

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

January 17, 1997

To: **Board of Directors**

From: **General Manager**

Subject: **Executive Financial Summary**

Transmitted herewith is the District's Executive Financial Summary for the 1996-97 fiscal year as of December 31, 1996.

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John R. Wodraska

By: Lambertus H. Becker
Chief Financial Officer



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Page 1

January 17, 1997

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

Transmitted herewith is the Monthly Financial Summary as of December 31, 1996. Included in the report are the following statements.

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

There were no appropriations closed in the month of December 1996.

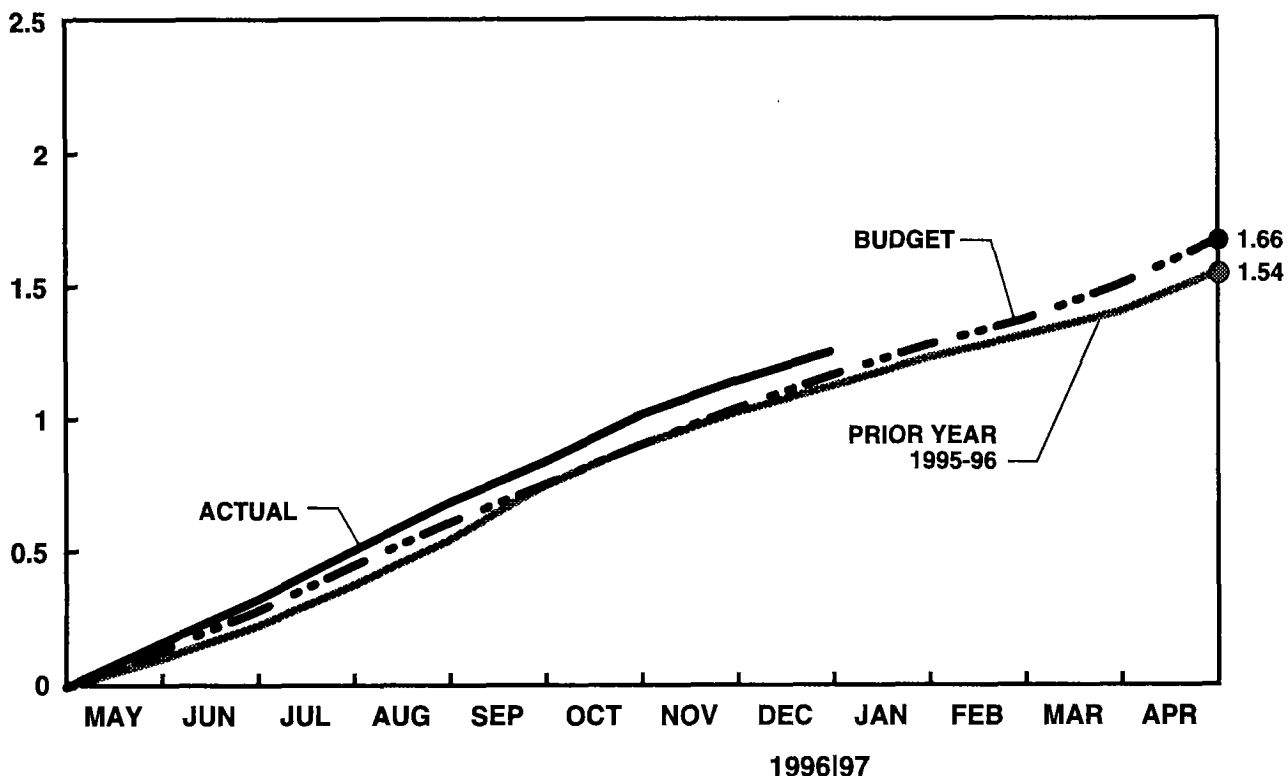
David I. Furukawa

Encl.

DIF/RHY/mjw

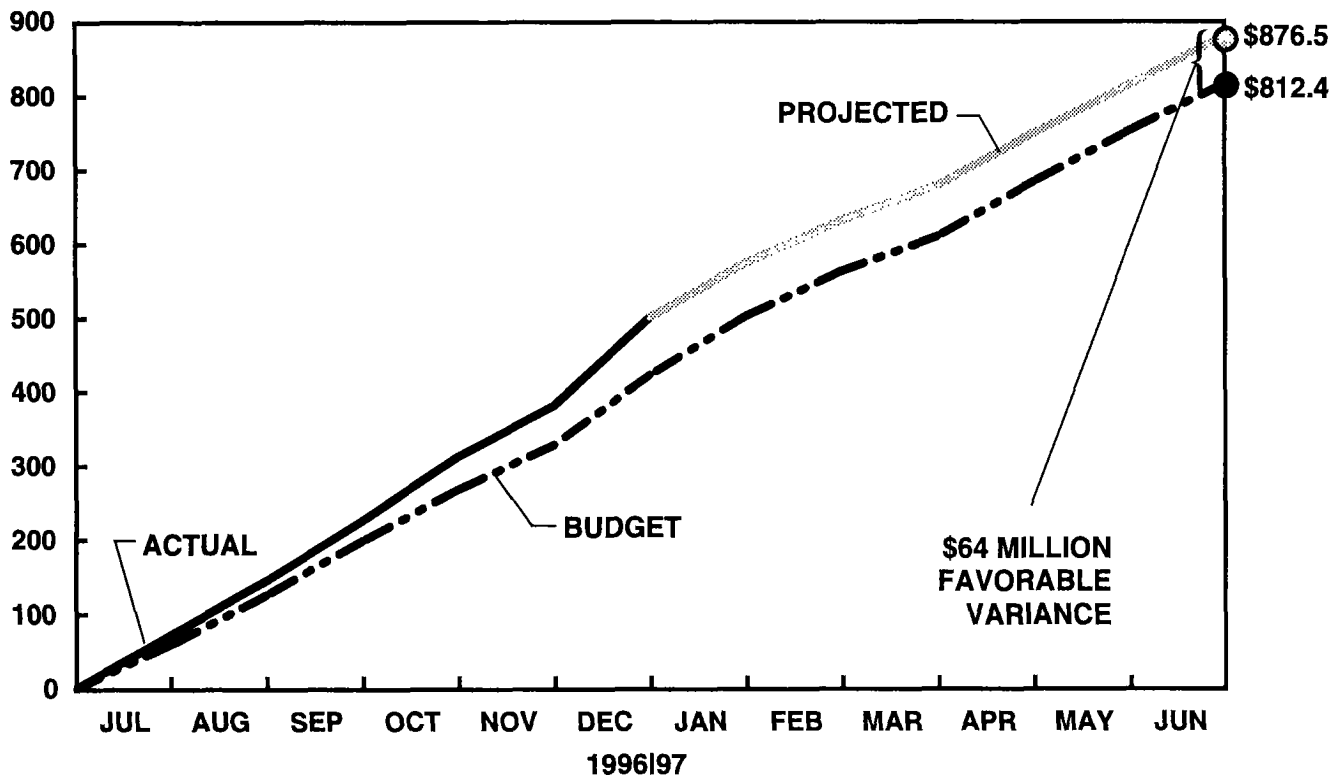
ACRE-FEET SOLD (CASH YEAR)

MILLIONS

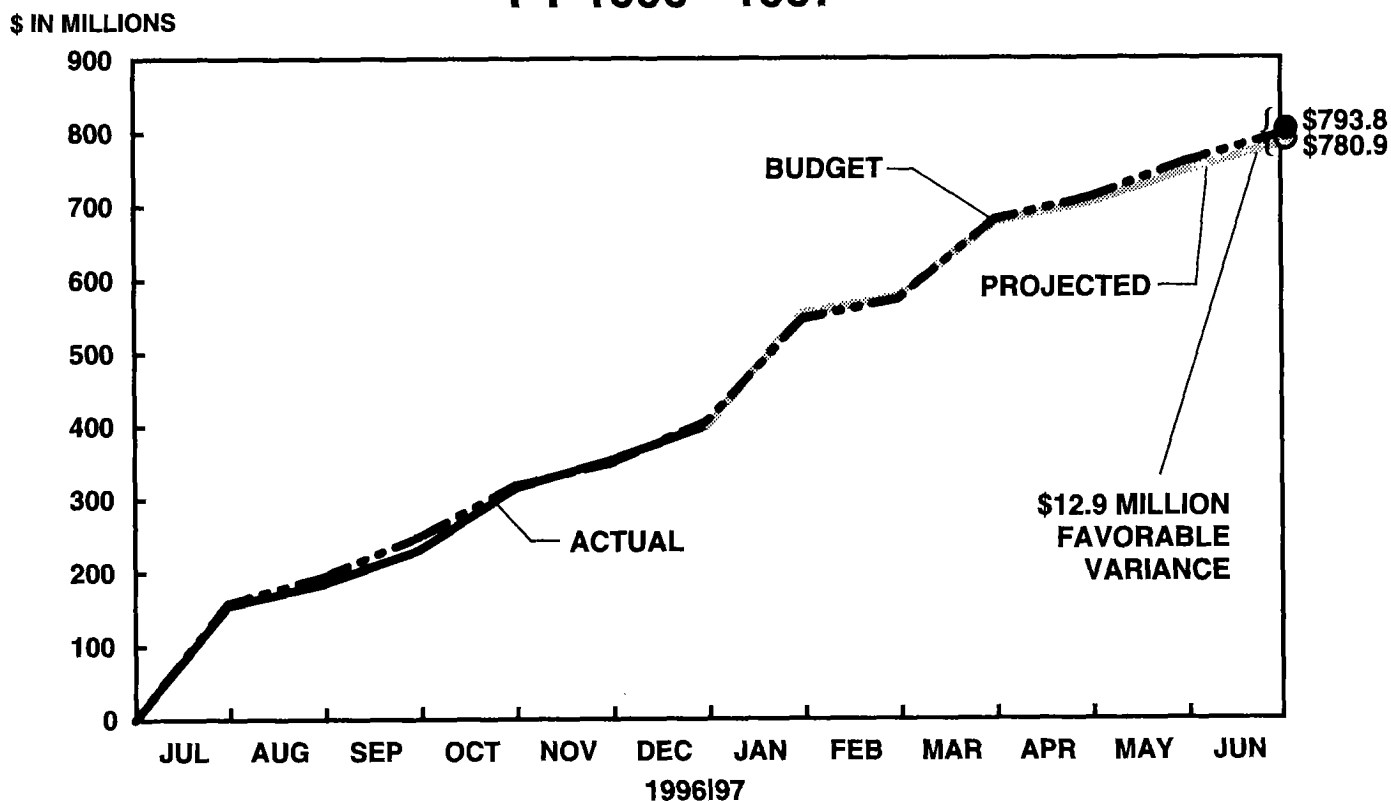


RECEIPT COMPARISONS (BUDGET VS ACTUAL) FY 1996 - 1997

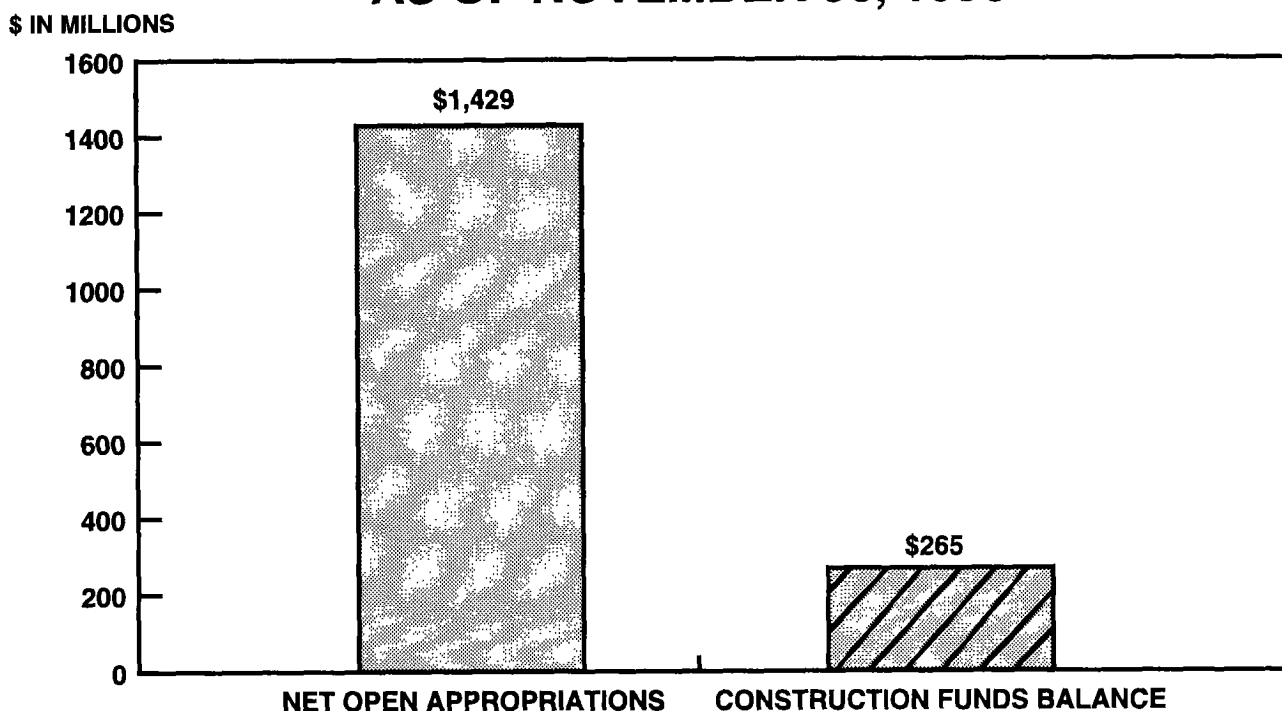
\$ IN MILLIONS



EXPENDITURE COMPARISONS (BUDGET VS ACTUAL) FY 1996 - 1997



APPROPRIATIONS APPROVED TO DATE AND CONSTRUCTION FUNDS BALANCE AS OF NOVEMBER 30, 1996



BUDGET VS. COST REPORT

CASH BASIS
(\$ in Thousands)

FISCAL YEAR 1996-97**RECEIPTS**

	ANNUAL BUDGET	BUDGET THRU December 1996	ACTUAL THRU December 1996	VARIANCE		X-REF.
				DOLLARS	PERCENT	
WATER SALES	\$602,681	\$334,390	\$387,538	\$53,148	15.9%	(a)
TAXES	82,620	39,109	46,059	6,950	17.8%	(b)
INTEREST	47,280	19,269	25,990	6,721	34.9%	(c)
SALE OF HYDROELECTRIC POWER	12,035	6,261	9,721	3,460	55.3%	(d)
READINESS-TO-SERVE CHARGES	64,050	18,579	18,389	(190)	-1.0%	
CONNECTION MAINTENANCE CHARGES	2,978	1,488	1,441	(47)	-3.2%	
OTHER	750	372	8,747	8,375	2251.3%	(e)

TOTAL RECEIPTS

\$812,394	\$419,468	\$497,885	\$78,417			
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EXPENDITURES

O&M	213,268	107,737	110,528	(2,791)	-2.6%	
OPERATING EQUIPMENT	7,070	3,534	2,543	991	28.0%	(f)

STATE WATER SUPPLIES

SWC CAPITAL	139,132	71,288	71,288	0	0.0%	
SWC OMP&R	94,517	53,030	53,033	(3)	0.0%	
OFF AQUEDUCT	41,916	18,165	17,056	1,109	6.1%	
SWC VARIABLE POWER	9,118	6,801	5,643	1,158	17.0%	(g)
SWC CREDITS	(50,871)	(8,756)	(20,479)	11,723	-133.9%	(h)
BAY DELTA CATEGORY III FUNDING	10,000	0	0	0	0.0%	

WATER TRANSFERS \ OPTIONS (1)

2,058	2,058	2,058	0	0.0%	
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COLORADO RIVER SUPPLIES

IID CAPITAL	6,781	0	0	0	0.0%	
IID O&M AND INDIRECT	3,779	0	0	0	0.0%	
CRA POWER	37,364	18,784	9,237	9,547	50.8%	(i)

MWD CAPITAL PROGRAM

REVENUE BOND DEBT SERVICE	106,330	59,466	57,277	2,189	3.7%	
G.O. BOND DEBT SERVICE	56,332	16,312	16,314	(2)	0.0%	
COMM. PAPER DEBT SERVICE	9,974	4,167	2,636	1,531	36.7%	(j)
PAYG CONSTRUCTION	107,000	52,482	71,868	(19,386)	-36.9%	(k)

TOTAL EXPENDITURES

\$793,768	\$405,068	\$399,002	\$6,066			
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NET CHANGE IN CASH

\$18,626	\$14,400	\$98,883	\$84,483			
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CONSTRUCTION

EXPENDITURES (As Revised) *	\$517,813	\$225,800	\$186,467	\$39,333	-17.4%	(l)
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Note: Trust Account Transactions are not reflected in this report.

(1) \$34M will be deposited into the Water Transfer Fund during the fiscal year.

* Includes PAYG Construction, also shown in table above.

X-REF. = the variance explanations

**CASH BASIS SUMMARY
VARIANCE EXPLANATIONS
Through December 31, 1996**

Criteria: (plus or minus) \$500,000 and 10 percent variance

RECEIPTS:

- (a) Water sales are 111,600 acre-feet, or 12.4 percent over budget (May to October deliveries), due to the warmer than normal summer weather in the District's service area.
- (b) Taxes are \$6.9 million over budget due to collections received during December that were not anticipated until January.
- (c) Interest on investments are \$6.7 million over budget due to the lengthening of the average portfolio maturity date of investments, increases in overall interest rates and an increase in the amount of money available to invest due to higher than anticipated water sales.
- (d) Revenues from power recoveries are \$3.5 million over budget due to higher water demands and the subsequent increase in water flow through the power plants.
- (e) Other revenues are \$8.4 million over budget as a result of a gain on the sale of land for the Bolsa Chica property.

Expenditures

- (f) Purchases of Operating Equipment are \$1.0 million under budget as computer purchases have been delayed pending completion of all related contracts.

STATE WATER SUPPLIES

- (g) State Water Contract variable power costs are \$1.2 million, or 17.0 percent, under budget. Expenditures are under budget due to prior year cost credits and adjustments for 1995 and 1996 carryover entitlements and revised delivery rates, resulting in lower monthly payments to DWR during the first half of this fiscal year.

Continued

(h) Credits of \$20.5 million were received during the first half of the fiscal year from the Department of Water Resources. The credits are attributable to 1995 calendar year cost adjustments for Off-Aqueduct Power facilities bond cover and interest, water system revenue bond cover and interest, and the water system revenue bond cover and interest for the East Branch Enlargement facilities. The budget anticipated that certain of these credits would be received later in the fiscal year. It is anticipated that credits will approximate budget of \$50.9 million by the end of the fiscal year.

COLORADO RIVER SUPPLIES

(i) CRA power is \$9.5 million under budget due primarily to lower supplemental energy rates than anticipated in the budget.

MWD CAPITAL PROGRAM

(j) Debt service payments for the District's commercial paper program are \$1.5 million under budget. The primary factor explaining the variance is the timing of commercial paper maturities and lower than anticipated interest rates.

(k) Expenditures for the PAYGO Construction Program are \$19.4 million or 36.9 percent more than budgeted due to accelerated payments from this funding source through December 1996. It is anticipated that payments during the second half of the year will be reduced so that the total will approximate the budget by the end of the fiscal year.

(l) Assuming a budget of \$225.8 million through December 1996, construction expenditures from bond proceeds and PAYGO are 17.4 percent under budget mainly due to delays with implementation of the Local Groundwater Storage agreements with member agencies (\$3.2 million); delays with award of the Garvey Reservoir Liner contract (\$4.5 million); and delays in payments to the contractor on the Union Station project as a result of incorrect invoices submitted by the contractor (\$9.2 million). In addition, the Rate Refinement Process (RRP) has impacted the Inland Feeder Program with a new online date of 2004 (\$8.4 million) as well as other implementation dates are being considered for the Jensen and Mills Filtration Plants Oxidation Retrofit Program (\$13.9 million).

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND BALANCES
JULY 1, 1996 THROUGH DECEMBER 31, 1996

	TOTAL ALL FUNDS	OPERATING FUNDS	STATE CONTRACT FUNDS	DEBT SERVICE FUNDS	RATE STABILIZATION FUNDS	PAY-AS-YOU GO FUND	REVOLVING CONSTRUCTION FUNDS	REVENUE BOND CONSTRUCTION FUNDS	COMMERCIAL PAPER NOTE CONSTRUCTION	OTHER FUNDS
CASH AND INVESTMENT BALANCES - START OF PERIOD	1,143,189,767.95	261,950,997.07	64,634,698.78	125,266,366.19	201,378,193.21	237,683,928.91	114,461.43	35,406,156.01	40,177,473.85	176,577,492.50
RECEIPTS										
Net Tax Collections	25,258,861.97	0.00	11,952,212.13	13,306,649.84	0.00	0.00	0.00	0.00	0.00	0.00
Water Sales	387,538,132.55	387,538,132.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Readiness-To-Serve (WSC)	18,388,561.99	18,388,561.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Power Recoveries	9,721,100.14	9,721,100.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Investments	33,077,225.51	9,838,073.22	1,232,757.63	2,528,516.73	6,743,866.89	5,633,552.69	3,141.59	1,137,424.68	1,071,976.97	4,887,915.11
Debt Proceeds	431,904,919.46	0.00	0.00	907,585.61	0.00	0.00	0.00	360,997,333.85	70,000,000.00	0.00
Reimbursements	8,451,898.52	6,648,950.65	0.00	0.00	0.00	787,526.24	0.00	1,014,148.88	1,272.75	0.00
Other Collections	10,187,625.82	10,185,025.82	0.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00
TOTAL RECEIPTS	924,528,325.96	442,319,844.37	13,184,969.76	16,742,752.18	6,743,866.89	6,423,678.93	3,141.59	363,148,907.41	71,073,249.72	4,887,915.11
INTER-FUND TRANSACTIONS										
Inter-Fund Transfers	(0.00)	(106,095,884.47)	53,000,000.00	52,492,190.23	0.00	0.00	0.00	(401,000.00)	401,000.00	603,694.24
TOTAL INTER-FUND TRANSACTIONS	(0.00)	(106,095,884.47)	53,000,000.00	52,492,190.23	0.00	0.00	0.00	(401,000.00)	401,000.00	603,694.24
DISBURSEMENTS - NET										
Operations & Maintenance	112,774,192.21	112,774,192.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Equipment - Net	2,696,183.78	2,696,183.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Supplies Inventory	(132,462.04)	(132,462.04)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Undistributed Payroll (Net)	(973,737.96)	(973,737.96)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Construction	193,625,558.20	1,497,970.27	0.00	0.00	0.00	76,512,948.97	214.40	32,300,358.92	83,314,065.64	0.00
DWR - Capital Payments	71,287,693.00	0.00	71,287,693.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DWR - Minimum O&M	53,033,073.00	53,033,073.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off Aqueduct Facilities	17,056,218.00	7,155,083.00	9,901,135.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRA - Power	9,237,118.49	9,237,118.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SWC - Variable Power	5,643,348.00	5,643,348.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SWC - Credit	(20,478,870.00)	(2,999,901.45)	(17,478,968.55)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DWR - Water Bank/Transfer/Options	2,057,562.44	2,057,562.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
To MWDOC - Allen-McColloch Ppl	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service on MWD Bonds	80,133,881.76	0.00	0.00	76,226,961.76	0.00	0.00	0.00	0.00	0.00	3,906,920.00
Arbitrage Rebate Tax to IRS	603,694.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	603,694.24
Net Book Gain/Loss on Investment	(12,959.17)	835.56	0.00	7,554.82	(18,633.95)	(2,715.60)	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS	526,550,493.95	189,989,265.30	63,709,859.45	76,234,516.58	(18,633.95)	76,510,233.37	214.40	32,300,358.92	83,314,065.64	4,510,614.24
TRANSFERS TO ESCROW BANK ACCOUNT TRUST ACCT TRANSACTIONS <NET>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	4,675,502.06	21,425,770.09	0.00	(15,931,397.72)	0.00	0.00	0.00	0.00	0.00	(818,870.31)
CASH AND INVESTMENT BALANCES - END OF PERIOD	1,545,843,102.02	429,611,461.76	67,109,809.09	102,335,394.30	208,140,694.05	167,597,374.47	117,388.62	365,853,704.50	28,337,657.93	176,739,617.30

BALANCE SHEET AS OF DECEMBER 31, 1996

ASSETS

CASH AND INVESTMENTS	
Operating, Construction and Other	1,407,712,195.85
Held for Crossover Refunding Bonds	<u>138,130,906.17</u>
Total Cash and Investments	1,545,843,102.02
ACCOUNTS RECEIVABLE	
Tax Assessments	62,862,284.68
Annexation Charges	21,406,472.15
Water Sales	88,823,249.70
Readiness-To-Serve (WSC)	42,293,154.06
Power Recoveries	668,872.94
Interest Accrued on Investments	20,655,678.06
Notes Receivable	6,827,614.30
Sundry	<u>(3,889,774.85)</u>
Total Accounts Receivable	239,647,551.04
Inventories	18,193,891.91
OTHER ASSETS	
Deferred Charges	238,101,647.18
Feasibility Studies, Reimbursables, etc.	13,469,669.70
Construction & Right of Way Deposits	<u>26,104,300.21</u>
Total Other Assets	277,675,617.09
PROPERTY, PLANT AND EQUIPMENT	
Land, Easements & Right of Way	386,444,460.73
Completed Features	1,731,357,711.56
Work in Progress	1,638,596,396.69
Less: Allowance for Depreciation	<u>(499,613,784.06)</u>
Total Comp. Features & WIP Net of Allow. for Depr.	2,870,340,324.19
Preoperating Costs - Capitalized	44,594,758.04
Less: Portion Amortized	<u>(19,467,054.71)</u>
Total Preoperating Costs Net of Amortization	25,127,703.33
Participation Rights - State Fac.	2,786,277,778.67
Less: Portion Amortized	<u>(1,378,257,326.00)</u>
Total State Fac. Partic. Rts Net of Amort.	1,408,020,452.67
Participation Rights - Other Fac.	154,148,586.65
Less: Portion Amortized	<u>(9,784,912.20)</u>
Total Other Fac. Partic. Rts. Net of Amort.	144,363,674.45
Major Operating Equipment	85,289,101.11
Less: Allowance for Depreciation	<u>(59,561,624.52)</u>
Total Major Operating Equipment Net of Depr.	25,727,476.59
Total Assets	6,941,384,254.02

BALANCE SHEET AS OF DECEMBER 31, 1996

LIABILITIES AND EQUITY

ACCOUNTS PAYABLE & ACCRUED EXPENSE

Commercial Paper Notes	200,000,000.00
Matured Bonds & Coupon not Presented for Payments	499,469.12
Bond Int. Accrued but not Due	50,881,701.03
Accrued Prem. on Called Bonds	<u>(65,145.12)</u>
Total Bonds	51,316,025.03
Participation Rights - State Facilities	183,236,732.00
State Variable and Minimum OMP&R Services, Material, etc.	129,535,653.00
Compensated Absences	18,690,808.36
Trust Funds	21,838,528.75
Customer Deposits	45,116,045.92
	<u>4,163,671.00</u>
Total Accounts Payable & Accrued Expense	653,897,464.06

DEFERRED INCOME

Deferred Readiness-To-Serve (WSC)	32,024,994.00
Deferred Water Sales	984,787.54
Deferred Tax Levies - Current Year	39,556,926.14
PERS Employer's Credits	21,175,041.30
Deferred Interest	0.00
Deferred Water Bank Sales	<u>0.00</u>

Total Deferred Income 93,741,748.98

Long Term Obligations

Bonds & Notes Payable:	
1966/69 G.O. Bonds	407,435,000.00
* G.O. Refunding Bonds.	193,565,800.00
Revenue Bonds	1,114,940,000.00
* Revenue Refunding Bonds	591,378,625.00
Crossover Refunding Bonds	<u>138,085,000.00</u>

Total Bonds & Notes Payable 2,445,404,425.00

Other Long Term Obligations:

Due to MWDOC - Allen-McColloch Pipeline	34,490,864.00
Unamortized Bond Premium	4,034,055.20
Unamortized Bond Discount	(46,197,336.65)
Employees' Deferred Compensation Payable	33,208,884.23
Obligation for Off-Aqueduct Power Facilities	139,246,379.00
Interest to Be Rebated to IRS	736,837.74
Obligation for Iron Mountain Landfill Closure	<u>2,663,000.00</u>

Total Other Long Term Obligations 168,182,683.52

EQUITY

Contributions	35,880,254.70
Annexation Commitments	372,389,927.85
Other Retained Earnings	2,955,116,686.04
Estimated Income	216,771,063.87

Total Equity 3,580,157,932.46

TOTAL LIABILITIES AND EQUITY 6,941,384,254.02

* Net of Deferred Loss on Early Retirement of Debt. \$2,749,200.00 & \$20,586,264.00 respectively.

STATEMENT OF OPERATIONS

FISCAL YEAR THROUGH DECEMBER 31, 1996

GROSS OPERATING INCOME

Water Sales:	Acre Feet		
Treated	671,187.60	274,587,015.30	
Untreated	226,574.50	72,808,066.80	
Reclaimed Water	31,489.50	7,612,692.50	
	929,251.60	355,007,774.60	
Readiness-To-Serve (WSC)		27,598,002.68	
Connection Maintenance Charge		1,421,475.00	
Power Recoveries	(179,602,001.00 kWh)	7,884,293.55	391,911,545.83

OPERATION AND MAINTENANCE

Operations		98,509,718.63	
Power and Water Costs		81,426,881.83	179,936,600.46
Operating Income before Amort. & Depr.			211,974,945.37
Amort. of Participation Rights		40,907,751.66	
Depreciation, Plant		15,888,818.00	56,796,569.66
Operating Income			155,178,375.71

OTHER INCOME

Net Tax Revenues		38,886,239.11	
Interest Earned on Investments		33,030,171.75	
Current Interest Levies - Annexation Commitments		651,742.86	
Property Rentals		299,252.60	
Gain on Land Sales		8,389,503.00	
Earnings on Escrow Accounts			
Sundry Revenues		240,989.37	81,497,898.69

INTEREST AND OTHER EXPENSE

Bond Interest Expense		28,379,907.26	
Adjustment for OAPF obligation			
Arbitrage Rebate Tax			
Sundry Expense		328,145.16	28,708,052.42
Income before Annex Inc. & Prior Year' Adjust			207,968,221.98

ANNEXATION INCOME

Levies for Uncapitalized Annexation - Principal		1,282.67	
New Annexations - Principal		1,369,473.77	1,370,756.44

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

7,432,085.45

NET INCOME

216,771,063.87

RETAINED EARNINGS AT START OF YEAR
RETAINED EARNINGS TO DATE3,327,506,613.89
3,544,277,677.76

STATEMENT OF OPERATIONS
FISCAL YEAR THROUGH DECEMBER 31, 1995

GROSS OPERATING INCOME

Water Sales:	Acre Feet		
Treated	676,540.50	275,005,609.70	
Untreated	196,290.60	60,833,806.70	
Reclaimed Water	22,836.90	3,637,289.00	
	895,668.00	339,476,705.40	
Readiness-To-Serve (WSC)		28,042,550.04	
Connection Maintenance Charge		1,481,600.00	
Power Recoveries	(118,031,048 kWh)	5,803,893.69	374,804,749.13

OPERATION AND MAINTENANCE

Operations		103,426,650.71	
Power and Water Costs		73,290,813.25	176,717,463.96
Operating Income before Amort. & Depr.			198,087,285.17
Amort. of Participation Rights		48,385,101.66	
Depreciation, Plant		13,537,868.00	61,922,969.66
Operating Income			136,164,315.51

OTHER INCOME

Net Tax Revenues		39,057,166.96	
Interest Earned on Investments		37,670,786.75	
Current Interest Levies - Annexation Commitments		731,214.63	
Property Rentals		275,224.97	
Gain on Land Sales		75,085.94	
Earnings on Escrow Accounts			
Sundry Revenues		440,382.81	78,249,862.06

INTEREST AND OTHER EXPENSE

Bond Interest Expense		36,109,263.09	
Adjustment for OAPF obligation			
Arbitrage Rebate Tax			
Sundry Expense		496,567.98	36,605,831.07
Income before Annex Inc. & Prior Year' Adjust			177,808,346.50

ANNEXATION INCOME

Levies for Uncapitalized Annexation - Principal		3,707.68	
New Annexations - Principal		55,444.60	59,152.28

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

10,264,739.75

NET INCOME

188,132,238.53

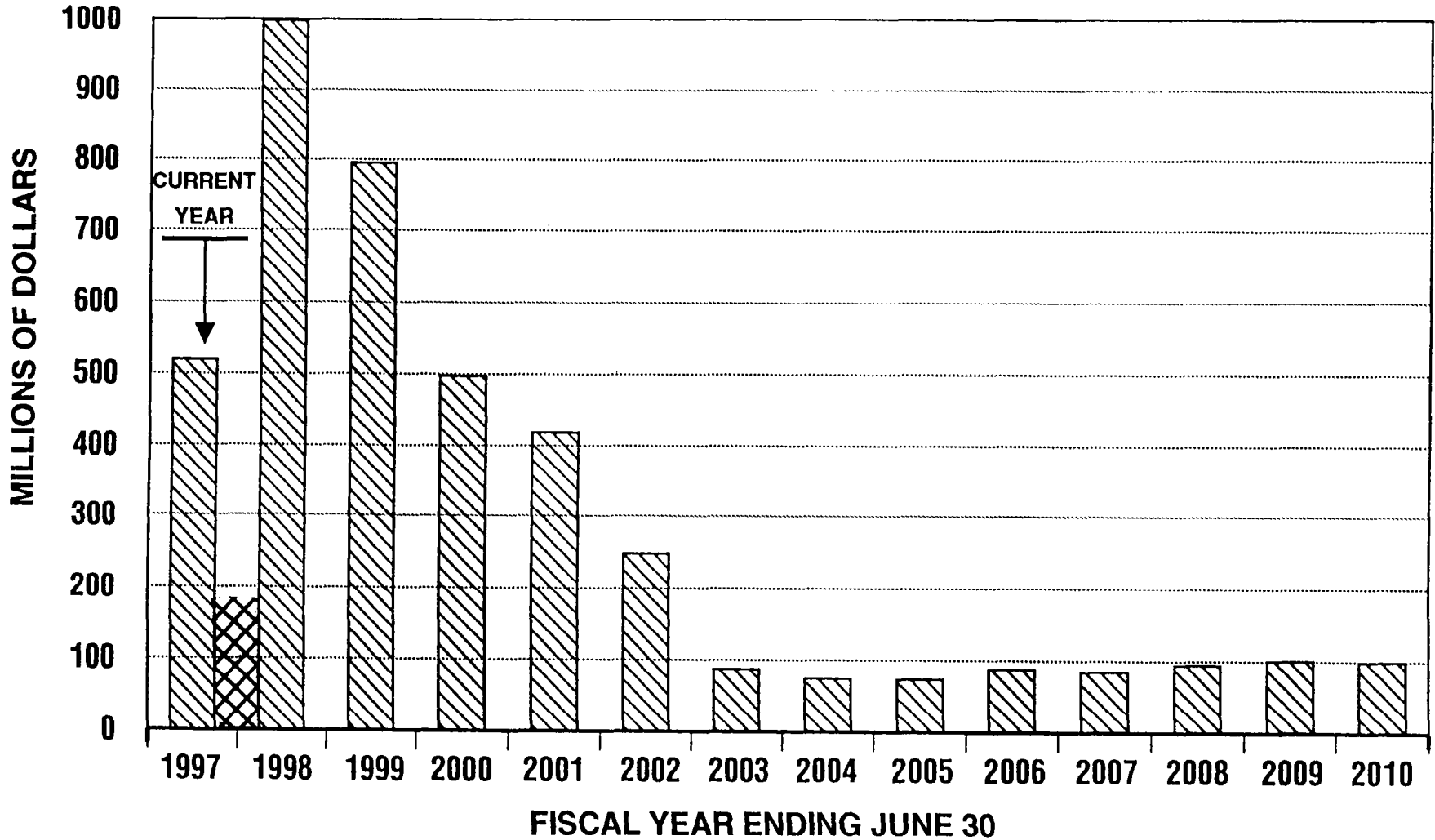
RETAINED EARNINGS AT START OF YEAR
RETAINED EARNINGS TO DATE

3,013,392,129.47
3,201,524,368.00






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

DECEMBER 1996

▨	PROJECTED COSTS THROUGH 2010 ESCALATED AT 5%: TOTAL PROGRAM	\$4,152.1
▩	EXPENDITURES TO DATE (FY 1996-97)	187.2
	APPROPRIATIONS APPROVED TO DATE (FY 1996-97)	628.6

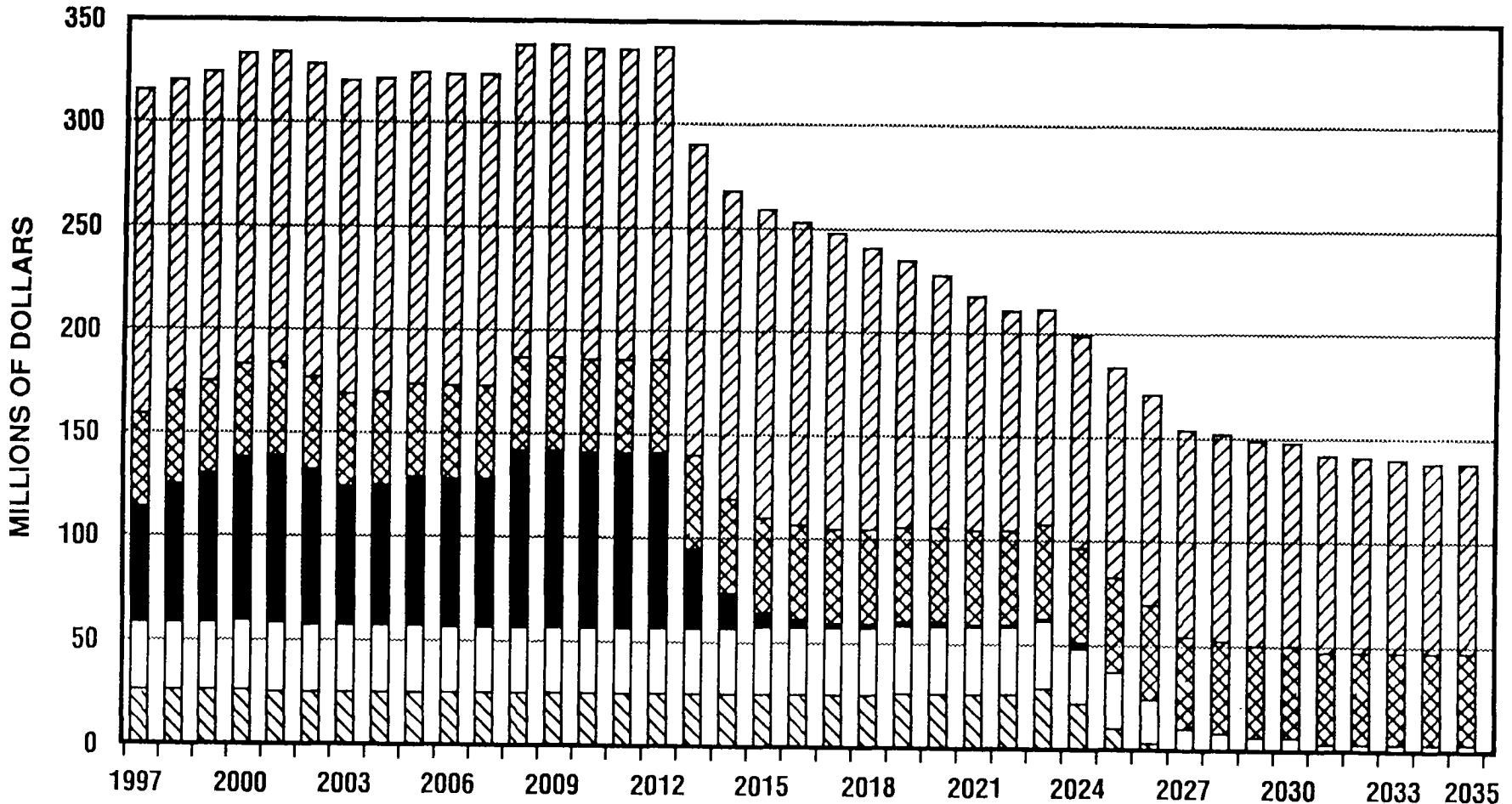


THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA PROJECTED FIXED SWC CHARGES THROUGH 2035

	TRANSPORTATION	\$ 5,014
	STORAGE & CONSERVATION	1,747
	OFF-AQUEDUCT	1,272
	EAST BRANCH ENLARGEMENT	947
	REVENUE BOND SURCHARGE	722

* FROM ATTACHMENT 3, DEPARTMENT OF WATER RESOURCES INVOICE DATED JULY 1, 1996. ALL AMOUNTS IN 1996 DOLLARS. AMOUNT CHARGES ARE BASED ON ORIGINAL ENTITLEMENT OF 2,011,500 AF FOR 1997 - 2035.

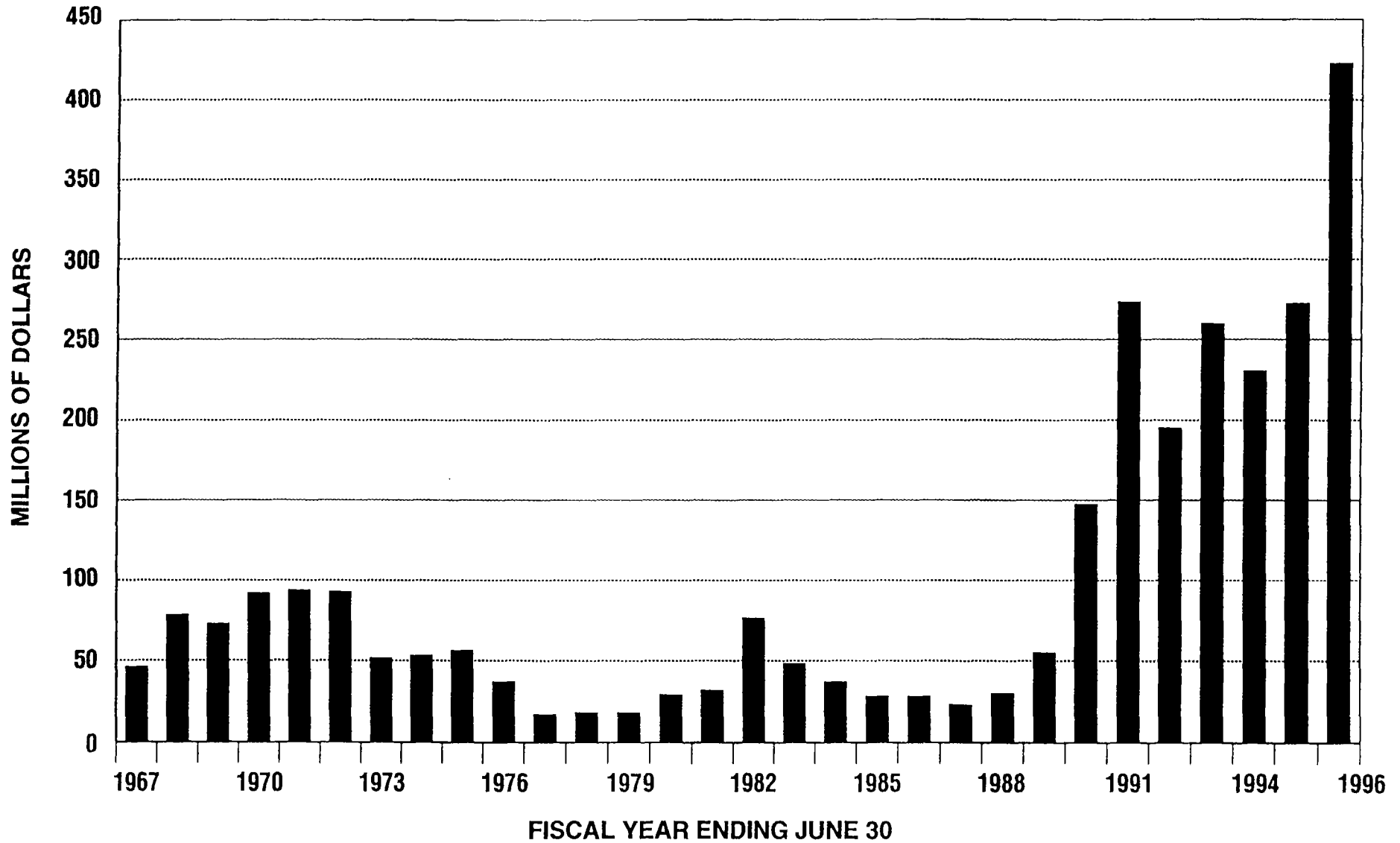
TOTAL	<u><u>\$ 9,702</u></u>
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THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
HISTORICAL CONSTRUCTION EXPENDITURES

from 7-1-66 through 6-30-96

■ EXPENDITURES THROUGH 6-30-96 \$ 2.91 BILLION



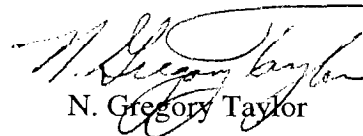
**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

January 14, 1997

To: Board of Directors
From: General Counsel
Subject: **Review as to Eligibility of Securities Invested in by the Treasurer
for the Month of December 1996**

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 December 1996 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:mg
#3269

cc: J. R. Wodraska
L. H. Becker
D. I. Furukawa
R. N. Marumoto

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

January 8, 1997

To: General Manager
 From: Treasurer
 Subject: Treasurer's Monthly Report - December 1996

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 of the MWD Administrative Code. All of the investments comply with Chapter 5101 of the MWD Administrative Code and the Investment Policy dated June 12, 1996.

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

	<u>Book Value</u>	<u>Market Value</u>
Operating Funds	\$433,447,000	433,766,000
State Water Contract Fund	67,111,000	67,203,000
Debt Service Funds	102,292,000	102,406,000
Rate Stabilization Funds	<u>208,140,000</u>	<u>210,125,000</u>
Total	\$810,990,000	\$813,500,000
Construction and Trust Funds	\$ 600,411,000	\$608,453,000

Interest Earnings

	<u>Month</u>	<u>Fiscal Year to Date</u>	<u>Weighted Average Days to Maturity</u>	<u>Portfolio Yield</u>	<u>1 Year Treasury Bill</u>
Dec. 1996	\$5,869,861	\$29,286,858	343	5.99%	5.488%


 for Roger N. Marumoto

RNM:
 Attachments

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Summary Report of Investment Activity & Status of Cash for the Month Ending December 31, 1996

(Shown at Book Value and in \$ Thousands)

SECURITIES:	BALANCE	PURCHASES	SALES	MATURITIES	BALANCE	% of Portfolio ACT. CODE
U. S. TREASURY	\$121,385	\$12,891			\$134,276	9.5 100
U.S. GUARANTEES-GNMA'S	\$7,724	\$1,146		\$77	\$8,793	0.6 100
FEDERAL AGENCIES	\$118,285	\$9,481		\$28,248	\$99,518	7.1 50
REPURCHASE AGREEMENTS	\$305,000	\$4,365,178		\$4,564,713	\$105,465	7.5 50
BANKERS' ACCEPTANCES	\$68,298	\$107,924		\$111,311	\$64,911	4.6 40
COMMERCIAL PAPER	\$168,950	\$1,819,065		\$1,590,195	\$397,820	28.2 30
NEGOTIABLE CERTIFICATES OF DEPOSIT	\$84,001	\$188,194		\$69,997	\$202,198	14.3 20
SHARES OF BENEFICIAL INTEREST	\$0					0.0 15
LOCAL AGENCY INVESTMENT FUND - CALIFORNIA	\$20,000	\$252,400			\$272,400	19.3
MEDIUM TERM NOTES	\$67,197	\$21,666		\$4,535	\$84,328	6.0 20
ASSET-BACKED SECURITIES	\$40,226			\$35	\$40,191	2.8 10
MUNICIPAL BONDS	\$1,506			\$5	\$1,501	0.1
SUBTOTAL	\$1,002,572	\$6,777,945	\$0	\$6,369,116	\$1,411,401	100.1
CASH:						
DEMAND ACCOUNTS	\$2,224			\$1,863	\$361	
PETTY CASH	\$10				\$10	
LESS OVERNIGHT INVEST.	(\$5,984)	\$1,924			(\$4,060)	
SUBTOTAL	(\$3,750)	\$1,924	\$0	\$1,863	(\$3,689)	
TOTAL	\$998,822	\$6,779,869	\$0	\$6,370,979	\$1,407,712	

A) Petty Cash, \$10,000

B) Includes investment of outstanding checks.

Note: Sales and Purchases may contain internal transfers.

Note: Excludes \$138,130,910 in cash and securities held in escrow for the District's crossover refunding bonds.

METROPOLITAN'S PORTFOLIO YIELD vs. MARKET YIELDS

