



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# Board Report

## Finance and Asset Management Committee

- **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 5114

### Attachments

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

**Date:** April 9, 2024  
**To:** Finance and Asset Management Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report March 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  
March 31, 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	Benchmark
Liquidity	(2) \$ 398,245	0.40%	0.45% 0.45%	3.24%	4.17% 4.03%	1.95%	1.50%
Core	(3) <u>598,133</u>	0.25%	0.44% 0.41%	2.05%	3.88% 3.69%	2.98%	2.51%
Liquidity and Core	\$ 996,378						
Endowment	(4,5) 41,426	0.37%	0.51%	3.39%	3.20%	4.18%	
Total	<u><u>\$ 1,037,804</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**  
**March 31, 2024**

	<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) \$ 398,245	0.00	0.15	0.74	0.24
Core	(2) <u>598,133</u>	0.65	2.06	3.65	2.15
Liquidity and Core	\$ 996,378				
Endowment	(3) 41,426			1.88	
Total	<u>\$ 1,037,804</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 )**  
**March 31, 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>
United States Treasuries	\$ 284,676	\$ 279,397	26.92%	26.92%
California Asset Management Program	265,344	265,344	25.57%	52.49%
Medium Term Notes	222,256	219,566	21.16%	73.65%
Federal Agencies	62,881	62,499	6.02%	79.67%
Asset-Backed Securities	56,819	56,751	5.47%	85.14%
Mortgage-Backed Securities	45,515	45,481	4.38%	89.52%
Negotiable Certificates of Deposit	38,606	38,549	3.71%	93.23%
Commercial Paper	33,331	33,295	3.21%	96.44%
California Local Agency Investment Fund	25,000	25,000	2.41%	98.85%
Supranationals	7,980	7,719	0.74%	99.59%
Municipals	2,310	2,158	0.21%	99.80%
Money Market Funds	2,045	2,045	0.20%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
<b>Total Portfolio</b>	<b><u>\$ 1,046,763</u></b>	<b><u>\$ 1,037,804</u></b>	<b><u>100.00%</u></b>	

Attachment 4  
**Summary Report of Investment & Cash Activity**  
(sorted alphabetically by security)  
**March 31, 2024**

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	<u>Beginning Balance</u>	<u>Purchases &amp; Amortization</u>	<u>Sales</u>	<u>Maturities</u>	<u>Ending Balance</u>
Asset-Backed Securities	\$ 55,929	\$ 3,399	\$ 2,509	\$ -	\$ 56,819
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	268,696	66,070	69,422	-	265,344
California Local Agency Investment Fund	25,000	-	-	-	25,000
Commercial Paper	54,268	6,504	4,941	22,500	33,331
Federal Agencies	67,842	39	-	5,000	62,881
Medium Term Notes	230,224	2,477	-	10,445	222,256
Money Market Funds	10,753	8,282	16,990	-	2,045
Mortgage-Backed Securities	45,262	258	5	-	45,515
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	61,608	-	23,002	-	38,606
Repurchase Agreements	-	-	-	-	-
Supranationals	7,985	-	5	-	7,980
Time Deposits	-	-	-	-	-
United States Treasuries	263,112	23,318	254	1,500	284,676
<b>Subtotals</b>	<b>\$ 1,092,989</b>	<b>\$ 110,347</b>	<b>\$ 117,128</b>	<b>\$ 39,445</b>	<b>\$ 1,046,763</b>
	<u>Beginning Balance</u>	<u>Deposits</u>		<u>Withdrawals</u>	<u>Ending Balance</u>
<b>Cash</b>					
Demand Accounts	\$ 3	\$ 1,477		\$ -	\$ 1,480
Petty Cash & Payroll	5				5
Overnight Investment	-				-
<b>Subtotals</b>	<b>\$ 8</b>	<b>\$ 1,477</b>		<b>\$ -</b>	<b>\$ 1,485</b>
<b>Total</b>	<b>\$ 1,092,997</b>	<b>\$ 111,824</b>	<b>\$ 117,128</b>	<b>\$ 39,445</b>	<b>\$ 1,048,248</b>

Attachment 5  
**Credit Quality Compliance Report**  
**(sorted alphabetically by Security)**  
**March 31, 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"	\$ 56,751	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	265,344	yes
California Local Agency Investment Fund		N/A	25,000	yes
Commercial Paper		"A1/P1 or higher"	33,295	yes
Federal Agencies	(2)	N/A	62,499	yes
Medium Term Notes		"A or higher"	219,566	yes
Money Market Funds		"AAAm"	2,045	yes
Mortgage-Backed Securities		"AAA"	45,481	yes
Municipals		"A or higher"	2,158	yes
Negotiable Certificates of Deposit		"A-1 or higher"	38,549	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	7,719	yes
United States Treasuries	(2,3)	N/A	279,397	yes
Total Portfolio			<u>\$ 1,037,804</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)  
**March 31, 2024**

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 62,499	6.02%	100%
Mortgage-Backed Securities	45,481	4.38%	100%
United States Treasuries	279,397	26.92%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	265,344	25.57%	40%
Commercial Paper	33,295	3.21%	40%
Bank Deposits	-	-	30%
Medium Term Notes	219,566	21.16%	30%
Municipals	2,158	0.21%	30%
Negotiable Certificates of Deposit	38,549	3.71%	30%
Supranationals	7,719	0.74%	30%
Asset-Backed Securities	56,751	5.47%	20%
Money Market Funds	2,045	0.20%	20%
Repurchase Agreements (1)	-	-	20%
California Local Agency Investment Fund (2)	25,000	2.41%	N/A
Total Portfolio	\$ 1,037,804	100.00%	

- (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)  
**March 31, 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	2.090	3.962	4.495	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	0.348	0.437	0.404	0.74	yes
Federal Agencies (1,2)	0.333	1.637	-	5.00	yes
Medium Term Notes	0.735	2.667	3.907	5.00	yes
Money Market Funds	0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities	-	2.989	4.557	5.00	yes
Municipals (2)	-	1.986	-	5.00	yes
Negotiable Certificates of Deposit	0.552	1.899	2.831	5.00	yes
Repurchase Agreements	-	-	-	0.74	n/a
Supranationals	-	0.790	2.784	5.00	yes
United States Treasuries (1,2)	0.331	2.312	3.809	5.00	yes
Weighted Average Maturity	0.213	2.478	2.183		

- (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.