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 –September 2024
Attachment 2:	Summary of Portfolio Duration Report – September 2024
Attachment 3:	Summary of Portfolio Holding Report – September 2024
Attachment 4:	Summary Report of Investment & Cash Activity – September 2024
Attachment 5:	Credit Quality Compliance Report – September 2024
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Attachment 7:	Maturity Compliance Report – September 2024

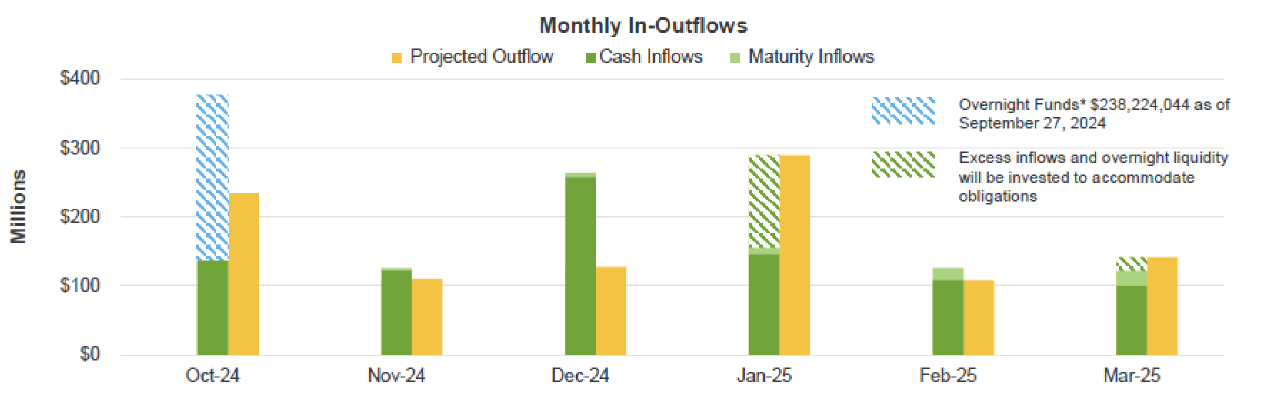
Date of Report: 10/8/2024

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date:	October 8, 2024
To:	Finance and Asset Management Committee
From:	Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject:	Treasurer's Monthly Report September 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 11, 2024.

As of September 30, 2024, Metropolitan has a market value of approximately $1.1 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 9/27/24, 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 a primary source of liquidity.
Portfolio maturities, water sales, and bond proceeds are included in the Portfolio Inflows.

Katano Kasaine
KK: mt

Attachments

Attachment 1

The Metropolitan Water District of Southern California (MWD)

Summary of Portfolio Performance Report

September 30, 2024

		Market Value ($ in Thousands)	Monthly Return: Interest Return	Monthly Return: Total Return (1)	Monthly Return: Benchmark	Fiscal YTD Return: Interest Return	Fiscal YTD Return: Total Return (1)	Fiscal YTD Return: Benchmark	Annualized Total Return Inception-to-Date: MWD	Annualized Total Return Inception-to-Date: Benchmark
Liquidity	(2,3)	$ 435,887	0.37%	0.45%	0.43%	1.12%	1.41%	1.37%	2.03%	1.59%
Core	(4)	621,589	0.26%	0.80%	0.83%	0.78%	2.90%	3.07%	3.08%	2.63%
Liquidity and Core		$ 1,057,476								
Endowment	(5,6)	42,889	0.36%	0.73%		1.11%	2.69%		5.50%	
Total		$ 1,100,365								

(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 4 months collateralized time certificate of deposit of $910,582, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of September 11, 2024.

(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

September 30, 2024

		Market Value ($ in Thousands)	Minimum Duration	MWD Duration	Maximum Duration	Benchmark
Liquidity	(1,2)	$ 435,887	0.00	0.11	0.73	0.23
Core	(3)	621,589	0.66	2.04	3.66	2.16
Liquidity and Core		$ 1,057,476				
Endowment	(4)	42,889		1.76		
Total		$ 1,100,365				

(1) The Liquidity Portfolio market value balance includes a PNC Bank 4 months collateralized time certificate of deposit of $910,582, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of September 11, 2024.

(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)
September 30, 2024

($ in Thousands)

Securities		**Book Value**	**Market Value**	**Percent of Portfolio Market Value**	**Cumulative % of Portfolio**
California Asset Management Program		$ 316,802	$ 316,802	28.79%	28.79%
United States Treasuries		303,149	303,695	27.60%	56.39%
Medium Term Notes		212,697	213,962	19.45%	75.84%
Mortgage-Backed Securities		57,831	59,322	5.39%	81.23%
Asset-Backed Securities		48,396	48,966	4.45%	85.68%
Negotiable Certificates of Deposit		39,107	39,318	3.57%	89.25%
Federal Agencies		36,622	36,706	3.34%	92.59%
Commercial Paper		29,456	29,528	2.68%	95.27%
California Local Agency Investment Fund		25,000	25,000	2.27%	97.54%
Money Market Funds		18,496	18,496	1.68%	99.22%
Supranationals		5,510	5,438	0.50%	99.72%
Municipals		2,310	2,221	0.20%	99.92%
Bank Deposits (Certificate of Deposit)	(1)	911	911	0.08%	100.00%
Bankers' Acceptances		-	-	-	
Repurchase Agreements		-	-	-	
Total Portfolio		$ 1,096,287	$ 1,100,365	100.00%	

(1) PNC Bank 4 months collateralized time certificate of deposit of $910,582, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of September 11, 2024.

Attachment 4

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

(Shown at Book Value and $ in Thousands)

Securities	**Beginning Balance**	**Purchases & Amortization**	**Sales**	**Maturities**	**Ending Balance**
Asset-Backed Securities	$ 50,174	$ 2	$ 1,780	$ -	$ 48,396
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	222,493	191,883	97,574	-	316,802
California Local Agency Investment Fund	25,000	-	-	-	25,000
Commercial Paper	42,793	163	-	13,500	29,456
Federal Agencies	44,584	38	-	8,000	36,622
Medium Term Notes	217,889	2,803	-	7,995	212,697
Money Market Funds	674	35,537	17,715	-	18,496
Mortgage-Backed Securities	57,913	1,665	1,747	-	57,831
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	46,106	1	-	7,000	39,107
Repurchase Agreements	-	-	-	-	-
Supranationals	7,955	-	5	2,440	5,510
Bank Deposits (Certificate of Deposit)	900	911	-	900	911
United States Treasuries	288,256	25,893	-	11,000	303,149
Subtotals	**$ 1,007,047**	**$ 258,896**	**$ 118,821**	**$ 50,835**	**$ 1,096,287**

Cash	Beginning Balance	Deposits		Withdrawals	Ending Balance
Demand Accounts	$ 50	$ -		$ 50	$ -
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	**$ 55**	**$ -**		**$ 50**	**$ 5**
Total	**$ 1,007,102**	**$ 258,896**	**$ 118,821**	**$ 50,885**	**$ 1,096,292**

Attachment 5

Credit Quality Compliance Report
(sorted alphabetically by Security)
September 30, 2024

($ in Thousands)

Securities		**Credit Quality**	**Market Value**	**Meets Policy Credit Requirement**
Asset-Backed Securities		"AA or higher"	$ 48,966	yes
Bank Deposits (Certificate of Deposit)	(1)	Collateralized/FDIC Insured	911	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(2)	"AAAm or higher"	316,802	yes
California Local Agency Investment Fund		N/A	25,000	yes
Commercial Paper		"A1/P1 or higher"	29,528	yes
Federal Agencies	(3)	N/A	36,706	yes
Medium Term Notes	(4)	"A or higher"	213,962	yes
Money Market Funds		"AAAm"	18,496	yes
Mortgage-Backed Securities		"AAA"	59,322	yes
Municipals		"A or higher"	2,221	yes
Negotiable Certificates of Deposit		"A-1 or higher"	39,318	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	5,438	yes
United States Treasuries	(2,5)	N/A	303,695	yes
Total Portfolio			$ 1,100,365	

(1) PNC Bank 4 months collateralized time certificate of deposit of $910,582, a financial assurance of The California State Mining and Geology Board (SMGB) and T Division of Mine Reclamation as of September 11, 2024.

(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

(4) Please see attachment 5a for medium term notes that are rated less than A.

(5) Securities have an explicit United States Government guarantee.

Attachment 5a

Credit Activity Exception Report

September 30, 2024

($ in Thousands)

Credit Ratings Moody's	S&P	Medium Term Notes	Maturity Date	Market Value	Book Value
Baa1 (1)	A-	Truist Financial Corporate @ 1.125%	8/3/2027	$ 459	$ 445
Baa1 (2)	BBB+ (3)	Intel Corporation @ 3.75%	8/5/2027	2,940	2,955
Total				$ 3,399	$ 3,400

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

(2) One notch downgrade effective 8/8/24.

(3) One notch downgrade effective 8/16/24.

Attachment 6

Holding Limit Compliance Report
(sorted in descending order by Holding Limit)
September 30, 2024

($ in Thousands)

Securities		Market Value	Percent of Portfolio Market Value	Holding Limits
Federal Agencies		$ 36,706	3.34%	100%
Mortgage-Backed Securities		59,322	5.39%	100%
United States Treasuries		303,695	27.60%	100%
Bankers' Acceptances		-	-	40%
California Asset Management Program		316,802	28.79%	40%
Commercial Paper		29,528	2.68%	40%
Bank Deposits (Certificate of Deposit)	(1)	911	0.08%	30%
Medium Term Notes		213,962	19.45%	30%
Municipals		2,221	0.20%	30%
Negotiable Certificates of Deposit		39,318	3.57%	30%
Supranationals		5,438	0.50%	30%
Asset-Backed Securities		48,966	4.45%	20%
Money Market Funds		18,496	1.68%	20%
Repurchase Agreements	(2)	-	-	20%
California Local Agency Investment Fund	(3)	25,000	2.27%	N/A
Total Portfolio		$ 1,100,365	100.00%	

(1) PNC Bank 4 months collateralized time certificate of deposit of $910,582, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of September 11, 2024.

(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)
September 30, 2024

(weighted average maturity in years)

Securities		Liquidity Portfolio	Core Portfolio	Endowment Portfolio	Maximum Maturity	Compliance (3)
Asset-Backed Securities		2.445	3.566	4.019	5.00	yes
Bank Deposits (Certificate of Deposit)		0.273	-	-	5.00	n/a
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		0.339	-	-	0.74	yes
Federal Agencies	(1,2)	-	1.566	-	5.00	yes
Medium Term Notes		1.057	2.347	3.407	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	3.178	4.060	5.00	yes
Municipals	(2)	-	1.486	-	5.00	yes
Negotiable Certificates of Deposit		0.473	1.322	2.331	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		-	0.448	2.284	5.00	yes
United States Treasuries	(1,2)	-	2.374	3.358	5.00	yes
Weighted Average Maturity		0.153	2.437	2.011		

(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.