



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Date: September 14, 2009
To: Business and Finance Committee
From: Brian G. Thomas, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report August 2009

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
 August 2009

	Market Value (\$ in Thousands)	Duration		Monthly Return		Annualized Monthly Return		Annualized Return	
		MWD	Benchmark	MWD	Benchmark	MWD	Benchmark	*Inception-to-Date MWD	Benchmark
Short-Term (1)	\$ 712,538	0.33	0.24	0.09%	0.03%	1.12%	0.30%	3.11%	2.55%
Long-Term (2)	\$ 289,455	2.99	2.61	0.80%	0.71%	10.06%	8.85%	4.85%	4.36%
Total Core Funds	\$ 1,001,993								
Other Funds (3)	\$ 145,260			1.76%		23.25%		9.41%	
Total	\$ 1,147,253								

(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
August 31, 2009

(\$ in Thousands)

<u>Securities</u>	<u>Credit Quality</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Investment Policy Limits</u>
United States Treasuries	"AAA" *	\$ 154,724	\$ 156,412	13.7%	100%
Gov't National Mtge Assoc.	"AAA" *	\$ 19	\$ 22	0.0%	100%
Federal Agencies	"AAA"	\$ 466,497	\$ 467,926	40.8%	100%
Repurchase Agreements	"AAA" **			0.0%	50%
Bankers' Acceptances	"F1" ***	\$ 7,596	\$ 7,595	0.7%	40%
Commercial Paper	"A1/P1" ***	\$ 133,082	\$ 133,077	11.6%	25%
Negotiable Certificates of Deposit	"F1"			0.0%	30%
Time Deposits	"F1"			0.0%	N/A
Shares of Beneficial Interest	"AAA"	\$ 1,495	\$ 1,495	0.1%	20%
Local Agency Investment Fund		\$ 30,000	\$ 30,000	2.6%	N/A
(1) Medium Term Notes	"A" ***	\$ 102,607	\$ 101,205	8.8%	30%
Asset & Mortgage-Backed Securities	"AAA"	\$ 42,110	\$ 43,789	3.8%	20%
(2) Municipals	*** ***	\$ 209,046	\$ 205,732	17.9%	30%
Total Portfolio		\$ 1,147,176	\$ 1,147,253	100.0%	

* Explicit United States Government Guarantee.

** Use only primary dealers and collateral consists of Treasuries and/or Federal Agencies with maturities under 5 years.

*** The securities are rated A or better, including short-term ratings of P1/A1/F1 or better.

(1) Please see attachment 2a for securities that are rated less than A.

(2) The municipal bonds portfolio book and market value of \$89 million was rated AAA.
The remaining balance of the portfolio was rated A or better.

Portfolio Summary Report
Attachment 2a
August 31, 2009
(\$ in Thousands)

	Credit Ratings		Description	Maturity Date	Book Value	Market Value
	Moody's	S&P				
(1)	*	*	Lehman Corporate Floating Rate Note	10/22/2008	\$ 286	\$ 50
(1)	*	*	Lehman 3.60%	3/13/2009	\$ 4,977	\$ 875
					\$ 5,263	\$ 925

* Note: Securities are in default. Therefore, the Credit Rating Agencies no longer provide ratings.

(1) Medium Term Notes.

Attachment 3
Summary Report of Investment & Cash Activity
August 2009

(Shown at Book Value and \$ in Thousands)

	Beginning Balance	Purchases	Sales	Maturities	Ending Balance
United States Treasuries	\$ 162,901	\$ 21,201		\$ 29,378	\$ 154,724
Gov't National Mtge Assoc.	20			1	19
Federal Agencies	246,662	347,151	81,557	45,759	466,497
Repurchase Agreements	-				-
Bankers' Acceptances	6,530	6,895		5,829	7,596
Commercial Paper	130,254	1,284,257		1,281,429	133,082
Negotiable Certificates of Deposit	-				-
Time Deposits	-				-
Shares of Beneficial Interest	891	2,902	2,298		1,495
Local Agency Investment Fund - California	30,000				30,000
Medium Term Notes	99,233	10,777	4,097	3,306	102,607
Asset & Mortgage-Backed Securities	40,975	1,748	152	461	42,110
Municipal Bonds	199,736	13,020	4,100	(390)	209,046
Subtotals	\$ 917,202	\$ 1,687,951	\$ 92,204	\$ 1,365,773	\$ 1,147,176
	Beginning Balance	Deposits		Withdrawals	Ending Balance
Cash					
Demand Accounts	\$ 103	553			\$ 656
Petty Cash	5				5
Less Overnight Investment	(3,599)			4,400	(7,999)
Subtotals	\$ (3,491)	\$ 553	\$ -	\$ 4,400	\$ (7,338)
Total	\$ 913,711	\$ 1,688,504	\$ 92,204	\$ 1,370,173	\$ 1,139,838

(A) Includes investment of outstanding checks.