



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Finance and Asset Management Committee

- **Treasurer's Monthly Report**

Summary

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

Administrative Code Requirement 5114

Attachments

Attachment 1:	Summary of Portfolio Performance Report – April 2024
Attachment 2:	Summary of Portfolio Duration Report – April 2024
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Attachment 4:	Summary Report of Investment & Cash Activity – April 2024
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THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: May 14, 2024
To: Finance and Asset Management Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report April 2024

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
April 30, 2024

	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) \$ 437,984	0.40%	0.42% 0.43%	3.63%	4.61% 4.47%	1.96%	1.51%
Core	(3) <u>596,056</u>	0.25%	(0.44%) (0.51%)	2.30%	3.42% 3.17%	2.95%	2.47%
Liquidity and Core	\$ 1,034,040						
Endowment	(4,5) 41,476	0.36%	(0.43%)	3.75%	2.76%	3.24%	
Total	<u><u>\$ 1,075,516</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
April 30, 2024

	Market Value (\$ in Thousands)	Minimum Duration	MWD Duration	Maximum Duration	Benchmark
Liquidity	(1) \$ 437,984	0.00	0.12	0.72	0.22
Core	(2) <u>596,056</u>	0.65	1.94	3.65	2.15
Liquidity and Core	\$ 1,034,040				
Endowment	(3) 41,476		1.90		
Total	<u><u>\$ 1,075,516</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)
April 30, 2024

(\$ 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>
California Asset Management Program	\$ 326,666	\$ 326,666	30.37%	30.37%
United States Treasuries	286,666	278,985	25.94%	56.31%
Medium Term Notes	211,374	207,217	19.27%	75.58%
Federal Agencies	62,921	62,315	5.79%	81.37%
Asset-Backed Securities	54,519	54,142	5.03%	86.40%
Mortgage-Backed Securities	45,511	44,911	4.18%	90.58%
Negotiable Certificates of Deposit	39,605	39,505	3.67%	94.25%
California Local Agency Investment Fund	25,000	25,000	2.33%	96.58%
Commercial Paper	24,877	24,854	2.31%	98.89%
Supranationals	7,975	7,721	0.72%	99.61%
Municipals	2,310	2,150	0.20%	99.81%
Money Market Funds	2,050	2,050	0.19%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	<u>\$ 1,089,474</u>	<u>\$ 1,075,516</u>	<u>100.00%</u>	

Attachment 4
Summary Report of Investment & Cash Activity
(sorted alphabetically by security)
April 30, 2024

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 56,819	\$ -	\$ 2,300	\$ -	\$ 54,519
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	265,344	162,417	101,095	-	326,666
California Local Agency Investment Fund	25,000	-	-	-	25,000
Commercial Paper	33,331	96	-	8,550	24,877
Federal Agencies	62,881	40	-	-	62,921
Medium Term Notes	222,256	72	2,454	8,500	211,374
Money Market Funds	2,045	13,866	13,861	-	2,050
Mortgage-Backed Securities	45,515	-	4	-	45,511
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	38,606	999	-	-	39,605
Repurchase Agreements	-	-	-	-	-
Supranationals	7,980	-	5	-	7,975
Time Deposits	-	-	-	-	-
United States Treasuries	284,676	8,290	-	6,300	286,666
Subtotals	\$ 1,046,763	\$ 185,780	\$ 119,719	\$ 23,350	\$ 1,089,474
	Beginning Balance	Deposits		Withdrawals	Ending Balance
Cash					
Demand Accounts	\$ 1,480	\$ 581		\$ -	\$ 2,061
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 1,485	\$ 581		\$ -	\$ 2,066
Total	\$ 1,048,248	\$ 186,361	\$ 119,719	\$ 23,350	\$ 1,091,540

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
April 30, 2024

(\$ 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"	\$ 54,142	yes
Bank Deposits	Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances	"A-1 or higher"	-	n/a
California Asset Management Program (1)	"AAAm or higher"	326,666	yes
California Local Agency Investment Fund	N/A	25,000	yes
Commercial Paper	"A1/P1 or higher"	24,854	yes
Federal Agencies (2)	N/A	62,315	yes
Medium Term Notes	"A or higher"	207,217	yes
Money Market Funds	"AAAm"	2,050	yes
Mortgage-Backed Securities	"AAA"	44,911	yes
Municipals	"A or higher"	2,150	yes
Negotiable Certificates of Deposit	"A-1 or higher"	39,505	yes
Repurchase Agreements	"AAA"	-	n/a
Supranationals	"AA or higher"	7,721	yes
United States Treasuries (2,3)	N/A	278,985	yes
Total Portfolio		\$ 1,075,516	

- (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)
April 30, 2024

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 62,315	5.79%	100%
Mortgage-Backed Securities	44,911	4.18%	100%
United States Treasuries	278,985	25.94%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	326,666	30.37%	40%
Commercial Paper	24,854	2.31%	40%
Bank Deposits	-	-	30%
Medium Term Notes	207,217	19.27%	30%
Municipals	2,150	0.20%	30%
Negotiable Certificates of Deposit	39,505	3.67%	30%
Supranationals	7,721	0.72%	30%
Asset-Backed Securities	54,142	5.03%	20%
Money Market Funds	2,050	0.19%	20%
Repurchase Agreements (1)	-	-	20%
California Local Agency Investment Fund (2)	25,000	2.33%	N/A
Total Portfolio	<u>\$ 1,075,516</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)
April 30, 2024

(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		2.224	3.891	4.413	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		0.426	0.355	0.322	0.74	yes
Federal Agencies	(1,2)	0.251	1.555	-	5.00	yes
Medium Term Notes		0.787	2.585	3.825	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	2.907	4.475	5.00	yes
Municipals	(2)	-	1.904	-	5.00	yes
Negotiable Certificates of Deposit		0.470	1.740	2.749	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		-	0.708	2.702	5.00	yes
United States Treasuries	(1,2)	0.249	2.168	3.954	5.00	yes
Weighted Average Maturity		0.161	2.363	2.238		

(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 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.

(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.