



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

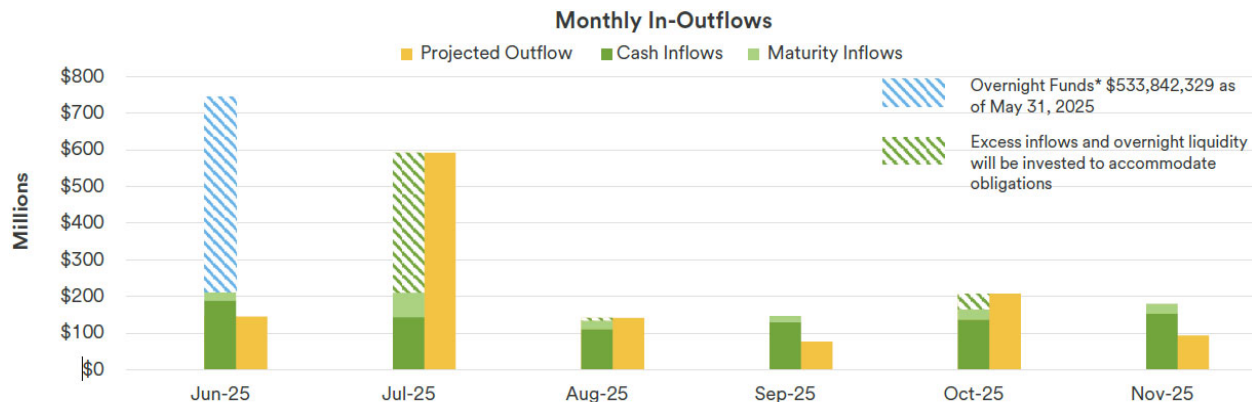


THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: June 10, 2025
To: Finance, Affordability, Asset Management, and Efficiency Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report May 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 11, 2024.

As of May 31, 2025, Metropolitan has a market value of approximately \$1.5 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 5/31/25, 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
May 31, 2025

		Market Value (\$ in Thousands)	Interest Return	Monthly Return		Interest Return	Fiscal YTD Return		Annualized Total Return	
				Total Return (1)	Benchmark		Total Return (1)	Benchmark	Inception-to-Date MWD	Benchmark
Liquidity	(2,3)	\$ 861,828	0.34%	0.36%	0.36%	3.84%	4.61%	4.34%	2.11%	1.67%
Core	(4)	<u>636,083</u>	0.29%	(0.06%)	(0.17%)	2.92%	5.35%	5.26%	3.10%	2.65%
Liquidity and Core		\$ 1,497,911								
Endowment	(5,6)	44,462	0.34%	(0.11%)		3.87%	5.16%		4.80%	
Total		<u><u>\$ 1,542,373</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 \$948,019, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of April 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
May 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)	\$ 861,828	0.00	0.18	0.74	0.24
Core	(3)	<u>636,083</u>	0.67	2.02	3.67	2.17
Liquidity and Core		\$ 1,497,911				
Endowment	(4)	44,462		2.49		
Total		<u><u>\$ 1,542,373</u></u>				

(1) The Liquidity Portfolio market value balance includes a PNC Bank 3-Month collateralized time certificate of deposit of \$948,019, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of April 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)
May 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>
California Asset Management Program	\$ 547,613	\$ 547,613	35.50%	35.50%
United States Treasuries	332,879	332,368	21.55%	57.05%
Medium Term Notes	269,013	269,806	17.49%	74.54%
Negotiable Certificates of Deposit	131,515	131,520	8.53%	83.07%
Asset-Backed Securities	72,907	73,203	4.75%	87.82%
Commercial Paper	72,441	72,410	4.69%	92.51%
Mortgage-Backed Securities	61,799	63,027	4.09%	96.60%
California Local Agency Investment Fund	25,000	25,000	1.62%	98.22%
Federal Agencies	23,113	23,106	1.50%	99.72%
Municipals	2,310	2,255	0.15%	99.87%
Bank Deposits (Certificate of Deposit) (1)	948	948	0.06%	99.93%
Supranationals	798	804	0.05%	99.98%
Money Market Funds	313	313	0.02%	100.00%
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	<u>\$ 1,540,649</u>	<u>\$ 1,542,373</u>	<u>100.00%</u>	

(1) PNC Bank 3-Month collateralized time certificate of deposit of \$948,019, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of April 9, 2025.

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

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 68,567	\$ 5,785	\$ 1,445	\$ -	\$ 72,907
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	515,519	135,307	103,213	-	547,613
California Local Agency Investment Fund	25,276	-	276	-	25,000
Commercial Paper	67,544	18,897	4,000	10,000	72,441
Federal Agencies	23,090	23	-	-	23,113
Medium Term Notes	267,266	16,255	4,225	10,283	269,013
Money Market Funds	101	13,864	13,652	-	313
Mortgage-Backed Securities	61,892	4	97	-	61,799
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	123,023	8,492	-	-	131,515
Repurchase Agreements	-	-	-	-	-
Supranationals	798	-	-	-	798
Bank Deposits (Certificate of Deposit)	948	-	-	-	948
United States Treasuries	333,111	6,278	1,510	5,000	332,879
Subtotals	\$ 1,489,445	\$ 204,905	\$ 128,418	\$ 25,283	\$ 1,540,649
<u>Cash</u>	Beginning Balance	Deposits		Withdrawals	Ending Balance
Demand Accounts	\$ 8	\$ 67		\$ -	\$ 75
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 13	\$ 67		\$ -	\$ 80
Total	\$ 1,489,458	\$ 204,972	\$ 128,418	\$ 25,283	\$ 1,540,729

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
May 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"	\$ 73,203	yes
Bank Deposits (Certificate of Deposit)	(1)	Collateralized/FDIC Insured	948	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(2)	"AAAm or higher"	547,613	yes
California Local Agency Investment Fund		N/A	25,000	yes
Commercial Paper		"A1/P1 or higher"	72,410	yes
Federal Agencies	(3)	N/A	23,106	yes
Medium Term Notes	(4)	"A or higher"	269,806	yes
Money Market Funds		"AAAm"	313	yes
Mortgage-Backed Securities		"AAA"	63,027	yes
Municipals		"A or higher"	2,255	yes
Negotiable Certificates of Deposit		"A-1 or higher"	131,520	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	804	yes
United States Treasuries	(5)	N/A	332,368	yes
Total Portfolio			<u>\$ 1,542,373</u>	

- (1) PNC Bank 3-Month collateralized time certificate of deposit of \$948,019, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of April 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
- (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
May 31, 2025
(\$ in Thousands)

Credit Ratings		Medium Term Notes	Maturity Date	Market Value	Book Value
Moody's	S&P				
Baa1 (1)	BBB (2)	Intel Corporation @ 3.75%	8/5/2027	\$ 2,945	\$ 2,965
Baa1 (3)	A-	Truist Financial Corporate @ 1.125%	8/3/2027	\$ 467	\$ 458
Total				\$ 3,412	\$ 3,423

(1) One notch downgrade effective 8/8/24.
(2) One notch downgrade effective 8/16/24 and 12/10/24.
(3) One notch downgrade effective 5/8/24.

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

(\$ in Thousands)

<u>Securities</u>		<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies		\$ 23,106	1.50%	100%
Mortgage-Backed Securities		63,027	4.09%	100%
United States Treasuries		332,368	21.55%	100%
Bankers' Acceptances		-	-	40%
California Asset Management Program		547,613	35.50%	40%
Commercial Paper		72,410	4.69%	40%
Bank Deposits (Certificate of Deposit)	(1)	948	0.06%	30%
Medium Term Notes		269,806	17.49%	30%
Municipals		2,255	0.15%	30%
Negotiable Certificates of Deposit		131,520	8.53%	30%
Supranationals		804	0.05%	30%
Asset-Backed Securities		73,203	4.75%	20%
Money Market Funds		313	0.02%	20%
Repurchase Agreements	(2)	-	-	20%
California Local Agency Investment Fund	(3)	25,000	1.62%	N/A
Total Portfolio		<u>\$ 1,542,373</u>	<u>100.00%</u>	

- (1) PNC Bank 3-Month collateralized time certificate of deposit of \$948,019, a financial assurance of The California State Mining and Geology Board (SMGB) and The Department of Conservation Division of Mine Reclamation as of April 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)
May 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 (3)</u>
Asset-Backed Securities		2.660	3.499	3.767	5.00	yes
Bank Deposits (Certificate of Deposit)		0.104	-	-	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		0.275	-	-	0.74	yes
Federal Agencies	(1,2)	-	2.381	-	5.00	yes
Medium Term Notes		0.992	2.386	2.929	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	2.795	3.515	5.00	yes
Municipals	(2)	-	0.825	-	5.00	yes
Negotiable Certificates of Deposit		0.359	1.110	1.671	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		-	-	1.625	5.00	yes
United States Treasuries	(1,2)	-	2.364	4.860	5.00	yes
Weighted Average Maturity		0.233	2.479	2.912		

(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.