



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Finance, Affordability, Asset Management, and Efficiency Committee

• Treasurer's Monthly Report

Summary

The attached Treasurer's monthly report provides a summary of Metropolitan's investment portfolios and demonstrates compliance with Metropolitan's Statement of Investment Policy.

Purpose

Administrative Code Requirement 5114

Attachments

Attachment 1:	Summary of Portfolio Performance Report – August 2025
Attachment 2:	Summary of Portfolio Duration Report – August 2025
Attachment 3:	Summary of Portfolio Holding Report – August 2025
Attachment 4:	Summary Report of Investment & Cash Activity – August 2025
Attachment 5:	Credit Quality Compliance Report – August 2025
Attachment 5a:	Credit Activity Exception Report – August 2025
Attachment 6:	Holding Limit Compliance Report – August 2025
Attachment 7:	Maturity Compliance Report – August 2025

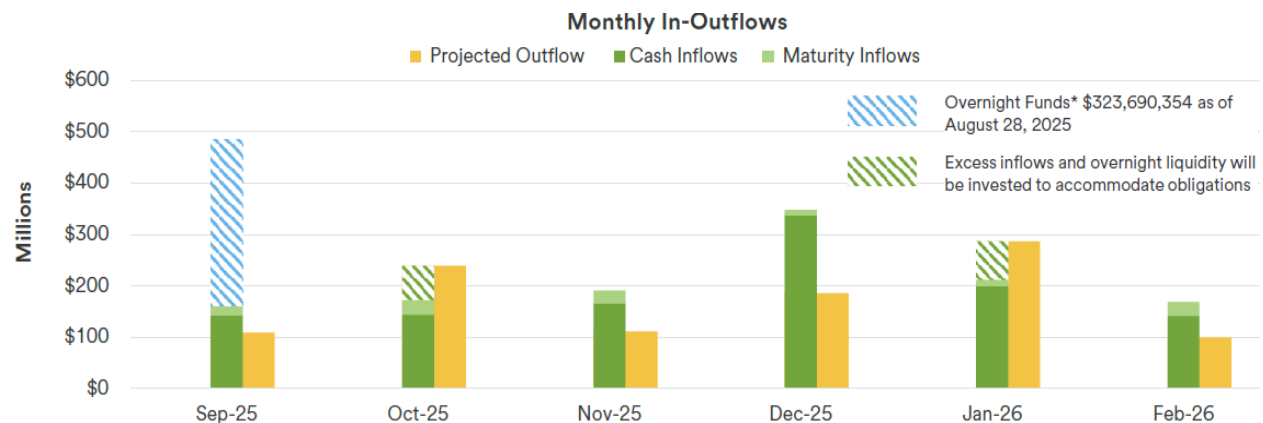


THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: September 9, 2025
To: Finance, Affordability, Asset Management, and Efficiency Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report August 2025

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 10, 2025.

As of August 31, 2025, Metropolitan has a market value of approximately \$1.3 billion in funds in its investment portfolio. Metropolitan has sufficient liquidity to pay for the next six months of expenditures, as demonstrated in the chart below.



**Overnight funds, as of 8/28/25, include CAMP and MMF.*

The LAIF balance (currently \$25 million) is included in the "Total Daily Portfolio Balance" but not included in the "Monthly In-Outflows" as it is not intended to be used as a primary source of liquidity.

Portfolio maturities, water sales, and bond proceeds are included in the Portfolio Inflows.

Katano Kasaine

Katano Kasaine
KK: mt

Attachments

Attachment 1
The Metropolitan Water District of Southern California (MWD)
Summary of Portfolio Performance Report
August 31, 2025

		Market Value (\$ in Thousands)	Monthly Return			Fiscal YTD Return			Annualized Total Return	
			Interest <u>Return</u>	Total <u>Return (1)</u>	<u>Benchmark</u>	Interest <u>Return</u>	Total <u>Return (1)</u>	<u>Benchmark</u>	Inception-to-Date <u>MWD</u>	<u>Benchmark</u>
Liquidity	(2,3)	\$ 585,569	0.32%	0.41%	0.39%	0.66%	0.77%	0.74%	2.14%	1.70%
Core	(4)	<u>645,845</u>	0.28%	0.92%	0.93%	0.56%	0.93%	0.92%	3.14%	2.69%
Liquidity and Core		\$ 1,231,414								
Endowment	(5,6)	45,258	0.34%	1.00%		0.67%	0.96%		5.03%	
Total		<u><u>\$ 1,276,672</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 market value balance includes a PNC Bank 3-Month collateralized time certificate of deposit of \$956,197, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of July 9, 2025.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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
August 31, 2025

		<u>Market Value</u> <u>(\$ in Thousands)</u>	<u>Minimum</u> <u>Duration</u>	<u>MWD</u> <u>Duration</u>	<u>Maximum</u> <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1,2)	\$ 585,569	0.00	0.21	0.74	0.24
Core	(3)	<u>645,845</u>	0.67	1.96	3.67	2.17
Liquidity and Core		\$ 1,231,414				
Endowment	(4)	45,258		2.67		
Total		<u><u>\$ 1,276,672</u></u>				

(1) The Liquidity Portfolio market value balance includes a PNC Bank 3-Month collateralized time certificate of deposit of \$956,197, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of July 9, 2025.

(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 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.

(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.

Attachment 3
Summary of Portfolio Holding Report
(sorted in descending order by Market Value)
August 31, 2025

(\$ 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	\$ 340,080	\$ 341,950	26.78%	26.78%
California Asset Management Program	335,158	335,158	26.25%	53.03%
Medium Term Notes	238,698	240,741	18.86%	71.89%
Negotiable Certificates of Deposit	98,500	98,587	7.72%	79.61%
Asset-Backed Securities	82,114	82,721	6.48%	86.09%
Mortgage-Backed Securities	69,010	70,760	5.54%	91.63%
Commercial Paper	53,583	53,575	4.20%	95.83%
California Local Agency Investment Fund	25,000	25,000	1.96%	97.79%
Federal Agencies	23,336	23,437	1.84%	99.63%
Municipals	2,310	2,275	0.18%	99.81%
Bank Deposits (Certificate of Deposit) (1)	956	956	0.07%	99.88%
Supranationals	799	806	0.06%	99.94%
Money Market Funds	706	706	0.06%	100.00%
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	<u>\$ 1,270,250</u>	<u>\$ 1,276,672</u>	<u>100.00%</u>	

(1) PNC Bank 3-Month collateralized time certificate of deposit of \$956,197, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of July 9, 2025.

Attachment 4
Summary Report of Investment & Cash Activity
(sorted alphabetically by security)
August 31, 2025

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 82,664	\$ 1,820	\$ 2,370	\$ -	\$ 82,114
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	287,531	126,217	78,590	-	335,158
California Local Agency Investment Fund	25,000	-	-	-	25,000
Commercial Paper	74,865	6,718	4,000	24,000	53,583
Federal Agencies	23,312	24	-	-	23,336
Medium Term Notes	259,445	3,101	5,669	18,179	238,698
Money Market Funds	3,530	3,201	6,025	-	706
Mortgage-Backed Securities	66,359	2,662	11	-	69,010
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	103,501	-	1	5,000	98,500
Repurchase Agreements	-	-	-	-	-
Supranationals	799	-	-	-	799
Bank Deposits (Certificate of Deposit) (1)	956	-	-	-	956
United States Treasuries	330,051	10,029	-	-	340,080
Subtotals	\$ 1,260,323	\$ 153,772	\$ 96,666	\$ 47,179	\$ 1,270,250
<u>Cash</u>	Beginning Balance	Deposits		Withdrawals	Ending Balance
Demand Accounts	\$ 1	\$ 32		\$ -	\$ 33
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 6	\$ 32		\$ -	\$ 38
Total	\$ 1,260,329	\$ 153,804	\$ 96,666	\$ 47,179	\$ 1,270,288

(1) PNC Bank 3-Month collateralized time certificate of deposit of \$956,197, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of July 9, 2025.

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
August 31, 2025

(\$ 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"	\$ 82,721	yes
Bank Deposits (Certificate of Deposit)	(1)	Collateralized/FDIC Insured	956	yes
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(2)	"AAAm or higher"	335,158	yes
California Local Agency Investment Fund		N/A	25,000	yes
Commercial Paper		"A1/P1 or higher"	53,575	yes
Federal Agencies	(3)	N/A	23,437	yes
Medium Term Notes	(4)(5)	"A or higher"	240,741	yes
Money Market Funds		"AAAm"	706	yes
Mortgage-Backed Securities		"AAA"	70,760	yes
Municipals		"A or higher"	2,275	yes
Negotiable Certificates of Deposit		"A-1 or higher"	98,587	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	806	yes
United States Treasuries	(6)	N/A	341,950	yes
Total Portfolio			<u><u>\$ 1,276,672</u></u>	

- (1) PNC Bank 3-Month collateralized time certificate of deposit of \$956,197, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of July 9, 2025.
- (2) 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).
- (3) Federal Agencies and United States Treasuries are rated 'AAA' by two nationally recognized rating agencies and 'AA+' by one nationally recognized rating agency.
- (4) Please see attachment 5a for medium term notes that are rated less than A.
- (5) Effective July 1, 2025, the credit requirement was updated to, AA or its equivalent or better by at least one NRSRO. Securities purchased before July 1, 2025, meet the prior rating requirement of, A or its equivalent or better by an NRSRO.
- (6) Securities have an explicit United States Government guarantee.

Attachment 5a
Credit Activity Exception Report
August 31, 2025
(\$ in Thousands)

Credit Ratings		Medium Term Notes	Maturity Date	Market Value	Book Value
Moody's	S&P				
Baa1 (1)	A-	Truist Financial Corporate @ 1.125%	8/3/2027	\$ 473	\$ 463
Total				\$ 473	\$ 463

(1) One notch downgrade effective 5/8/24.

Attachment 6
Holding Limit Compliance Report
(sorted in descending order by Holding Limit)
August 31, 2025

(\$ in Thousands)

<u>Securities</u>		<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies		\$ 23,437	1.84%	100%
Mortgage-Backed Securities		70,760	5.54%	100%
United States Treasuries		341,950	26.78%	100%
Bankers' Acceptances		-	-	40%
California Asset Management Program		335,158	26.25%	40%
Commercial Paper		53,575	4.20%	40%
Bank Deposits (Certificate of Deposit)	(1)	956	0.07%	30%
Medium Term Notes		240,741	18.86%	30%
Municipals		2,275	0.18%	30%
Negotiable Certificates of Deposit		98,587	7.72%	30%
Supranationals		806	0.06%	30%
Asset-Backed Securities		82,721	6.48%	20%
Money Market Funds		706	0.06%	20%
Repurchase Agreements	(2)	-	-	20%
California Local Agency Investment Fund	(3)	25,000	1.96%	N/A
Total Portfolio		<u>\$ 1,276,672</u>	<u>100.00%</u>	

- (1) PNC Bank 3-Month collateralized time certificate of deposit of \$956,197, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of July 9, 2025.
- (2) Repurchase agreements can only be executed with primary dealers and collateral consists of Treasuries and/or Federal Agencies with maturities under 5 years.
- (3) \$75 million maximum allowed by California Local Agency Investment Fund for Operating Accounts.

Attachment 7
Maturity Compliance Report
(sorted alphabetically by Security)
August 31, 2025

(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 (4)</u>
Asset-Backed Securities		2.581	3.539	3.797	5.00	yes
Bank Deposits (Certificate of Deposit)	(1)	0.104	-	-	5.00	yes
Bankers' Acceptances		-	-	-	0.49	n/a
California Asset Management Program		0.003	-	0.003	N/A	yes
California Local Agency Investment Fund		0.003	-	-	N/A	yes
Commercial Paper		0.224	-	-	0.74	yes
Federal Agencies	(2,3)	-	2.126	9.351	5.00	yes
Medium Term Notes		0.981	2.299	2.677	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	2.800	3.482	5.00	yes
Municipals	(3)	-	0.573	-	5.00	yes
Negotiable Certificates of Deposit		0.414	0.858	1.419	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		-	-	1.373	5.00	yes
United States Treasuries	(2,3)	-	2.290	4.888	5.00	yes
Weighted Average Maturity		0.293	2.427	3.134		

- (1) PNC Bank 3-Month collateralized time certificate of deposit of \$956,197, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of July 9, 2025.
- (2) The Core Portfolio may be invested in Federal Agency and United States Treasury securities with maturities in excess of five years.
- (3) The Treasurer is authorized to invest the Endowment Portfolio in investments 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.
- (4) 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.