



## ● **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 – October 2021
Attachment 2:	Summary of Portfolio Duration Report – October 2021
Attachment 3:	Summary of Portfolio Holding Report – October 2021
Attachment 4:	Summary Report of Investment & Cash Activity – October 2021
Attachment 5:	Credit Quality Compliance Report – October 2021
Attachment 6:	Holding Limit Compliance Report – October 2021
Attachment 7:	Maturity Compliance Report – October 2021



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** November 8, 2021  
**To:** Finance and Insurance Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report October 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**  
**October 31, 2021**

		Market Value (\$ in Thousands)	Monthly Return		Fiscal YTD Return		Annualized Return *Inception-to-Date	
			MWD	Benchmark	MWD	Benchmark	MWD	Benchmark
Liquidity	(1)	\$ 1,084,759	(0.03%)	0.00%	0.03%	0.01%	1.81%	1.29%
Core	(2)	<u>195,333</u>	(0.46%)	(0.47%)	(0.47%)	(0.45%)	3.34%	2.87%
Liquidity and Core		\$ 1,280,092						
Other Funds	(3)	5,406	(0.18%)		(0.09%)		4.25%	
Total		<u><u>\$ 1,285,498</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 US Corporate and Government Index, A Rated and Higher.

(3) 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**  
**October 31, 2021**

		Market Value (\$ in Thousands)	Minimum <u>Duration</u>	MWD <u>Duration</u>	Maximum <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 1,084,759	0.00	0.47	0.74	0.24
Core	(2)	<u>195,333</u>	1.17	2.52	4.17	2.67
Liquidity and Core		\$ 1,280,092				
Other Funds	(3)	5,406		1.78		
Total		<u><u>\$ 1,285,498</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 US Corporate and Government Index, A Rated and Higher.

(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 )  
**October 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>
Negotiable Certificates of Deposit	\$ 233,380	\$ 233,403	18.16%	18.16%
California Asset Management Program	226,865	226,865	17.65%	35.81%
United States Treasuries	185,919	185,155	14.40%	50.21%
Medium Term Notes	167,153	167,084	13.00%	63.21%
Commercial Paper	149,108	149,109	11.60%	74.81%
Asset-Backed Securities	87,123	87,026	6.77%	81.58%
Supranationals	85,168	85,006	6.61%	88.19%
California Local Agency Investment Fund	75,000	75,000	5.83%	94.02%
Federal Agencies	41,571	41,520	3.23%	97.25%
Mortgage-Backed Securities	30,414	30,416	2.37%	99.62%
Municipals	3,799	4,038	0.31%	99.93%
Money Market Funds	876	876	0.07%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
<b>Total Portfolio</b>	<b>\$ 1,286,376</b>	<b>\$ 1,285,498</b>	<b>100.00%</b>	

Attachment 4  
**Summary Report of Investment & Cash Activity**  
(sorted alphabetically by security)  
**October 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	\$ 88,413	\$ 1,724	\$ 3,014	\$ -	\$ 87,123
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	174,357	168,254	115,746	-	226,865
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	177,916	25,189	33,997	20,000	149,108
Federal Agencies	42,225	-	4	650	41,571
Medium Term Notes	174,723	13,248	4,318	16,500	167,153
Money Market Funds	949	4,189	4,262	-	876
Mortgage-Backed Securities	30,704	1	291	-	30,414
Municipals	1,791	2,008	-	-	3,799
Negotiable Certificates of Deposit	243,381	9,999	10,000	10,000	233,380
Repurchase Agreements	-	-	-	-	-
Supranationals	85,257	-	89	-	85,168
Time Deposits	-	-	-	-	-
United States Treasuries	173,825	12,898	804	-	185,919
<b>Subtotals</b>	<b>\$ 1,268,541</b>	<b>\$ 237,510</b>	<b>\$ 172,525</b>	<b>\$ 47,150</b>	<b>\$ 1,286,376</b>
	Beginning Balance	Deposits	Withdrawals	Ending Balance	
<u>Cash</u>					
Demand Accounts	\$ 47		2	45	
Petty Cash & Payroll	5			5	
Overnight Investment	-			-	
<b>Subtotals</b>	<b>\$ 52</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2</b>	<b>\$ 50</b>
<b>Total</b>	<b>\$ 1,268,593</b>	<b>\$ 237,510</b>	<b>\$ 172,525</b>	<b>\$ 47,152</b>	<b>\$ 1,286,426</b>

Attachment 5  
**Credit Quality Compliance Report**  
(sorted alphabetically by Security)  
**October 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"	\$ 87,026	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	226,865	yes
California Local Agency Investment Fund		N/A	75,000	yes
Commercial Paper		"A1/P1 or higher"	149,109	yes
Federal Agencies	(2)	N/A	41,520	yes
Medium Term Notes		"A or higher"	167,084	yes
Money Market Funds		"AAA"	876	yes
Mortgage-Backed Securities		"AAA"	30,416	yes
Municipals	(3)	"A or higher"	4,038	yes
Negotiable Certificates of Deposit		"A-1 or higher"	233,403	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	85,006	yes
United States Treasuries	(2,4)	N/A	185,155	yes
Total Portfolio			\$ 1,285,498	

- (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) \$0.181 million (market value) of the municipal bond portfolio was rated AAA by two nationally recognized rating agencies.
- (4) Securities have an explicit United States Government guarantee.

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

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 41,520	3.23%	100%
Mortgage-Backed Securities	30,416	2.37%	100%
United States Treasuries	185,155	14.40%	100%
Bankers' Acceptances	-	0.00%	40%
California Asset Management Program	226,865	17.65%	40%
Commercial Paper	149,109	11.60%	40%
Bank Deposits	-	0.00%	30%
Medium Term Notes	167,084	13.00%	30%
Municipals	4,038	0.31%	30%
Negotiable Certificates of Deposit	233,403	18.16%	30%
Supranationals	85,006	6.61%	30%
Asset-Backed Securities	87,026	6.77%	20%
Money Market Funds	876	0.07%	20%
Repurchase Agreements	(1) -	0.00%	20%
California Local Agency Investment Fund	(2) 75,000	5.83%	N/A
Total Portfolio	<u>\$ 1,285,498</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)  
**October 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		2.334	4.044	-	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		0.340	-	-	0.74	yes
Federal Agencies	(1,2)	1.534	-	1.282	5.00	yes
Medium Term Notes		0.704	3.340	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.526	-	5.00	yes
Municipals	(2)	2.751	4.370	2.357	5.00	yes
Negotiable Certificates of Deposit		0.489	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.858	2.548	-	5.00	yes
United States Treasuries	(1,2)	1.250	2.732	2.492	5.00	yes
Weighted Average Maturity		0.616	2.715	1.775		

(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.