

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

July 26, 1993

*To:* Board of Directors  
*From:* Auditor  
*Subject:* Audit Department Report for July 1993

**I. Audit Reports**

The following audit reports were issued to the Special Audit Committee during the month:

- o Audit of SAWPA Costs of Arlington Groundwater Desalter Project for Fiscal Year Ended June 30, 1992, dated July 14, 1993.
- o Review of Official Statements for the 1993 Water Revenue Refunding and General Obligation Refunding Bond Issues--Series B, dated July 26, 1993.

**II. General and Administrative Matters**

General and administrative matters addressed during July included the following:

- o Assistant Auditor Lindhout and I met with General Manager Wodraska to acquaint him with the activities of the Audit Department, including the annual Audit Work Plan. We also discussed reporting and staffing issues.
- o I attended a meeting with the General Counsel, a member of his staff and Public Affairs Director Malinowski to discuss issues related to business codes of ethics.
- o The Assistant Auditor and I met with Assistant General Manager Horne and the Director, Information Systems to discuss the status of business process change efforts to date and the Audit Department's future participation.
- o The Assistant Auditor and I completed the Audit Work Plan Summary for FY 1992-93, as of June 30, 1993, and started drafting the detailed Work Plan for 1993-94 (refer to my letter to the Special Audit Committee, dated July 20, 1993).

- o The Audit Department held a half-day strategy meeting to discuss our work activities and ways to enhance our efficiency and effectiveness.
- o In response to the General Manager's request to all department and division managers, the Assistant Auditor and I each submitted written input to him outlining our views on areas where the District functions well and areas where improvements are warranted.
- o The Assistant Auditor attended a meeting with staff from the Security Section and the Finance and Administrative Services Divisions to discuss procedures pertaining to payroll check distribution and control.

### **III. Completed Assignments**

The following significant assignment matters were concluded during July:

- o We completed our review of the Official Statements, dated July 1, 1993, for the 1993 Refunding Water Revenue and Refunding General Obligation Bond Issues-- Series B, and issued a report thereon, dated July 26, 1993. I provided "comfort" letters to the underwriters, dated July 1, 1993 and July 22, 1993, respectively, in accordance with the terms of the bond purchase contracts. (See Audit Reports Section)
- o We completed our review of SAWPA Costs of Arlington Groundwater Desalter Project for the fiscal year ended June 30, 1992, and issued a report thereon, dated July 14, 1993. (See Audit Reports Section)
- o We completed a review of the calculations of State Water Project participation rights amortization expense for fiscal year 1992-93. This assignment was performed later than usual since the Controller Branch staff did not perform the calculations until March. Exceptions noted during our review were provided to staff in early July and resulted in an increase in recorded amortization expense for the year of approximately \$1.1 million.

**IV. Assignments in Progress****A. Nonrecurring Assignments:**

- o Review of Water Conservation Agreement with CTSI Corporation. During the month, the assigned auditor continued his survey and planning procedures on this assignment. The assignment was initiated to ensure that both the District and CTSI are complying with significant terms of the agreement.
- o Audit of Bicycle Program. During the month, a staff auditor continued to perform preliminary work on a review of the bicycle program at the LaVerne facility. This review was requested by the Fleet Manager due to the planned retirement of the program coordinator.

**B. EDP Auditor Activities:**

The Assistant Auditor and I, together with the EDP auditors, met with staff from Information Systems to discuss the Local Area Network control issues that were outlined in the March 15, 1993, memo to the Assistant Director of Information Systems, as well as staff's responses to date to our LAN recommendations. The Assistant Auditor and I also met with the Director, Information Systems and a representative from IBM to discuss auditor roles and responsibilities during the automated system development process. An EDP auditor participated in the Information Systems project team activities relating to the evaluation of vendor bid responses for the new UNIX client/server computers that the District is acquiring.

Both EDP auditors attended a two-day Local Area Network training session focussing on the new administrative concepts and security mechanisms for the new version of the Local Area Network operating system which is being installed at the District.

The EDP auditors worked on the following matters during July:

- o EDP Review--Procurement System. During the month, an EDP auditor continued to perform audit and control testing on the new Solicitation subsystem that was developed to handle the bidding process and price quotes from vendors.

- o EDP Review--Treasurer Laser Check Printing System. During the month, an EDP auditor met with the Treasurer and Information Systems staff to discuss change, control, security, and password maintenance for the laser check printing system located in the Treasurer's vault.
- o Monitor Development of Treasurer's Branch Information Management System (IMS). The assigned EDP auditor continued to provide assistance to the project team during the conversion phase of this project. The EDP auditor and the security officer started performing independent testing covering the access controls at both the Local Area Network and the application levels.

C. Recurring Assignments:

Work is currently being performed on the following recurring annual financial and compliance reviews as time permits:

- o Review of Single Audit Act Compliance--Fiscal Year 1991-92. Completion of this assignment has been delayed pending receipt of requested information from the Finance Division.
- o May 1993 Central Stores Inventory. This assignment is expected to be completed in August.
- o Review of the 1992-93 Refund of Water Standby Charges. This assignment was substantially completed and was awaiting my review at month-end.
- o Follow-up Review of Draft Controls and Testing of Selected Draft Disbursements. This assignment was resumed in late July after an extended delay due to the assigned auditor's other job priorities. During the month, testing of draft transactions at field locations was continued. This assignment is expected to be completed in August.

Work is performed on the following recurring financial and compliance reviews on a periodic basis (monthly or quarterly, as applicable) as staff availability permits:

- o Monthly Financial Report Reviews.
- o Monthly Directors' and Department Heads' Expense Claim Reviews (as required by Administrative Code Section 6329(a)).

- o Employee Expense Claim Reviews (Quarterly).
- o Budget vs. Cost Report Reviews (Quarterly).
- o Water Inventory and Deferred Water Rights (Quarterly).
- o Review of Quarterly Lobbying Reports.
- o Review of Work Orders (Quarterly).

D. Assistance to External Auditors:

During July certain planning procedures were performed pertaining to the audit for the year-ended June 30, 1993. Audit staff assistance to KPMG Peat Marwick on the year-end audit will commence in early August.

*Michael W. Hondorp*  
Michael W. Hondorp

MWH/LJO:10



***MWD***

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

## EXECUTIVE FINANCIAL SUMMARY

June 30, 1993



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

August 23, 1993

To: Board of Directors  
From: General Manager  
Subject: Executive Financial Summary

Transmitted herewith is the District's Executive Financial Summary for the 1992-93 fiscal year as of June 30, 1993.

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Cash Basis Information:	
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General Manager

By:   
Greg D. Leddy  
Director of Finance

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

August 23, 1993

To: General Manager  
From: Controller  
Subject: Monthly Financial Summary

Transmitted herewith is the Monthly Financial Summary as of June 30, 1993. Included in the report are the following statements:

- Financial Board Charts
- Budget v. Cost Report
- Statement of Receipts, Disbursements, and Balances by Fund
- Statement of Operations--Accrual Basis
- Supplementary Information

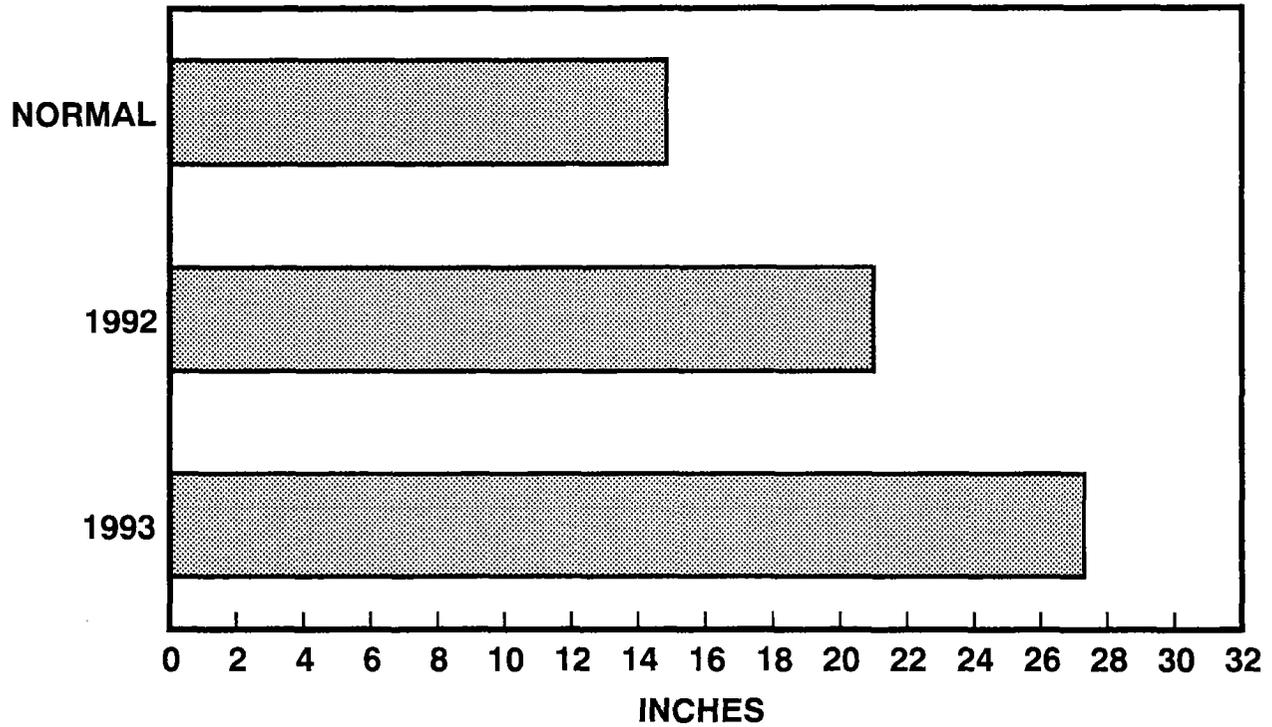
The following appropriations were closed in June and transferred to Completed Features:

<u>Appn.</u>	<u>Description</u>
578	Santa Ana Cross Feeder--Relocation
614	Platforms to Washington St. PCS
622	Rialto Pipeline--Cathodic Protection System

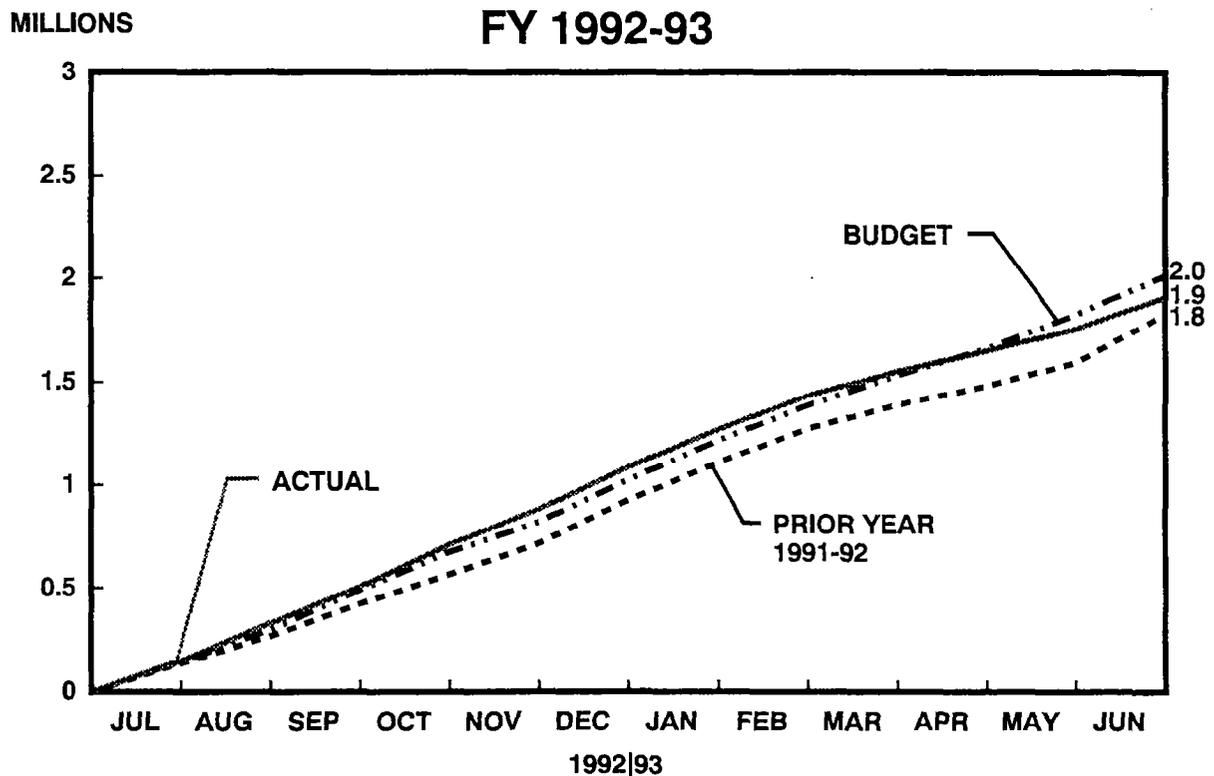
  
David I. Furukawa

Encl.

## RAINFALL AT LOS ANGELES CIVIC CENTER JULY THROUGH THE MONTH OF JUNE

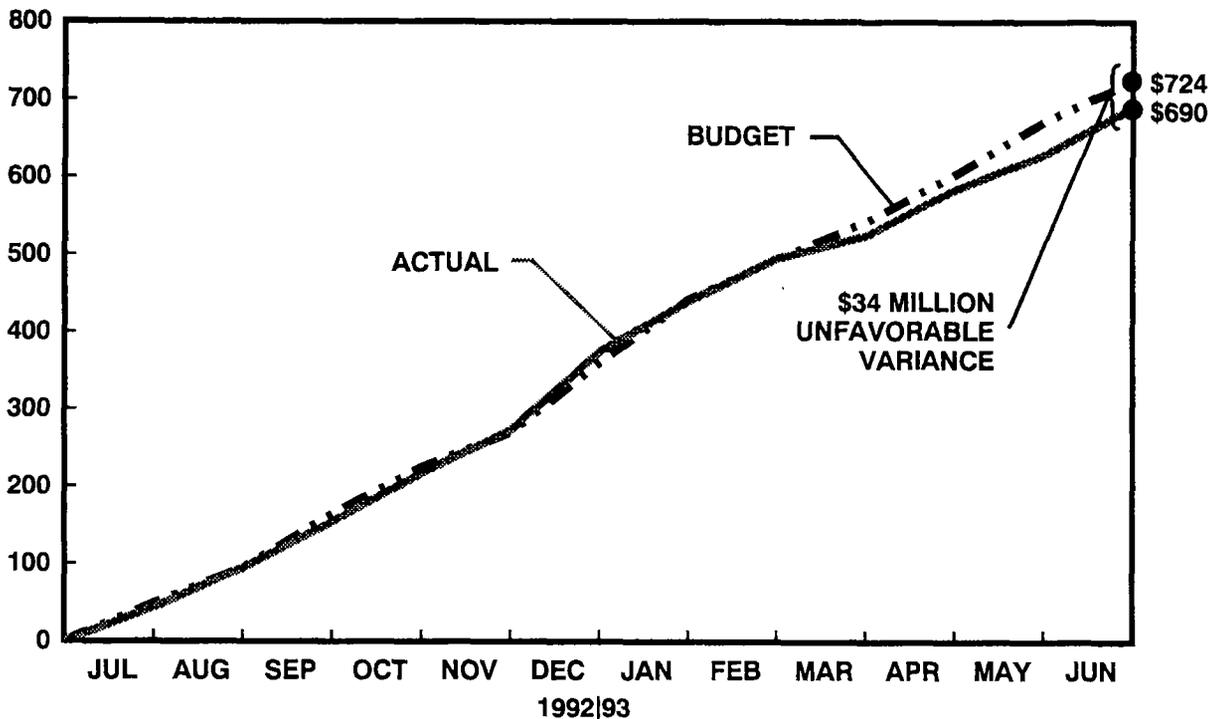


## ACRE-FEET SOLD FY 1992-93



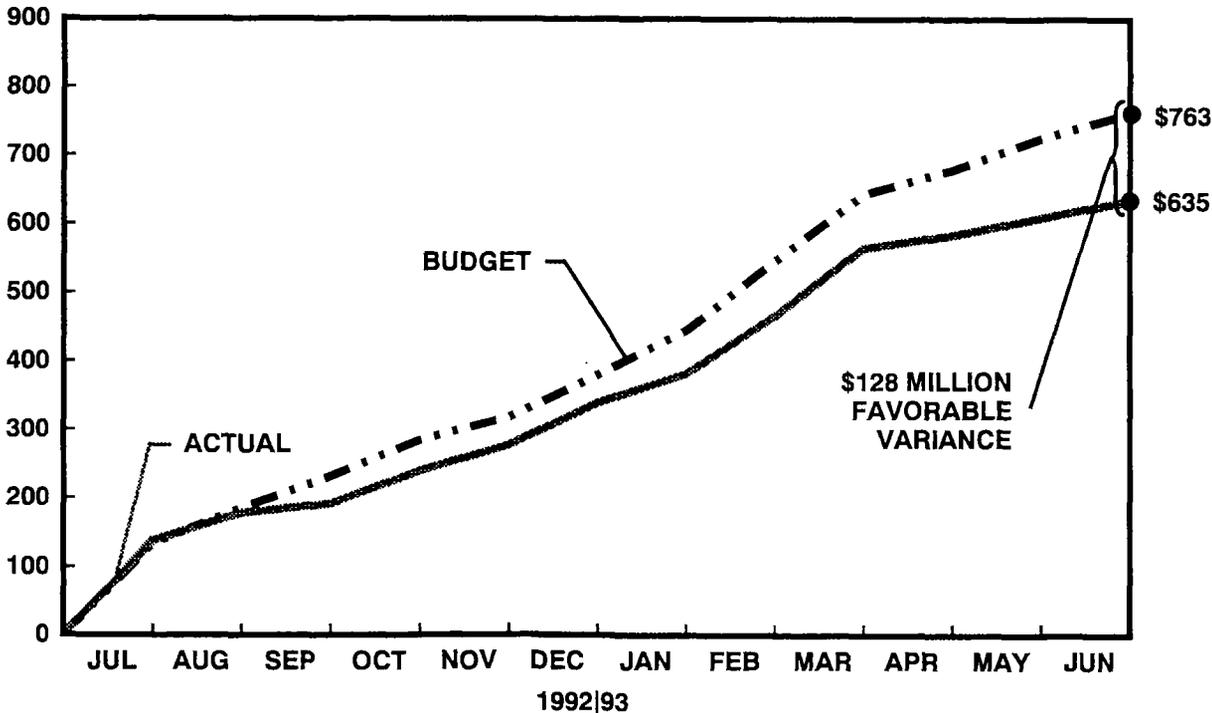
# RECEIPT COMPARISONS (BUDGET VS ACTUAL) FY TO JUNE 30, 1993

IN \$ MILLIONS



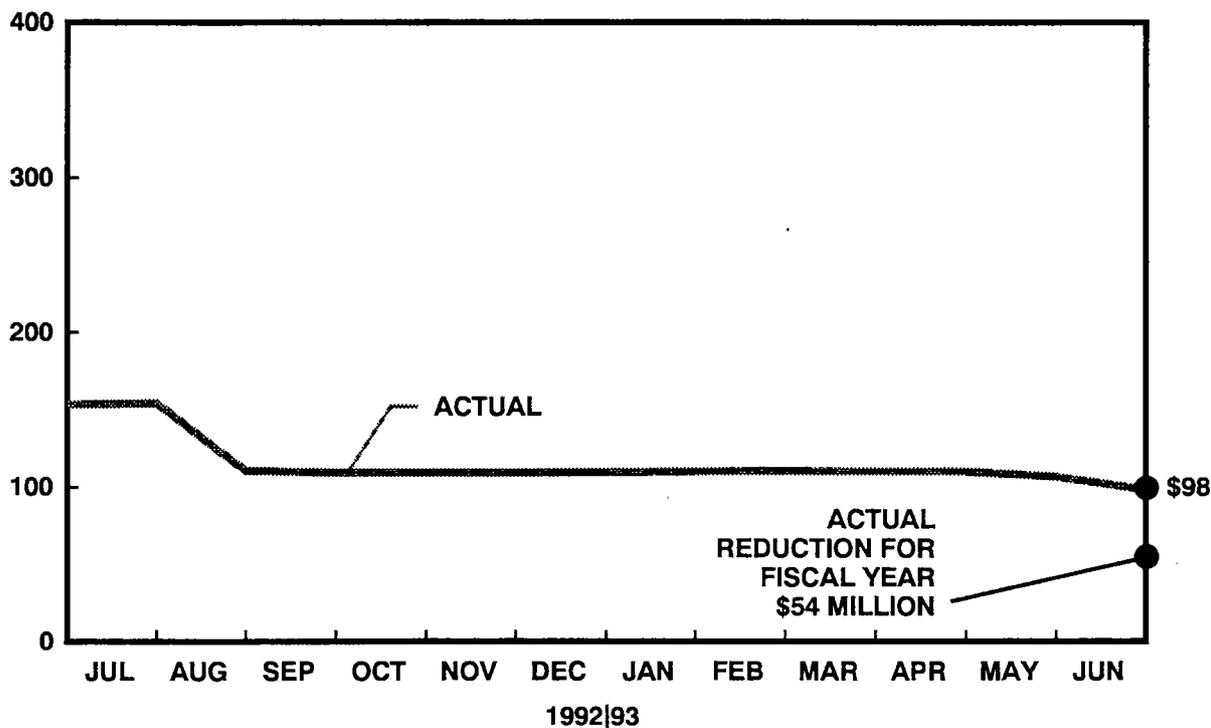
# EXPENDITURE COMPARISONS (BUDGET VS ACTUAL) FY TO JUNE 30, 1993

IN \$ MILLIONS



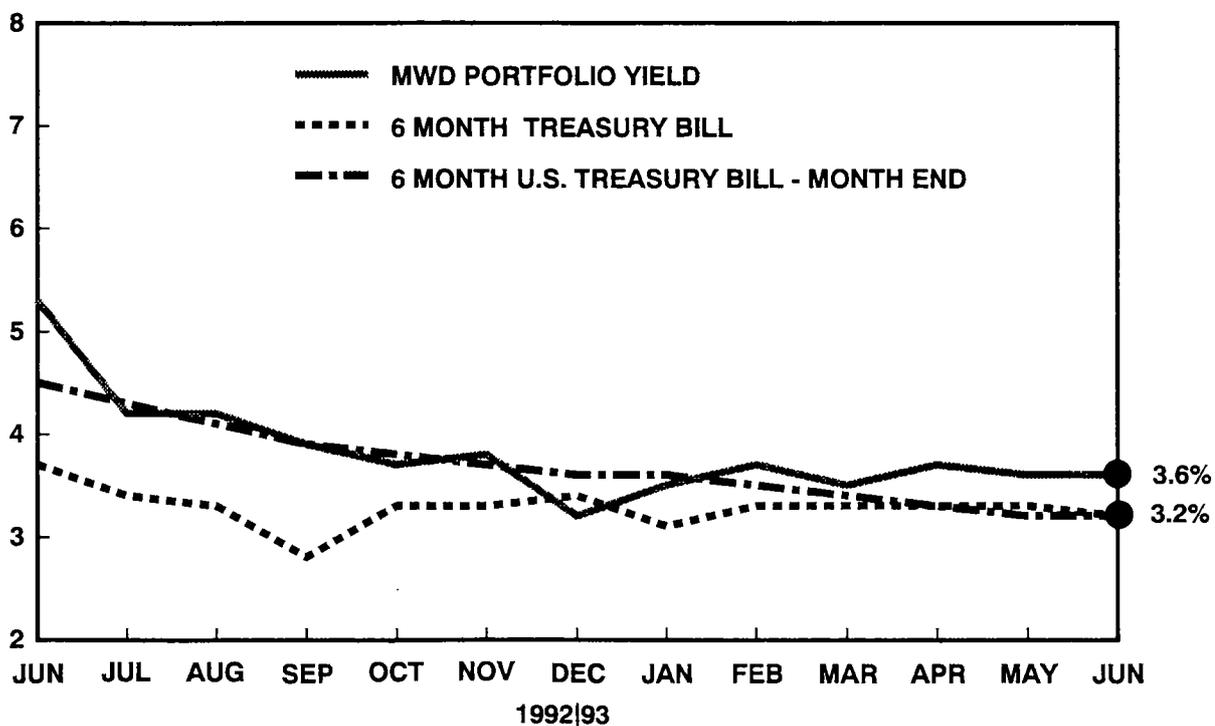
# WATER RATE STABILIZATION BALANCES FY 1992-93

IN \$ MILLIONS



## YIELD COMPARISONS

PERCENTAGE



**BUDGET VS COST REPORT - CASH BASIS SUMMARY\***  
**JULY 1, 1992 - JUNE 30, 1993**  
**(IN MILLIONS OF DOLLARS)**

	PRIOR YEAR ACTUAL	ANNUAL BUDGET	BUDGET TO DATE	ACTUAL TO DATE	VARIANCE**	
					AMOUNT	PERCENT
<b>OPERATING RECEIPTS:</b>						
Receipts from Water Sales	\$379.8	\$528.1	\$528.1	\$526.5	(\$1.5)	-0
Receipts from Power Recoveries	10.9	20.0	20.0	14.3	(5.7)	-28 (a)
Standby Charge	0.0	25.0	25.0	23.7	(1.3)	-5
Availability of Service Charge	0.0	25.0 (1)	25.0	0.0	(25.0)	-100 (b)
<b>TOTAL OPERATING RECEIPTS</b>	<b>\$390.7</b>	<b>\$598.1</b>	<b>\$598.1</b>	<b>\$564.5</b>	<b>(\$33.5)</b>	
<b>OPERATIONS &amp; MAINTENANCE EXPENDITURES:</b>						
MWD O&M & CRA Power	\$219.1	\$259.7	\$259.7	\$229.5	\$30.1	12 (c)
SWC O&M and Power (Net)	111.2	150.7	150.7	77.1	73.6	49 (d)
State Water Bank	40.0	0.8	0.8	1.8	(1.0)	-129 (e)
Additional CRA Supplies: O&M	6.0	7.0	7.0	4.6	2.4	35 (f)
<b>TOTAL O&amp;M EXPENDITURES</b>	<b>\$376.3</b>	<b>\$418.2</b>	<b>\$418.2</b>	<b>\$313.1</b>	<b>\$105.1</b>	
<b>NET OPERATING REVENUES</b>						
	<b>\$14.4</b>	<b>\$179.9</b>	<b>\$179.9</b>	<b>\$251.4</b>	<b>\$71.6</b>	
Interest on Investments	\$36.5	\$40.0	\$40.0	\$18.8	(\$21.2)	-53 (g)
Revenue Bond/Commercial Paper Debt Service	37.1	52.4	52.4	48.5	4.0	8
<b>FUNDS AVAILABLE FROM OPERATIONS</b>	<b>\$13.8</b>	<b>\$167.4</b>	<b>\$167.4</b>	<b>\$221.8</b>	<b>\$54.3</b>	
Additional CRA Supplies - Capital	(\$21.7)	(\$30.1)	(\$30.1)	(\$26.5)	\$3.6	-12 (h)
PAYG and General Fund Expenditures	(31.0)	(7.4)	(7.4)	(16.2)	(8.7)	-118 (i)
Oper Equip/Other Receipts/Trust Activity	1.2	(12.3)	(12.3)	17.6	29.8	243 (j)
Tax Receipts	83.6	85.0	85.0	86.4	1.4	2
State Water Contract Capital	(144.7)	(183.7)	(183.7)	(170.1)	13.6	-7
G.O. Bond/Other Debt Service	(57.9)	(58.2)	(58.2)	(56.8)	1.4	-2
<b>CHANGE IN CASH ON HAND</b>	<b>(\$156.7)</b>	<b>(\$39.3)</b>	<b>(\$39.3)</b>	<b>\$56.1</b>	<b>\$95.4</b>	
<b>SR. LIEN DEBT SERVICE COVERAGE</b>		<b>6.79</b>	<b>6.79</b>	<b>10.26</b>		
<b>JR. LIEN DEBT SERVICE COVERAGE</b>		<b>8.43</b>	<b>8.43</b>	<b>10.92</b>		
<b>CONSTRUCTION EXPENDITURES FROM BONDS</b>	<b>\$144.7</b>	<b>\$328.0</b>	<b>\$328.0</b>	<b>\$248.5</b>	<b>\$79.4</b>	<b>24 (k)</b>

\* Excluding Bond Construction Funds, Excess Earnings Funds, other Trust Funds, and the Deferred Compensation Fund.

\*\* A positive variance is favorable to MWD, a negative variance is unfavorable.

(1) Service Charge (\$25 million) repealed.

Minor differences are due to rounding.

CASH BASIS EXECUTIVE FINANCIAL SUMMARY  
VARIANCE EXPLANATIONS  
( Through June 30, 1993 )

Criteria: +\$500,000 and 10 percent or more

OPERATING RECEIPTS

- a. Receipts from power recoveries were 28 percent under budget because several power plants were periodically out of service during the fiscal year, mainly due to low flows.
- b. Receipts from the availability of service charge were \$0 for the year because the charge was rescinded by the Board in July after the budget was adopted.

OPERATIONS AND MAINTENANCE EXPENDITURES

- c. MWD O&M expenditures and CRA power were 12 percent under budget due to cost savings realized from continuing austerity measures and lower than budgeted supplemental energy rates for pumping on the Colorado River Aqueduct.
- d. Net SWC O&M charges were 49 percent under budget due to O&M credits received from DWR related to prior year cost adjustments including overpayments in 1992 for variable power charges, return of bond cover, and interest earnings on prior overpayments.
- e. Payments for additional water supplies from the Drought Water Bank were \$1.0 million over budget mainly due to higher unit rates for water delivered in September and October than were anticipated in the annual budget.
- f. The payment which was made to the Imperial Irrigation District in January included a capital and O&M portion. The portion of the payment that represents O&M expense was not determined, thus reported O&M payments for additional CRA supplies were \$2.4 million under budget. The necessary adjustments will be made during the next fiscal year.

OTHER RECEIPTS AND EXPENDITURES

- g. Interest received on investments was \$21.2 million less than budget. The difference was mainly due to the continued downturn in market interest rates during the fiscal year.

- h. Capital payments for additional Colorado River Aqueduct supplies were 12 percent under budget due to the timing of cash disbursements for the Palo Verde Irrigation District land following program.
- i. Pay-As-You-Go and General Fund construction disbursements were \$8.7 million more than budget due to enhancements to the procurement system, Phase 0, and construction of the Etiwanda Power Plant.
- j. Operating equipment purchases, other receipts, and trust accounts were \$29.8 million under budget. \$10.2 million of this amount is due to the timing of cash disbursements for operating equipment and unscheduled receipts from sales of surplus equipment. The remaining \$19.6 million is due to reimbursements and trust account transactions which are not included in the budget. Included in the \$19.6 million was a \$16.4 million net deposit to trust funds for the receipt of escrow proceeds from the June call of the 1983 Revenue Bonds.

CONSTRUCTION EXPENDITURES FROM BOND PROCEEDS

- k. Construction expenditures from bond proceeds were 24 percent below budget mainly because work on the Garvey Reservoir was delayed due to litigation opposing the project; payments for construction on the Jensen Treatment Plant expansion were less than anticipated; right-of-way procurement and design work was delayed on the Cleveland Tunnel, San Diego Pipeline No. 6, the Inland Feeder and other projects due to environmental considerations and deferrals in accordance with the General Manager's austerity program; and adverse weather conditions delayed scheduled construction work at the Jensen and Mills Treatment Plants.

STATEMENT OF RECEIPTS, DISBURSEMENTS, BALANCES AND APPROPRIATED FUNDS  
 JULY 1, 1992 THROUGH JUNE 30, 1993

	OPERATING FUNDS	STATE CONTRACT FUNDS	DEBT SERVICE FUNDS	RATE STABILIZATION FUNDS	PAY-AS-YOU-GO FUND	REVOLVING CONSTR. FUND	REVENUE BOND CONSTR. FUNDS	OTHER FUNDS
BALANCES - START OF PERIOD								
CASH AND INVESTMENTS	221,042,239.91	58,717,348.81	79,853,211.50	146,785,371.62	50,002,583.23	6,281,359.49	201,707,355.85	33,747,568.43
RECEIPTS								
Net Tax Collections		33,808,871.69	52,816,955.96					
Water Sales	526,533,640.61							
Water Standby Charge	23,660,849.07							
Power Recoveries	14,335,620.46							
Interest on Investments	9,850,992.07	1,270,873.51	3,182,896.54	5,294,056.17	912,709.55	149,675.86	13,963,973.28	1,974,131.61
Bond Sales/CP Sales							527,736,050.05	449,681,942.86
Other Collections	469,972.02				5,318.14			
TOTAL RECEIPTS	574,850,874.23	35,079,745.20	55,799,952.50	5,294,056.17	918,027.69	149,675.86	541,700,023.33	451,636,074.57
INTER-FUND TRANSFERS	(159,396,223.94)	136,818,883.92	63,979,886.45	(54,003,545.51)	24,157,285.61		(14,027,625.04)	2,471,538.51
REIMBURSEMENTS								
Operation & Maintenance	493,107.51							
Operating Equipment	716.31							
Inventories								
Construction	6,928,848.11				554.01	106,494.75	6,363,787.91	
Interest & Premium on Bonds			3,000,780.70					
TOTAL REIMBURSEMENTS	7,422,671.93		3,000,780.70		554.01	106,494.75	6,363,787.91	
DISBURSEMENTS								
Operation & Maintenance	202,816,231.23							
Operating Equipment (Net)	2,513,574.71							
Invent. & Undistr. Payroll (Net)	1,230,226.14							
Construction	39,539,623.50				10,078,358.08	6,255,876.05	248,668,848.11	
DWR - Capital Payments		130,040,774.00						
DWR - Minimum O&M	65,936,077.00							
Off Aqueduct Facilities	39,362,222.00	63,065,432.00						
CRA - Power	30,593,711.45							
SWC - Variable Power	6,239,255.00							
SWC - Credit	(54,392,075.11)	(23,028,842.12)						
DWR - Water Bank	1,831,200.00							
To SDCWA - 1st Aqueduct	209,529.54							
Debt Service on MWD Bonds			119,741,015.52					
Net Book Losses on Investment Transactions			(3,449.90)					
TOTAL DISBURSEMENTS	355,879,575.46	170,077,563.88	119,737,565.82		10,078,358.08	6,255,876.05	248,668,848.11	
TRANSFERS TO ESCROW BANK ACCOUNT								223,222,473.26
TRUST ACCOUNT TRANSACTIONS (NET)	3,138,149.88		16,408,358.19					391,296.70
BALANCES - END OF PERIOD								
CASH AND INVESTMENTS	291,178,138.55	60,538,414.05	89,304,423.72	98,055,882.28	65,000,092.46	281,854.05	487,074,693.94	285,024,004.95
APPROPRIATED FUNDS	207,164,000.00	95,876,000.00	27,064,000.00		9,156,000.00	5,842,000.00	458,362,000.00	

## STATEMENT OF OPERATIONS

FISCAL YEAR THROUGH JUNE 30, 1993

## GROSS OPERATING INCOME

Water Sales:	Acre Feet		
Noninterruptible			
Untreated	431,596.1	116,421,131.40	
Treated	1,080,517.5	348,457,269.01	
Interruptible			
Untreated	206,292.0	36,427,762.20	
Treated	174,548.2	41,491,683.10	
Reclaimed Water	17,689.7	1,468,348.83	
	1,910,643.5	544,266,194.54	
Water Standby Charge		23,660,649.07	
Power Recoveries: ( 293,241,200 kWh )		13,454,097.65	581,380,941.26

## OPERATION AND MAINTENANCE

Operations		195,016,905.06	
Power and Water Costs		161,321,605.12	356,338,510.18
Operating Income before Amort. & Depr.			225,042,431.08
Amort. of Participation Rights in State Project		81,081,432.00	
Depreciation, Plant		24,282,593.12	105,364,025.12
Operating Income			119,678,405.96

## OTHER INCOME

Net Tax Revenues		78,606,139.47	
Interest Earned on Investments		44,041,565.68	
Current Interest Levies - Annexation Commitments		1,903,128.77	
Property Rentals		681,386.46	
Gain on Land Sales		.00	
Earnings on Escrow Accounts		477,902.90	
Sundry Revenues		499,914.34	126,210,037.62

## INTEREST AND OTHER EXPENSE

Bond Interest Expense		77,659,461.20	
Adjustment for OAPF Obligation	(	8,833,393.00)	
Arbitrage Rebate Tax		1,826,059.54	
Sundry Expense		598,138.12	71,250,265.86
Income before Annex. Inc. & Prior Years' Adjust.			174,638,177.72

## ANNEXATION INCOME

Levies for Uncapitalized Annexation - Principal		1,818.87	
New Annexations - Principal		7,469,895.14	7,471,714.01

ADJUSTMENTS OF PRIOR YEARS' POWER AND WATER COSTS  
EXTRAORDINARY LOSS ON DEFEASANCE OF BONDS

41,072,241.61  
17,234,563.71

## NET INCOME

205,947,569.63

RETAINED EARNINGS AT START OF YEAR  
RETAINED EARNINGS TO DATE

2,245,408,572.51  
2,451,356,142.14

## STATEMENT OF OPERATIONS

FISCAL YEAR THROUGH JUNE 30, 1992

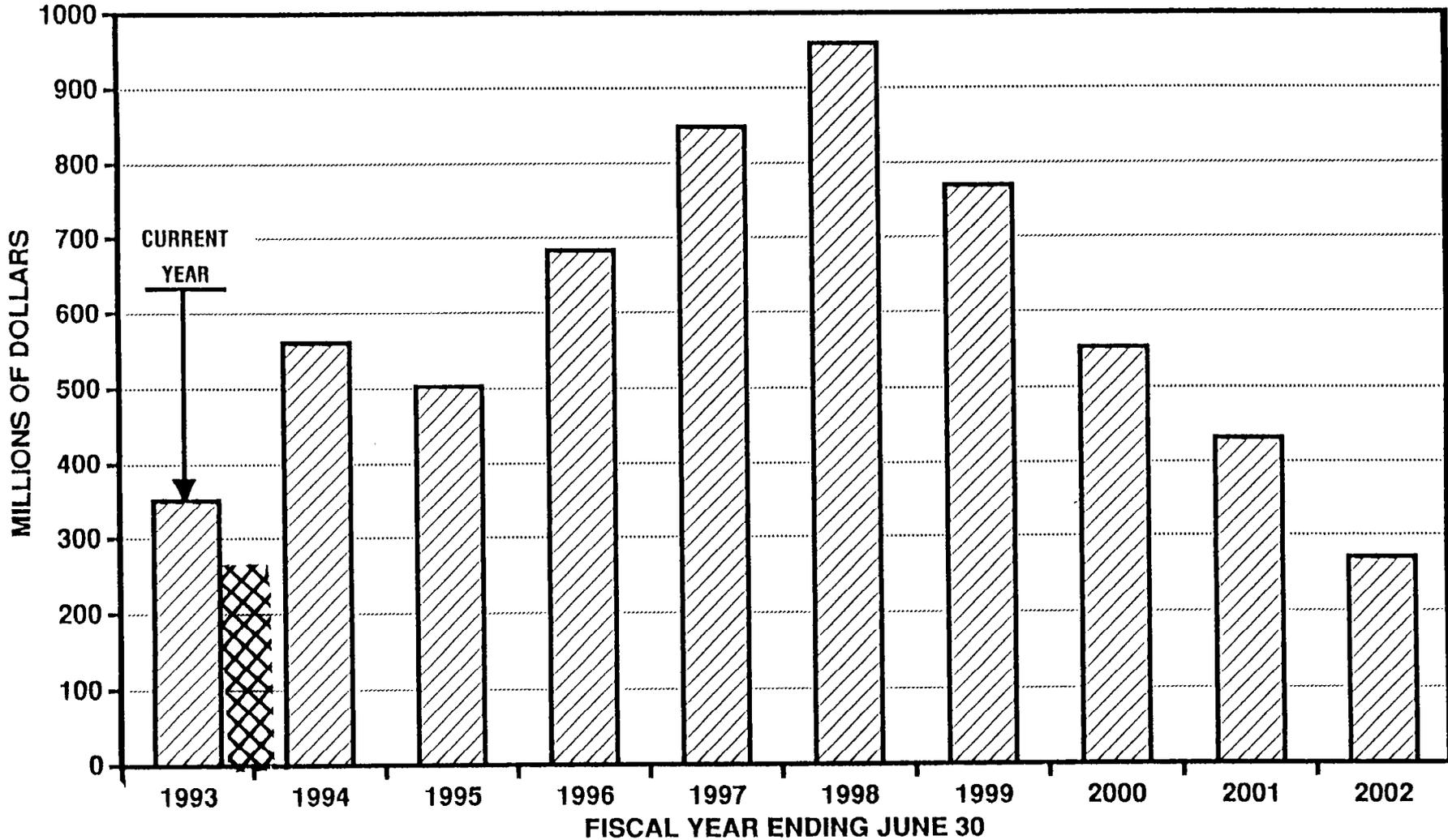
GROSS OPERATING INCOME		
Water Sales:	Acre Feet	
Noninterruptible		
Untreated	310,774.4	98,514,835.60
Treated	813,315.5	208,843,121.95
Interruptible		
Untreated	481,420.2	54,628,155.70
Treated	270,480.0	41,406,328.40
Reclaimed Water	12,917.3	1,085,053.20
	1,888,907.4	404,477,494.85
Power Recoveries: ( 296,558,000 kWh )		13,002,803.58
		417,480,298.43
OPERATION AND MAINTENANCE		
Operations		197,139,599.34
Power and Water Costs		210,913,054.77
		408,052,654.11
Operating Income before Amort. & Depr.		9,427,644.32
Amort. of Participation Rights in State Project		75,803,522.00
Depreciation, Plant		24,105,255.60
		99,908,777.60
Operating Income		(90,481,133.28)
OTHER INCOME		
Net Tax Revenues		75,497,340.06
Interest Earned on Investments		50,825,016.78
Current Interest Levies-Annexation Commitments		2,017,072.51
Property Rentals		576,680.23
Gain on Land Sales		
Earnings on Escrow Accounts		1,120,359.87
Sundry Revenues		601,661.16
		130,638,130.61
INTEREST AND OTHER EXPENSE		
Bond Interest Expense		60,872,397.63
Adjustment for OAPF Obligation		16,762,326.00
Arbitrage Rebate Tax		834,662.43
Sundry Expense		1,422,121.39
Income before Annex. Inc. & Prior Years' Adjust.		79,891,507.45
		(39,734,510.12)
ANNEXATION INCOME		
Levies for Uncapitalized Annexation-Principal		130,200.52
New Annexations-Principal		1,451,289.78
		1,581,490.30
ADJUSTMENT OF PRIOR YEARS' POWER AND WATER COSTS		16,316,872.59
NET INCOME		(21,836,147.23)
RETAINED EARNINGS AT START OF YEAR		2,267,244,719.74
RETAINED EARNINGS TO DATE		2,245,408,572.51

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
**PROJECTED AND ACTUAL CONSTRUCTION COSTS**  
 JUNE 1993

PROJECTED COSTS THROUGH 2002\* ESCALATED AT 5.5%: TOTAL PROGRAM  \$ 5,926.7

EXPENDITURES TO DATE (FY 1992-93)  258.8

APPROPRIATIONS APPROVED TO DATE (FY 1992-93) 276.2



\* BASED ON CAPITAL IMPROVEMENT PROGRAM AS OF 6/4/92. INCLUDES PROJECTED EXPENDITURES FOR SECURING ADDITIONAL WATER SUPPLIES ON THE COLORADO RIVER AQUEDUCT.

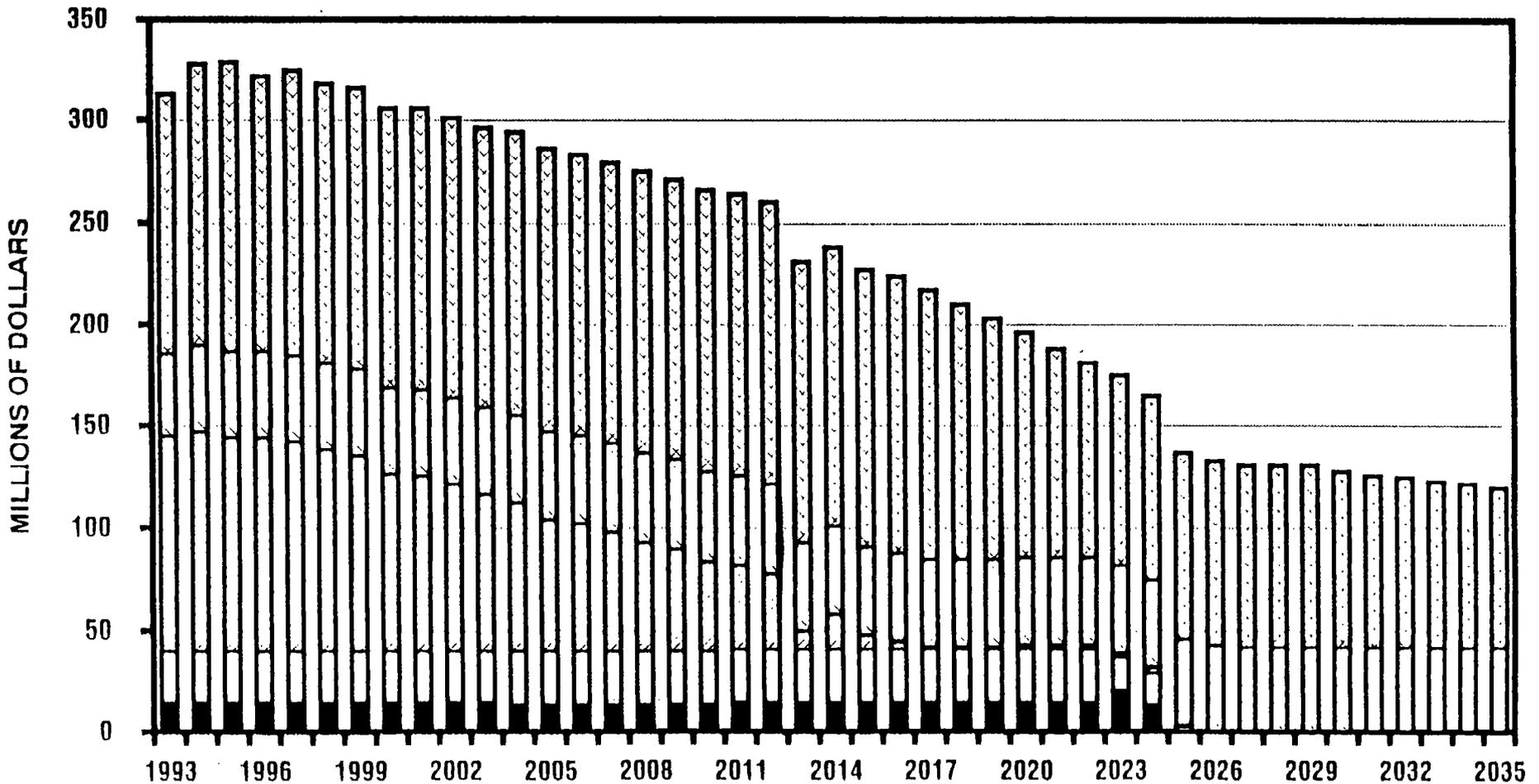
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
**PROJECTED FIXED SWC CHARGES THROUGH 2035**

<input checked="" type="checkbox"/>	TRANSPORTATION	\$ 5,095
<input checked="" type="checkbox"/>	STORAGE & CONSERVATION	1,838
<input checked="" type="checkbox"/>	OFF-AQUEDUCT	1,575
<input type="checkbox"/>	EAST BRANCH ENLARGEMENT	852
<input type="checkbox"/>	REVENUE BOND SURCHARGE	446

\* FROM ATTACHMENT 3, DEPARTMENT OF WATER RESOURCES INVOICE DATED JULY 1, 1992. ALL AMOUNTS IN 1992 DOLLARS. AMOUNT CHARGES ARE BASED ON ORIGINAL ENTITLEMENT OF 2,011,500 AF FOR 1990 - 2035.

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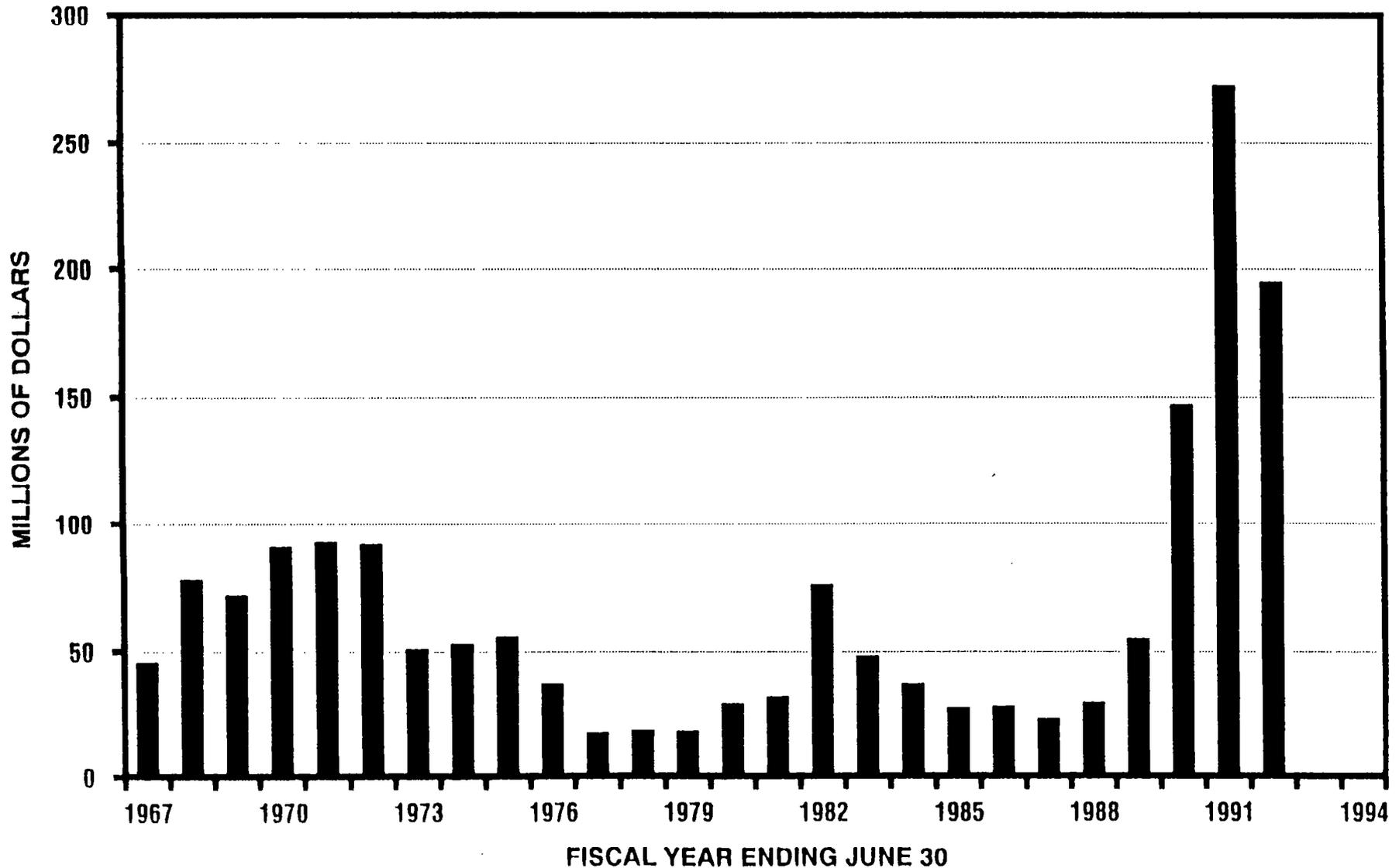
TRANSPORTATION \$ 9,806



THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
**HISTORICAL CONSTRUCTION EXPENDITURES**

from 7-1-66 through 6-30-92

■ EXPENDITURES THROUGH 6-30-92 \$ 1.73 BILLION



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

July 13, 1993

To: Board of Directors

From: General Counsel

Subject: **Review as to Eligibility of Securities Invested in by the Treasurer for the Month of June 1993**

Pursuant to Sections 2741(a) and 5101(b)(5) of the Administrative Code, this office has examined the Treasurer's Monthly Report to the Board for the month of June 1993 covering the investment of securities for that period. The reported forms of investment are within the eligible group of securities authorized by Section 5101(b)(2) of the Administrative Code, and as of the end of the month are within the percentage constraints specified in that section.

  
N. Gregory Taylor

SBB:gm  
memo-sb\treas-06.93

cc: J. R. Wodraska  
G. D. Leddy  
D. I. Furukawa  
R. D. Sjoberg

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

July 8, 1993

To: General Manager

From: Treasurer

Subject: Treasurer's Monthly Report - June 1993 (Revised)

This letter transmits a summary report of investments and cash balances and yield comparisons for the end of the current month. A detail report of investments is filed each month with the Executive Secretary. These reports are required by Section 5114 (b) of the Administrative Code. All of the investments comply with Section 5101 of the Administrative Code and the Investment Policy dated March 17, 1992.

District investments and cash balances are held in various funds designated for certain purposes as follows:

		<u>Par Value(E)</u>	<u>Book Value</u>
Operating Funds	(E)	\$293,177,000	\$291,179,000
State Water Contract Fund		60,538,000	60,538,000
Debt Service Funds		101,669,000	99,318,000
Water Rate Stabilization Fund		<u>99,802,000</u>	<u>98,056,000</u>
Total		\$555,186,000	\$549,091,000
Construction and Trust Funds		\$602,797,000	\$588,748,000

The average weighted days to maturity is 443.9 days. The return on investments ranged from 3.0 percent to 10.3 percent. Interest earnings and average weighted portfolio yields follow:

Interest Earnings

			<u>Fiscal Year</u>	<u>Portfolio</u>
		<u>Month</u>	<u>to date</u>	<u>Yield</u>
June	1993	\$3,500,000 (E)	\$41,465,000	3.7%
June	1992	\$3,404,000	\$52,326,000	5.3%

  
 Richard D. Sjoberg

RDS/pm

Attachments  
(E) Estimate

Summary Report of Investment Activity & Status of Cash for the Month Ending June 30, 1993  
(Shown at Face Value and in \$ Thousands)

SECURITIES:	BEGINNING BALANCE	PURCHASES DEPOSITS	WITH-		ENDING BALANCE	% of Portfolio	
			DRAWALS SALES	MATURITIES		ACT.	ADMIN. CODE
U. S. TREASURY	\$394,283	\$85,667		\$44,325	\$435,625	36.9	100
U.S. GUARANTEES-GNMA'S	6,660			301	\$6,359	0.5	100
FEDERAL AGENCIES	219,495	\$17,263		53,905	\$182,853	15.5	33
REPURCHASE AGREEMENTS	183,730	1,588,741		1,545,496	\$226,975	19.1	30
BANKERS' ACCEPTANCES	77,900	71,300		77,900	\$71,300	6.0	30
COMMERCIAL PAPER	211,427	486,662		506,863	\$191,226	16.2	20
NEGOTIABLE CERTIFICATES OF DEPOSIT	33,821	38,701		19,000	\$53,522	4.5	20
LOCAL AGENCY INVESTMENT FUND - CALIFORNIA	15,000				15,000	1.3	(A)
CALIFORNIA SWP BONDS	35				35	0.0	(B)
<b>SUBTOTAL</b>	<b>\$1,142,351</b>	<b>\$2,288,334</b>	<b>\$0</b>	<b>\$2,247,790</b>	<b>\$1,182,895</b>		
<b>CASH:</b>							
DEMAND ACCOUNTS	\$665	\$171			\$836	0.1	100
DRAFT/MWD CU/PETTY CSH	77	\$100	7		\$170	0.0	(C)
LESS OVERNIGHT INVEST.	(241)	(\$2,324)			(\$2,565)	-0.2	(D)
<b>SUBTOTAL</b>	<b>\$1,503</b>	<b>(\$4,106)</b>	<b>\$7</b>	<b>\$0</b>	<b>(\$1,559)</b>		
<b>TOTAL</b>	<b>\$1,143,854</b>	<b>\$2,284,228</b>	<b>\$7</b>	<b>\$2,247,790</b>	<b>\$1,181,336</b>	<b>100.0</b>	

A) The limit is currently \$15,000,000.

B) Additional purchases limited to one \$5,000 bond of each series of SWP bonds.

C) Petty Cash, \$4,000; Draft Accounts, \$66,000; MWD Credit Union, \$100,000.

D) Includes investment of outstanding checks.

Note: Excludes cash and securities held in escrow for the District's refunded bonds.  
and crossover refunding bonds.

(Subject to review with Controller's final records)

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

YIELD COMPARISONS  
June 1993

<i>Month/Year at Month- End</i>	<u>COLLATERALIZED TIME DEPOSITS</u>			<u>U.S. TREASURY BILLS</u>			<u>MWD PORTFOLIO</u>
	<i>(12-Month Moving Average)</i>			<i>(12-Month Moving Average)</i>			
	<u>3 Mo.</u>	<u>6 Mo.</u>	<u>1 Yr.</u>	<u>3 Mo.</u>	<u>6 Mo.</u>	<u>1 Yr.</u>	
Jan. 1992	5.3	5.4	5.6	5.2	5.3	5.5	5.8
Feb. 1992	5.1	5.2	5.4	5.0	5.1	5.3	5.4
Mar. 1992	4.9	5.0	5.3	4.9	5.0	5.2	5.2
Apr. 1992	4.8	4.9	5.1	4.7	4.9	5.0	5.0
May 1992	4.6	4.7	5.0	4.6	4.7	4.8	5.1
June 1992	4.4	4.5	4.8	4.4	4.5	4.7	5.3
July 1992	4.2	4.3	4.6	4.2	4.3	4.5	4.2
Aug. 1992	4.0	4.1	4.4	4.0	4.1	4.3	4.2
Sep. 1992	3.8	3.9	4.2	3.8	3.9	4.1	3.9
Oct. 1992	3.7	3.8	4.1	3.6	3.8	4.0	3.7
Nov. 1992	3.5	3.6	3.9	3.5	3.7	3.9	3.8
Dec. 1992	3.4	3.5	3.8	3.5	3.6	3.8	3.2
Jan. 1993	3.3	3.4	3.7	3.4	3.6	3.8	3.5
Feb. 1993	3.2	3.3	3.6	3.3	3.5	3.7	3.7
Mar. 1993	3.1	3.2	3.5	3.1	3.4	3.6	3.5
Apr. 1993	3.0	3.1	3.3	3.1	3.3	3.5	3.7
May 1993	2.9	3.0	3.2	3.1	3.2	3.4	3.6
June 1993	2.8	3.0	3.2	3.0	3.2	3.4	3.7*

\* Estimate