



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**Date:** May 10, 2010  
**To:** Business and Finance Committee  
**From:** Brian G. Thomas, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report April 2010

This letter transmits a summary report of investments, cash balances and performance report with total return, and duration comparisons for the end of the current month. A detailed report of investments is filed each month with the Executive Secretary. These reports are required by Section 5114 of the MWD Administrative Code. All of the investments comply with Chapter 5101 of the MWD Administrative Code and the Investment Policy dated June 9, 2009 with the exception of the Lehman corporate notes previously reported to the Board at the September 23, 2008 meeting of the Executive Committee. The Board approved holding these notes, in recognition of market conditions and Lehman's bankruptcy filing, in order to sell these securities in an orderly fashion. Attachment 2a shows the market value of the Lehman corporate notes. Metropolitan has sufficient liquidity to pay for the next six months of expenditures.

  
Brian G. Thomas

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Attachments

Attachment 1  
**The Metropolitan Water District of Southern California (MWD)**  
**Portfolio Performance Report**  
**April 2010**

		Market Value (\$ in Thousands)	Duration		Monthly Return		Annualized Monthly Return		Annualized Return *Inception-to-Date	
			MWD	Benchmark	MWD	Benchmark	MWD	Benchmark	MWD	Benchmark
Short-Term	(1)	\$ 619,656	0.37	0.24	0.12%	0.01%	1.43%	0.11%	2.93%	2.35%
Long-Term	(2)	298,211	3.18	2.60	0.66%	0.50%	8.27%	6.16%	4.81%	4.30%
Total Core Funds		\$ 917,867								
Other Funds	(3)	139,387	8.92		2.05%		27.63%		9.40%	
Total		<u>\$ 1,057,254</u>								

(1) The Short-Term Portfolio Benchmark is the Merrill Lynch, Three Month Treasury Bill Index.

(2) The Long-Term Portfolio Benchmark is the Merrill Lynch, Corporate and Government, 1 to 5 years, A Rated and Higher Index.

(3) Debt Service Reserve Funds and Lake Mathews Trust.

\* Inception Date 5/01/2002

Attachment 2  
**Portfolio Summary Report**  
**April 30, 2010**

(\$ in Thousands)

<u>Securities</u>		<u>Credit Quality</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Investment Policy Limits</u>
United States Treasuries	(1)	"AAA"	\$ 207,132	\$ 205,661	19.59%	100%
Gov't National Mtge Assoc.	(1)	"AAA"	467	457	0.04%	100%
Federal Agencies		"AAA"	338,134	336,650	31.98%	100%
Repurchase Agreements	(2)	"AAA"	-	-	0.00%	50%
Bankers' Acceptances		"F1 or higher"	-	-	0.00%	40%
Commercial Paper		"A1/P1 or higher"	119,061	119,064	11.26%	25%
Negotiable Certificates of Deposit		"F1 or higher"	2,725	2,725	0.26%	30%
Time Deposits		"F1 or better"	-	-	0.00%	N/A
Shares of Beneficial Interest		"AAA"	598	598	0.06%	20%
Local Agency Investment Fund			50,000	50,000	4.73%	N/A
Medium Term Notes	(3)	"A or higher"	99,143	100,721	9.38%	30%
Asset & Mortgage-Backed Securities		"AAA"	41,338	40,375	3.91%	20%
Municipals	(4)	"A or higher"	198,656	200,161	18.79%	30%
Total Portfolio			<u>\$ 1,057,254</u>	<u>\$ 1,056,412</u>	<u>100.0%</u>	

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

(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) Please see attachment 2a for medium term notes that are rated less than A.

(4) \$118.4 million (market value) of the municipal bond portfolio was rated AAA.

**Portfolio Summary Report**  
**Attachment 2a**  
**April 30, 2010**  
(\$ in Thousands)

	Credit Ratings		Description	Maturity Date	Market Value	Book Value
	Moody's	S&P				
(1)	*	*	Lehman Corporate Floating Rate Note	10/22/2008	\$ 62	\$ 286
(1)	*	*	Lehman 3.60%	3/13/2009	\$ 1,100	\$ 4,981
					<b>\$ 1,162</b>	<b>\$ 5,267</b>

\* Note: Securities are in default and credit ratings are no longer provided by the various rating agencies.

(1) Medium Term Notes.

Attachment 3  
**Summary Report of Investment & Cash Activity**  
**April 2010**

(Shown at Book Value and \$ in Thousands)

	<b>Beginning Balance</b>	<b>Purchases</b>	<b>Sales</b>	<b>Maturities</b>	<b>Ending Balance</b>
United States Treasuries	\$ 191,788	\$ 51,304	\$ 3,365	\$ 34,067	\$ 205,661
Gov't National Mtge Assoc.	490	-	-	33	457
Federal Agencies	438,565	225,575	326,990	500	336,650
Repurchase Agreements	-	-	-	-	-
Bankers' Acceptances	2,911	-	-	2,911	-
Commercial Paper	64,999	707,841	-	653,776	119,064
Negotiable Certificates of Deposit	-	2,725	-	-	2,725
Time Deposits	-	-	-	-	-
Shares of Beneficial Interest	604	3,332	3,338	-	598
Local Agency Investment Fund - California	50,000	2,600	2,600	-	50,000
Medium Term Notes	85,305	19,649	1,815	2,418	100,721
Asset & Mortgage-Backed Securities	41,494	(34)	178	907	40,375
Municipal Bonds	200,824	18,704	19,367	-	200,161
<b>Subtotals</b>	<b>\$ 1,076,980</b>	<b>\$ 1,031,696</b>	<b>\$ 357,653</b>	<b>\$ 694,612</b>	<b>\$ 1,056,412</b>
	<b>Beginning Balance</b>	<b>Deposits</b>		<b>Withdrawals</b>	<b>Ending Balance</b>
<b>Cash</b>					
Demand Accounts	\$ 11	551			\$ 562
Petty Cash	5				5
Less Overnight Investment	-	(2,250)			\$ (2,250) (1)
<b>Subtotals</b>	<b>\$ 16</b>	<b>\$ (1,699)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,683)</b>
<b>Total</b>	<b>\$ 1,076,996</b>	<b>\$ 1,029,997</b>	<b>\$ 357,653</b>	<b>\$ 694,612</b>	<b>\$ 1,054,729</b>

(1) Includes investment of outstanding checks.

1,054,729