

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

March 13, 1998

To: Board of Directors (Budget and Finance Committee Information)**From:** *for* General Manager**Submitted by:** Lambertus H. Becker
Chief Financial Officer**Subject:** February 1998 Executive Financial Summary**RECOMMENDATION**

For information only.

REPORTS**Controller's Report**

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Treasurer's Report

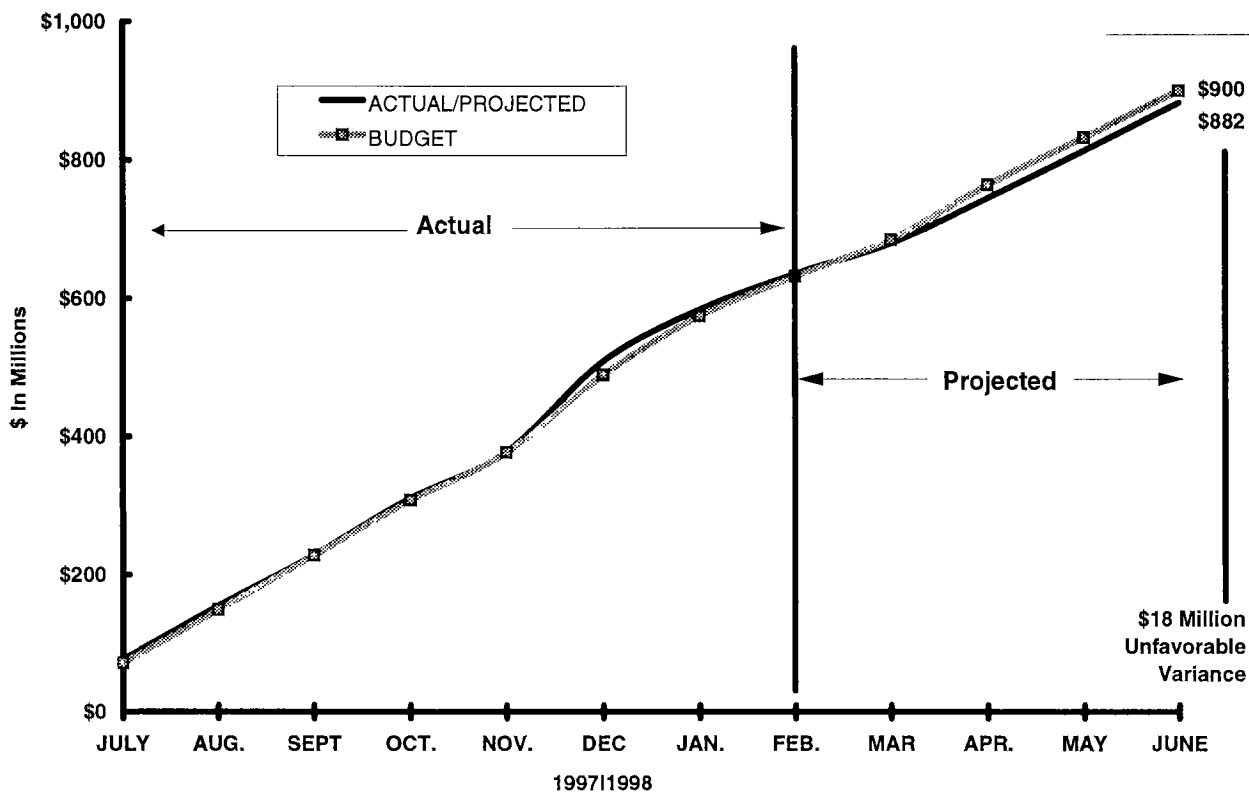
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DIF/RHY

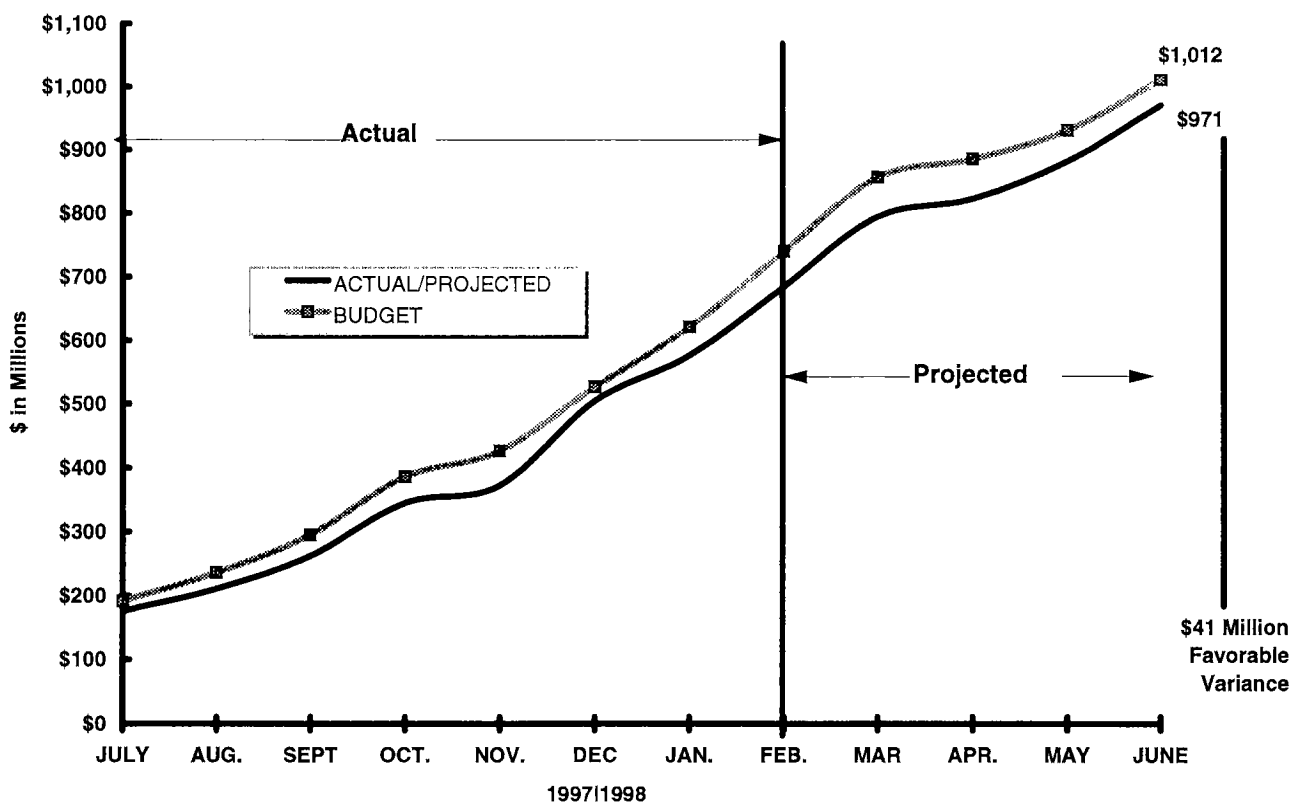
Attachments

Receipt Comparisons Budget VS Actual Fiscal Year 1997-1998

Finance & Bus. Services Div.
March 13, 1998

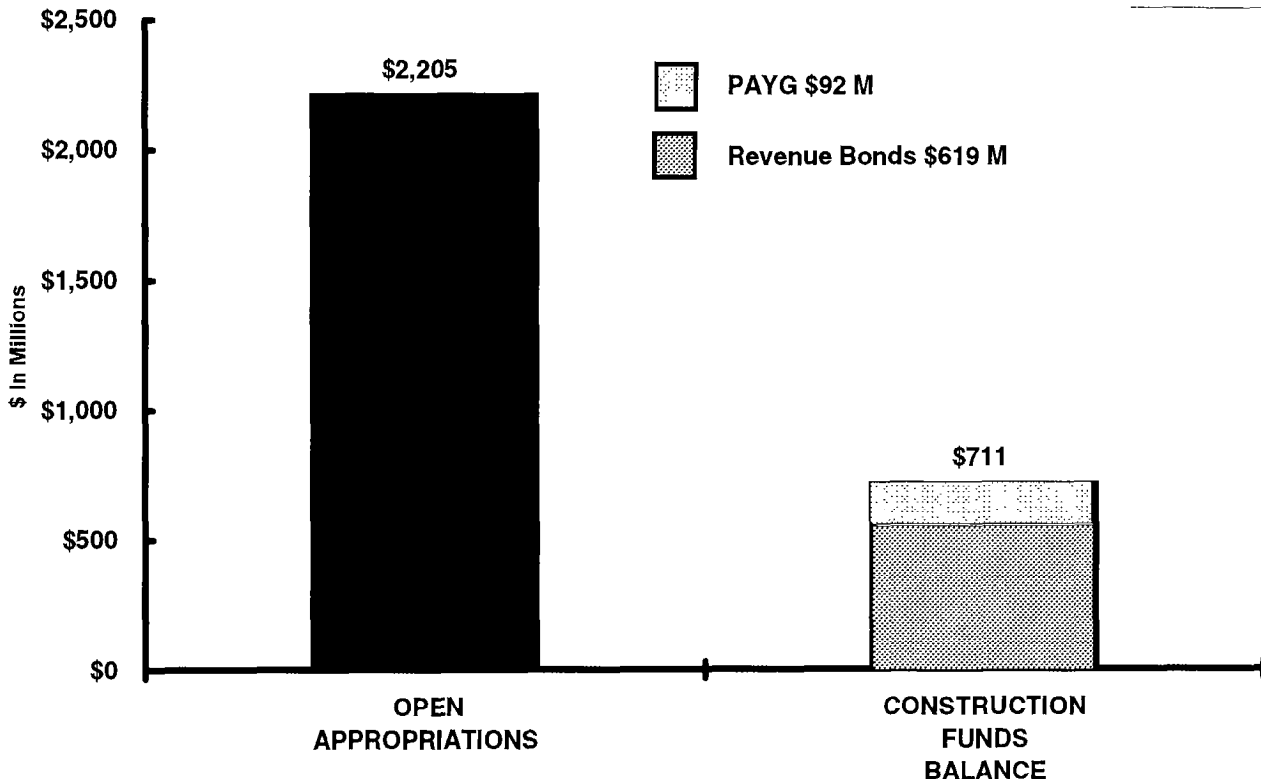


Expenditure Comparisons Budget VS Actual Fiscal Year 1997-1998

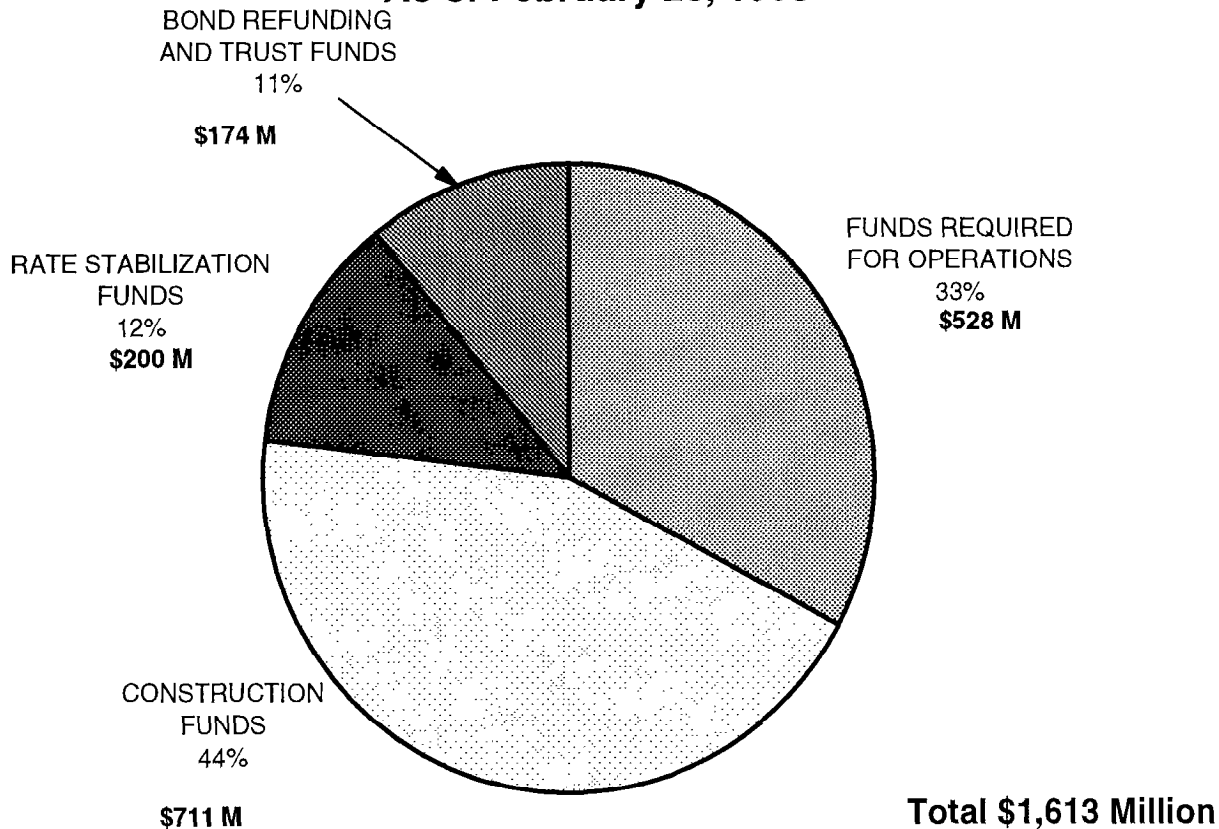


Appropriations Approved To Date And Construction Funds Balance As of February 28, 1998

Finance & Bus. Services Div.
March 13, 1998



Cash and Investments As of February 28, 1998



BUDGET VS. COST REPORT
JULY 1, 1997 to FEBRUARY 28, 1998

CASH BASIS
(\$ in Thousands)

Finance & Bus. Services Div.
 March 13, 1998

| FISCAL YEAR 1997-98 | ANNUAL BUDGET | BUDGET THROUGH Feb. 1998 | ACTUAL THROUGH Feb. 1998 | VARIANCE | | (4) X-REF. |
|--|---------------------|--------------------------------|--------------------------------|--------------------|--------------|---------------|
| | | | | DOLLARS | PERCENT | |
| SOURCES OF FUNDS | | | | | | |
| <u>RECEIPTS</u> | | | | | | |
| WATER SALES | \$ 676,600 | \$ 492,900 | \$ 493,558 | \$ 658 | 0.1% | |
| TAXES | \$ 84,272 | \$ 51,139 | \$ 53,647 | \$ 2,508 | 4.9% | |
| READINESS-TO-SERVE CHARGES | \$ 76,060 | \$ 43,538 | \$ 46,839 | \$ 3,301 | 7.6% | |
| INTEREST ON INVESTMENTS | \$ 44,277 | \$ 30,230 | \$ 30,137 | \$ (93) | -0.3% | |
| POWER RECOVERY AND MISCELLANEOUS | \$ 16,684 | \$ 11,327 | \$ 11,405 | \$ (422) | -3.6% | |
| BUSINESS DEVELOPMENT | \$ 3,545 | \$ 2,252 | \$ 75 | \$ (2,177) | -96.7% | |
| TOTAL RECEIPTS | \$ 900,428 | \$ 631,886 | \$ 635,661 | \$ 3,775 | 0.6% | |
| USE OF STABILIZATION FUNDS (1) | \$ 72,965 | - | - | - | - | |
| USE OF PRIOR YEAR PAYG FUNDS | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ - | - | |
| USE OF DEBT PROCEEDS FOR CONSTRUCTION | \$ 496,834 | \$ 327,843 | \$ 261,635 | \$ (66,208) | -20.2% | |
| TOTAL SOURCES OF FUNDS | \$ 1,520,218 | \$ 1,009,728 | \$ 947,296 | \$ (62,432) | -6.2% | |
| USES OF FUNDS | | | | | | |
| <u>EXPENDITURES</u> | | | | | | |
| STATE WATER CONTRACT | \$ 288,320 | \$ 240,598 | \$ 220,996 | \$ 19,602 | 8.1% | |
| WATER TRANSFERS \ OPTIONS | \$ 21,800 | \$ 18,816 | \$ 18,816 | \$ - | - | |
| COLORADO RIVER SUPPLIES | \$ 28,691 | \$ 20,511 | \$ 21,666 | \$ (1,155) | -5.6% | |
| MWD CAPITAL CONSTRUCTION FINANCING PROGRAM | | | | | | |
| DEBT SERVICE | \$ 204,571 | \$ 142,760 | \$ 138,572 | \$ 4,188 | 2.9% | |
| PAYG FUND CONSTRUCTION | \$ 140,000 | \$ 92,397 | \$ 72,883 | \$ 19,514 | 21.1% | |
| HEADQUARTERS BUILDING & OTHER (2) | \$ 54,437 | \$ 36,291 | \$ 35,134 | \$ 1,157 | 3.2% | |
| MWD O&M and OPERATING EQUIPMENT | \$ 223,616 | \$ 144,502 | \$ 134,926 | \$ 9,576 | 6.6% | |
| BUSINESS DEVELOPMENT | \$ 3,266 | \$ 2,067 | \$ 140 | \$ 1,927 | 93.2% | |
| PERS UNFUNDED LIABILITY PAYMENT | \$ 32,000 | \$ 32,000 | \$ 31,332 | \$ 668 | 2.1% | |
| LOCAL RESOURCES PROGRAM - NET | \$ 15,193 | \$ 8,665 | \$ 9,881 | \$ (1,216) | -14.0% | |
| SUBTOTAL | \$ 1,011,883 | \$ 738,609 | \$ 684,346 | \$ 54,263 | | |
| DEBT-FINANCED CONSTRUCTION EXPENDITURES | \$ 496,834 | \$ 327,843 | \$ 261,635 | \$ 66,208 | 20.2% | |
| TOTAL EXPENDITURES | \$ 1,508,717 | \$ 1,066,452 | \$ 945,981 | \$ 120,471 | 11.3% | |
| WATER TRANSFER DEPOSITS (3) | \$ 2,200 | - | - | - | - | |
| ADJUSTMENTS IN RESERVES (1) | \$ 9,301 | - | - | - | - | |
| TOTAL USE OF FUNDS | \$ 1,520,218 | \$ 1,066,452 | \$ 945,981 | \$ 120,471 | 11.3% | |
| Net Sources / (Uses) of Funds | \$ 0 | \$ (56,723) | \$ 1,315 | \$ 58,038 | - | |

Note. Trust Account Transactions are not reflected in this report. Minor differences are due to rounding.

- (1) Actual amounts to be determined at end of fiscal year.
- (2) Other includes cash activity in the General Fund for reimbursable projects.
- (3) Deposit to the Water Transfer Fund during the fiscal year net of expenditures.
- (4) Variance explanations will be provided at the end of the third quarter of this fiscal year.

STATEMENT OF RECEIPTS, DISBURSEMENTS AND BALANCES
JULY 1, 1997 THROUGH FEBRUARY 28, 1998
(\$ in Thousands)

| | 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 | \$ 1,197,542 | \$ 318,730 | \$ 69,593 | \$ 126,161 | \$ 200,000 | \$ 159,118 | \$ - | \$ 146,535 | \$ - | \$ 177,405 |
| RECEIPTS | | | | | | | | | | |
| Net Tax Collections | 53,647 | 0 | 22,069 | 31,578 | 0 | 0 | 0 | 0 | 0 | 0 |
| Water Sales | 507,149 | 507,149 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Readiness-To-Serve (WSC) | 46,839 | 46,839 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Recoveries | 9,153 | 9,153 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest on Investments | 46,133 | 12,382 | 1,961 | 3,116 | 7,715 | 4,905 | 0 | 3,449 | 1,190 | 11,414 |
| Debt Proceeds | 730,518 | 0 | 0 | 713 | 0 | 0 | 0 | 629,805 | 100,000 | 0 |
| Reimbursements | 14,489 | 5,911 | 0 | 0 | 0 | 3,497 | 0 | 5,002 | 78 | 0 |
| Other Collections | 2,327 | 2,327 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RECEIPTS | 1,410,255 | 583,761 | 24,030 | 35,407 | 7,715 | 8,403 | 0 | 638,256 | 101,269 | 11,414 |
| INTER-FUND TRANSACTIONS | | | | | | | | | | |
| Inter-Fund Transfers | 0 | (154,915) | 65,000 | 104,096 | (7,761) | 1,000 | 0 | 0 | 0 | (7,420) |
| TOTAL INTER-FUND TRANSACTIONS | 0 | (154,915) | 65,000 | 104,096 | (7,761) | 1,000 | 0 | 0 | 0 | (7,420) |
| DISBURSEMENTS - NET | | | | | | | | | | |
| Operations & Maintenance | 159,353 | 159,353 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Equipment | 4,182 | 4,182 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Supplies Inventory | (13) | (13) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Undistributed Payroll (Net) | 37,723 | 37,723 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 382,281 | 39,186 | 0 | 0 | 0 | 76,380 | 0 | 165,446 | 101,269 | 0 |
| DWR - Capital Payments | 133,009 | 0 | 133,009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DWR - Minimum O&M | 70,968 | 70,968 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Off Aqueduct Facilities | 39,463 | 19,654 | 19,809 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CRA - Power | 14,371 | 14,371 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SWC - Variable Power | 5,225 | 5,225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SWC - Credit | (27,669) | (14,192) | (13,477) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DWR - Water Bank/Transfer/Options | 18,816 | 18,816 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| To MWDOC - Allen-McColloch Ppl | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Service on MWD Bonds | 142,479 | 0 | 0 | 138,572 | 0 | 0 | 0 | 0 | 0 | 3,907 |
| Arbitrage Rebate Tax to IRS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Book Gain/Loss on Investment | (56) | (26) | 0 | (3) | (12) | (6) | 0 | 0 | 0 | (9) |
| TOTAL DISBURSEMENTS | 980,131 | 355,247 | 139,340 | 138,570 | (12) | 76,373 | 0 | 165,446 | 101,269 | 3,898 |
| TRANSFERS TO ESCROW BANK ACCOUNT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TRUST ACCT TRANSACTIONS <NET> | (14,062) | (9,890) | 0 | (553) | 0 | 0 | 0 | 0 | 0 | (3,618) |
| CASH AND INVESTMENT BALANCES - END OF PERIOD | \$ 1,613,604 | \$ 382,439 | \$ 19,283 | \$ 126,541 | \$ 199,966 | \$ 92,148 | \$ - | \$ 619,344 | \$ - | \$ 173,883 |

Note: Due to rounding, detail and subtotals may not foot or crossfoot to subtotals and total.

BALANCE SHEET AS OF FEBRUARY 28, 1998

Finance & Bus. Services Div.
March 13, 1998

ASSETS
(\$ in Thousands)

| | |
|--|--------------------|
| CASH AND INVESTMENTS | |
| Operating, Construction and Other | \$ 1,463,288 |
| Held for Crossover Refunding Bonds | 138,202 |
| Held for Future Desalination Facilities | <u>12,114</u> |
| Total Cash and Investments | 1,613,604 |
| ACCOUNTS RECEIVABLE | |
| Tax Assessments | 34,034 |
| Annexation Charges | 17,229 |
| Water Sales | 63,516 |
| Readiness-To-Serve (WSC) | 32,577 |
| Power Recoveries | 434 |
| Interest Accrued on Investments | 29,966 |
| Notes Receivable | 408 |
| Sundry | <u>(1,565)</u> |
| Total Accounts Receivable | 176,600 |
| INVENTORIES | 16,193 |
| OTHER ASSETS | |
| Deferred Charges | 241,107 |
| Feasibility Studies, Reimbursables, etc. | 10,441 |
| Construction & Right of Way Deposits | <u>2,791</u> |
| Total Other Assets | 254,339 |
| PROPERTY, PLANT AND EQUIPMENT | |
| Land, Easements & Right of Way | 432,718 |
| Completed Features | 1,951,700 |
| Work in Progress | 2,169,437 |
| Less: Allowance for Depreciation | <u>(543,925)</u> |
| Total Comp. Features & WIP Net of Allow. for Depr. | 3,577,212 |
| Preoperating Costs - Capitalized | 44,595 |
| Less: Portion Amortized | <u>(20,436)</u> |
| Total Preoperating Costs Net of Amortization | 24,159 |
| Participation Rights - State Fac. | 2,916,354 |
| Less: Portion Amortized | <u>(1,454,603)</u> |
| Total State Fac. Partic. Rts Net of Amort. | 1,461,751 |
| Participation Rights - Other Fac. | 179,609 |
| Less: Portion Amortized | <u>(13,188)</u> |
| Total Other Fac. Partic. Rts. Net of Amort. | 166,421 |
| Major Operating Equipment | 91,185 |
| Less: Allowance for Depreciation | <u>(67,851)</u> |
| Total Major Operating Equipment Net of Depr. | 23,334 |
| TOTAL ASSETS | \$ 7,746,332 |

Note: Due to rounding, detail and subtotals may not foot or crossfoot to subtotals and total.

LIABILITIES AND EQUITY
 (\$ in Thousands)

Finance & Bus. Services Div.
 March 13, 1998

ACCOUNTS PAYABLE & ACCRUED EXPENSE

| | |
|--|------------|
| Commercial Paper Notes | \$ 300,000 |
| Matured Bonds & Coupon not Presented for Payments | 455 |
| Bond Int. Accrued but not Due | 46,066 |
| Accrued Prem. on Called Bonds | (65) |
| Total Bonds | 46,456 |
| Participation Rights - State Facilities | 118,272 |
| State Variable and Minimum OMP&R | 123,569 |
| Services, Material, etc. | 17,258 |
| Compensated Absences | 23,363 |
| Trust Funds | 19,921 |
| Customer Deposits | 4,926 |
| Total Accounts Payable & Accrued Expense | 653,764 |

DEFERRED INCOME

| | |
|------------------------------------|--------|
| Deferred Readiness-To-Serve (WSC) | 25,350 |
| Deferred Water Sales | 858 |
| Deferred Tax Levies - Current Year | 27,100 |
| PERS Employer's Credits | 14,120 |
| Deferred Interest | 0 |
| Deferred Water Bank Sales | 0 |
| Total Deferred Income | 67,428 |

LONG TERM OBLIGATIONS

| | |
|-----------------------------|-----------|
| Bonds & Notes Payable: | |
| 1966/69 G.O. Bonds | 396,065 |
| * G.O. Refunding Bonds. | 181,469 |
| Revenue Bonds | 1,745,280 |
| * Revenue Refunding Bonds | 583,098 |
| Crossover Refunding Bonds | 138,085 |
| Total Bonds & Notes Payable | 3,043,997 |

Other Long Term Obligations:

| | |
|---|----------|
| Due to MWDOC - Allen-McColloch Pipeline | 31,826 |
| Unamortized Bond Premium | 2,212 |
| Unamortized Bond Discount | (60,446) |
| Employees' Deferred Compensation Payable | 35,451 |
| Obligation for Off-Aqueduct Power Facilities | 126,760 |
| Interest to Be Rebated to IRS | 737 |
| Obligation for Iron Mountain Landfill Closure | 1,945 |
| Total Other Long Term Obligations | 138,485 |

EQUITY

| | |
|-------------------------|-----------|
| Contributions | 35,880 |
| Annexation Commitments | 375,154 |
| Other Retained Earnings | 3,217,455 |
| Estimated Income | 214,169 |
| Total Equity | 3,842,658 |

TOTAL LIABILITIES AND EQUITY \$ 7,746,332

* Net of Deferred Loss on Early Retirement of Debt. \$ 2,506 & \$ 19,587 respectively.

Note: Due to rounding, detail and subtotals may not foot or crossfoot to subtotals and total.

STATEMENT OF OPERATIONS

FISCAL YEAR THROUGH FEBRUARY 28, 1998
(\$, Acre Feet and kWh in Thousands)

GROSS OPERATING INCOME

| | | | |
|----------------------------------|--------------|----|----------------|
| Water Sales: | Acre Feet | | |
| Treated | 765 | \$ | 316,610 |
| Untreated | 363 | | 112,658 |
| Reclaimed Water | 40 | | 9,902 |
| | <u>1,167</u> | | <u>439,170</u> |
| Readiness-To-Serve (WSC) | | | 50,700 |
| Connection Maintenance Charge | | | 1,957 |
| Power Recoveries (174,138 kWh) | | | 7,834 |
| Business Development | | | <u>75</u> |
| | | \$ | <u>499,735</u> |

OPERATION AND MAINTENANCE

| | | | |
|-----------------------|--|--|----------------|
| Operations | | | 133,218 |
| Power and Water Costs | | | 134,924 |
| Business Development | | | <u>140</u> |
| | | | <u>268,281</u> |

Operating Income before Amort. & Depr. 231,454

| | | | |
|--------------------------------|--|--|---------------|
| Amort. of Participation Rights | | | 49,799 |
| Depreciation, Plant | | | <u>29,391</u> |
| | | | <u>79,190</u> |

Operating Income 152,264

OTHER INCOME

| | | | |
|--|--|--|----------------|
| Net Tax Revenues | | | 53,375 |
| Interest Earned on Investments | | | 51,639 |
| Current Interest Levies - Annexation Commitments | | | 770 |
| Property Rentals | | | 404 |
| Gain on Land Sales | | | 7 |
| Earnings on Escrow Accounts | | | - |
| Sundry Revenues | | | <u>272</u> |
| | | | <u>106,467</u> |

INTEREST AND OTHER EXPENSE

| | | | |
|--------------------------------|--|--|---------------|
| Bond Interest Expense | | | 59,090 |
| Adjustment for OAPF obligation | | | - |
| Arbitrage Rebate Tax | | | - |
| Sundry Expense | | | <u>67</u> |
| | | | <u>59,157</u> |

Income before Annex Inc. & Prior Years' Adjust 199,574

ANNEXATION INCOME

| | | | |
|---|--|--|-----------|
| Levies for Uncapitalized Annexation - Principal | | | 2 |
| New Annexations - Principal | | | <u>31</u> |
| | | | 33 |

ADJUSTMENTS OF PRIOR YEARS' POWER AND WATER COSTS

14,562

MEMBER AGENCY DISTRIBUTIONS

-

NET INCOME

\$ 214,169

RETAINED EARNINGS AT START OF YEAR \$ 3,592,609

RETAINED EARNINGS TO DATE \$ 3,806,778

STATEMENT OF OPERATIONS

FISCAL YEAR THROUGH FEBRUARY 28, 1997
 (\$, Acre Feet and kWh in Thousands)

Finance & Bus. Services Div.
 March 13, 1998



| | | | |
|---|-----------------|----------------|-------------------|
| GROSS OPERATING INCOME | | | |
| Water Sales: | Acre Feet | | |
| Treated | 805 | \$ 327,404 | |
| Untreated | 278 | 87,449 | |
| Reclaimed Water | 38 | 9,135 | |
| | <u>1,122</u> | <u>423,988</u> | |
| Readiness-To-Serve (WSC) | | 38,055 | |
| Connection Maintenance Charge | | 1,895 | |
| Power Recoveries | (210,503 kWh) | <u>9,093</u> | \$ 473,031 |
| OPERATION AND MAINTENANCE | | | |
| Operations | | 135,395 | |
| Power and Water Costs | | <u>112,407</u> | <u>247,803</u> |
| Operating Income before Amort. & Depr. | | | 225,228 |
| Amort. of Participation Rights | | 54,544 | |
| Depreciation, Plant | | <u>21,185</u> | <u>75,729</u> |
| Operating Income | | | 149,499 |
| OTHER INCOME | | | |
| Net Tax Revenues | | 51,872 | |
| Interest Earned on Investments | | 46,975 | |
| Current Interest Levies - Annexation Commitments | | 869 | |
| Property Rentals | | 354 | |
| Gain on Land Sales | | 8,390 | |
| Earnings on Escrow Accounts | | - | |
| Sundry Revenues | | <u>253</u> | <u>108,712</u> |
| INTEREST AND OTHER EXPENSE | | | |
| Bond Interest Expense | | 40,942 | |
| Adjustment for OAPF obligation | | - | |
| Arbitrage Rebate Tax | | - | |
| Sundry Expense | | <u>1,472</u> | <u>42,415</u> |
| Income before Annex Inc. & Prior Years' Adjust | | | 215,797 |
| ANNEXATION INCOME | | | |
| Levies for Uncapitalized Annexation - Principal | | 2 | |
| New Annexations - Principal | | <u>1,407</u> | <u>1,408</u> |
| ADJUSTMENTS OF PRIOR YEARS' POWER AND WATER COSTS | | | 7,432 |
| MEMBER AGENCY DISTRIBUTIONS | | | <u>(70,000)</u> |
| NET INCOME | | | <u>\$ 154,637</u> |
| RETAINED EARNINGS AT START OF YEAR | | | \$ 3,327,507 |
| RETAINED EARNINGS TO DATE | | | \$ 3,482,144 |

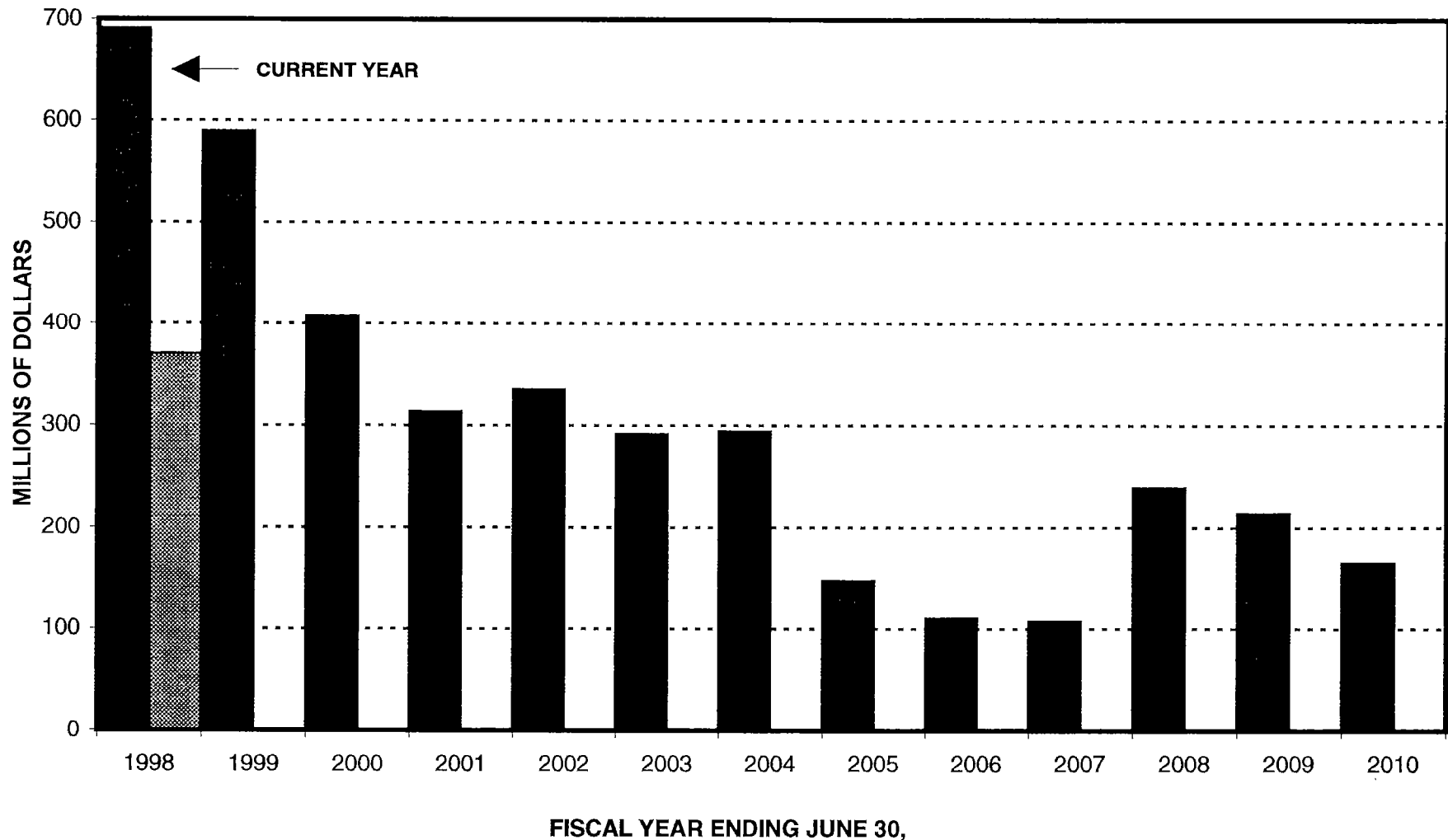
Note: Due to rounding, detail and subtotals may not foot or crossfoot to subtotals and total.

PROJECTED AND ACTUAL CONSTRUCTION COSTS

(BASED ON FINAL 1997 - 1998 BUDGET FORECAST)

FEBRUARY 1998

| | | |
|---|--|------------------|
|  | PROJECTED COSTS THROUGH 2010 ESCALATED AT 5%: TOTAL PROGRAM | \$3,906.6 |
|  | EXPENDITURES TO DATE (F/Y 1997-98) | 370.2 |
| | APPROPRIATIONS APPROVED TO DATE (F/Y 1997-98) | 1,258.2 |



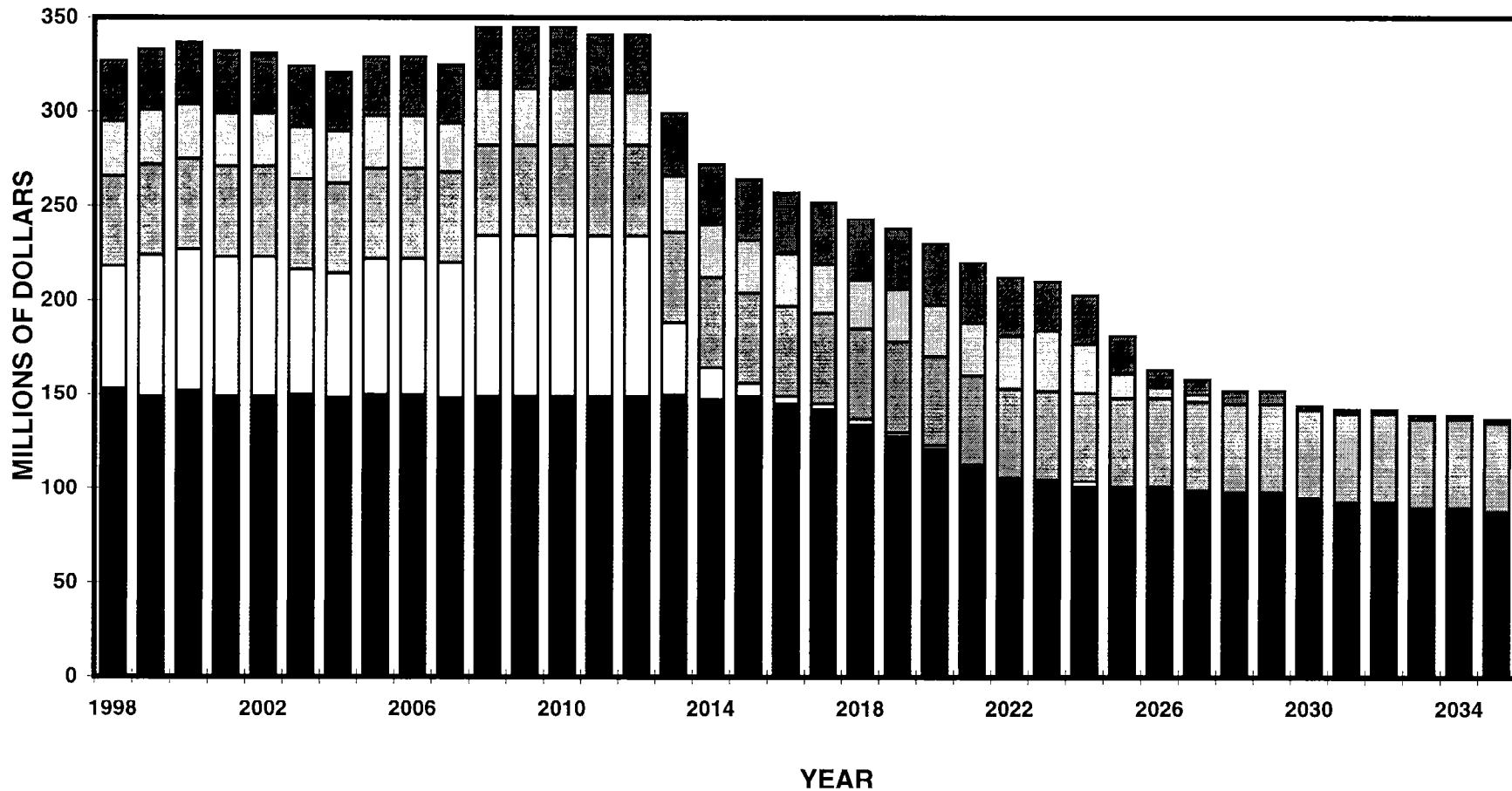
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA PROJECTED FIXED SWC CHARGES THROUGH 2035

| | | |
|--|-------------------------|----------|
| | TRANSPORTATION | \$ 4,827 |
| | OFF-AQUEDUCT | 1,218 |
| | STORAGE & CONSERVATION | 1,808 |
| | REVENUE BOND SURCHARGE | 786 |
| | EAST BRANCH ENLARGEMENT | 915 |

* FROM ATTACHMENT 3, DEPARTMENT
OFF WATER RESOURCES INVOICE DATED
JULY 1, 1997. ALL AMOUNTS IN 1997
DOLLARS. AMOUNT CHARGES ARE
BASED ON ORIGINAL ENTITLEMENT OF

TOTAL \$ 9,554

2,011,500 AF FOR 1998-2035

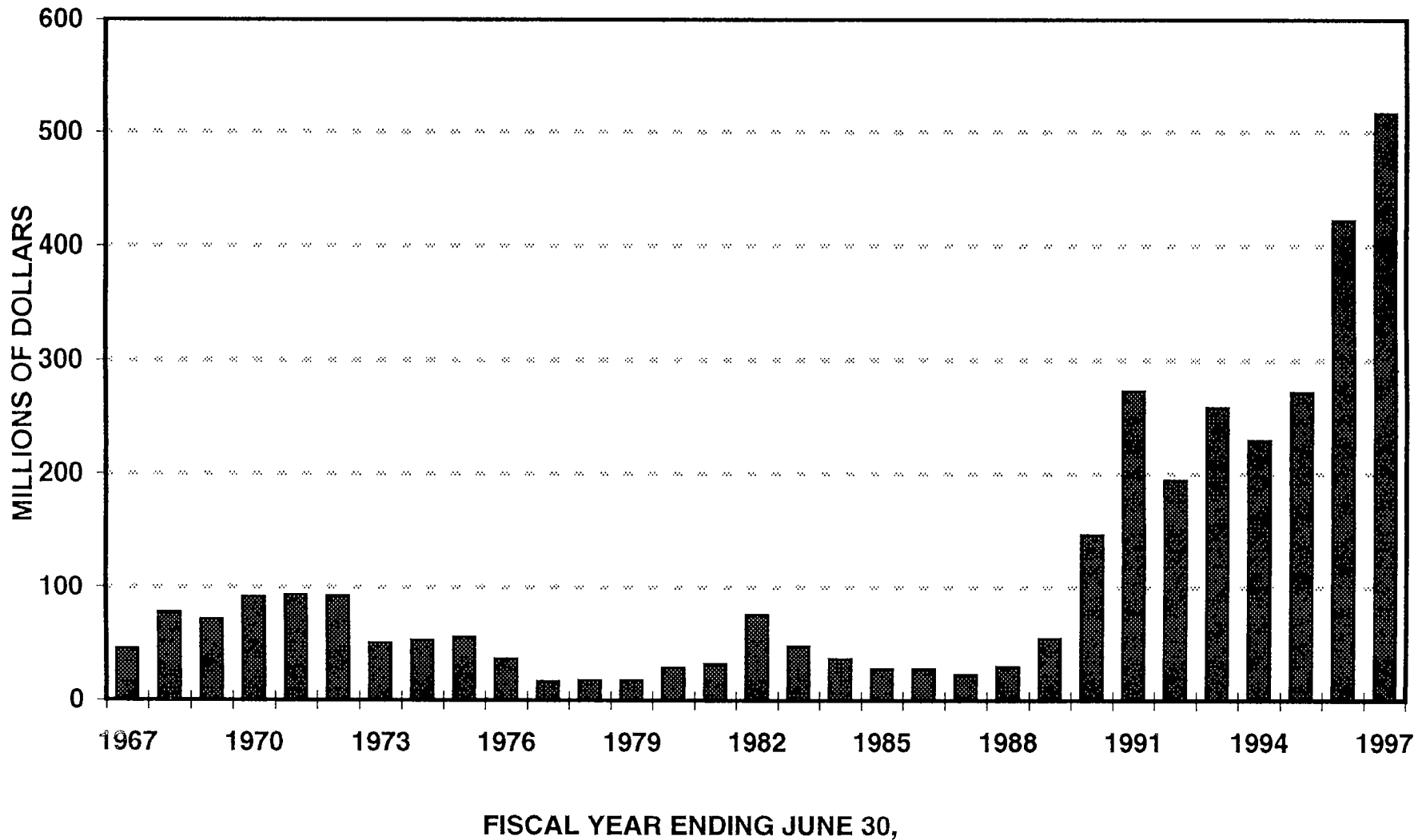


THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA HISTORICAL CONSTRUCTION EXPENDITURES

from 7-1-66 through 6-30-97

■ EXPENDITURES THROUGH 6-30-97

\$3.43 BILLION



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Date: March 9, 1998
To: Board of Directors
From: N. Gregory Taylor, General Counsel
Subject: Review as to Eligibility of Securities Invested in by the
Treasurer for the Month of February 1998

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 February 1998 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 TaylorSBB:mg
#9186cc: J. R. Wodraska
L. H. Becker
D. I. Furukawa
R. N. Marumoto

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Date: March 5, 1998
To: John R. Wodraska, General Manager
From: Roger N. Marumoto, Treasurer
Subject: Treasurer's Monthly Report - February 1998

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 10, 1997.

Interest Earnings

| <u>Portfolio</u> | <u>1 Year</u> | <u>Month</u> | <u>Fiscal Year</u> | <u>Weighted Average</u> |
|------------------|----------------------|--------------|--------------------|-------------------------|
| <u>Yield</u> | <u>Treasury Bill</u> | | <u>to Date</u> | <u>Days to Maturity</u> |
| 6.34% | 5.41% | \$7,159,000 | \$48,029,000 | 416 |

| | <u>Book Value</u> | <u>Market Value</u> | <u>Excess of</u> |
|------------------------------|-----------------------|-----------------------|-------------------------|
| | | | <u>Market Over Cost</u> |
| Operating Funds | \$ 390,729,000 | | |
| State Water Contract Fund | 19,283,000 | | |
| Debt Service Funds | 126,502,000 | | |
| Rate Stabilization Funds | <u>199,965,000</u> | | |
| Total | \$ 736,479,000 | \$ 740,188,000 | |
| Construction and Trust Funds | \$ <u>747,068,000</u> | \$ <u>752,462,000</u> | |
| | \$1,483,547,000 | \$1,492,650,000 | \$9,103,000 |

Roger N. Marumoto

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Attachments

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Finance & Bus. Services Div.
March 13, 1998

Summary Report of Investment Activity & Status of Cash for the Month Ending February 28, 1998

(Shown at Book Value and \$ in Thousands)

| SECURITIES: | BALANCE | PURCHASES | SALES | MATURITIES | BALANCE | % of Portfolio ACT. CODE |
|--|-------------|-------------|-------|-------------|-------------|-----------------------------|
| U. S. TREASURY | \$145,767 | | | \$816 | \$144,951 | 9.8 100 |
| U.S. GUARANTEES-GNMA'S | \$10,144 | | | \$150 | \$9,994 | 0.8 100 |
| FEDERAL AGENCIES | \$99,332 | \$10,493 | | \$10,488 | \$99,337 | 6.7 50 |
| REPURCHASE AGREEMENTS | \$100,616 | \$1,116,759 | | \$1,192,375 | \$25,000 | 1.7 50 |
| BANKERS' ACCEPTANCES | \$265,090 | \$8,445 | | \$130,939 | \$142,596 | 9.6 40 |
| COMMERCIAL PAPER | \$331,698 | \$1,600,179 | | \$1,525,208 | \$406,669 | 27.4 30 |
| NEGOTIABLE CERTIFICATES OF DEPOSIT | \$351,701 | \$53,412 | | \$67,376 | \$337,737 | 22.8 30 |
| TIME DEPOSITS | \$1,799 | | | | \$1,799 | 0.1 |
| SHARES OF BENEFICIAL INTEREST | \$0 | | | | \$0 | 0.0 15 |
| LOCAL AGENCY INVESTMENT FUND - CALIFORNIA | \$13,000 | | | | \$13,000 | 0.9 |
| MEDIUM TERM NOTES | \$202,421 | \$56,178 | | \$7,452 | \$251,147 | 16.9 20 |
| ASSET-BACKED SECURITIES | \$47,459 | \$3,809 | | \$1,418 | \$49,850 | 3.4 10 |
| MUNICIPAL BONDS | \$1,491 | | | \$24 | \$1,467 | 0.1 |
| SUBTOTAL | \$1,570,518 | \$2,849,275 | \$0 | \$2,936,246 | \$1,483,547 | 100.0 |
| CASH: | | | | | | |
| DEMAND ACCOUNTS | \$488 | \$312 | | | \$800 | |
| PETTY CASH | \$10 | | | | \$10 | (A) |
| LESS OVERNIGHT INVEST. | (\$6,253) | (\$2,702) | | | (\$8,955) | (B) |
| SUBTOTAL | (\$5,755) | (\$2,390) | \$0 | \$0 | (\$8,145) | |
| TOTAL | \$1,564,763 | \$2,846,885 | \$0 | \$2,936,246 | \$1,475,402 | |

A) Petty Cash, \$10,000

B) Includes investment of outstanding checks.

Note: Sales and Purchases may contain internal transfers.

Note: Excludes \$138,202,302 in cash and securities held in escrow for the District's crossover refunding bonds.

