



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# Board Report

## Finance, Audit, Insurance, and Real Property Committee

- **Treasurer's Monthly Report**

### Summary

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The attached Treasurer's monthly report provides Metropolitan's investments, as well as portfolio compliance with Metropolitan's Statement of Investment Policy and investment programs.

### Purpose

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Administrative Code Requirement 5114

### Attachments

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Attachment 1:	Summary of Portfolio Performance Report – November 2023
Attachment 2:	Summary of Portfolio Duration Report – November 2023
Attachment 3:	Summary of Portfolio Holding Report – November 2023
Attachment 4:	Summary Report of Investment & Cash Activity – November 2023
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THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** December 12, 2023  
**To:** Finance, Audit, Insurance, and Real Property Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report November 2023

This letter transmits a summary report of investments, cash balances, and performance report with interest and total return, as well as duration comparisons for the end of the reported month. A detailed report of investments is filed each month with the Board Executive Secretary. These reports are required by Section 5114 of the MWD Administrative Code. All of the investments comply with Section 5101 of the MWD Administrative Code and the Investment Policy dated June 13, 2023. Metropolitan has sufficient liquidity to pay for the next six months of expenditures.

*Katano Kasaine*

Katano Kasaine

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Attachments

Attachment 1  
**The Metropolitan Water District of Southern California (MWD)**  
**Summary of Portfolio Performance Report**  
**November 30, 2023**

		Market Value (\$ in Thousands)	Monthly Return			Fiscal YTD Return			Annualized Total Return	
			Interest Return	Total Return (1)	Benchmark	Interest Return	Total Return (1)	Benchmark	Inception-to-Date MWD	Benchmark
Liquidity	(2)	\$ 394,385	0.38%	0.48%	0.45%	1.79%	2.30%	2.22%	1.90%	1.44%
Core	(3)	<u>588,532</u>	0.24%	1.37%	1.39%	1.11%	2.15%	2.01%	2.94%	2.47%
Liquidity and Core		\$ 982,917								
Endowment	(4,5)	40,438	0.42%	0.52%		2.06%	1.68%		4.08%	
Total		<u><u>\$ 1,023,355</u></u>								

(1) Total return includes: (a) interest income from fixed income investments (interest return) and (b) changes in the market price of securities (realized/unrealized gains and/or unrealized losses) over a given evaluation period.

(2) The Liquidity Portfolio Benchmark is the ICE BofAML 3-Month Treasury Bill Index, which serves as a comparative performance metric to the Portfolio's Total Return. Inception date 5/01/2002.

(3) The Core Portfolio Benchmark is comprised of 20% of the ICE BofAML 0 - 1 YEAR US Treasury Index and 80% of the ICE BofAML 1 - 5 Years AAA-A US Corporate & Government Index, which serves as a comparative performance metric to the Portfolio's Total Return. Inception date 7/01/2023.

(4) The Endowment Portfolio includes the Lake Mathews Trust; the DVR Multi-Species Reserve Fund; the Habitat Maintenance Fund-Lower Colorado; the Water Utility Climate Alliance Membership; and the HCP Remedial Measures Fund, among others. The Endowment Portfolio inception date is 7/01/2023.

(5) The total return for the Endowment portfolio reflects the consolidation of multiple funds into a new Endowment Portfolio. It includes (a) interest income and (b) the unrealized losses from the difference between the transferred book value of existing securities and their ending market value.

Attachment 2  
**The Metropolitan Water District of Southern California (MWD)**  
**Summary of Portfolio Duration Report**  
**November 30, 2023**

		<u>Market Value</u> (\$ in Thousands)	<u>Minimum</u> <u>Duration</u>	<u>MWD</u> <u>Duration</u>	<u>Maximum</u> <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 394,385	0.00	0.13	0.74	0.24
Core	(2)	<u>588,532</u>	0.66	1.89	3.66	2.16
Liquidity and Core		\$ 982,917				
Endowment	(3)	40,438		0.20		
Total		<u><u>\$ 1,023,355</u></u>				

(1) The Liquidity Portfolio Benchmark is the ICE BofAML 3-Month Treasury Bill Index, which serves as a comparative performance metric to the Portfolio's Total Return.

(2) The Core Portfolio Benchmark is comprised of 20% of the ICE BofAML 0 - 1 YEAR US Treasury Index and 80% of the ICE BofAML 1 - 5 Years AAA-A US Corporate & Government Index, which serves as a comparative performance metric to the Portfolio's Total Return.

(3) The Endowment Portfolio includes the Lake Mathews Trust; the DVR Multi-Species Reserve Fund; the Habitat Maintenance Fund-Lower Colorado; the Water Utility Climate Alliance Membership; and the HCP Remedial Measures Fund, among others.

Attachment 3  
**Summary of Portfolio Holding Report**  
(sorted in descending order by Market Value )  
**November 30, 2023**

(\$ in Thousands)

<u>Securities</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Cumulative % of Portfolio</u>
United States Treasuries	\$ 256,389	\$ 250,441	24.47%	24.47%
California Asset Management Program	224,630	224,630	21.95%	46.42%
Medium Term Notes	212,762	208,802	20.40%	66.82%
Federal Agencies	91,722	91,112	8.90%	75.72%
Asset-Backed Securities	54,688	54,394	5.32%	81.04%
Negotiable Certificates of Deposit	43,215	43,148	4.22%	85.26%
Money Market Funds	39,963	39,963	3.91%	89.17%
Commercial Paper	39,933	39,936	3.90%	93.07%
Mortgage-Backed Securities	37,328	36,966	3.61%	96.68%
California Local Agency Investment Fund	25,000	25,000	2.44%	99.12%
Supranationals	7,202	6,839	0.67%	99.79%
Municipals	2,310	2,124	0.21%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
<b>Total Portfolio</b>	<b>\$ 1,035,142</b>	<b>\$ 1,023,355</b>	<b>100.00%</b>	

Attachment 4  
**Summary Report of Investment & Cash Activity**  
(sorted alphabetically by security)  
**November 30, 2023**

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	<b>Beginning Balance</b>	<b>Purchases &amp; Amortization</b>	<b>Sales</b>	<b>Maturities</b>	<b>Ending Balance</b>
Asset-Backed Securities	\$ 56,686	\$ 2,005	\$ 4,003	\$ -	\$ 54,688
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	188,205	124,910	88,485	-	224,630
California Local Agency Investment Fund	25,000	-	-	-	25,000
Commercial Paper	39,747	186	-	-	39,933
Federal Agencies	92,181	41	-	500	91,722
Medium Term Notes	209,870	2,892	-	-	212,762
Money Market Funds	38,616	15,640	14,293	-	39,963
Mortgage-Backed Securities	33,834	3,845	351	-	37,328
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	67,715	-	-	24,500	43,215
Repurchase Agreements	-	-	-	-	-
Supranationals	7,207	-	5	-	7,202
Time Deposits	-	-	-	-	-
United States Treasuries	266,156	233	-	10,000	256,389
<b>Subtotals</b>	<b>\$ 1,027,527</b>	<b>\$ 149,752</b>	<b>\$ 107,137</b>	<b>\$ 35,000</b>	<b>\$ 1,035,142</b>
	Beginning Balance	Deposits		Withdrawals	Ending Balance
<u>Cash</u>					
Demand Accounts	\$ 1	\$ 42		\$ -	\$ 43
Petty Cash & Payroll	5				5
Overnight Investment	-				-
<b>Subtotals</b>	<b>\$ 6</b>	<b>\$ 42</b>		<b>\$ -</b>	<b>\$ 48</b>
<b>Total</b>	<b>\$ 1,027,533</b>	<b>\$ 149,794</b>	<b>\$ 107,137</b>	<b>\$ 35,000</b>	<b>\$ 1,035,190</b>

Attachment 5  
**Credit Quality Compliance Report**  
**(sorted alphabetically by Security)**  
**November 30, 2023**

(\$ in Thousands)

<u>Securities</u>		<u>Credit Quality</u>	<u>Market Value</u>	<u>Meets Policy Credit Requirement</u>
Asset-Backed Securities		"AA or higher"	\$ 54,394	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	224,630	yes
California Local Agency Investment Fund		N/A	25,000	yes
Commercial Paper		"A1/P1 or higher"	39,936	yes
Federal Agencies	(2)	N/A	91,112	yes
Medium Term Notes		"A or higher"	208,802	yes
Money Market Funds		"AAAm"	39,963	yes
Mortgage-Backed Securities		"AAA"	36,966	yes
Municipals		"A or higher"	2,124	yes
Negotiable Certificates of Deposit		"A-1 or higher"	43,148	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	6,839	yes
United States Treasuries	(2,3)	N/A	250,441	yes
Total Portfolio			\$ 1,023,355	

- (1) The California Asset Management Program is a program created through a joint powers agency as a pooled short-term portfolio and cash management vehicle for California public agencies. CAMP is a permitted investment for all local agencies under California Government Code Section 53601(p).
- (2) Federal Agencies and United States Treasuries are rated 'AAA' by two nationally recognized rating agencies and 'AA+' by one nationally recognized rating
- (3) Securities have an explicit United States Government guarantee.

Attachment 6  
**Holding Limit Compliance Report**  
(sorted in descending order by Holding Limit)  
November 30, 2023

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 91,112	8.90%	100%
Mortgage-Backed Securities	36,966	3.61%	100%
United States Treasuries	250,441	24.47%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	224,630	21.95%	40%
Commercial Paper	39,936	3.90%	40%
Bank Deposits	-	-	30%
Medium Term Notes	208,802	20.40%	30%
Municipals	2,124	0.21%	30%
Negotiable Certificates of Deposit	43,148	4.22%	30%
Supranationals	6,839	0.67%	30%
Asset-Backed Securities	54,394	5.32%	20%
Money Market Funds	39,963	3.91%	20%
Repurchase Agreements (1)	-	-	20%
California Local Agency Investment Fund (2)	25,000	2.44%	N/A
Total Portfolio	<u>\$ 1,023,355</u>	<u>100.00%</u>	

(1) Repurchase agreements can only be executed with primary dealers and collateral consists of Treasuries and/or Federal Agencies with maturities under 5 years.

(2) \$75 million maximum allowed by California Local Agency Investment Fund for Operating Accounts.



Attachment 7  
**Maturity Compliance Report**  
(sorted alphabetically by Security)  
November 30, 2023

(weighted average maturity in years)

<u>Securities</u>		<u>Liquidity Portfolio</u>	<u>Core Portfolio</u>	<u>Endowment Portfolio</u>	<u>Maximum Maturity</u>	<u>Compliance (3)</u>
Asset-Backed Securities		1.603	4.101	-	5.00	yes
Bankers' Acceptances		-	-	-	0.49	n/a
California Asset Management Program		0.003	-	-	N/A	yes
California Local Agency Investment Fund		0.003	-	-	N/A	yes
Commercial Paper		0.323	0.236	-	0.74	yes
Federal Agencies	(1,2)	0.359	1.753	-	5.00	yes
Medium Term Notes		0.647	2.866	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	3.060	-	5.00	yes
Municipals	(2)	-	2.326	-	5.00	yes
Negotiable Certificates of Deposit		0.232	0.844	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		-	1.126	-	5.00	yes
United States Treasuries	(1,2)	0.126	2.038	3.460	5.00	yes
Weighted Average Maturity		0.203	2.288	0.222		

(1) The Core Portfolio may be invested in Federal Agency and United States Treasury securities with maturities in excess of five years.

(2) The Treasurer is authorized to invest the Endowment Portfolio in investment with a term to maximum maturity in excess of five years. The Endowment Portfolio includes, but is not limited to, the Lake Mathews Trust; the DVR Multi-Species Reserve Fund; the Habitat Maintenance Fund-Lower Colorado; the Water Utility Climate Alliance Membership; and the HCP Remedial Fund.

(3) While the Maturity Compliance Report displays the weighted average maturity by security type, the response regarding compliance to the investment policy is at the individual security level.