18-year period from 2010 to 2028, authorized O&M positions would increase from 2,000 to 2,079.5 (including proposed positions) an average annual increase in staffing of 0.2%
- While authorized O&M positions have remained relatively flat since 2010, the overall complexity and magnitude of workloads has increased due to a variety of factors

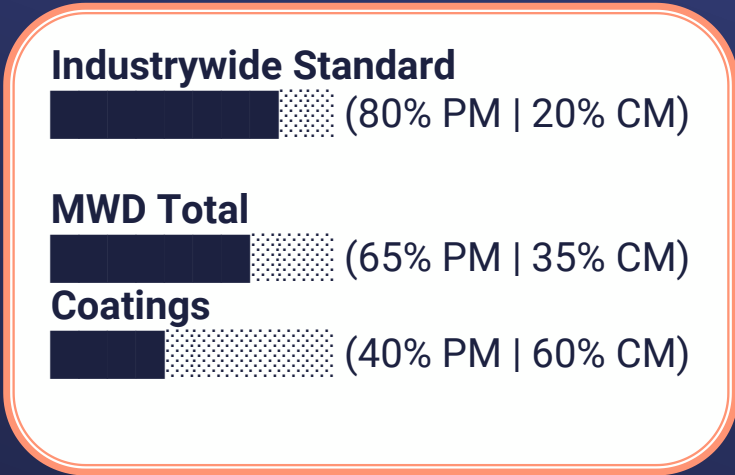


FYE 2026 Filled as of February 17, 2026 includes recurrent positions.

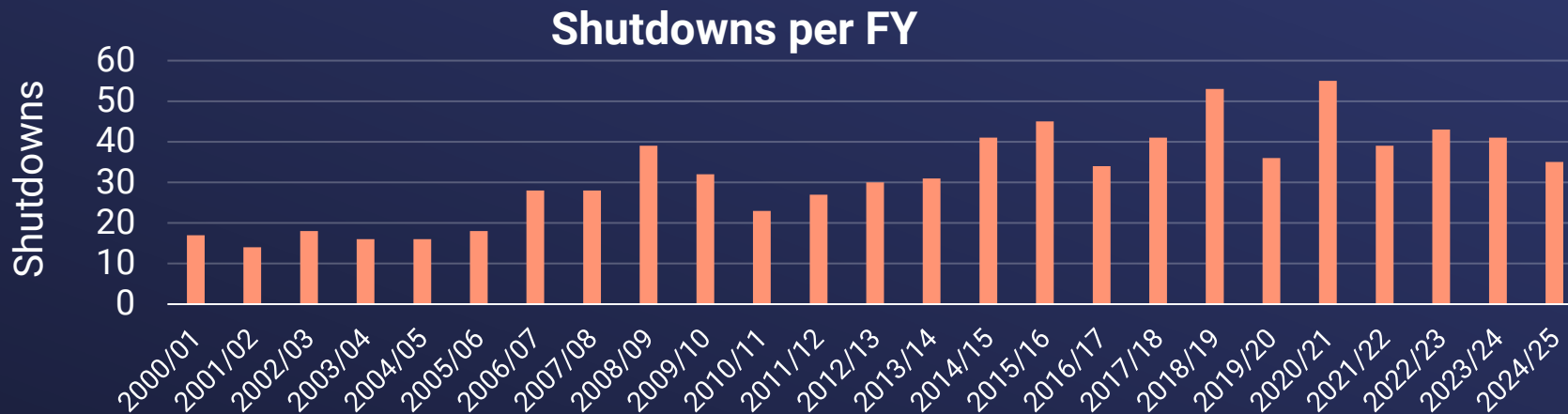
FYE 2026 Authorized includes 8.5 FTE recurrent positions that were approved by the Board in August 2025, and 1.0 FTE position which was approved by the Board in October 2025.

Preventative vs. Corrective Maintenance

Shutdowns for CIP Work Increasing



- Critical maintenance efforts constantly re-prioritized due to understaffing
 - Over 10 FTEs' worth of preventative maintenance deferred in past year in C&D alone
- Emergency maintenance, shutdowns and CIP work demands displace planned preventative maintenance time, resulting in increased corrective maintenance costs
- System improvements and new equipment add to increased ongoing maintenance



Examples of New Regulations Increasing Workloads

- List does not include ongoing changes in regulations/workloads for other Groups: Finance (GASB rules), IT (Cyber), Engineering (PFAS, Title 24 energy codes), Human Resources (salary transparency, ACA employer reporting), and Security (AWIA)

Year	Regulation / Program	Description
2010	Increased CARB & AQMD Reporting Requirements	Air toxics & portable equipment reporting updates
2012	Transition to Zero Emission Vehicles (CA ZEV mandates)	CARB Advanced Clean Cars; expanded 2022 ACC II
2012	Increased Hazardous Waste Disposal Requirements	DTSC generator rule updates
2013	Control System Cybersecurity (Critical Infrastructure)	NIST Cybersecurity Framework; ongoing CIP updates
2015	Transition to Renewable Energy (CA RPS expansion)	SB 350 (2015); expanded SB 100 (2018)
2016	Waste Diversion & Recycling Mandates	SB 1383; effective 2022 implementation
2018	Microplastics (SB 1422)	CA testing & reporting mandate
2021	TNI Lab Accreditation (CA ELAP alignment)	ELAP regs effective Jan 1, 2021
2021	Cyanotoxins / HAB Framework Expansion (CA)	SWRCB-DDW development process
2022	Enhanced SWPPP & Dust Control Measures	Updated in 2022, CA Construction General Permit
2022	ZEV Program Implementation (Fleet Electrification)	CARB Advanced Clean Fleets regulation
2023	Cal/OSHA Heat Illness Standards Expansion	Expanded outdoor heat protocols
2024	Golden Mussel – Restricted Invasive Species (CA)	Emergency rulemaking by CA Fish & Game, ongoing maintenance
2024	Heat Worker Program Updates (Indoor Heat Standard)	Indoor Heat Illness Prevention standard
2024	Field Safety – Workplace Violence Prevention Plan (SB 553)	Labor Code 6401.9 effective July 1, 2024
2024	PFAS National Primary Drinking Water Regulation	EPA final rule
2025	New Occupational Lead Worker Rules (CA)	Revised T8 CCR 1532.1 & 5198 effective Jan 1, 2025
2025	New Lead Worker Limitations (CA Occupational)	Revised occupational lead standards

Workforce Demographics – 10 Year Evolution

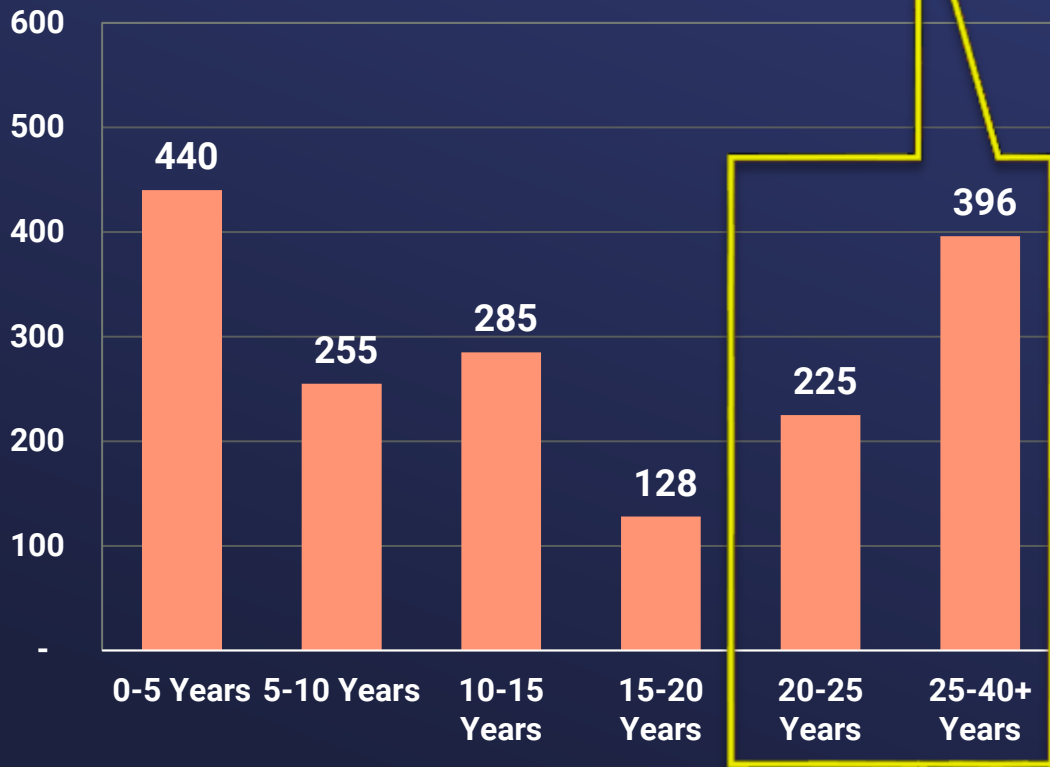
~36% of employees have 20+ years of experience at MWD

~40% of employees have less than 10 years of experience

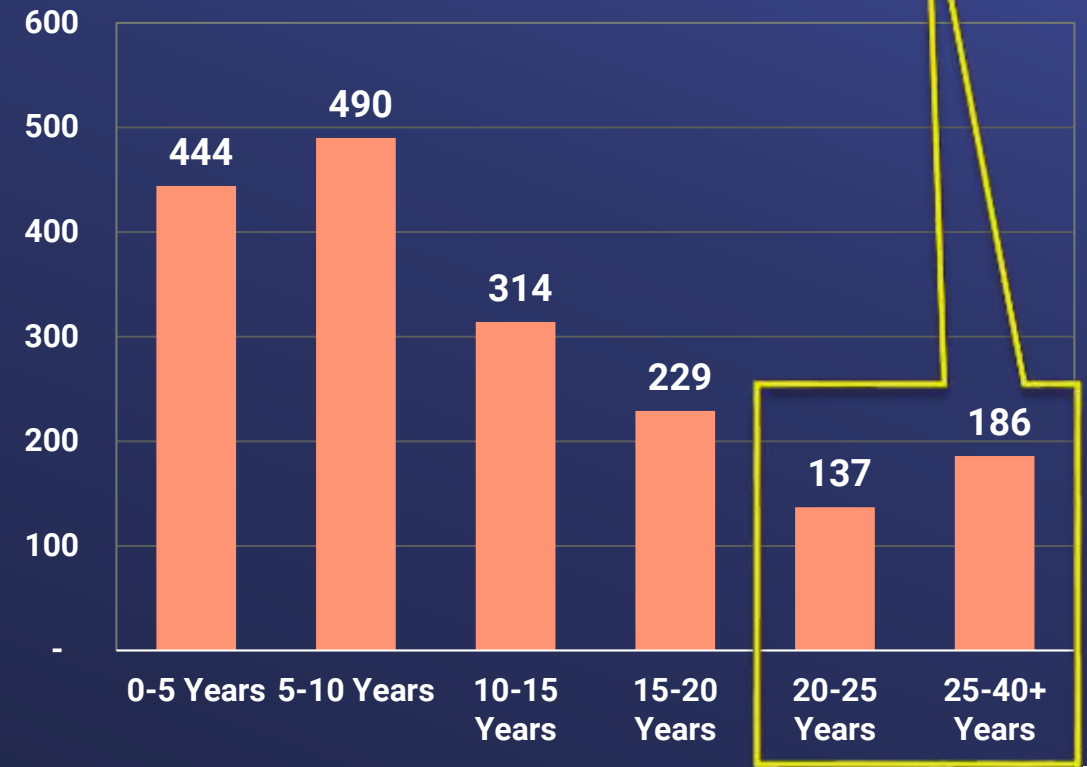
~18% of employees have 20+ years of experience at MWD

~52% of employees have less than 10 years of experience

of Employees as of Dec 2016



of Employees as of Mar 2026



Increase in Overtime Hours Worked

- 3 Year Average 2018-2020: ~169,000 overtime hours annually
- 3 Year Average 2023-2025: ~205,000 overtime hours annually
- Incremental Increase: ~36,000 hours per year (~21% growth)

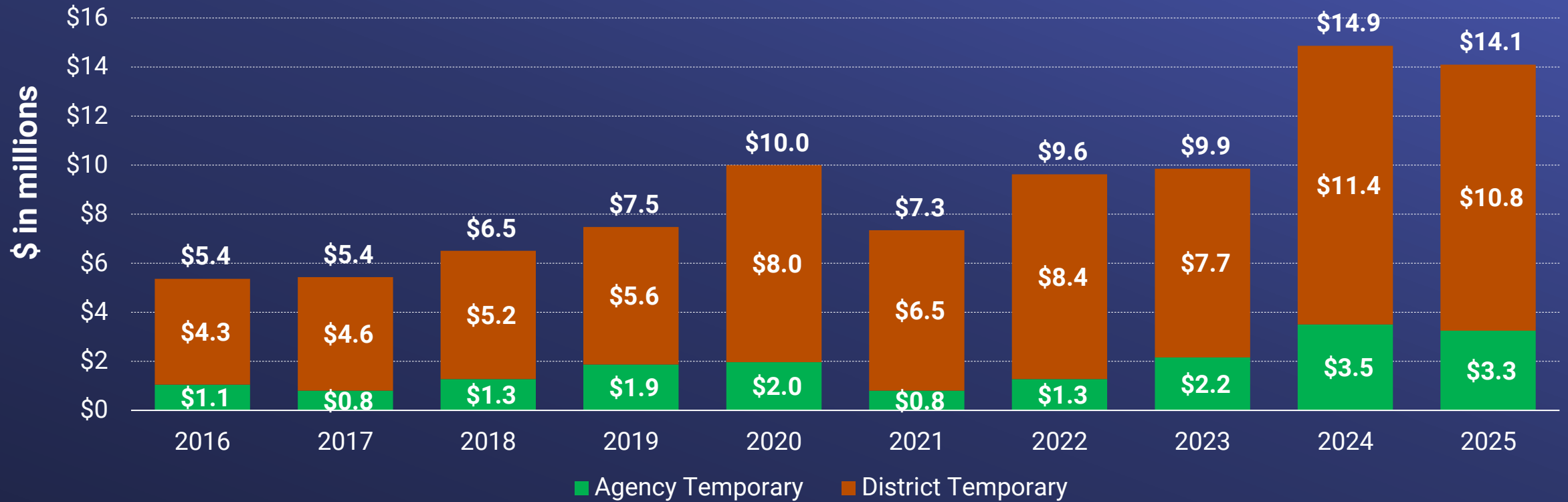
To put this into perspective:

- Assuming **1,300 productive (“wrench”) hours per FTE** annually, the additional 36,000 overtime hours equate to:

28 full-time equivalent employees

- In other words, the recent growth in overtime levels are effectively covering the workload of approximately 28 FTEs

Agency and District Temporary – 10-Yr Historical Actuals

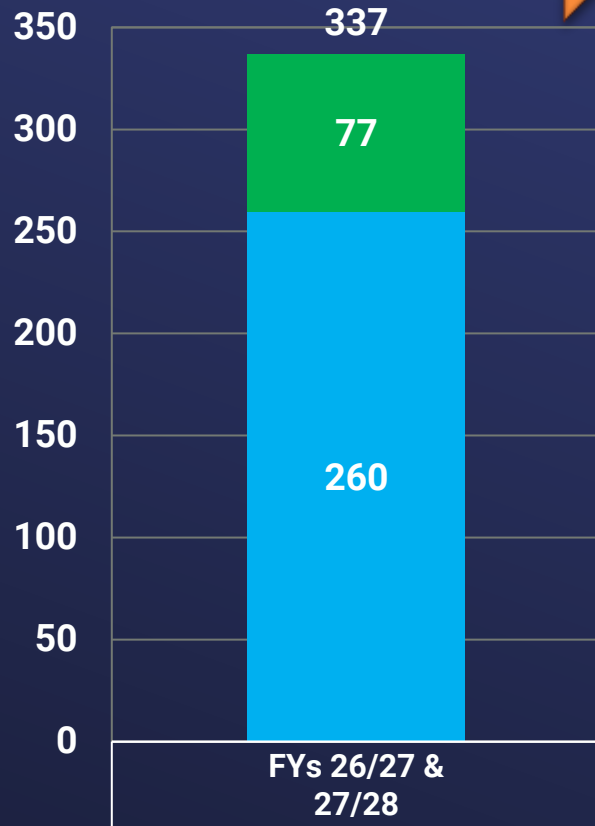


- From FYE 2016 to FYE 2025:
 - Agency Temporary Expenses have grown 13.4% each year
 - District Temporary Expenses have grown 10.8% each year
 - Total Agency and District Temporary Expenses have grown 11.3% each year

Balanced Approach to Position Requests

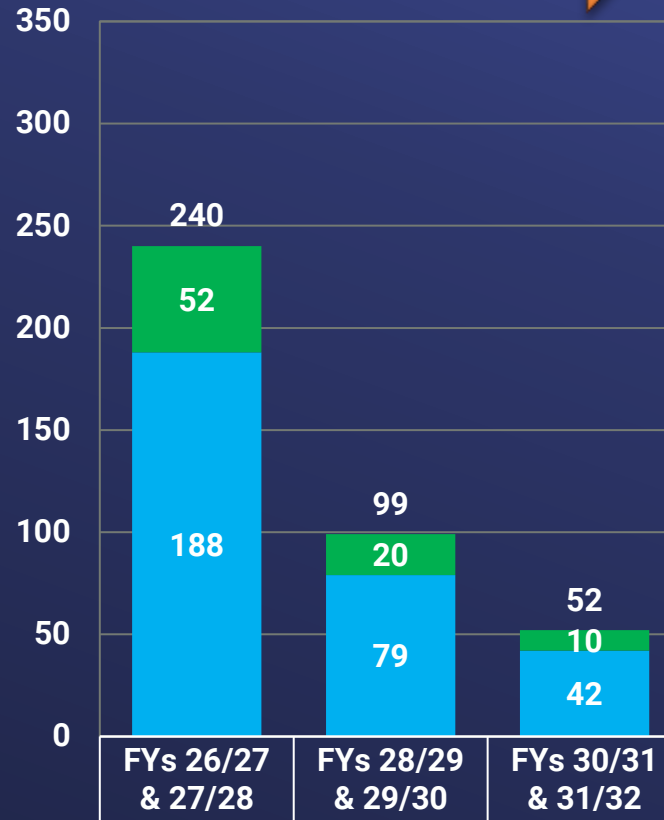
Spread Requests Across Multiple Budget Cycles & Reduced Requests with a Focus on Operations

1. Initial Organizational Request



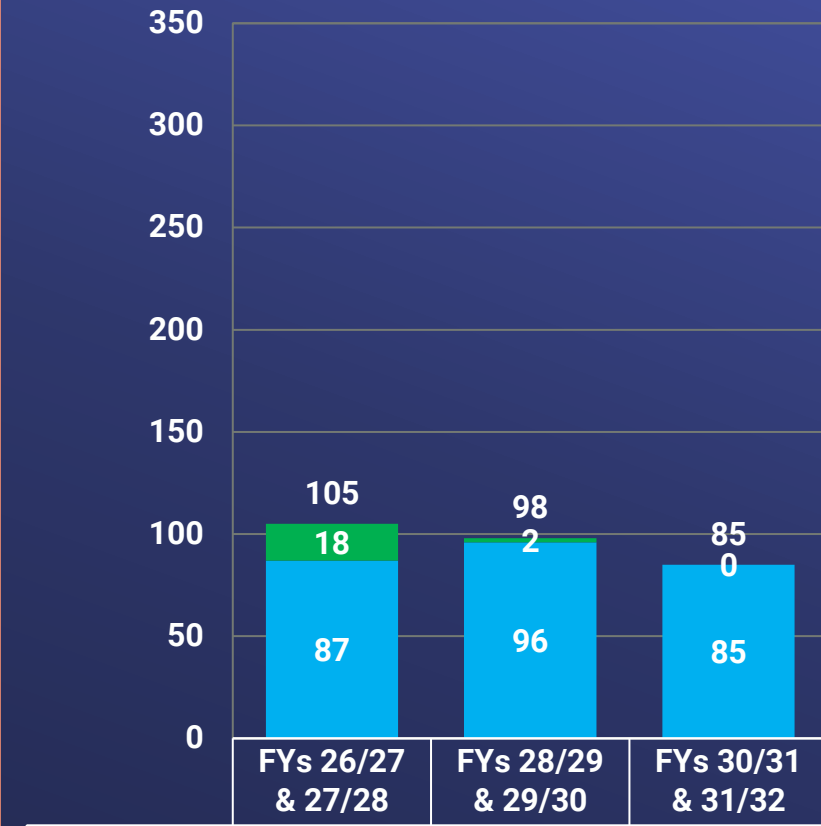
Total	337
Other GM	77
Ops & Eng	260

2. Distribute Over Multiple Budgets



Category	FYs 26/27 & 27/28	FYs 28/29 & 29/30	FYs 30/31 & 31/32
Total = 391	240	99	52
Other GM	52	20	10
Ops & Eng	188	79	42

3. Prioritized Operations and Engineering focusing on ~1% rate impact per biennium



Total = 288	105	98	85
Other GM	18	2	0
Ops & Eng	87	96	85

Strategic Staffing to Support Organizational Priorities

Summary Justifications for New Operations Positions

- ✓ **Shift from Reactive to Preventative Maintenance**
 - Proactive staffing enables planned maintenance, reducing costly emergency repairs and service disruptions
- ✓ **Protect and Extend Asset Life**
 - Preserves the value of multi-million-dollar infrastructure assets and defers premature capital replacement
- ✓ **Reduce Operational and Public Health Risk**
 - Ensure 24/7 system reliability and minimizes single-point failures that could result in service interruption or public health impact
- ✓ **Strengthen Emergency and Operational Resilience**
 - Provides capacity to respond effectively to natural disasters, system failures, or cybersecurity events
- ✓ **Ensure Regulatory and Audit Compliance**
 - Reduces exposure to violations, penalties, and reputational risk through accurate reporting and strong data management
- ✓ **Support Knowledge Transfer and Succession Planning**
 - Captures institutional expertise, strengthens cross-training, and reduces long-term operational vulnerability
- ✓ **Lower Total Cost of Operations Over Time**
 - Decreases reliance on overtime, consultants, and temporary labor while improving internal efficiency
- ✓ **Adapt to Climate Vulnerabilities**
 - Develop new programs, facilities, and water supplies for drought reliability and system flexibility

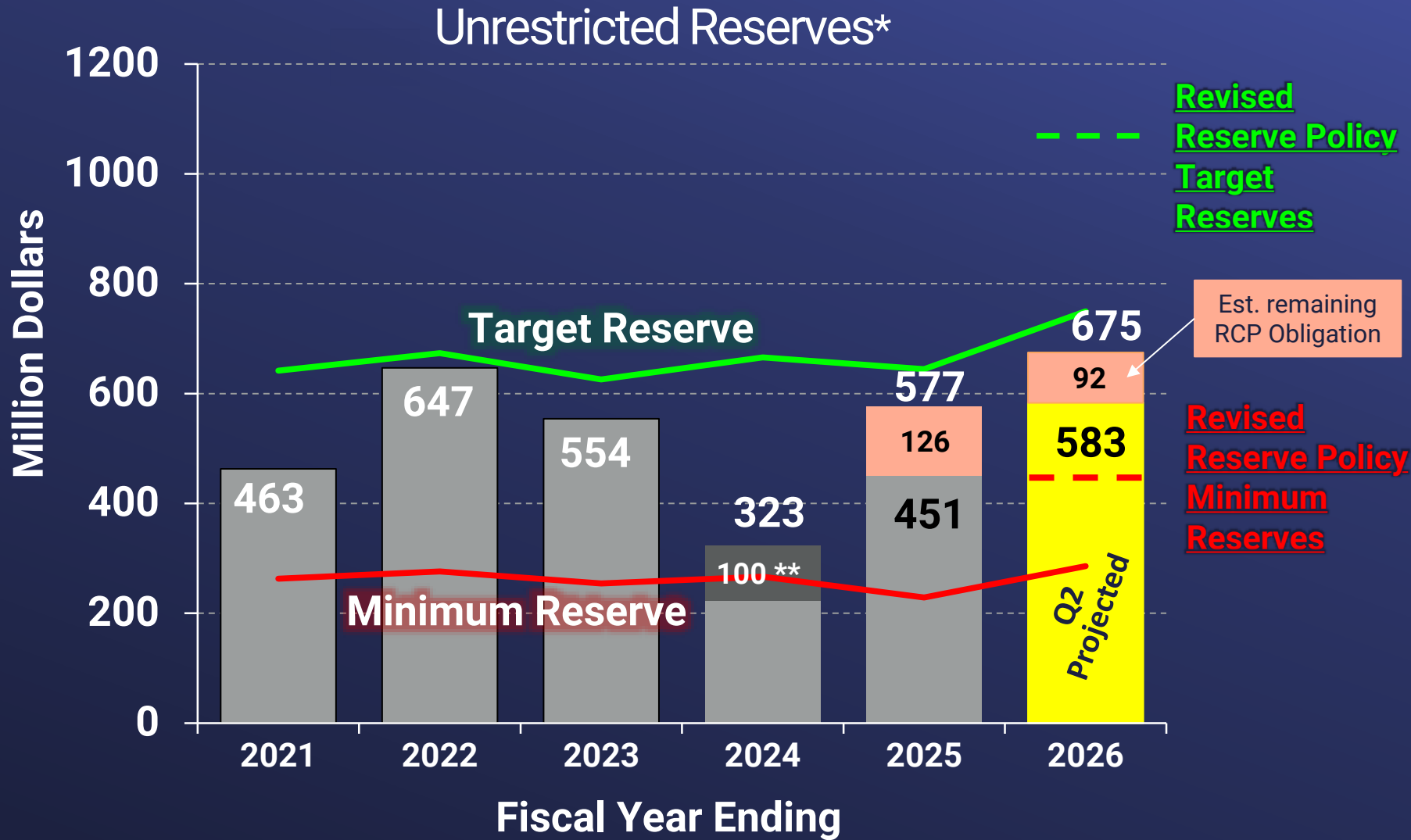
Question: Has MWD done any additional analysis of staffing organization-wide to support its staffing requests beyond union and executive decisions?

Answer:

- Groups began by articulating their unique challenges/problems ensuring discussions were needs-based:
 - Why do we need additional staff? What operational or organizational issue are we trying to solve? What risks or service impacts exist if staffing levels remain unchanged? This initial framing was conducted by management to ensure the discussion remains needs-based and aligned with operational priorities and fiscal constraints
- Identified drivers of staffing need
 - Groups evaluated the underlying factors contributing to workload and capacity pressures, including implementation of new technology and systems, increased or changing workload, sustained overtime levels, health and safety considerations, regulatory and compliance mandates, and aging or expanded infrastructure requiring maintenance and operation
- Structured a deliberate, phased process
 - Executive alignment where AGMs/Group Managers convened early April 2025 to establish shared expectations, priorities, and fiscal constraints → Workforce and workplace assessment in 2024 were reviewed to ground discussions in trends and risk areas identified by staff → Group-level planning → Labor union engagement → Board Engagement at September Board Workshop at FAAME → Executive refinement and cost development → Fiscal alignment and recalibration → Phased implementation over next 3 budget cycles → Continued Labor union and Board engagement through budget deliberations

Unrestricted Reserve & PAYGO

Question: Historical Unrestricted Reserve Balances

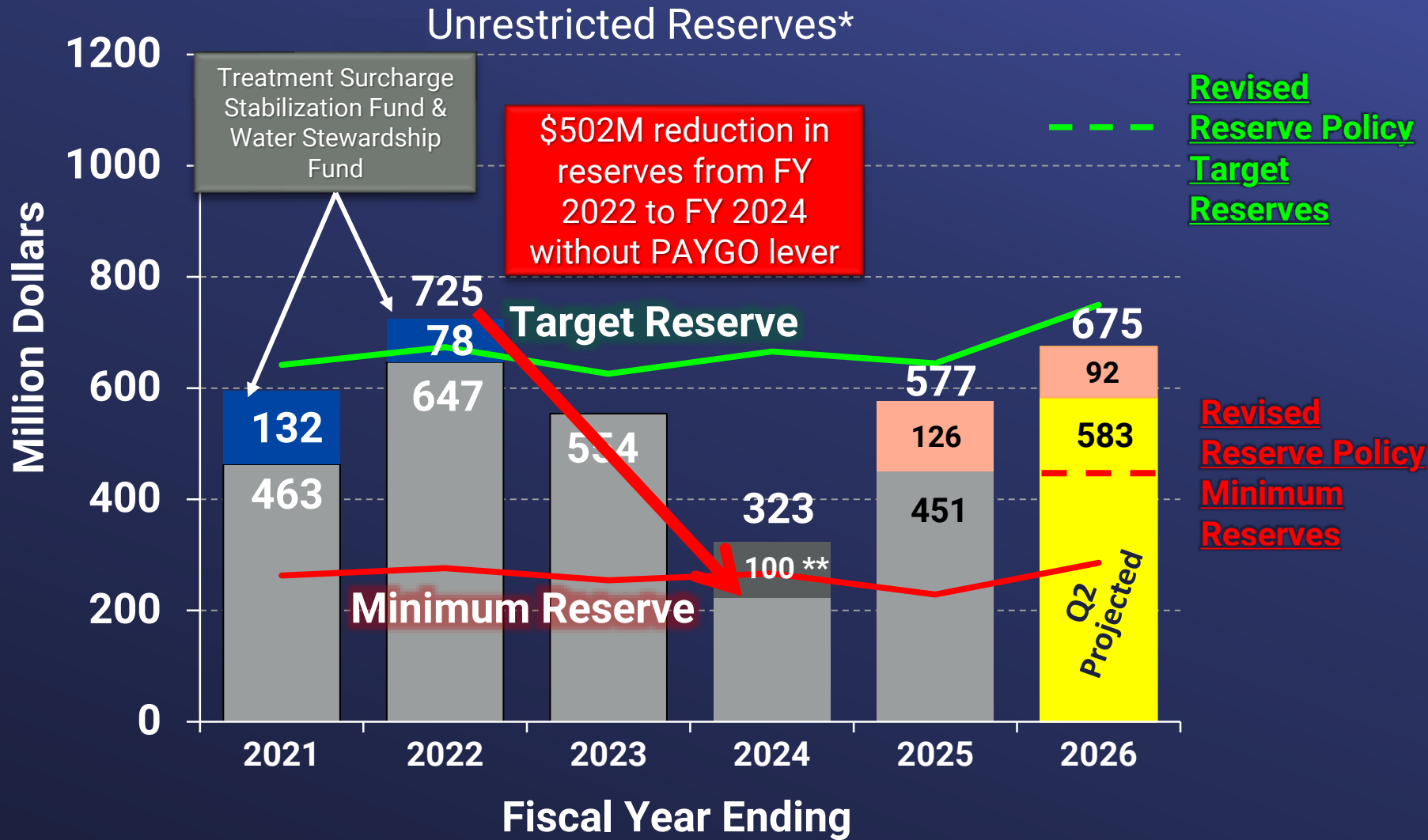


Financial Management Actions taken to preserve cash:

- FYE 2024 - PAYGO was reduced by \$100 and instead debt financed.
- FYE 2025: RCP used to generate \$126M pursuant to Budget assumption to generated on-time revenues.
- In FYE 2026 the \$675M reserves still include ~ \$92M in remaining RCP obligation.

* Revenue Remainder and Water Rate Stabilization Funds
 ** \$100M PAYGO reduction by using bond financing to preserve cash

Question: Historical Unrestricted Reserve Balances



Example of use of reserves - FYE 2022 to FYE 2024

- FYE 2023: Use of TSSF & WSF reserves to fund operations due to declining water sales
- FY 2024: Staff financed \$100M in PAYGO funding in order to preserve cash due to declining water sales

* Revenue Remainder and Water Rate Stabilization Funds
 ** \$100M PAYGO reduction by using bond financing to preserve cash

PAYGO Funding Risk Matrix

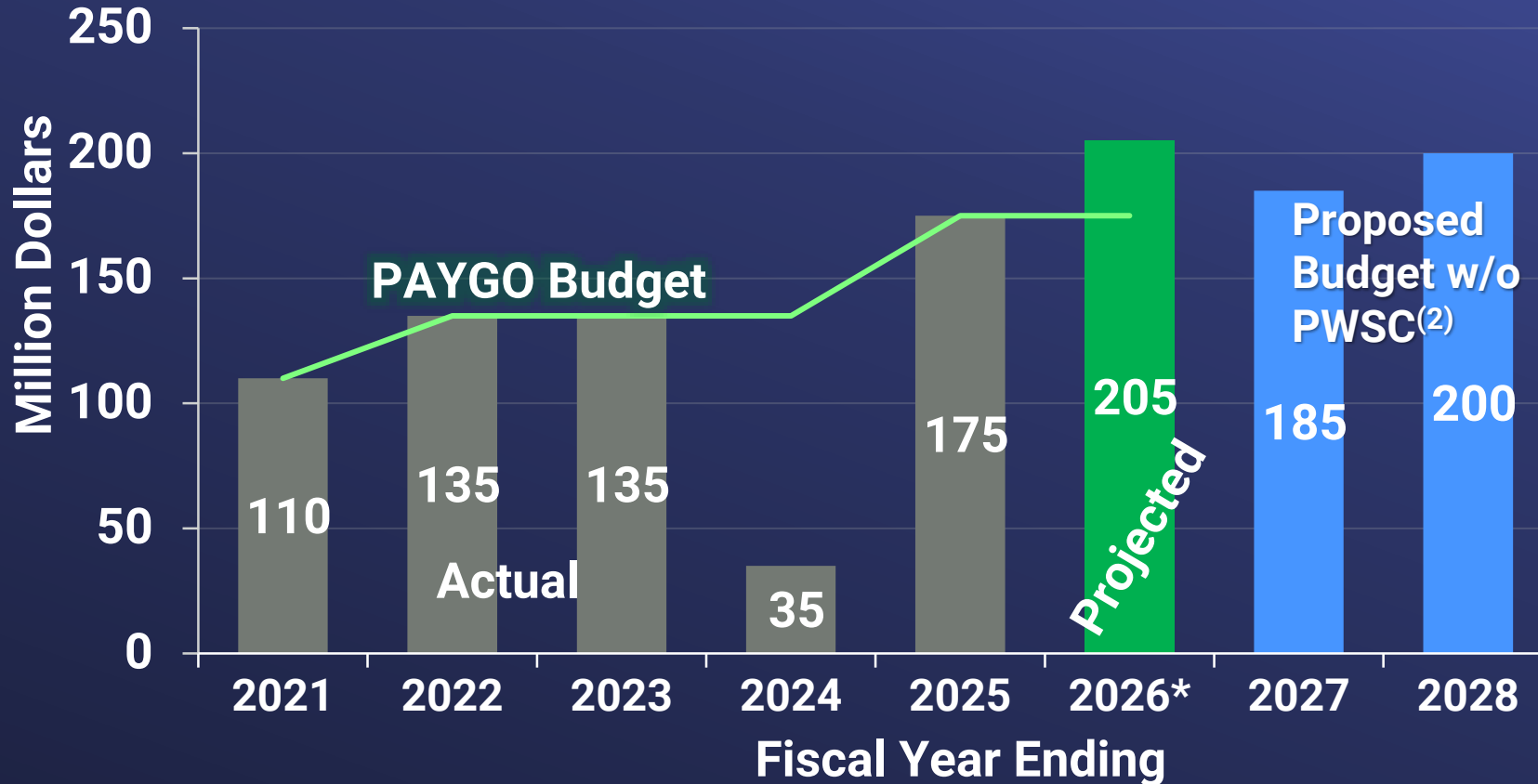
Large Utilities Typically Use a Hybrid Approach Balancing PAYGO and Debt Financed

PAYGO funding generally offers the lowest cost and lowest long-term rates. It preserves borrowing capacity, sustains strong credit quality, enhances financial flexibility, and mitigates overall financial risk.

Conceptual Risk Matrix – Higher vs. Lower PAYGO

Risk Matrix	Long-Term Costs to Ratepayers	Financial Resilience & Flexibility	Credit Rating Impacts
Higher PAYGO	Lower overall cost because less borrowing and less interest expense	Strongest financial adaptability for revenue and expense volatility or emergencies	Supports strongest credit ratings and lowest borrowing cost
Lower PAYGO	Higher total costs due to more borrowing and higher interest expense	Reduced financial adaptability for revenue and expense volatility or emergencies	Potential pressure on credit ratings over time; adds to borrowing cost

Question: Historical PAYGO Funding



	2021	2022	2023	2024	2025	2026*	2027	2028
CIP, \$M	\$200	\$225	\$300	\$300	\$312	\$324	\$450	\$500
% PAYGO	55%	60%	45%	12%	56%	54% ⁽¹⁾	41%	40%

- ✓ Most of the increase in the biennium base CIP will be debt financed to mitigate near term rate impacts
- ❖ PAYGO is generally the lowest-cost funding source because it avoids interest and issuance costs associated with long-term borrowing
- Balancing priorities between near-term rate impacts (PAYGO) and long-term financial obligations and future rate pressures (debt financed)

* Board approved an additional \$30M in PAYGO funding for R&R to be funded from reserves

(1) If the \$30M was added to budget, % PAYGO will be 58%

(2) With \$150M PWSC included in the biennium, CIP will be \$492M & \$608M and % PAYGO will be 38% and 35% the biennium respectively

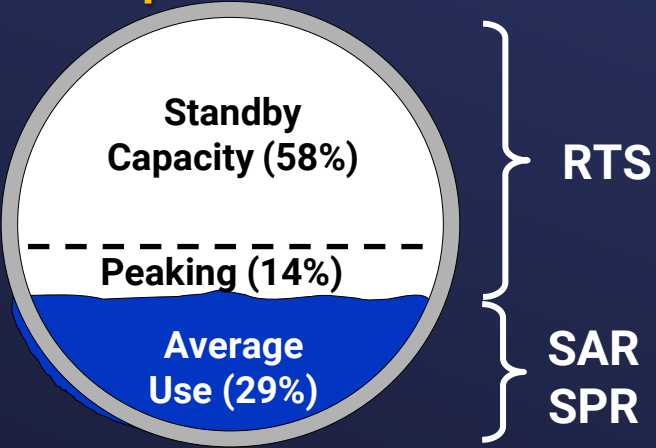
Other Questions

Question: Can MWD provide a clear table on system utilization/capacity and how that impacts allocations to the various rate categories? (Part I)

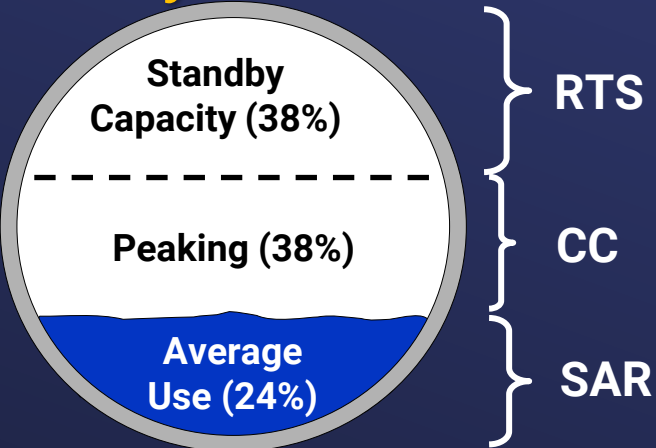
Answer:

- FY 2027 Rates & Charges use a three-year look-back (CY 2022-2024)

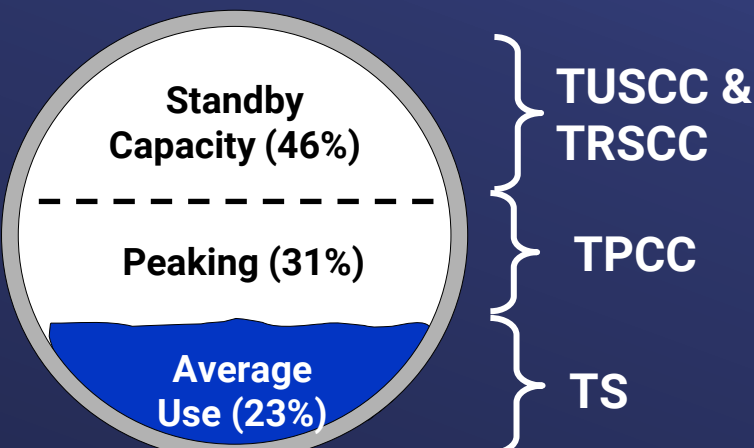
Conveyance & Aqueduct



Distribution System



Treatment



Question: If there is an increase in unused or standby capacity, what is MWD doing to mitigate or minimize the stranding of those assets? (Part 2)

Answer:

- In general, the backbone system will remain largely as-is because physically downsizing major facilities is difficult and very costly
- Some standby capacity is intentional, the system is built for peak demand, redundancy, and emergencies, so utilization will vary as demands change
- To minimize stranding risk, Metropolitan focuses on: deferring/re-scoping new capacity, prioritizing maintenance and renewal of the existing system over expansion, optimizing operations to maximize use of existing assets, and aligning fixed vs. variable cost recovery with underlying cost drivers
- As demands have declined, replacement projects are typically not upsized and may slightly reduce practical capacity (e.g., lining PCCP reduces inside diameter).
- Demand and capital plans are updated regularly to reassess the timing and size of major investments

Question: The proposed budget notes that rates are increasing because of the loss of IRA Bucket I funding. What happened to that funding, was it used up or did the federal government not fully award it?

Answer:

- IRA Bucket 1 was a time-limited federal conservation funding program intended to support Colorado River system conservation through 2026
- IRA Bucket 1 funding provided temporary offset to PVID and Bard Following program costs for FY 2025 and 2026 only
 - Year-to-Date for FY 2026, Metropolitan received \$44.1M in Sep 2025 for PVID Following and \$1.9M in Nov 2025 for Bard Following
 - Last payment for IRA Bucket 1 for Bard Following is projected to be in June 2026

Question: If the \$25 million in sales outside the service area is removed from the budget, how does that impact rates? If MWD does end up making a sale, and that money goes into reserves, then how does it impact future years?

Answer:

- The \$25 million in sales outside the service area is treated as a one-time, non-rate revenue assumption to offset supply related revenue requirements
- If this item is removed from the budget, the FY 2027 and FY 2028 net revenue requirement would increase by approximately \$25 million. Absent alternative funding, this amount would need to be recovered through higher rates and charges (estimated at ~1.7%)
 - If the sale is not incorporated into the budget but Metropolitan ultimately makes a sale, the revenues would be recorded as non-rate revenues and used to offset fiscal year expenditures. Any net surplus would be deposited into unrestricted reserves

Question: If new LRP projects are proposed to come before the board, would they be producing water within the biennium?

Answer:

- Generally, no. New LRP projects brought to the Board would **not** typically produce water in the biennium because the project is under development. However, projects could start operating, depending on their size, resource type, or the stage they are in when brought to the board for approval
- General guidelines for LRP projects, after contract execution, projects have up to 2 years to start construction and then up to an additional 2 years to begin operations
- What the Board should expect within the biennium: primarily project development milestones with program incentives tied to actual water produced

Question: The budget assumes Metropolitan will exercise its second right of refusal for up to 50.7 TAF of exchange water. Are the costs of those discretionary purchases embedded in the base untreated rate? If so, what is the policy rationale for incorporating discretionary supply costs into base untreated rates during a year when storage exceeds 3.5 MAF and Metropolitan is also banking Article 21 supplies?

Answer:

- The revised baseline no longer assumes Metropolitan will exercise a second right of refusal for 50.7 TAF. Based on SDCWA's March 1, 2026 letter, the revised baseline reflects a limited discretionary volume (5 TAF) for Conserved Water and/or Canal Lining Water under the Exchange Agreement
- Policy rationale: Base untreated rates reflect the assumed operating plan supply mix for the biennium; if an exchange/supply action is included in that plan, its costs are included to support reliability and risk management, not based solely on current storage levels

Question: The significant increase in the untreated Supply Rate appears driven by fixed SWP costs being spread over lower projected sales, combined with the discretionary purchases from the San Diego Exchange agreement. Given current high storage levels, did Metropolitan evaluate reducing or deferring discretionary supply acquisitions to moderate near-term untreated rate impacts? Were alternative financial scenarios modeled to smooth volatility?

Answer:

- In the revised baseline we reduced discretionary supply assumptions (including supply-program/right-of-refusal volumes tied to the San Diego Exchange), which moderates near-term untreated rate pressure
- The main drivers of the Supply Rate increase are broader: fixed SWP costs spread over lower projected sales, lower stored-water sales revenue assumptions (~\$60M → ~\$25M in 2025–2026), and changes in one-time revenue offsets (e.g., ~\$47M IRA Bucket 1 in 2025–2026)

Question: The budget maintains the ad valorem tax rate at 0.007% while untreated rates increase materially. Did Metropolitan evaluate increasing tax support to offset discretionary supply costs and reduce rate volatility for untreated agencies? More broadly, how does Metropolitan determine when supply costs should be recovered through rates versus property taxes?

Answer:

- The biennial budget maintains the ad valorem tax rate at 0.007%, consistent with prior Board action
- Property tax support is policy-driven and limited in application, it is used to offset eligible SWP-related costs (which flow through untreated services), while most supply costs are recovered through rates under cost-of-service. With each budget-setting, the Board determines the most appropriate revenue mix for estimated needs and rate impacts.
- Property tax rate alternatives were evaluated. This presentation includes rate path scenarios with higher ad valorem tax rates (e.g., 0.008%, 0.009%) to show how added tax support would reduce near-term untreated rate increases and volatility

Next Steps

Next Workshop 4 (March 24, 2026)

- Evaluate Final Scenarios for April Adoption

Next Steps

- Feb 20, 2026 Notice to member agencies regarding public hearing and proposed adoption of fixed charges
- Feb 24, 2026 FAAME Committee, Workshop #2
- Mar 10, 2026 FAAME Committee, Workshop #3
- Mar 10, 2026 Public hearing on proposed rates and charges
- Mar 24, 2026 Workshop #4
- Apr 14, 2026 Board **action** regarding Biennial Budget for FYs 2026/27 and 2027/28, rates and charges for CYs 2027 and 2028, and Ten-Year Financial Forecast
- May 12, 2026 Board **action** regarding continuation of Standby Charge for FY 2026/27
- Aug 18, 2026 Board **action** regarding fixing ad valorem property taxes for FY 2026/27

Questions?

Questions and comments on the FY 2026/27 & FY 2027/28 Proposed Biennial Budget can be emailed to the Finance & Administration Group at:

MWDBudget@mwdh2o.com

Appendix – Detailed Position Requests

New Positions Justifications – Conveyance & Distribution (C&D)

Conveyance and Distribution

Position	Justification	Type	Union	Count
Aqueduct & Power Dispatcher	Insufficient staffing to support training and knowledge transfer	O&M	02-AFSCME	1
Aqueduct Pump Specialist	Mechanical repair, refurbishment and maintenance of CRA pumps at all 5 pump plants	O&M	02-AFSCME	2
Conveyance&Distrbtn Specialist	Increased efficiency in completing repair, refurbishment, and maintenance within the LA Team region. Splitting the team will result in faster response time and less time spent driving.	O&M	02-AFSCME	1
Engineering Tech II	Mechanical repair, refurbishment, and maintenance throughout the eastern C&D region. Support engineering design operational issues and increased need for dig alert and permitting coordination.	O&M	02-AFSCME	1
Engineering Tech III	Mechanical repair, refurbishment, and maintenance throughout the western C&D region. Support engineering design operational issues and increased need for dig alert and permitting coordination.	O&M	02-AFSCME	1
Hydroelectric Specialist I	Repair, refurbishment, and maintenance of the high voltage equipment throughout the CRA 5 pumping plants.	O&M	02-AFSCME	1
O&M Tech IV	Coatings and corrosion control preventative maintenance is a cost-efficient methods to extend the life of assets. Coatings staff across the district are spending only 40 percent of their time on corrective maintenance due to continuously increasing amount of their time being spent on corrective and repair work. Additional coaters are needed to address the backlog of work and increase the amount of preventative maintenance that can be completed.	O&M	02-AFSCME	6

New Positions Justifications – C&D (cont.)

Conveyance and Distribution

Position	Justification	Type	Union	Count
O&M Tech IV	Mechanical repair, refurbishment and maintenance of CRA pumps at all 5 pump plants	O&M	02-AFSCME	3
O&M Tech IV	Mechanical repair, refurbishment, and maintenance - C&D staff across the district are spending only 60 percent of their time on corrective maintenance (industry standard is >80 percent) due to continuously increasing amount of their time being spent on corrective and repair work. Additional staff are needed to address the backlog of work and increase the amount of preventative maintenance that can be completed.	O&M	02-AFSCME	3
Power Line Specialist	Repair, refurbishment, and maintenance of the 230 kV transmission lines throughout the desert.	O&M	02-AFSCME	1
Pump Plant Maint Operator II	Mechanical repair, refurbishment and maintenance of CRA pumps at all 5 pump plants	O&M	02-AFSCME	1
Pump Plant Specialist	Insufficient staffing means teams work 21 days straight when someone takes a week off. Risk to short- and long-term operational stability. Also - Mechanical repair, refurbishment and maintenance of CRA pumps at all 5 pump plants	O&M	02-AFSCME	3
Team Manager IV	Increased efficiency in completing repair, refurbishment, and maintenance within the LA Team region. Splitting the team will result in faster response time and less time spent driving.	O&M	03-Supervisors Association	1
Conveyance and Distribution Total				25

New Positions Justifications – Treatment and Water Quality

Treatment and Water Quality

Position	Justification	Type	Union	Count
Admin Assistant II	(Position only required should Board approve an initial phase of the PWSC program). O&M and testing at the Napolitano Innovation Center requires extensive administrative support including for chemical and vendor contracts; anticipated to further increase with DPR expansion; currently relying on District Temp services. Need for dedicated administrative support to ensure reliable facility operations and PWSC program development; new position would eliminate need for current District Temp services.	PWSC	02-AFSCME	1
Asst Chemist	New regulated contaminants and monitoring requirements (e.g., PFAS, microplastics, new disinfection byproducts) and more stringent lab accreditation standards significantly increased workload. Need for lab analysis and applied research position to address new and emerging contaminants and ensure regulatory compliance for upcoming monitoring requirements.	O&M	02-AFSCME	1
Asst Microbiologist	Increased laboratory analytical demands for cyanotoxins, invasive mussels, and pathogens. Need for additional microbiologist to conduct lab analysis to ensure regulatory compliance and system protection associated with new contaminants and source water threats.	O&M	02-AFSCME	1
Engineer	(Position only required should Board approve an initial phase of the PWSC program). Increased PWSC programmatic responsibility would stretch available staff resources that also currently maintain drinking water compliance responsibilities. Need for lead on PWSC programmatic water quality-related functions including design development, planning and permitting, operations integration, workforce development, and technical stakeholder engagement.	PWSC	02-AFSCME	1

New Positions Justifications – Treatment and Water Quality (cont.)

Treatment and Water Quality

Position	Justification	Type	Union	Count
Engineer	Greater needs for desert domestic water system, overall aging system, and responding to water quality events. Need for a dedicated water quality liaison for desert systems ensuring compliance and timely response to water quality events; also supporting system-wide water quality issues including lead for nitrification control efforts.	O&M	02-AFSCME	1
Engineer	Increased demands for water quality technical support, review of engineering design documents, and research and development including for direct potable reuse (DPR). Need for additional water quality liaison for engineering design development; also designated lead for DPR water quality research plan.	O&M	02-AFSCME	1
Environmental Specialist	Significant increase in operational demands with the spread of invasive mussels (quagga and golden) in the State Water Project. Need for a dedicated staff lead on invasive mussel issues and control strategies, including development of control plans and mitigation measures, and coordination of operational response activities.	O&M	02-AFSCME	1
Facilities Maint Mechanic	Treatment plant mechanics (O&M Tech IV) pulled from critical process-related work to address general facility and building maintenance needs; also leads to excessive OT. Need for appropriately classified mechanics (Facilities Maintenance Mechanic; lower salary grade) for maintenance and routine facility upkeep, including non-process related emergencies, repairs, and installations at treatment plant sites.	O&M	02-AFSCME	2
O&M Tech IV	Metropolitan's Chemical Unloading Facility (CUF) staff now perform 100% of chlorine transloading operations (previously vendor provided); increased regulatory responsibilities, O&M, safety risks, training, etc. Need for journey mechanic with chlorine process experience for transloading operations, specialized commercial driving, maintenance of cargo trailers and complex equipment, hydrostatic testing, and residual handling.	O&M	02-AFSCME	1

New Positions Justifications – Treatment and Water Quality (cont.)

Treatment and Water Quality

Position	Justification	Type	Union	Count
Team Manager IV	Metropolitan's Chemical Unloading Facility (CUF) staff now perform 100% of chlorine transloading operations (previously vendor provided); increased regulatory responsibilities, O&M, safety risks, training, etc.; dedicated team required. Need for team manager overseeing all CUF O&M functions for safe handling to treatment plants.	O&M	03-Supervisors Association	1
Water Sampling Field Tech	Increased regulatory compliance sampling responsibilities (>100 locations throughout service area) and worsening traffic are straining resources with coverage challenges. Need for additional water quality patroller for ensuring adequate coverage for compliance sample collection; allows for realignment and additional sample route with less individual drive time.	O&M	02-AFSCME	1
Wtr Trtment Plant Operator I	Increased and more complex operational demands, increased safety and technical training needs, and MOU comp time accrual changes result in excessive OT and 24/7 shift scheduling challenges. Need for one additional operator at each treatment plant for improved shift coverage, reliable plant operations, and treatment certification succession.	O&M	02-AFSCME	5
Treatment and Water Quality				17

New Positions Justifications – IOPSS

Integrated Operations Planning and Support Services (IOPSS)

Position	Justification	Type	Union	Count
Admin Assistant II	Support OSS operations at Weymouth & Lake Mathews, including the processing of rush and routine procurement requests, accounts payable, training coordination, timekeeping, mail, and various administrative duties, including upcoming new AB 339	O&M	02-AFSCME	1
Asst Engineer II	Improve long-term shutdown planning (up to 10 years look ahead) and develop innovative tools to better present and manage shutdown scheduling. Coordinate with Engineering on their future projects that will require shutdowns such R&R, PCCP, and drought projects. Coordinate with DWR on their future shutdowns that impact Metropolitan operations. This is needed to support increased CIP spending for reliable infrastructure.	CIP	02-AFSCME	1
Asst Group Manager	Assistant Group Manager role to manage existing group operational complexity, increase leadership capacity to support a diverse, multi-functional, and critical set of objectives across water, power, asset management, infrastructure reliability, and business support, and reinforce structured succession planning for the three operations group managers.	O&M	Unrepresented	1
Asst Resource Specialist II	Provide better customer service for those requesting data. Manage the availability, usability, and integrity of the data the team members use to fulfill their roles and the team's purpose. Ensure that data is accessible, consistent, trustworthy and doesn't get misused. Support work with PRIMA, WINS 2.0, Data Analytics, and Water Planning Application. Some databases are almost 30 years old and this will bring tools up to date and provide increased efficiency.	O&M	02-AFSCME	1
Chief Cook	Provides essential support for increased CRA tours, special events, and shutdown activities by ensuring staffing coverage across morning and evening shifts, meeting demanding inspection trip schedules with timely lodge and dorm services, and maintaining operational continuity during both planned and unplanned staff absences.	O&M	02-AFSCME	1

New Positions Justifications – IOPSS (cont.)

Integrated Operations Planning and Support Services (IOPSS)

Position	Justification	Type	Union	Count
EHS Field Specialist III (C)	Supports CSU in maintaining the highest safety standards by providing real-time guidance during rapid operational responses, while leveraging specialized construction expertise to address the distinct practices, terminology, and risk profiles that differ from maintenance environments.	O&M	05-ACE	1
Engineer	As the METCON project is expected to ramp up over the next biennium, dedicated staff is needed to support the control system upgrade and ensure project meets all of operations requirements.	CIP	02-AFSCME	1
Engineer	Ensures compliance with NFPA 70E by overseeing required five-year and system-change Arc Flash study reviews, construction submittal evaluations, and change-control validation of arc flash models, while allowing existing staff to remain focused on critical high-voltage infrastructure at WT plants, CRA facilities, and other essential assets, reducing reliance on the team manager as the sole subject matter expert	O&M	02-AFSCME	1
Engineer	To better support and manage responsibilities of the SCADA team, the SCADA team was split into two teams by adding a second team manager. This position will backfill the responsibilities of the new team manager and help support and maintain the current control system.	O&M	02-AFSCME	1
Engineering Tech III	Cybersecurity monitoring for the SCADA system was done by a principal engineering tech (retired 6 months ago). A second staff is needed for succession planning but also to support the ever-increasing cybersecurity threats that are expected to increase in the water industry. Staff is needed to keep our system protected by implementing patches, upgrades, or address other urgent issues with the system.	O&M	02-AFSCME	1

New Positions Justifications – IOPSS (cont.)

Integrated Operations Planning and Support Services (IOPSS)

Position	Justification	Type	Union	Count
Facilities Maint Mechanic	Addresses critical staffing gaps for tasks that require two mechanics—currently supported by only one due to the PCN being repurposed—reducing the need to divert essential staff from other priorities, rely on cross-area support, or outsource work to maintain operations.	O&M	02-AFSCME	1
General Maintenance Asst	Provides essential support for increased CRA tours, special events, and shutdown activities by ensuring staffing coverage across morning and evening shifts, meeting demanding inspection trip schedules with timely lodge and dorm services, and maintaining operational continuity during both planned and unplanned staff absences.	O&M	02-AFSCME	1
O & M Supervisor	Provides direct supervision of technicians responsible for housing and recreation maintenance across four facilities spanning a 150-mile territory, ensuring service quality and performance standards, while dedicating focused oversight to planned improvements, including approximately 20 full housing renovations scheduled as units become vacant over the next three years.	CIP	03-Supervisors Association	1
O&M Tech II	Welders are key craft needed to fabricate and install major repairs across MWD's system and needed to ensure emergency response capabilities across growing backlog.	O&M	02-AFSCME	2
O&M Tech IV	Enhanced SWPPP and dust control measures – Requires additional personnel to maintain construction sites for dust and storm water mitigation. Waste Diversion & Material Recycling mandates – Requires additional personnel to transport debris to multiple accumulation centers based on material components. Cal/OSHA Heat Illness Standards Expansion (2023) – stricter outdoor heat protocols require additional staff to implement and monitor compliance. Local Authority Encroachment Permitting and Construction Timelines – Local jurisdictions are limiting construction periods within encroachments that prioritize public needs, causing additional staff to meet construction windows.	O&M	02-AFSCME	1

New Positions Justifications – IOPSS (cont.)

Integrated Operations Planning and Support Services (IOPSS)

Position	Justification	Type	Union	Count
O&M Tech IV	Fleet Services has lost several PCNs to the apprenticeship program in the past and was not made whole. Temporary resources have helped fill the gap; however, a long-term solution is needed to ensure efficiency and effective operations.	O&M	02-AFSCME	3
O&M Tech IV	Provide proactive, preventive, and corrective maintenance on MWD field facilities for essential operating equipment safety and maintenance standards. Temporary resources are not sustainable to maintain operations.	PWSC	02-AFSCME	1
O&M Tech IV	Supports field requests, reduces the growing Valve Shop backlog, and preserves emergency response readiness for two-break scenarios, while addressing systemwide valve repair and replacement needs that require specialized technical expertise not readily available.	O&M	02-AFSCME	1
Property Maintenance Tech II	Provide better customer service for Desert residents, performing proactive preventive and corrective maintenance, and staff coverage during planned and unplanned leaves. Maintain over 80 homes and recreation areas across four facilities and a 150-mile territory.	O&M	02-AFSCME	1
Resource Specialist	Influx of affected system study requests from generation developers driving need for additional transmission planning, administrative, and customer service resources in Power Ops. This includes communicating with generation customers, negotiating and managing study agreements, processing study reimbursement deposits, preparing final study reports and board presentations, etc. Since 2024 this has required an additional 2-3 FTE's; the staffing gap has been met by agency and district temps. A portion of the cost of these positions is reimbursable.	O&M	02-AFSCME	1
Sr Admin Analyst	Supports day-to-day desert housing and recreation operations, including CIP and major O&M projects, while strengthening customer service for residents by ensuring adequate internal and external resources are in place to address preventive and corrective maintenance needs and maintain coverage.	O&M	02-AFSCME	2

New Positions Justifications – IOPSS (cont.)

Integrated Operations Planning and Support Services (IOPSS)

Position	Justification	Type	Union	Count
Sr Engineer	Power Operations generally acts as Metropolitan's subject matter experts on energy-related matters. Power ops staff has worked with PWSC and ESG on the SCE Method of Service (MOS) study for providing physical electric service to PWSC; additional MOS studies will be required for ancillary pump stations. These is also a need to perform electric rate studies to determine the most cost-efficient method of providing energy and capacity for the main PWSC plant and ancillary pump loads, which altogether will be on the order of 100 MW and in excess of 500 GW-hr annually. These activities account for 1 FTE that is currently being met by a district temp.	PWSC	04-MAPA	1
Sr Resource Specialist	Power Operations generally acts as Metropolitan's subject matter experts on energy-related matters. Power Ops staff has worked with SRI staff in support of CAP goals on projects such as the real estate RFO, Palo Verde land sale, and AES ROFR analysis. Staff has also supported revenue enhancing work such as IAR sales, retail rate management efforts such as the Procure America contract, development of long-term energy strategies with RSI and ESG, and project development such as the Pattern Energy proposal. These activates account for 2-3 FTE's that are currently being met by agency and/or district temps.	O&M	03-Supervisors Association	1
Sr Resource Specialist	Power Operations generally acts as Metropolitan's subject matter experts on energy-related matters. Power ops staff has worked with SRI staff in support of CAP goals on projects such as the real estate RFO, Palo Verde land sale, and AES ROFR analysis. Staff has also supported revenue enhancing work such as IAR sales, retail rate management efforts such as the Procure America contract, development of long-term energy strategies with RSI and ESG, and project development such as the Pattern Energy proposal. These activities account for 2-3 FTE's that are currently being met by agency and/or district temps.	O&M	03-Supervisors Association	1

New Positions Justifications – IOPSS (cont.)

Integrated Operations Planning and Support Services (IOPSS)

Position	Justification	Type	Union	Count
Team Manager I	Provide consistent and knowledgeable on-site supervision for the divers; ensure high risk dive activities are performed safely and in compliance with Cal/OSHA regulations and MWD safety standards	O&M	03-Supervisors Association	1
Team Mgr-Program Management	Provides management of Asset Management staff and ensures timely advancement of AM initiatives, including expanded management of service connection projects, coordination with the Senior Member Agency Manager, and facilitation and negotiation of agreements. Strengthens operational practices beyond budget growth, allowing the AM Unit Manager to focus on strategic implementation, executive and Board support, and formal succession planning.	O&M	04-MAPA	1
Integrated Operations Planning and Support Services Total				30

New Positions Justifications – Engineering Services Group

Engineering Services Group

Position	Justification	Type	Union	Count
Admin Analyst	PWSC would need adequate administrative support for the initial phase to review and process consultant invoices, manage the budget, maintain document control, and support grant administration.	PWSC	02-AFSCME	1
Assoc Engineer	CIP planning, specification development, and construction contracts administration including progressive-design-build contracts to support R&R projects.	CIP	02-AFSCME	1
Assoc Engineer	Increased requests for development adjacent to Metropolitan substructures driven in part by major events such as LA Olympics 2028. New position is essential to support thorough technical review, ensure adherence to Metropolitan requirements within development agreements, and proactively prevent damage to facilities while safeguarding the reliability and integrity of Metropolitan's infrastructure.	O&M	02-AFSCME	2
Asst Engineer I	CIP Expansion – engineering design of mechanical equipment for CRA, distribution system, and treatment plant rehabilitation projects to maintain reliability of Metropolitan's aging infrastructure.	CIP	02-AFSCME	1
Designer III	CIP Expansion – CAD design for Infrastructure R&R projects including mechanical, electrical, and instrumentation & controls systems to maintain reliability of Metropolitan's aging infrastructure.	CIP	02-AFSCME	1

New Positions Justifications – Engineering Services Group (cont.)

Engineering Services Group

Position	Justification	Type	Union	Count
Designer III	CIP Expansion – CAD design for Infrastructure R&R projects including pipelines, tunnels, dams and reservoirs to maintain reliability of Metropolitan's aging infrastructure.	CIP	02-AFSCME	1
Engineer	CIP Expansion – pipeline design including risk evaluations, condition assessments, and design of rehabilitation projects to maintain reliability of Metropolitan's aging infrastructure.	CIP	02-AFSCME	1
Engineer	CIP Expansion – structural engineering including seismic risk evaluations, condition assessments and design of rehabilitation projects of structures and safety platforms to maintain reliability of Metropolitan's aging infrastructure.	CIP	02-AFSCME	1
Engineer	Needed to develop and implement Power System Infrastructure Reliability strategies and projects.	O&M	02-AFSCME	1
Engineer	Position needed to advance Metropolitan's Integrated Strategy for Infrastructure Reliability (ISIR) and update design guidelines to ensure Metropolitan's infrastructure is resilient to hazards.	O&M	02-AFSCME	1
Engineer	PWSC would need project managers during the initial phase to manage large projects including advanced water treatment facilities and backbone pipeline reaches; conduct field investigations and obtain permits from over two dozen agencies; and continue coordination and outreach with cities along the alignment and with member agencies.	PWSC	02-AFSCME	1

New Positions Justifications – Engineering Services Group (cont.)

Engineering Services Group

Position	Justification	Type	Union	Count
Engineering Tech III	CIP Expansion – CIP construction support including building information management, submittal tracking software development, and record drawings.	CIP	02-AFSCME	1
Pr Engineer	PWSC would need project managers during the initial phase to manage large projects including advanced water treatment facilities and backbone pipeline reaches; conduct field investigations and obtain permits with over two dozen agencies; and continue coordination and outreach with cities along the alignment and with member agencies.	PWSC	04-MAPA	1
Sr Engineer	PWSC would need project managers during the initial phase to manage large projects including advanced water treatment facilities and backbone pipeline reaches; conduct field investigations and obtain permits with over two dozen agencies; and continue coordination and outreach with cities along the alignment and with member agencies.	PWSC	04-MAPA	1
Engineering Services Group Total				15

New Positions Justifications – OSSP and Water Resource Management

Office of Safety Security and Protection

Position	Justification	Type	Union	Count
Occ Safety & Health Spec	Enterprise-wide site support (including Headquarters & Carson Demo Plant) and program compliance. Also help manage increasing workloads, NSC initiatives such as SRR's, Safety Leadership Training, Safety Committees, and reinforcing enterprise safety culture.	O&M	04-MAPA	1
Security Specialist (C)	Workplace violence prevention & Desert Region Support. Enhance security coverage, response times, operational resilience for mission critical facilities in the Desert Region and compliance with SB 553 state mandate requirements.	O&M	05-ACE	1
Sr Admin Analyst	Enterprise- wide compliance such as districts emergency preparedness, response, recovery, mitigation strategies, and compliance with State & Federal emergency planning/exercise mandates (Dam EAPs, AWIA ERP, etc.)	O&M	02-AFSCME	1
Sr Training Specialist (C)	Apprenticeship Program, Met Technical Academy and EHS Mandatory Training. Instruct, develop, administer, and manage training plans deliverables and ensure resiliency/succession planning.	O&M	05-ACE	1
Team Manager I	New Business Support Team. Coordinate OSSP business processes including GM and board reports, permitting, contracts, personnel, and manage administrative staff.	O&M	03-Supervisors Association	1
Office of Safety Security and Protection Total				5

Water Resource Management

Position	Justification	Type	Union	Count
Section Mgr-Water Resource Mgt	Manages Resource Planning and Development or Water Resource Implementation functions within the WRM Group	O&M	04-MAPA	1
Water Resource Management Total				1

New Positions Justifications – Finance and Administration

Finance and Administration				
Position	Justification	Type	Union	Count
Pr Admin Analyst	This position will primarily bridge accounting needs with ERP system enhancements by analyzing requirements, testing solutions, and ensuring accurate financial data. This position will help to ensure system enhancements are implemented timely, cost-effectively, and with limited disruption to line-staff work.	O&M	02-AFSCME	1
Sr IT Business Analyst	This request is cost neutral as it comes with a commensurate reduction in temporary labor. The position would ensure continuity, improve efficiency, and eliminate the ongoing need for a rotating temporary assignment. This position will provide budget systems oversight, cash/budget reconciliation, reporting, and other technical functions for MWD's budgeting systems.	O&M	02-AFSCME	1
Unit Manager V (C)	This position will support the increasing complexity of MWD's debt portfolio, including large-scale capital projects anticipated over the next several years (PWSC, Sites, DCP, CIP). Additional key responsibilities will involve managing complex negotiations with strategic partners.	O&M	05-ACE	1
Finance and Administration Total				3

New Positions Justifications – Human Resources

Human Resources				
Position	Justification	Type	Union	Count
HR Assistant III (C)	Position is necessary to replace temporary staff currently performing essential operations that are legally and procedurally required. Examples include responding to release requests, research time sensitive personnel matters, research and compile sensitive information in response to subpoena and public records requests, and other confidential support of both employee and labor relations.	O&M	05-ACE	1
HR Assistant III (C)	Position is necessary to replace temporary staff currently performing essential operations. A comprehensive workload and workforce analysis was conducted and this position is required to meet the basic operational needs of the District.	O&M	05-ACE	2
Human Resources Analyst II (C)	Position is necessary to replace temporary staff currently performing essential operations that are legally and procedurally required.	O&M	05-ACE	1
Human Resources Total				4

New Positions Justifications – IT and Board of Directors

Information Technology				
Position	Justification	Type	Union	Count
IT Network Engineer III	Additional resource needed to support daily operational activities, including changes to: 100+ firewalls/150 routers/650 switches/12 load balancers/wi-fi infrastructure/. Also needed to support significant CIP projects such as microwave upgrade, desert fiber, two-way radio, network infrastructure upgrades, and physical security camera replacements	O&M	02-AFSCME	1
Pr Info Tech Analyst	Significant increase in IT support for Committee and Board meetings, and service desk operations	O&M	04-MAPA	1
Sr Admin Analyst	Implement, administer, and report on 3rd party risk issues created by contracting services and partnerships with external entities. Mitigating 3rd party risk is currently not done due to resource constraints and leaves MWD vulnerable to Cyber attacks	O&M	02-AFSCME	1
Information Technology Total				3

Board of Directors				
Position	Justification	Type	Union	Count
Admin Assistant II (C)	Critical Board support is needed to relieve the Admin Assistants committee coordinator's duties across the organization, allowing Admins within each group to further assist their respective groups with administrative functions. Thereby consolidating committee coordinator duties within the board's office to better meet increased operational and administrative demands driven by the volume, pace, and complexity of Board activities.	O&M	05-ACE	2
Board of Directors Total				2

