



## ● **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 Section 5114

### **Attachments**

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Attachment 1:	Summary of Portfolio Performance Report – December 2021
Attachment 2:	Summary of Portfolio Duration Report – December 2021
Attachment 3:	Summary of Portfolio Holding Report – December 2021
Attachment 4:	Summary Report of Investment & Cash Activity – December 2021
Attachment 5:	Credit Quality Compliance Report – December 2021
Attachment 6:	Holding Limit Compliance Report – December 2021
Attachment 7:	Maturity Compliance Report – December 2021



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** January 10, 2022  
**To:** Finance and Insurance Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report December 2021

This letter transmits a summary report of investments, cash balances and performance report with total return, and duration comparisons for the end of the current 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 8, 2021. Metropolitan has sufficient liquidity to pay for the next six months of expenditures.

A handwritten signature in blue ink that reads "Katano Kasaine".

Katano Kasaine

KK:mt

Attachments

Attachment 1  
**The Metropolitan Water District of Southern California (MWD)**  
**Summary of Portfolio Performance Report**  
**December 31, 2021**

	Market Value	Monthly Return			Fiscal YTD Return			Annualized Total Return *Inception-to-Date	
		<u>(\$ in Thousands)</u>	<u>Interest</u> <u>Return</u>	<u>Total</u> <u>Return (1)</u>	<u>Benchmark</u>	<u>Interest</u> <u>Return</u>	<u>Total</u> <u>Return (1)</u>	<u>Benchmark</u>	<u>MWD</u>
Liquidity	(2) \$ 1,276,280	0.05%	(0.02%)	0.01%	0.28%	0.02%	0.03%	1.79%	1.28%
Core	(3) <u>195,030</u>	0.11%	(0.20%)	(0.24%)	0.73%	(0.68%)	(0.67%)	3.30%	2.84%
Liquidity and Core	\$ 1,471,310								
Other Funds	(4) 5,408	0.02%	(0.15%)		0.25%	(0.11%)		4.22%	
Total	<u><u>\$ 1,476,718</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.

(3) The Core Portfolio Benchmark is the ICE BofAML 1 - 5 Years AAA-A US Corporate and Government Index, which serves as a comparative performance metric to the Portfolio's Total Return.

(4) Debt Service Reserve Funds and Lake Mathews Trust.

\* Inception Date 5/01/2002

Attachment 2  
**The Metropolitan Water District of Southern California (MWD)**  
**Summary of Portfolio Duration Report**  
**December 31, 2021**

		<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)	\$ 1,276,280	0.00	0.44	0.74	0.24
Core	(2)	<u>195,030</u>	1.16	2.50	4.16	2.66
Liquidity and Core		\$ 1,471,310				
Other Funds	(3)	5,408		1.86		
Total		<u><u>\$ 1,476,718</u></u>				

(1) The Liquidity Portfolio Benchmark is the ICE BofAML 3-Month Treasury Bill Index.

(2) The Core Portfolio Benchmark is the ICE BofAML 1 - 5 years AAA-A US Corporate and Government Index.

(3) Debt Service Reserve Funds and Lake Mathews Trust.

\* Inception Date 5/01/2002

Attachment 3  
**Summary of Portfolio Holding Report**  
(sorted in descending order by Market Value )  
**December 31, 2021**

(\$ 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	\$ 268,472	\$ 267,148	18.09%	18.09%
Negotiable Certificates of Deposit	260,288	260,220	17.62%	35.71%
Medium Term Notes	214,071	213,713	14.47%	50.18%
California Asset Management Program	210,226	210,226	14.24%	64.42%
Commercial Paper	197,040	197,017	13.34%	77.76%
Asset-Backed Securities	94,615	94,420	6.39%	84.15%
Supranationals	90,166	89,918	6.09%	90.24%
California Local Agency Investment Fund	75,000	75,000	5.08%	95.32%
Federal Agencies	41,564	41,444	2.81%	98.13%
Mortgage-Backed Securities	19,386	19,264	1.31%	99.44%
Money Market Funds	4,179	4,179	0.28%	99.72%
Municipals	3,944	4,169	0.28%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
<b>Total Portfolio</b>	<b>\$ 1,478,951</b>	<b>\$ 1,476,718</b>	<b>100.00%</b>	

Attachment 4  
**Summary Report of Investment & Cash Activity**  
(sorted alphabetically by security)  
**December 31, 2021**

(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	\$ 92,840	\$ 4,999	\$ 3,224	\$ -	\$ 94,615
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	202,769	143,459	136,002	-	210,226
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	172,089	34,950	9,999	-	197,040
Federal Agencies	41,568	-	4	-	41,564
Medium Term Notes	230,212	9,440	23,406	2,175	214,071
Money Market Funds	4,827	7,440	8,088	-	4,179
Mortgage-Backed Securities	26,454	62	7,130	-	19,386
Municipals	4,116	8	-	180	3,944
Negotiable Certificates of Deposit	229,129	34,999	-	3,840	260,288
Repurchase Agreements	-	-	-	-	-
Supranationals	85,187	4,979	-	-	90,166
Time Deposits	-	-	-	-	-
United States Treasuries	190,548	77,924	-	-	268,472
<b>Subtotals</b>	<b>\$ 1,354,739</b>	<b>\$ 318,260</b>	<b>\$ 187,853</b>	<b>\$ 6,195</b>	<b>\$ 1,478,951</b>
	Beginning Balance	Deposits	Withdrawals	Ending Balance	
<b>Cash</b>					
Demand Accounts	\$ 3,897		3,815	82	
Petty Cash & Payroll	5			5	
Overnight Investment	-			-	
<b>Subtotals</b>	<b>\$ 3,902</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,815</b>	<b>\$ 87</b>
<b>Total</b>	<b>\$ 1,358,641</b>	<b>\$ 318,260</b>	<b>\$ 187,853</b>	<b>\$ 10,010</b>	<b>\$ 1,479,038</b>

Attachment 5  
**Credit Quality Compliance Report**  
**(sorted alphabetically by Security)**  
**December 31, 2021**

(\$ 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"	\$ 94,420	yes
Bank Deposits	Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances	"A-1 or higher"	-	n/a
California Asset Management Program (1)	"AAAm or higher"	210,226	yes
California Local Agency Investment Fund	N/A	75,000	yes
Commercial Paper	"A1/P1 or higher"	197,017	yes
Federal Agencies (2)	N/A	41,444	yes
Medium Term Notes	"A or higher"	213,713	yes
Money Market Funds	"AAA"	4,179	yes
Mortgage-Backed Securities	"AAA"	19,264	yes
Municipals	"A or higher"	4,169	yes
Negotiable Certificates of Deposit	"A-1 or higher"	260,220	yes
Repurchase Agreements	"AAA"	-	n/a
Supranationals	"AA or higher"	89,918	yes
United States Treasuries (2,3)	N/A	267,148	yes
 Total Portfolio		<u><u>\$ 1,476,718</u></u>	

- (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 agency.
- (3) Securities have an explicit United States Government guarantee.

Attachment 6  
**Holding Limit Compliance Report**  
(sorted in descending order by Holding Limit)  
**December 31, 2021**

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 41,444	2.81%	100%
Mortgage-Backed Securities	19,264	1.31%	100%
United States Treasuries	267,148	18.09%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	210,226	14.24%	40%
Commercial Paper	197,017	13.34%	40%
Bank Deposits	-	-	30%
Medium Term Notes	213,713	17.62%	30%
Municipals	4,169	0.28%	30%
Negotiable Certificates of Deposit	260,220	14.47%	30%
Supranationals	89,918	6.09%	30%
Asset-Backed Securities	94,420	6.39%	20%
Money Market Funds	4,179	0.28%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 75,000	5.08%	N/A
Total Portfolio	<u>\$ 1,476,718</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)  
December 31, 2021

(weighted average maturity in years)

<u>Securities</u>		<u>Liquidity Portfolio</u>	<u>Core Portfolio</u>	<u>Other Funds</u>	<u>Maximum Maturity</u>	<u>Compliance (3)</u>
Asset-Backed Securities		2.277	4.030	-	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		0.296	-	-	0.74	yes
Federal Agencies	(1,2)	1.367	-	1.115	5.00	yes
Medium Term Notes		0.589	3.255	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.715	-	5.00	yes
Municipals	(2)	2.584	4.241	2.584	5.00	yes
Negotiable Certificates of Deposit		0.415	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.767	2.381	-	5.00	yes
United States Treasuries	(1,2)	0.951	2.671	3.197	5.00	yes
<b>Weighted Average Maturity</b>		<b>0.573</b>	<b>2.707</b>	<b>1.866</b>		

- (1) The core portfolio may be invested in Federal Agency and United States Treasury securities with maturities in excess five years.
- (2) The Treasurer is authorized to invest special trust funds in investment with a term to maximum maturity in excess of five years. These funds included, but are not limited to, the Water Revenue Bond Reserve Funds, Debt Service Funds, the Iron Mountain Landfill Closure/Post-Closure Maintenance Trust Fund, and the Lake Mathews Multi-Species Reserve Trust 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.