Tab 4

Finance Committee Report

Consider approval of changes to Policies and Procedures

Background:

The FY27 Budget includes O&M and capital items that the General Manager does not have authority to approve since the items exceed $75,000. Most expenditures in the O&M fall below the GM's approval limit or have already been authorized by the board.

The current process for O&M and capital expenditures over $75,000 requires a review by the Engineering Committee and board approval at the next scheduled board meeting. The timing of committee review and board approval extends the purchase timeframe and may delay staff's ability to secure the item and/or hold the quote. Recently, staff has encountered situations where the product is available, but the vendor is unable to hold the item and/or the price. Although the situation above does not occur frequently, the few times it does can affect the ability to receive the best value and a reasonable price.

Staff recommend changes to the Policies and Procedures Chapter 2-642(3)(f). The proposed changes are noted in red font.

2-642 APPROVAL OF CONTRACTS AND EXPENDITURES

1) The approval of expenditures required under this Section of the P&P is in addition to requirements for proper budget appropriations, P&P Section 2-619 and 2-620, compliance with Procurement Regulations regarding the selection of providers of goods and services, Chapter 5 of the P&P, and requirements of P&P Section 2-635 regarding available unencumbered balances and monies on deposit before checks may be issued. The Board shall approve all District expenditures except as otherwise provided in this P&P Section or the resolution approving the budget.

2) Any authorized approval of a specific District contract includes approval of the expenditures that are properly payable by the District as described under that contract.

3) Except as otherwise instructed by the Board, the GM may approve:

   a) payroll checks if consistent with a pay structure approved by the Board;

   b) contracts and expenditures relating to routine and non-routine operation and maintenance items not exceeding $75,000;

   c) budgeted capital items not exceeding $75,000;

   d) utility bills, payroll-related expenses, purchase of chemicals, purchase of software and renewals, health insurance premiums, risk insurance premiums, retirement contributions; ~~and~~

   e) the issuance of District credit cards to be used by District employees for travel expenses and other routine expenditures; and

   f) budgeted O&M and capital items exceeding $75,000 if the delay in procurement would impact the District's ability to receive good value and a reasonable price. The Board Chair shall be promptly notified of the procurement.

4) A list of all expenditures shall be provided to the Finance Committee at least quarterly for its review, as described in P&P Section 1-14(1)(d)(v).

Committee Activity:

The Finance Committee discussed the proposal during the August 4, 2026, committee meeting and recommended an update to the P&P to allow for procurements by the General Manager with board notification.

Recommendation:

Recommend approval of proposed changes to Policies and Procedures.

Last Update: August 7, 2026

METROPOLITAN WATER DISTRICT
Balance Sheet - Summary
As of May 31, 2026
91.67% of Budget Completed

		05/31/26	04/30/26	05/31/25
	ASSETS			
	Current Assets:			
1	Accounts Receivable	$ 5,053,316	$ 5,428,422	$ 6,252,733
2	Leases Receivable - Current	64,269	64,269	63,243
3	Bonds Receivable	-	-	17,493,000
4	Inventories	342,156	352,707	350,487
5	Prepaid Expenses	239,260	394,497	100,412
	Reserve Funds:			
6	Operations & Maintenance Fund	30,008,666	33,730,061	26,386,125
7	Renewal and Replacement Reserve	650,000	650,000	650,000
8	Capital Projects Reserve	10,000,000	10,000,000	10,000,000
9	ASR Reserve	(914,078)	(914,078)	(1,018,512)
10	Insurance/Contingency Reserve	2,000,000	2,000,000	2,000,000
11	Jordan Aqueduct Reserve	50,738	50,738	48,437
12	JVWTP O&M Agreement	20,000	20,000	20,000
13	150th South Pipeline Agreement	41,623	41,623	39,735
14	**TOTAL CURRENT ASSETS**	**47,555,950**	**51,818,239**	**62,385,660**
	Restricted Assets:			
	2015 Series Bond			
15	Bond Fund Account 2015A	347,972	309,709	344,398
	2016 Series Bond			
16	Bond Fund Account 2016A	8,375,630	7,538,781	8,187,462
	2020 Series Bond			
17	Bond Fund Account 2020A	3,760,820	3,378,271	3,734,154
	2021 Series Bond			
18	Bond Fund Account 2021A	854,544	683,344	855,630
19	Bond Fund Account 2021B	2,150,029	1,944,424	2,133,546
	2024 Series Bond			
20	Bond Fund Account 2024A	525,200	472,973	528,146
21	Project Fund Account 2024A	11,474,351	12,220,043	1,692,245
22	Bond Fund Account 2024B	1,675,205	1,459,498	1,377,398
23	Project Fund Account 2024B	13,082,326	14,673,673	26,379,742
24	Reserve Fund Account 2024A	199,100	199,100	-
25	**TOTAL RESTRICTED ASSETS**	**42,445,177**	**42,879,816**	**45,232,721**
	Fixed Assets:			
26	Land & Right-of-Way	22,783,968	22,783,968	22,023,773
27	Buildings & Improvements	292,631,515	292,631,515	292,625,473
28	Machinery & Equipment	21,590,058	21,559,772	21,215,849
29	Furniture & Fixtures	60,173	60,173	60,173
30	Transportation Equipment	1,597,179	1,597,179	1,597,179
31	Aqueduct & Appurtenances	112,190,997	112,190,997	112,074,873
32	Water Rights - PRWUA	18,188,008	18,188,008	18,188,008
33	Investment in Surface Water	135,189,064	135,189,064	135,189,064
	Construction in Progress:			
34	CIP - Jordan Aqueduct System	1,960,328	1,960,328	1,151,848
35	CIP - Central Utah Project	3,815,423	3,815,423	3,815,423
36	CIP - Aquifer Storage & Recovery	10,017,513	10,017,513	9,518,059
37	CIP - Other	39,979,566	37,336,957	16,404,472
38	TOTAL FIXED ASSETS	660,003,792	657,330,897	633,864,194
39	Less: Accumulated Depreciation	(223,181,159)	(222,225,834)	(211,934,349)
40	**NET FIXED ASSETS**	**436,822,633**	**435,105,063**	**421,929,845**
	Other Assets:			
41	Investments	40,541,335	35,419,771	33,842,054
42	Leases Receivable - Long-Term	340,566	340,566	404,835
43	**TOTAL OTHER ASSETS**	**40,881,901**	**35,760,337**	**34,246,889**
44	**TOTAL ASSETS**	**$ 567,705,661**	**$ 565,563,455**	**$ 563,795,115**

METROPOLITAN WATER DISTRICT
Balance Sheet - Summary
As of May 31, 2026
91.67% of Budget Completed

		05/31/26	04/30/26	05/31/25
	Deferred Outflow of Resources:			
45	Refinance Term Costs - 2021A	$ 374,830	$ 377,902	$ 411,698
46	Refinance Term Costs - 2021B	5,568,025	5,679,385	6,904,351
47	Deferred Amount on Refunding - 2009A	2,126,710	2,161,012	2,538,332
48	Deferred Bond Refunding - 2021A	1,409,290	1,420,841	1,547,908
49	Deferred Bond Refunding - 2021B	270,866	276,283	335,874
50	Deferred Outflows Relating to Pensions	1,955,311	1,955,311	1,978,898
51	**TOTAL DEFERRED OUTFLOW OF RESOURCES**	**11,705,032**	**11,870,734**	**13,717,061**
52	**TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES**	**$ 579,410,693**	**$ 577,434,189**	**$ 577,512,176**
	LIABILITIES AND NET ASSETS			
	Current Liabilities:			
53	Accounts Payable	$ 3,038,984	$ 3,070,703	$ 2,668,554
54	Interest Payable - Bonds	2,501,229	2,008,065	2,734,786
55	Vacation Payable	634,875	613,950	556,298
56	Sick Leave Payable	310,273	310,273	60,190
57	Deferred Revenue	1,000,287	1,000,287	999,261
58	Bonds Payable, Current	15,549,000	15,549,000	11,865,000
59	CUP Water Supply Payable-CP	2,971,200	2,971,200	2,971,200
60	**TOTAL CURRENT LIABILITIES**	**26,005,848**	**25,523,478**	**21,855,289**
	Long-Term Liabilities:			
61	Bonds Payable - Series 2015A	3,345,000	3,345,000	3,650,000
62	Bonds Payable - Series 2016A	47,250,000	47,250,000	55,275,000
63	Bonds Payable - Series 2020A	43,210,000	43,210,000	46,875,000
64	Bonds Payable - Series 2021A	43,340,000	43,340,000	43,340,000
65	Bonds Payable - Series 2021B	10,015,000	10,015,000	12,240,000
66	Bonds Payable - Series 2024A	21,535,000	21,535,000	22,000,000
67	Bonds Payable - Series 2024B	32,136,000	32,136,000	33,000,000
68	Reoffering Premium - 2015A	328,501	331,853	368,725
69	Reoffering Premium - 2016A	1,987,559	2,019,616	2,372,247
70	Reoffering Premium - 2021A	11,024,243	11,114,605	12,108,594
71	Net Pension Liability	1,482,013	1,482,013	1,094,592
72	CUP Water Supply Payable	59,424,000	59,424,000	62,395,200
73	Less Bonds Payable, Current	(15,549,000)	(15,549,000)	(11,865,000)
74	**TOTAL LONG-TERM LIABILITIES**	**259,528,316**	**259,654,087**	**282,854,358**
75	**TOTAL LIABILITIES**	**285,534,164**	**285,177,565**	**304,709,647**
	Deferred Inflow of Resources:			
76	Deferred Revenue - Long-Term	340,566	340,566	404,835
77	Deferred Bond Refunding - 2012A (2019)	-	-	125,606
78	Deferred Bond Refunding - 2012A (2020)	-	-	122,666
79	Deferred Inflows Relating to Pensions	3,960	3,960	5,033
80	**TOTAL DEFERRED INFLOW OF RESOURCES**	**344,526**	**344,526**	**658,140**
81	**TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES**	**285,878,690**	**285,522,091**	**305,367,787**
	Net Assets:			
82	Invested in Capital Assets, Net of Related Debt	228,585,628	226,907,990	198,374,747
	Restricted Assets:			
83	Future Debt Service/Unused Bond Proceeds	42,445,177	42,879,816	45,232,721
84	Operations & Maintenance Restriction	7,903,654	7,903,654	7,123,302
85	Renewal and Replacement	650,000	650,000	650,000
86	150th South Pipeline Agreement	41,623	41,623	39,735
87	JVWTP O&M Agreement	20,000	20,000	20,000
88	Jordan Aqueduct Reserve	50,738	50,738	48,437
89	Unrestricted	13,835,183	13,458,277	20,655,447
90	**TOTAL NET ASSETS**	**293,532,003**	**291,912,098**	**272,144,389**
91	**TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET ASSETS**	**$ 579,410,693**	**$ 577,434,189**	**$ 577,512,176**

METROPOLITAN WATER DISTRICT
Capital Report
For the Month Ending May 31, 2026
91.67% of Budget Complete

	Account Name	Account Number	Current Month	Year to Date	Total Budget	Amount Remaining	% of Budget Used
	CAPACITY IMPROVEMENT PROJECTS						
1	Managed Aquifer Recharge	1865	$ -	$ 174,045.37	$ 180,000.00	$ 5,954.63	96.69 %
2	***Capacity Improvement Projects***		***0.00***	***174,045.37***	***180,000.00***	***5,954.63***	***96.69%***
	NON-CAPACITY IMPROVEMENT PROJECTS						
3	Salt Lake Aqueduct Replacement Reach 1 - Cottonwood Conduits		2,038,713.51	17,977,942.03	23,300,000.00	5,322,057.97	77.16%
4	Salt Lake Aqueduct Replacement Reaches 2 and 3	1802D	145,430.00	441,750.00	500,000.00	58,250.00	88.35%
5	Salt Lake Aqueduct Hardening	1802A	69,838.28	819,274.30	1,000,000.00	180,725.70	81.93%
6	Little Cottonwood Water Treatment Plant Rebuild	1845R	119,431.31	1,389,364.95	1,650,000.00	260,635.05	84.20%
7	Little Cottonwood Conduit Replacement and Intake Modifications		128,129.94	496,171.16	1,100,000.00	603,828.84	45.11%
8	LCWTP Administration Campus Improvements		128,643.14	248,244.97	1,050,000.00	801,755.03	23.64%
9	Fleet Replacement Program	1848	-	41,090.00	50,000.00	8,910.00	82.18%
10	Little Dell Dam Improvements	1840	-	148,797.64	150,000.00	1,202.36	99.20%
11	Repair and Replace		42,708.21	392,907.27	921,000.00	528,092.73	42.66 %
12	***Non-Capacity Improvement Projects***		***2,672,894.39***	***21,955,542.32***	***29,721,000.00***	***7,765,457.68***	***73.87%***
	OTHER CAPITAL IMPROVEMENT PROJECTS						
13	Jordan Aqueduct System and 150th South Pipeline	1599	-	-	2,851,809.00	2,851,809.00	0.00 %
14	***Other Capital Improvement Projects***		***0.00***	***0.00***	***2,851,809.00***	***2,851,809.00***	***0.00 %***
	INVESTMENTS IN WATER SOURCES						
15	Central Utah Project (CUP) Capital	1853	-	3,815,423.00	3,815,423.00	-	100.00 %
16	***Investments in Water Sources***		***0.00***	***3,815,423.00***	***3,815,423.00***	***0.00***	***100.00 %***
17	***GRAND TOTAL***		***$ 2,672,894.39***	***$ 25,945,010.69***	***$ 36,568,232.00***	***$ 10,623,221.31***	***70.95 %***

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METROPOLITAN WATER DISTRICT
Revenue Statement
For the Month Ending May 31, 2026
91.67% of Budget Complete

#		Current Month	Year to Date	Total Budget	% of Budget Used	Prior YTD Actual	Prior Year Total	% Prior Year Use	Average 3 Years	Average 3 YTD (Actual Dollars)
	OPERATING REVENUE									
	Water Sales:									
1	Salt Lake City	$ 1,543,081.50	$ 16,973,896.50	$ 18,516,978.00	91.67%	$ 16,165,615.62	$ 17,635,217.04	91.67%	91.67%	$ 15,699,343.62
2	Sandy City	600,087.25	6,600,959.75	7,201,047.00	91.67%	6,286,628.37	6,858,140.04	91.67%	91.67%	6,105,300.37
3	Water Sales for Others	83,769.76	1,040,134.05	1,070,912.00	97.13 %	967,319.51	1,060,743.97	91.19 %	93.18 %	975,930.58
4	***TOTAL OPERATING REVENUE***	***2,226,938.51***	***24,614,990.30***	***26,788,937.00***	***91.88%***	***23,419,563.50***	***25,554,101.05***	***91.65%***	***91.73%***	***22,780,574.58***
	OPERATING EXPENSES									
5	Administrative	221,172.23	2,291,487.10	2,973,359.00	77.07%	2,038,634.07	2,295,969.06	88.79%	87.23%	1,914,860.54
6	General	255,425.35	10,219,192.96	11,560,406.00	88.40%	18,405,501.53	21,569,371.19	85.33%	90.03%	11,941,623.23
7	Operations	255,767.34	3,387,374.72	4,311,947.00	78.56%	4,139,456.28	4,763,218.41	86.90%	85.49%	3,647,163.70
8	Maintenance	214,492.67	2,659,875.26	3,611,186.00	73.66%	2,483,760.40	2,794,878.21	88.87%	89.20%	2,601,022.08
9	Information Technology	252,132.63	2,214,064.14	2,694,616.00	82.17%	1,860,345.78	2,209,255.59	84.21%	85.31%	1,762,198.86
10	Engineering	171,987.37	1,299,517.37	1,596,697.00	81.39%	1,168,708.75	1,367,888.94	85.44%	87.55%	1,155,751.59
11	Instrumentation & Electrical	185,388.14	1,749,158.26	2,171,188.00	80.56%	1,584,410.57	1,855,625.58	85.38%	87.61%	1,450,797.66
12	Lab	95,688.23	862,203.72	974,617.00	88.47%	812,712.94	911,023.89	89.21%	90.24%	850,100.47
13	Non-Routine O&M	38,550.09	882,277.23	2,087,600.00	42.26 %	396,386.93	877,641.26	45.17 %	68.09 %	567,932.43
14	***TOTAL OPERATING EXPENSES***	***1,690,604.05***	***25,565,150.76***	***31,981,616.00***	***79.94%***	***32,889,917.25***	***38,644,872.13***	***85.11%***	***87.89%***	***25,891,450.56***
15	**Revenue from Operations before Depreciation**	536,334.46	(950,160.46)	(5,192,679.00)	18.30%	(9,470,353.75)	(13,090,771.08)	72.34%	67.27%	(3,110,875.98)
16	Depreciation Expense	955,324.97	10,320,129.47	11,722,841.00	88.03 %	10,313,375.37	11,240,055.80	91.76 %	91.74 %	10,235,855.03
17	Total Expenses	955,324.97	10,320,129.47	11,722,841.00	88.03%	10,313,375.37	11,240,055.80	91.76%	91.74%	10,235,855.03
18	***REVENUE (LOSS) FROM OPERATIONS***	***(418,990.51)***	***(11,270,289.93)***	***(16,915,520.00)***	***66.63%***	***(19,783,729.12)***	***(24,330,826.88)***	***81.31%***	***84.57%***	***(13,346,731.01)***
	NON-OPERATING REVENUE									
19	General Property Taxes	1,193,287.34	22,548,236.14	22,029,174.00	102.36%	23,817,133.65	23,953,481.40	99.43%	99.27%	15,694,674.38
20	Fees in Lieu of Taxes	68,867.54	750,388.13	432,008.00	173.70%	665,831.86	735,288.08	90.55%	90.90%	488,761.44
21	Interest Revenue	195,558.58	3,943,027.12	3,963,199.00	99.49%	4,824,141.07	5,334,064.39	90.44%	88.83%	3,434,333.21
22	Prior Year Tax Collections	65,024.63	40,512.68	225,066.00	18.00%	91,990.25	440,780.65	20.87%	16.43%	48,560.28
23	Special Assessment Revenue	1,011,880.58	11,857,704.30	12,871,069.00	92.13%	11,825,027.50	11,990,374.00	98.62%	98.91%	11,777,765.79
24	Encroachment Applications	0.00	231,792.53	0.00	0.00%	11,452.91	20,153.86	56.83%	90.84%	28,767.07
25	Miscellaneous	330.00	87,783.49	4,236,200.00	2.07%	274,121.24	274,122.75	100.00%	91.38%	161,357.34
26	Gain/(Loss) on Disposal of Fixed Assets	0.00	16,610.00	0.00	0.00%	131,780.00	154,680.00	85.20%	91.34%	80,477.27
27	Grant Funding	0.00	668,374.21	1,111,468.00	60.13%	593,088.80	866,384.99	68.46%	16.85%	211,696.13
28	SLAR-CC Construction	724,207.70	7,121,301.96	9,356,897.00	76.11%	8,429,714.90	10,983,587.14	76.75%	76.75%	2,809,904.97
29	Net Change of Investments	(541.79)	(6,016.67)	0.00	0.00 %	(1,192.68)	147,881.02	(0.81)%	12.15 %	14,604.09
30	***TOTAL NON-OPERATING REVENUE***	***3,258,614.58***	***47,259,713.89***	***54,225,081.00***	***87.15%***	***50,663,089.50***	***54,900,798.28***	***92.28%***	***92.05%***	***34,750,901.98***
	NON-OPERATING EXPENSE									
31	Interest Expense	533,095.60	5,704,993.36	8,017,425.00	71.16%	5,204,878.51	5,574,444.93	93.37%	91.69%	4,869,205.37
32	SLAR-CC Construction Costs	686,622.89	7,807,924.82	9,356,897.00	83.45%	8,443,863.59	10,983,587.15	76.88%	76.88%	2,814,621.20
33	Benefit Expense	0.00	0.00	0.00	0.00%	0.00	(999,375.00)	0.00%	0.00%	0.00
34	Actuarial Calculated Pension Expense	0.00	0.00	0.00	0.00 %	0.00	1,409,310.00	0.00 %	0.00 %	0.00
35	***TOTAL NON-OPERATING EXPENSE***	***1,219,718.49***	***13,512,918.18***	***17,374,322.00***	***77.78 %***	***13,648,742.10***	***16,967,967.08***	***80.44 %***	***86.63 %***	***7,683,826.57***
36	***NET NON-OPERATING REVENUE (LOSS)***	***2,038,896.09***	***33,746,795.71***	***46,207,656.00***	***73.03 %***	***37,014,347.40***	***37,932,831.20***	***97.58 %***	***93.72 %***	***27,067,075.41***
37	***TOTAL DISTRICT NET REVENUE (LOSS)***	***$ 1,619,905.58***	***$ 22,476,505.78***	***$ 29,292,136.00***	***76.73 %***	***$ 17,230,618.28***	***$ 13,602,004.32***	***126.68 %***	***104.74 %***	***$ 13,720,344.40***

MWDSLS Non-Capital Purchases Over $10,000

May 2026

Vendor	Invoice #	Check #	Amount	Description
Nickerson Company, Inc	J28234	83624	14,630.00	LCWTP Plant Water Pump #3 Replacement
Thatcher Company	various	83634	36,460.04	Chemicals
CompuNet, Inc.	325169	83645	27,272.81	Cybersecurity - Palo Alto Networks Firewalls & Services Renewal
BP Energy Company	various	83666	28,584.34	Natural Gas
Linde Inc	various	83679	16,988.18	Chemicals
CDW Government, Inc.	AI8WS9X	83692	38,770.40	IT Services - Veeam Support Renewal for Data Backup and Protection
Codale Electric Supply, Inc.	S009898076.001	83695	17,122.00	Rockwell Automation Tech Connect Support for PLC Programming
Confience	INV313	83696	28,101.60	Sample Master LIMS (Lab Info Mgmt System) - 1 Year Renewal
Kimley-Horn and Associates, Inc.	196951006-0426	83707	10,372.50	Public Engagement Support
Health Equity	ACH		26,166.44	H.S.A. Contributions - May 2026
Paylocity	ACH		84,876.08	Payroll Taxes 5/7/26
Paylocity	ACH		80,631.33	Payroll Taxes 5/21/26
Utah Retirement Systems	ACH		72,170.70	Retirement Contributions 4/9/26 Payroll
Utah Retirement Systems	ACH		71,457.67	Retirement Contributions 4/23/26 Payroll
Utah Retirement Systems	ACH		75,067.81	Retirement Contributions 5/7/26 Payroll
Paylocity	ACH		197,900.15	Net Payroll 5/7/26
Paylocity	ACH		191,385.14	Net Payroll 5/21/26
Rocky Mountain Power	ACH		60,044.42	Electrical Services - April 2026
Select Health	ACH		116,196.40	Medical Insurance Premiums - June 2026
Zions Bank	ACH		101,105.06	Zions Visa Commercial Card Payment - statement closing date 4/30/26
Zions Bank	ACH		1,858,247.45	May Bond Payment Transfers

METROPOLITAN WATER DISTRICT
Balance Sheet - Summary Comparisons
As of May 31, 2026

		5/31/26	5/31/25	Difference
1	**Accounts Receivable**	5,053,316	6,252,733	(1,199,417)

Explanation: As of May 31, 2026, Sandy City had a bill from a prior month that was still outstanding, whereas at the end of May 2025, both Salt Lake City and Sandy City had a water bill from a prior month that was outstanding.

		5/31/26	4/30/26	Difference
6	**Operations & Maintenance Fund**	30,008,666	33,730,061	(3,721,395)

Explanation: A $5 million transfer was made from the O&M Fund to the Investments account in May in an effort to maximize financial growth opportunities. See line 41, Investments. The decrease in the O&M Fund was offset some by the collection of outstanding receivables from the prior month.

		5/31/26	5/31/25	Difference
6	**Operations & Maintenance Fund**	30,008,666	26,386,125	3,622,541

Explanation: Higher tax proceeds over the last two years have helped to steadily increase the cash balance in preparation for future construction, including the LCWTP Rebuild project.

		5/31/26	5/31/25	Difference
21	**Project Fund Account 2024A**	11,474,351	1,692,245	9,782,106

Explanation: A large sum of 2024A Bond proceeds were received in February 2026.

		5/31/26	5/31/25	Difference
23	**Project Fund Account 2024B**	13,082,326	26,379,742	(13,297,416)

Explanation: This fund is drawn upon regularly to fund SLAR construction.

		5/31/26	5/31/25	Difference
37	**CIP - Other**	39,979,566	16,404,472	23,575,094

Explanation: CIP - Other includes SLAR construction costs that will be capitalized upon completion of the project. This significant increase over the prior year balance reflects the major amount of work that has been completed.

		5/31/26	4/30/26	Difference
41	**Investments**	40,541,335	35,419,771	5,121,564

Explanation: A $5 million transfer was made from the O&M Fund to the Investments account in May in an effort to maximize financial growth opportunities. See line 6, Operations & Maintenance Fund.

METROPOLITAN WATER DISTRICT
Revenue Statement Comparisons
For the Month Ending May 31, 2026

	Year to Date	Average 3 YTD (Actual Dollars)	Difference
9 Information Technology (Operating Expenses)	2,214,064.14	1,762,198.86	451,865.28

Explanation: A large piece of this difference ($226k) is in Contract Services expenses, the result of rising tech support costs. This includes a $129k increase in the cost of the VMware renewal over the prior year. An additional $224k difference over the 3-year average comes in the form of Salary & Wage Expenses and related taxes and and benefits costs. The IT department has added two FTEs in the last couple years.

	Year to Date	Average 3 YTD (Actual Dollars)	Difference
11 Instrumentation & Electrical (Operating Expenses)	1,749,158.26	1,450,797.66	298,360.60

Explanation: This difference comes from the combined Salaries & Wages Expenses and related taxes and benefits costs, which is the result of adding two FTEs in the last couple years. The increase in staff supports the department's SCADA efforts.