



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# Board Report

## Finance, Affordability, Asset Management, and Efficiency Committee

### • Treasurer's Monthly Report

#### Summary

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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

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Administrative Code Requirement 5114

#### Attachments

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Attachment 1:	Summary of Portfolio Performance Report – July 2025
Attachment 2:	Summary of Portfolio Duration Report – July 2025
Attachment 3:	Summary of Portfolio Holding Report – July 2025
Attachment 4:	Summary Report of Investment & Cash Activity – July 2025
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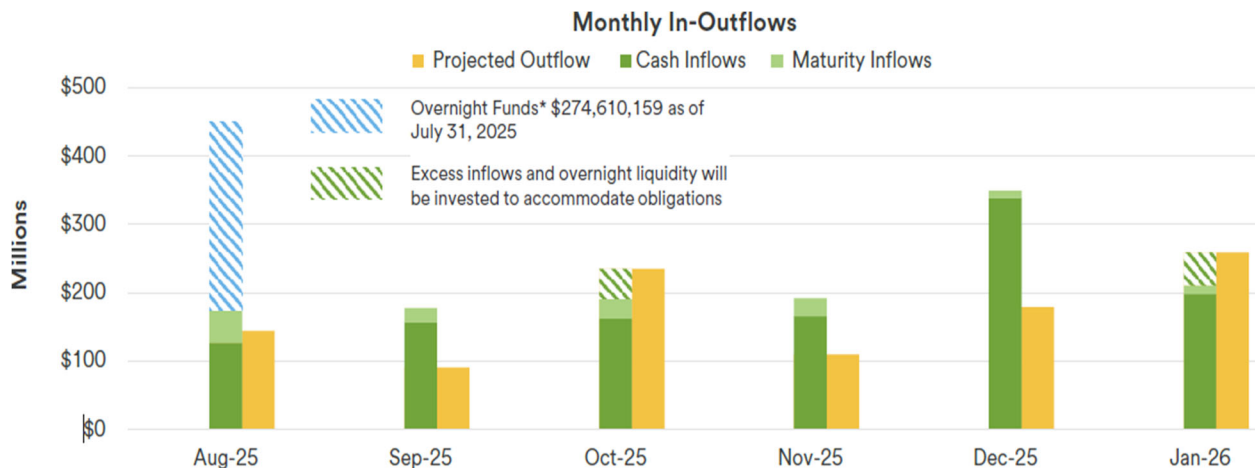


THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** August 19, 2025  
**To:** Finance, Affordability, Asset Management, and Efficiency Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report July 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 July 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 7/31/25, 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  
KK: mt

Attachments

Attachment 1  
**The Metropolitan Water District of Southern California (MWD)**  
**Summary of Portfolio Performance Report**  
**July 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)	\$ 577,618	0.33%	0.36%	0.35%	0.33%	0.36%	0.35%	2.13%	1.69%
Core	(4)	<u>639,986</u>	0.28%	0.01%	(0.01%)	0.28%	0.01%	(0.01%)	3.11%	2.66%
Liquidity and Core		\$ 1,217,604								
Endowment	(5,6)	44,782	0.33%	(0.03%)		0.33%	(0.03%)		4.77%	
Total		<u><u>\$ 1,262,386</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**  
**July 31, 2025**

		<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	(1,2)	\$ 577,618	0.00	0.24	0.74	0.24
Core	(3)	<u>639,986</u>	0.64	1.96	3.64	2.14
Liquidity and Core		\$ 1,217,604				
Endowment	(4)	44,782		2.51		
Total		<u><u>\$ 1,262,386</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 )  
**July 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	\$ 330,051	\$ 329,673	26.11%	26.11%
California Asset Management Program	287,531	287,531	22.78%	48.89%
Medium Term Notes	259,445	260,420	20.63%	69.52%
Negotiable Certificates of Deposit	103,501	103,480	8.20%	77.72%
Asset-Backed Securities	82,664	82,969	6.57%	84.29%
Commercial Paper	74,865	74,847	5.93%	90.22%
Mortgage-Backed Securities	66,359	67,598	5.35%	95.57%
California Local Agency Investment Fund	25,000	25,000	1.98%	97.55%
Federal Agencies	23,312	23,313	1.85%	99.40%
Money Market Funds	3,530	3,530	0.28%	99.68%
Municipals	2,310	2,266	0.18%	99.86%
Bank Deposits (Certificate of Deposit) (1)	956	956	0.08%	99.94%
Supranationals	799	803	0.06%	100.00%
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	<u>\$ 1,260,323</u>	<u>\$ 1,262,386</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)  
**July 31, 2025**

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	<b>Beginning Balance</b>	<b>Purchases &amp; Amortization</b>	<b>Sales</b>	<b>Maturities</b>	<b>Ending Balance</b>
Asset-Backed Securities	\$ 83,375	\$ 1,271	\$ 1,982	\$ -	\$ 82,664
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	592,995	93,300	398,764	-	287,531
California Local Agency Investment Fund	25,000	-	-	-	25,000
Commercial Paper	83,755	5,110	-	14,000	74,865
Federal Agencies	23,136	176	-	-	23,312
Medium Term Notes	281,044	112	8,501	13,210	259,445
Money Market Funds	950	15,277	12,697	-	3,530
Mortgage-Backed Securities	61,724	4,847	212	-	66,359
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	131,507	14,994	-	43,000	103,501
Repurchase Agreements	-	-	-	-	-
Supranationals	798	1	-	-	799
Bank Deposits (Certificate of Deposit)	948	956	-	948	956
United States Treasuries	327,193	6,341	1,433	2,050	330,051
<b>Subtotals</b>	<b>\$ 1,614,735</b>	<b>\$ 142,385</b>	<b>\$ 423,589</b>	<b>\$ 73,208</b>	<b>\$ 1,260,323</b>
<u>Cash</u>	<b>Beginning Balance</b>	<b>Deposits</b>		<b>Withdrawals</b>	<b>Ending Balance</b>
Demand Accounts	\$ 1	\$ -		\$ -	\$ 1
Petty Cash & Payroll	5				5
Overnight Investment	-				-
<b>Subtotals</b>	<b>\$ 6</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ 6</b>
<b>Total</b>	<b>\$ 1,614,741</b>	<b>\$ 142,385</b>	<b>\$ 423,589</b>	<b>\$ 73,208</b>	<b>\$ 1,260,329</b>

Attachment 5  
**Credit Quality Compliance Report**  
(sorted alphabetically by Security)  
**July 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"	\$ 82,969	yes
Bank Deposits (Certificate of Deposit)	(1)	Collateralized/FDIC Insured	956	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(2)	"AAAm or higher"	287,531	yes
California Local Agency Investment Fund		N/A	25,000	yes
Commercial Paper		"A1/P1 or higher"	74,847	yes
Federal Agencies	(3)	N/A	23,313	yes
Medium Term Notes	(4)	"A or higher"	260,420	yes
Money Market Funds		"AAAm"	3,530	yes
Mortgage-Backed Securities		"AAA"	67,598	yes
Municipals		"A or higher"	2,266	yes
Negotiable Certificates of Deposit		"A-1 or higher"	103,480	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	803	yes
United States Treasuries	(5)	N/A	329,673	yes
Total Portfolio			<u>\$ 1,262,386</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) Securities have an explicit United States Government guarantee.

Attachment 5a  
**Credit Activity Exception Report**  
**July 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	\$ 2,955	\$ 2,968
Baa1 (3)	A-	Truist Financial Corporate @ 1.125%	8/3/2027	\$ 496	\$ 461
Total				\$ 3,451	\$ 3,429

(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)  
**July 31, 2025**

(\$ in Thousands)

<u>Securities</u>		<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies		\$ 23,313	1.85%	100%
Mortgage-Backed Securities		67,598	5.35%	100%
United States Treasuries		329,673	26.11%	100%
Bankers' Acceptances		-	-	40%
California Asset Management Program		287,531	22.78%	40%
Commercial Paper		74,847	5.93%	40%
Bank Deposits (Certificate of Deposit)	(1)	956	0.08%	30%
Medium Term Notes		260,420	20.63%	30%
Municipals		2,266	0.18%	30%
Negotiable Certificates of Deposit		103,480	8.20%	30%
Supranationals		803	0.06%	30%
Asset-Backed Securities		82,969	6.57%	20%
Money Market Funds		3,530	0.28%	20%
Repurchase Agreements	(2)	-	-	20%
California Local Agency Investment Fund	(3)	25,000	1.98%	N/A
Total Portfolio		<u>\$ 1,262,386</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)  
**July 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		2.584	3.603	3.871	5.00	yes
Bank Deposits (Certificate of Deposit)		0.189	-	-	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		0.206	-	-	0.74	yes
Federal Agencies	(1,2)	-	2.211	9.436	5.00	yes
Medium Term Notes		0.871	2.348	2.762	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	2.797	3.564	5.00	yes
Municipals	(2)	-	0.658	-	5.00	yes
Negotiable Certificates of Deposit		0.472	0.942	1.504	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		-	-	1.458	5.00	yes
United States Treasuries	(1,2)	-	2.285	4.822	5.00	yes
Weighted Average Maturity		0.323	2.438	2.973		

- (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.