

October 16, 1998

To: Board of Directors (Budget and Finance Committee--Information)

From: General Manager _____

Submitted by: Lambertus H. Becker
Chief Financial Officer _____

Subject: September 1998 Executive Financial Summary

RECOMMENDATION

For information only.

REPORTS

Controller's Report

Cash Basis Information:

Financial Board Charts

Budget v. Cost

Receipts, Disbursements, and Balances by Fund Type

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Projected and Actual Construction Costs

Projected Fixed SWC Charges through 2035

Historical Construction Expenditures

Treasurer's Report

Eligibility of Securities

Transmittal Letter

Summary of Investment Activity and Status of Cash

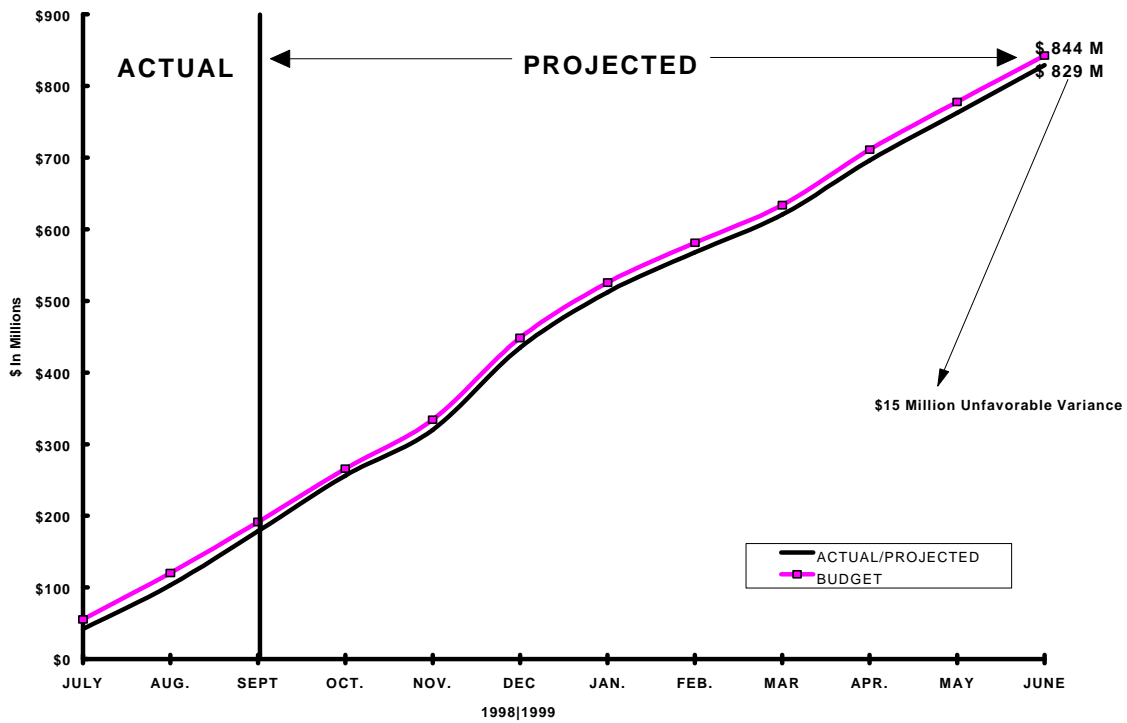
Yield Comparisons

DIF/RHY

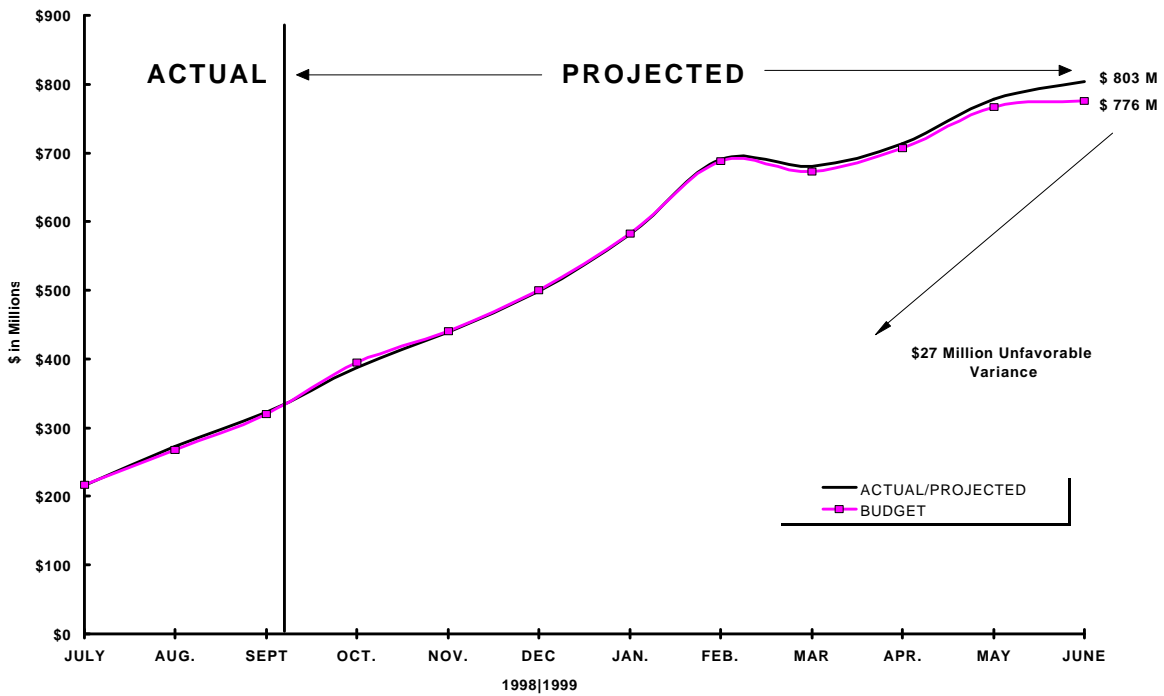
Attachment 9-4A

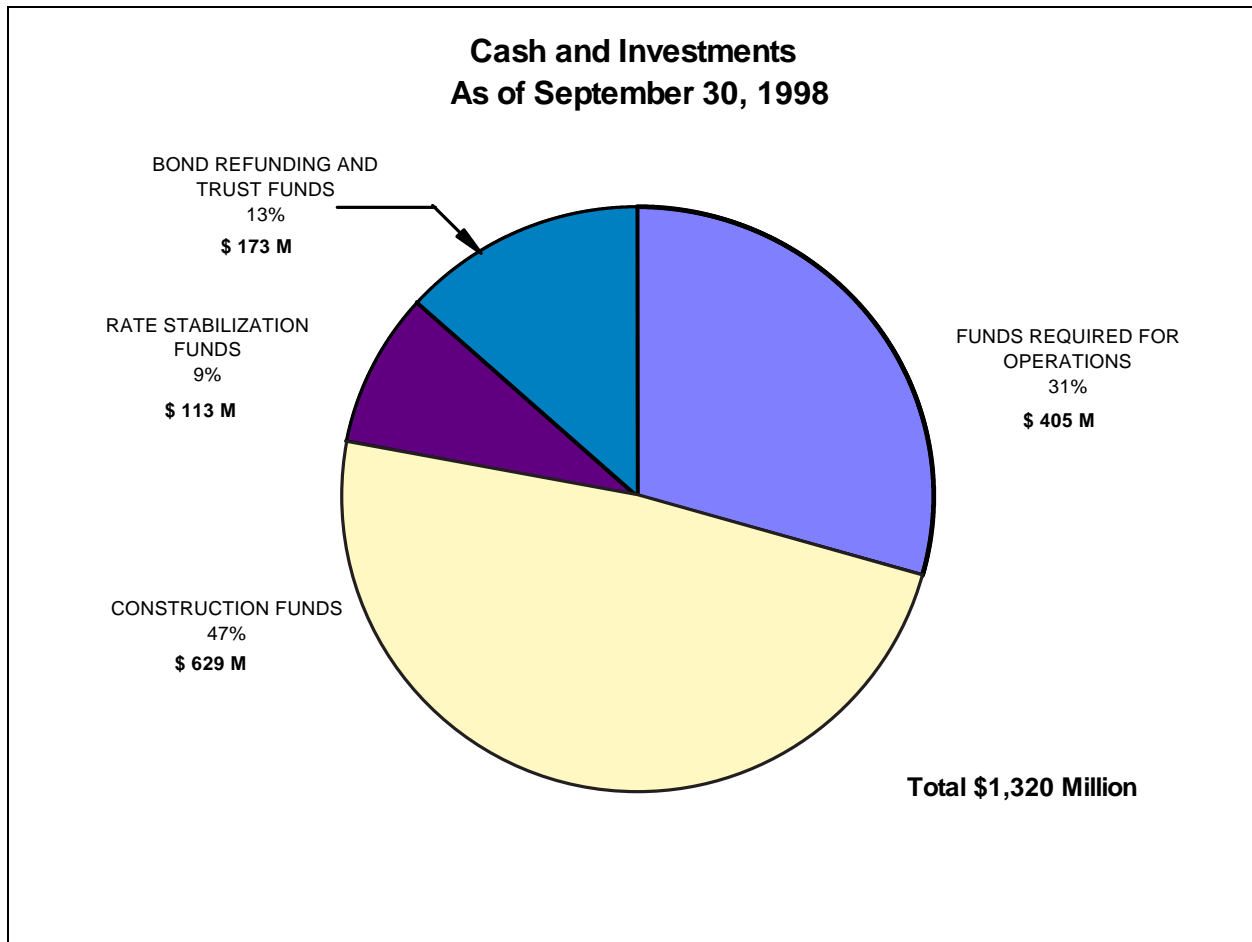
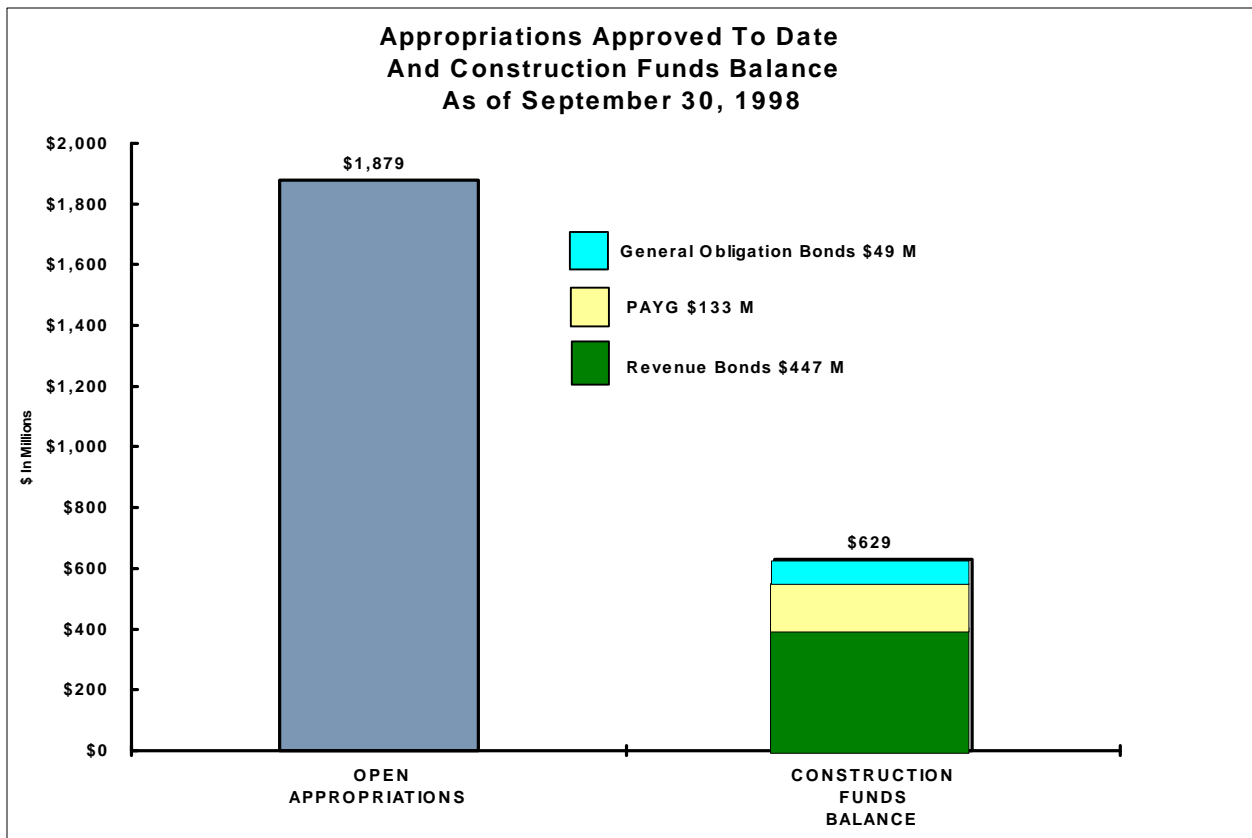
FINANCIAL BOARD CHARTS

Receipt Comparisons
Budget VS Actual
Fiscal Year 1998-1999



Expenditure Comparisons
Budget VS Actual
Fiscal Year 1998-1999





BUDGET VS. COST REPORT

July 1, 1998 to September 30, 1998
CASH BASIS
(\$ in Thousands)

<u>FISCAL YEAR 1998-99</u>	ANNUAL BUDGET	BUDGET THROUGH SEPT. 1998	ACTUAL THROUGH SEPT. 1998	VARIANCE		(5) X- REF.
				DOLLARS	PERCENT	
SOURCES OF FUNDS						
RECEIPTS						
WATER SALES	\$ 614,506	\$ 161,221	\$ 147,881	\$ (13,340)	-8.3%	
TAXES	\$ 85,958	\$ 7,163	\$ 6,716	\$ (447)	-6.2%	
READINESS-TO-SERVE CHARGE (RTS)	\$ 80,000	\$ 5,981	\$ 8,548	\$ 2,567	42.9%	(a)
INTEREST ON INVESTMENTS (1)	\$ 43,519	\$ 10,876	\$ 10,444	\$ (432)	-4.0%	
POWER RECOVERY AND MISCELLANEOUS	\$ 16,345	\$ 5,502	\$ 4,698	\$ (804)	-14.6%	(b)
BUSINESS DEVELOPMENT	\$ 3,300	\$ 753	\$ 261	\$ (492)	-65.4%	
TOTAL RECEIPTS	\$ 843,628	\$ 191,496	\$ 178,548	\$ (12,948)	-6.8%	
PROJ USE OF PRIOR YEAR PAYG FUNDS	\$ 15,000	\$ 10,164	\$ 10,164	\$ -	-	
PROJ USE OF DEBT PROCEEDS FOR CONSTRUCTION	\$ 450,600	\$ 119,729	\$ 152,642	\$ 32,913	27.5%	(c)
TOTAL SOURCES OF FUNDS	\$ 1,309,228	\$ 321,389	\$ 341,354	\$ 19,965	6.2%	
USES OF FUNDS						
EXPENDITURES						
STATE WATER CONTRACT	\$ 240,255	\$ 99,552	\$ 100,244	\$ (692)	-0.7%	
WATER TRANSFERS \ OPTIONS	\$ 5,100	\$ 3,289	\$ 3,289	\$ -	-	
COLORADO RIVER SUPPLIES	\$ 35,650	\$ 8,136	\$ 6,164	\$ 1,972	24.2%	(d)
DEBT SERVICE	\$ 245,050	\$ 117,883	\$ 118,018	\$ (135)	-0.1%	
PAYG CONSTRUCTION FROM CURRENT YEAR RECEIPTS	\$ 90,000	\$ 27,899	\$ 10,164	\$ 17,735	63.6%	(e)
UNION STATION HEADQUARTERS & OTHER (2)	\$ 22,422	\$ 5,606	\$ 10,567	\$ (4,962)	-88.5%	(f)
REIMBURSEMENT FROM MWDAFC	\$ (129,000)	\$ -	\$ -	\$ -	-	
MWD O&M	\$ 223,252	\$ 50,972	\$ 59,332	\$ (8,361)	-16.4%	(g)
OPERATING EQUIPMENT	\$ 9,211	\$ 2,303	\$ 2,533	\$ (230)	-9.9%	
LOCAL RESOURCES PROGRAM - NET	\$ 19,260	\$ 4,397	\$ 1,730	\$ 2,667	60.7%	(h)
SUBTOTAL	\$ 761,200	\$ 320,036	\$ 312,041	\$ 7,995		
PAYG CONSTRUCTION FUNDED FROM PAYG RESERVES	\$ 15,000	\$ -	\$ -	\$ -	-	
DEBT-FINANCED CONSTRUCTION EXPENDITURES	\$ 450,600	\$ 119,729	\$ 152,642	\$ (32,913)	-27.5%	(i)
TOTAL EXPENDITURES	\$ 1,226,800	\$ 439,765	\$ 464,683	\$ (24,918)	-5.7%	
WATER TRANSFER DEPOSITS (3)	\$ 18,900	\$ -	\$ -	\$ -	-	
ADJUSTMENTS IN RESERVES (4)	\$ 4,395	\$ -	\$ -	\$ -	-	
INCREASE IN RATE STABILIZATION FUNDS (4)	\$ 59,133	\$ -	\$ -	\$ -	-	
TOTAL USE OF FUNDS	\$ 1,309,228	\$ 439,765	\$ 464,683	\$ (24,918)	-5.7%	
Net Sources / (Uses) of Funds	\$ -	\$ (118,376)	\$ (123,329)	\$ (4,953)	-	

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

- (1) Excludes interest earned on construction and trust funds.
- (2) Other expenditures include cash activity in the General Fund for reimbursable Projects. Actual expenditures exclude the \$10.2 million payment for property in Ventura County for desalination facilities. Proceeds from the sale of the Bolsa Chica property were used to make the payment.
- (3) Deposit to the Water Transfer Fund during the fiscal year net of expenditures.
- (4) Actual amounts to be determined at end of fiscal year.
- (5) Variance explanations will be provided at the end of each quarter.

**CASH BASIS SUMMARY
VARIANCE EXPLANATIONS
Through September 30, 1998**

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

RECEIPTS:

- (a) Revenues from Readiness to Serve Charges are \$2.6 million over budget through September. It is anticipated that by year end RTS charges will equal budget.
- (b) Power recoveries and miscellaneous receipts are approximately \$800,000 under budget through September. Lower water sales during the first quarter have reduced power generation from the District's hydroelectric power plants.
- (c) Use of Debt Proceeds for Construction (see explanation for item (i)).

EXPENDITURES

- (d) Colorado River Supplies are approximately \$2.0 million under budget through September mainly due to less water delivered through the Colorado River Aqueduct and lower costs for power than were anticipated in the budget.
- (e) PAYG construction is under budget by \$17.7 million through September. This is mainly due to the timing of construction disbursements to date, PAYG expenditures for the fiscal year will total budgeted amounts.
- (f) Expenditures for Union Station Headquarters and Other costs paid from the General Fund is over budget due to the timing of cash payment for construction of the headquarters building. Staff anticipates that actual expenditures will equal budget by the end of the fiscal year.
- (g) MWD O&M is \$8.4 million over budget through September due to timing of expenditures. The costs of some conservation programs that were implemented last year were not billed until this year. This accounts for approximately \$3.5 million of the variance. Currently, it is anticipated that the conservation credits program will match budget estimates at year end. The balance of the variance is the result of a misallocation of budget factors for payroll purposes in September. Overall, MWD O&M is expected to be approximately \$3 million under budget for the year.
- (h) Net expenditures for the Local Resources Program are under budget through September due to the lag time associated with receiving invoices from the member agencies for production of recycled water. It is anticipated that costs will match budget at year end.

- i) Debt Financed Construction Expenditures are 27.5 percent over budget through September. The over budget variance is mainly attributable to construction expenditures to date for the Inland Feeder Project. Contractors for the Arrowhead East Tunnel, the Arrowhead West Tunnel, the Riverside North Pipeline, and the Riverside South Pipeline are ahead of schedule. As a result, the Inland Feeder expenditure plan for FY 1998/99 will be exceeded by \$47 million; however, the total project costs are not projected to exceed the appropriation. In addition, the Eastside Reservoir Project (ERP) costs for the first quarter are approximately 7 percent ahead of plan. This is attributable to better than anticipated construction progress for the quarter on the West, Saddle, and East Dam contracts compared to projections included in the FY 1998/99 capital plan. Overall, the fiscal year 1998-99 plan for the ERP remains unchanged at \$342 million.

STATEMENT OF RECEIPTS, DISBURSEMENTS AND BALANCES

JULY 1, 1998 THROUGH SEPTEMBER 30, 1998

(\$ in Thousands)

	TOTAL ALL FUNDS	OPERATING FUNDS	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	\$ 1,561,943	\$ 318,193	\$ 68,988	\$ 160,008	\$ 111,157	\$ 141,186	\$ -	\$ 589,064	\$ -	\$ 173,348
RECEIPTS										
Net Tax Collections	6,716	0	2,986	3,730	0	0	0	0	0	0
Water Sales	152,189	152,189	0	0	0	0	0	0	0	0
Readiness-To-Serve (WSC)	8,548	8,548	0	0	0	0	0	0	0	0
Power Recoveries	3,680	3,680	0	0	0	0	0	0	0	0
Interest on Investments	25,811	4,590	675	1,452	1,567	2,204	0	10,828	16	4,479
Debt Proceeds	259,382	0	0	741	0	0	0	48,526	0	210,115
Reimbursements	1,334	989	0	0	0	302	0	43	0	0
Other Collections	1,279	1,279	0	0	0	0	0	0	0	0
TOTAL RECEIPTS	458,939	171,275	3,661	5,923	1,567	2,506	0	59,397	16	214,594
INTER-FUND TRANSACTIONS										
Inter-Fund Transfers	0	(65,925)	26,700	36,799	0	0	0	0	0	2,426
TOTAL INTER-FUND TRANSACTIONS	0	(65,925)	26,700	36,799	0	0	0	0	0	2,426
DISBURSEMENTS - NET										
Operations & Maintenance	68,743	68,743	0	0	0	0	0	0	0	0
Operating Equipment	2,673	2,673	0	0	0	0	0	0	0	0
Operating Supplies Inventory	(2,206)	(2,206)	0	0	0	0	0	0	0	0
Undistributed Payroll (Net)	2,322	2,322	0	0	0	0	0	0	0	0
Construction	184,525	21,373	0	0	0	10,466	0	152,669	16	0
DWR - Capital Payments	59,834	0	59,834	0	0	0	0	0	0	0
DWR - Minimum O&M	25,525	25,525	0	0	0	0	0	0	0	0
Off Aqueduct Facilities	12,723	6,402	6,321	0	0	0	0	0	0	0
CRA - Power	3,739	3,739	0	0	0	0	0	0	0	0
SWC - Variable Power	2,162	2,162	0	0	0	0	0	0	0	0
SWC - Credit	0	0	0	0	0	0	0	0	0	0
DWR - Water Bank/Transfer/Options	3,289	3,289	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	121,925	0	0	118,018	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	44	15	0	10	0	(1)	0	21	0	(2)
TOTAL DISBURSEMENTS	485,296	134,037	66,155	118,029	0	10,465	0	152,690	16	3,905
TRANSFERS TO ESCROW BANK ACCT	(212,434)	0	0	0	0	0	0	0	0	(212,434)
TRUST ACCT TRANSACTIONS <NET>	(2,906)	(2,129)	0	(206)	0	0	0	0	0	(571)
CASH AND INVESTMENT										
BALANCES - END OF PERIOD	\$ 1,320,246	\$ 287,377	\$ 33,193	\$ 84,496	\$ 112,724	\$ 133,227	\$ -	\$ 495,771	\$ -	\$ 173,458

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

BALANCE SHEET

BALANCE SHEET AS OF SEPTEMBER 30, 1998

ASSETS
(\$ in Thousands)

CASH AND INVESTMENTS	
Operating, Construction and Other	\$ 1,179,685
Held for Crossover Refunding Bonds	138,274
Held for Future Desalination Facilities	2,287
Change in Fair Value of Investments	<u>13,811</u>
Total Cash and Investments	1,334,057
ACCOUNTS RECEIVABLE	
Tax Assessments	86,391
Annexation Charges	13,879
Water Sales	126,353
Readiness-To-Serve (WSC)	72,321
Power Recoveries	1,821
Interest Accrued on Investments	25,181
Notes Receivable	403
Sundry	<u>(4,059)</u>
Total Accounts Receivable	322,290
INVENTORIES	
	16,238
OTHER ASSETS	
Deferred Charges	310,153
Feasibility Studies, Reimbursables, etc.	6,967
Construction & Right of Way Deposits	<u>2,280</u>
Total Other Assets	319,400
PROPERTY, PLANT AND EQUIPMENT	
Land, Easements & Right of Way	444,565
Completed Features	2,106,193
Work in Progress	2,434,830
Less: Allowance for Depreciation	<u>(569,157)</u>
Total Comp. Features & WIP Net of Allow. for Depr.	3,971,866
Preoperating Costs - Capitalized	44,595
Less: Portion Amortized	<u>(21,040)</u>
Total Preoperating Costs Net of Amortization	23,555
Participation Rights - State Fac.	3,052,533
Less: Portion Amortized	<u>(1,497,639)</u>
Total State Fac. Partic. Rts Net of Amort.	1,554,895
Participation Rights - Other Fac.	198,053
Less: Portion Amortized	<u>(16,465)</u>
Total Other Fac. Partic. Rts. Net of Amort.	181,587
Major Operating Equipment	90,551
Less: Allowance for Depreciation	<u>(66,850)</u>
Total Major Operating Equipment Net of Depr.	23,701
TOTAL ASSETS	<u>\$ 8,192,154</u>

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

BALANCE SHEET AS OF SEPTEMBER 30, 1998

LIABILITIES AND EQUITY
(\$ in Thousands)

ACCOUNTS PAYABLE & ACCRUED EXPENSE	
Commercial Paper Notes	\$ 300,000
Matured Bonds & Coupon not Presented for Payments	1,293
Bond Int. Accrued but not Due	35,444
Accrued Prem. on Called Bonds	<u>(65)</u>
Total Bonds	36,672
Participation Rights - State Facilities	202,587
State Variable and Minimum OMP&R	201,643
Services, Material, etc.	34,837
Compensated Absences	24,410
Trust Funds	16,305
Customer Deposits	<u>2,741</u>
Total Accounts Payable & Accrued Expense	819,195
DEFERRED INCOME	
Deferred Readiness-To-Serve (WSC)	60,000
Deferred Water Sales	858
Deferred Tax Levies - Current Year	65,474
PERS Employer's Credits	10,593
Deferred Interest	-
Deferred Water Bank Sales	<u>-</u>
Total Deferred Income	136,924
LONG TERM OBLIGATIONS	
Bonds & Notes Payable:	
1966/69 G.O. Bonds	369,425
* G.O. Refunding Bonds	229,209
Revenue Bonds	1,675,870
* Revenue Refunding Bonds	711,165
Crossover Refunding Bonds	<u>138,085</u>
Total Bonds & Notes Payable	3,123,754
Other Long Term Obligations:	
Due to MWDOC - Allen-McColloch Pipeline	29,011
Unamortized Bond Premium	6,887
Unamortized Bond Discount	(61,395)
Employees' Deferred Compensation Payable	43,427
Obligation for Off-Aqueduct Power Facilities	126,387
Interest to Be Rebated to IRS	737
Obligation for Iron Mountain Landfill Closure	<u>1,327</u>
Total Other Long Term Obligations	146,380
EQUITY	
Contributions	37,288
Annexation Commitments	376,576
Other Retained Earnings	3,455,935
Estimated Income	<u>96,103</u>
Total Equity	3,965,902
TOTAL LIABILITIES AND EQUITY	<u>\$ 8,192,154</u>

* Net of Deferred Loss on Early Retirement of Debt. \$ 3,946 & \$ 30,490 respectively.

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

STATEMENT OF OPERATIONS

STATEMENT OF OPERATIONS

FISCAL YEAR THROUGH SEPTEMBER 30, 1998

(\$, Acre Feet and kWh in Thousands)

GROSS OPERATING INCOME			
Water Sales:	Acre Feet		
Treated	366	\$ 153,653	
Untreated	106	35,837	
Reclaimed Water	<u>18</u>	<u>4,554</u>	
	490	194,044	
Readiness-To-Serve (WSC)		20,000	
Connection Maintenance Charge		734	
Power Recoveries (87,514 kWh)		4,372	
Business Development		<u>248</u>	\$ 219,398
OPERATION AND MAINTENANCE			
Operations		52,397	
Power and Water Costs		55,957	
Business Development		<u>145</u>	<u>108,498</u>
Operating Income before Amort. & Depr.			110,900
Amort. of Participation Rights		18,748	
Depreciation, Plant		<u>11,382</u>	<u>30,129</u>
Operating Income			80,770
OTHER INCOME			
Net Tax Revenues		21,558	
Interest Earned on Investments		19,136	
Change in Fair Value of Investments		(1,633)	
Current Interest Levies - Annexation Commitments		249	
Property Rentals		192	
Gain on Land Sales		-	
Earnings on Escrow Accounts		-	
Sundry Revenues		<u>15</u>	<u>39,516</u>
INTEREST AND OTHER EXPENSE			
Bond Interest Expense		25,169	
Adjustment for OAPF obligation		-	
Arbitrage Rebate Tax		-	
Sundry Expense		<u>15</u>	<u>25,184</u>
Income before Annex Inc. & Prior Years' Adjust			95,103
ANNEXATION INCOME			
Levies for Uncapitalized Annexation - Principal		1	
New Annexations - Principal		<u>161</u>	<u>162</u>
ADJUSTMENTS OF PRIOR YEARS' POWER AND WATER COSTS			838
MEMBER AGENCY DISTRIBUTIONS			<u>-</u>
NET INCOME			<u>\$ 96,103</u>

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

STATEMENT OF OPERATIONS

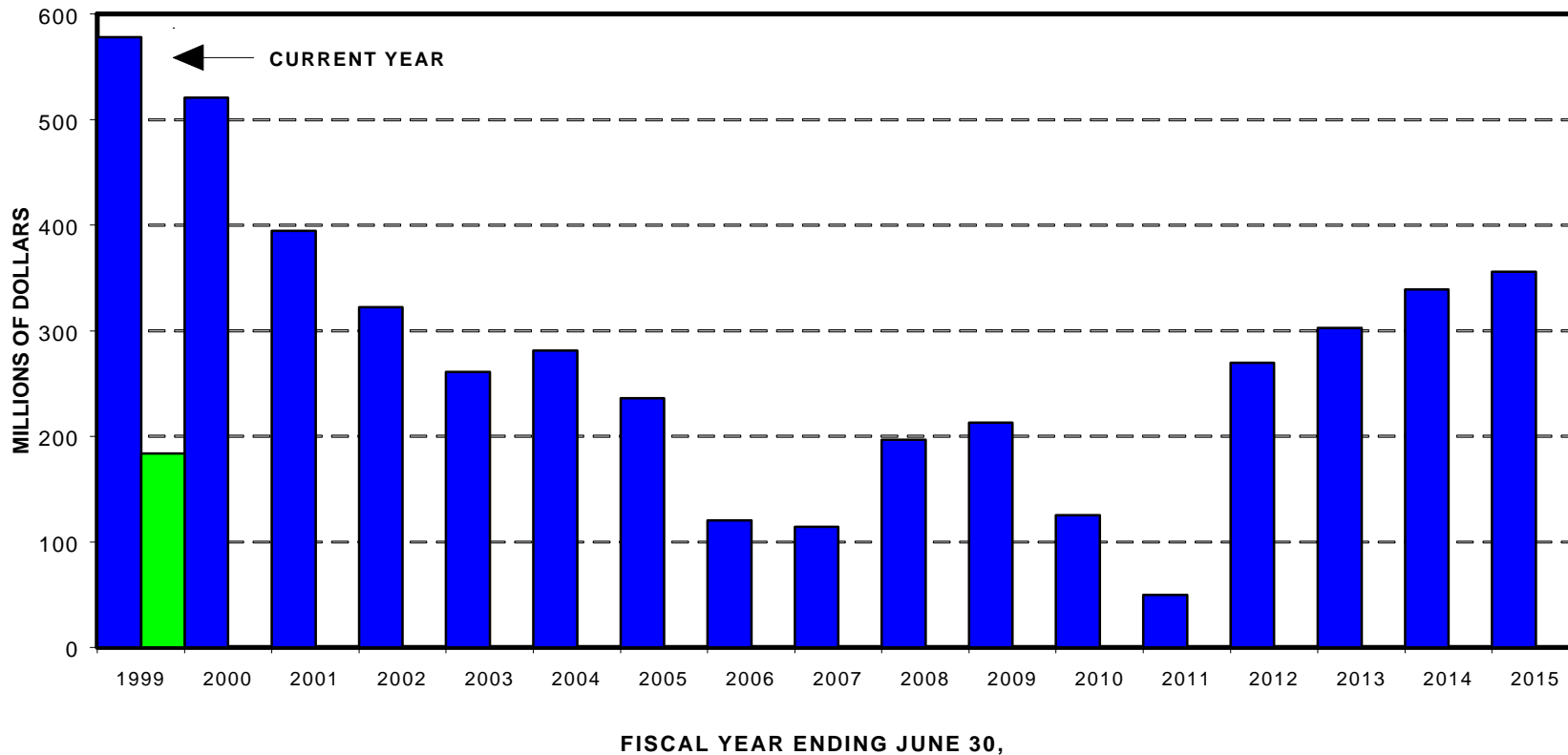
FISCAL YEAR THROUGH SEPTEMBER 30, 1997
(\$, Acre Feet and kWh in Thousands)

GROSS OPERATING INCOME			
Water Sales:	Acre Feet		
Treated	378	\$ 158,897	
Untreated	139	44,795	
Reclaimed Water	<u>17</u>	<u>4,390</u>	
	534	208,082	
Readiness-To-Serve (WSC)		16,074	
Connection Maintenance Charge		734	
Power Recoveries (91,510 kWh)		<u>4,213</u>	\$ 229,103
OPERATION AND MAINTENANCE			
Operations		51,382	
Power and Water Costs		<u>57,216</u>	<u>108,598</u>
Operating Income before Amort. & Depr.			120,505
Amort. of Participation Rights		17,133	
Depreciation, Plant		<u>10,902</u>	<u>28,035</u>
Operating Income			92,470
OTHER INCOME			
Net Tax Revenues		20,031	
Interest Earned on Investments		16,841	
Current Interest Levies - Annexation Commitments		289	
Property Rentals		276	
Gain on Land Sales		-	
Earnings on Escrow Accounts		-	
Sundry Revenues		185	37,622
INTEREST AND OTHER EXPENSE			
Bond Interest Expense		20,348	
Adjustment for OAPF obligation		-	
Arbitrage Rebate Tax		-	
Sundry Expense		<u>24</u>	<u>20,372</u>
Income before Annex Inc. & Prior Years' Adjust			109,720
ANNEXATION INCOME			
Levies for Uncapitalized Annexation - Principal		1.00	
New Annexations - Principal		<u>31.00</u>	31
ADJUSTMENTS OF PRIOR YEARS' POWER AND WATER COSTS			3,903
MEMBER AGENCY DISTRIBUTIONS			<u>-</u>
NET INCOME			<u>\$ 113,654</u>

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

PROJECTED AND ACTUAL CONSTRUCTION COSTS
 THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
PROJECTED AND ACTUAL CONSTRUCTION COSTS
 (BASED ON FINAL 1998 - 1999 BUDGET FORECAST)
 SEPTEMBER 1998






<p>■ PROJECTED COSTS THROUGH 2015 ESCALATED AT 5% FOR THOSE PROJECTS FOR WHICH FORMAL CONSTRUCTION CONTRACTS HAVE NOT BEEN AWARDED:</p> <p>■ EXPENDITURES TO DATE (F/Y 1998-99)</p> <p>APPROPRIATIONS APPROVED TO DATE (F/Y 1998-99)</p>	<p>TOTAL PROGRAM \$ 4,680.3</p> <p>183.6</p> <p>23.9</p>
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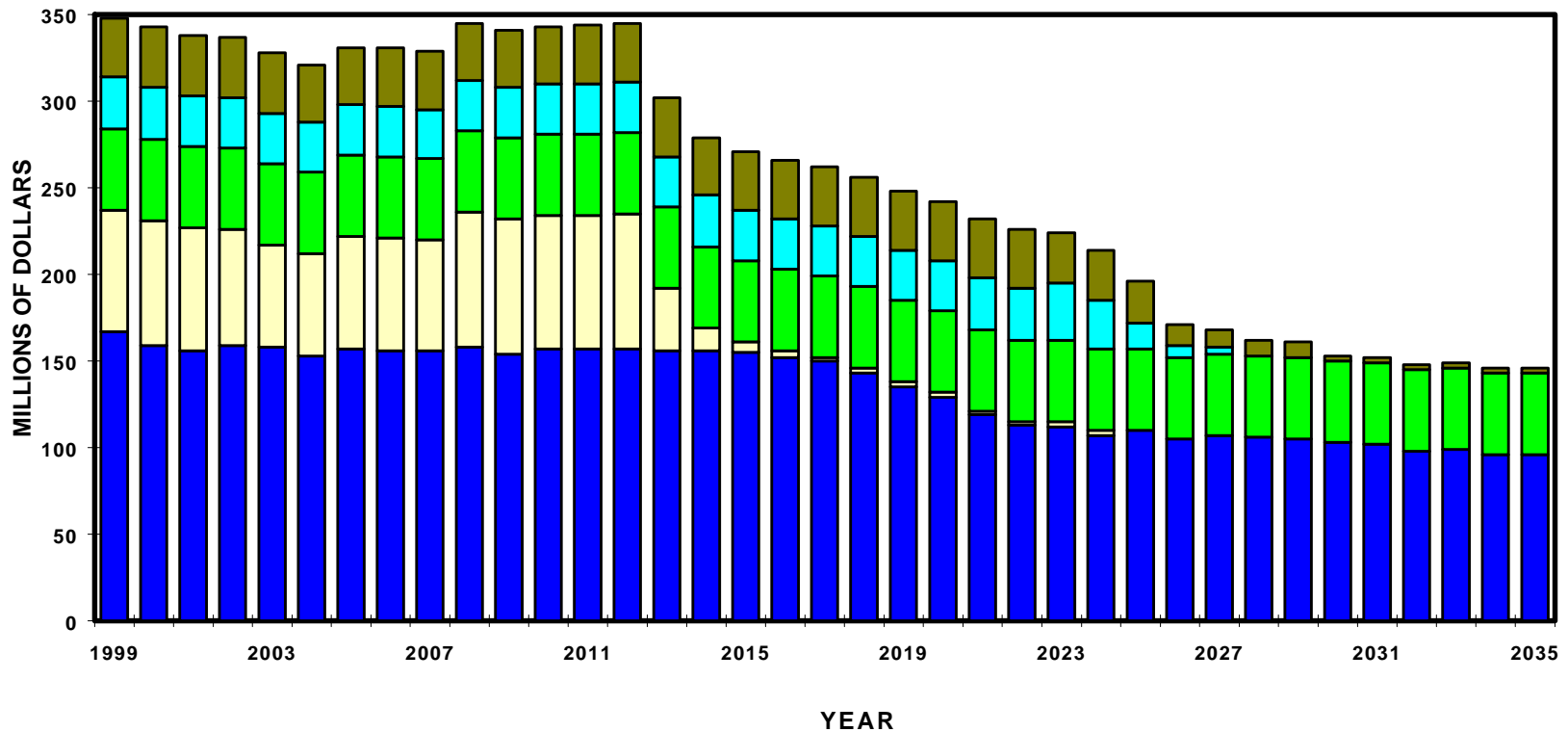


PROJECTED FIXED SWC CHARGES THROUGH 2035

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

PROJECTED FIXED SWC CHARGES THROUGH 2035

	TRANSPORTATION	\$ 4,961	* FROM ATTACHMENT 3, DEPARTMENT
	OFF-AQUEDUCT	1,057	OFF WATER RESOURCES INVOICE DATED
	STORAGE & CONSERVATION	1,755	JULY 1, 1998. ALL AMOUNTS IN 1998
	REVENUE BOND SURCHARGE	791	DOLLARS. AMOUNT CHARGES ARE
	EAST BRANCH ENLARGEMENT	951	BASED ON ORIGINAL ENTITLEMENT OF
TOTAL		<u>\$ 9,515</u>	2,011,500 AF FOR 1999-2035



HISTORICAL CONSTRUCTION EXPENDITURES

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

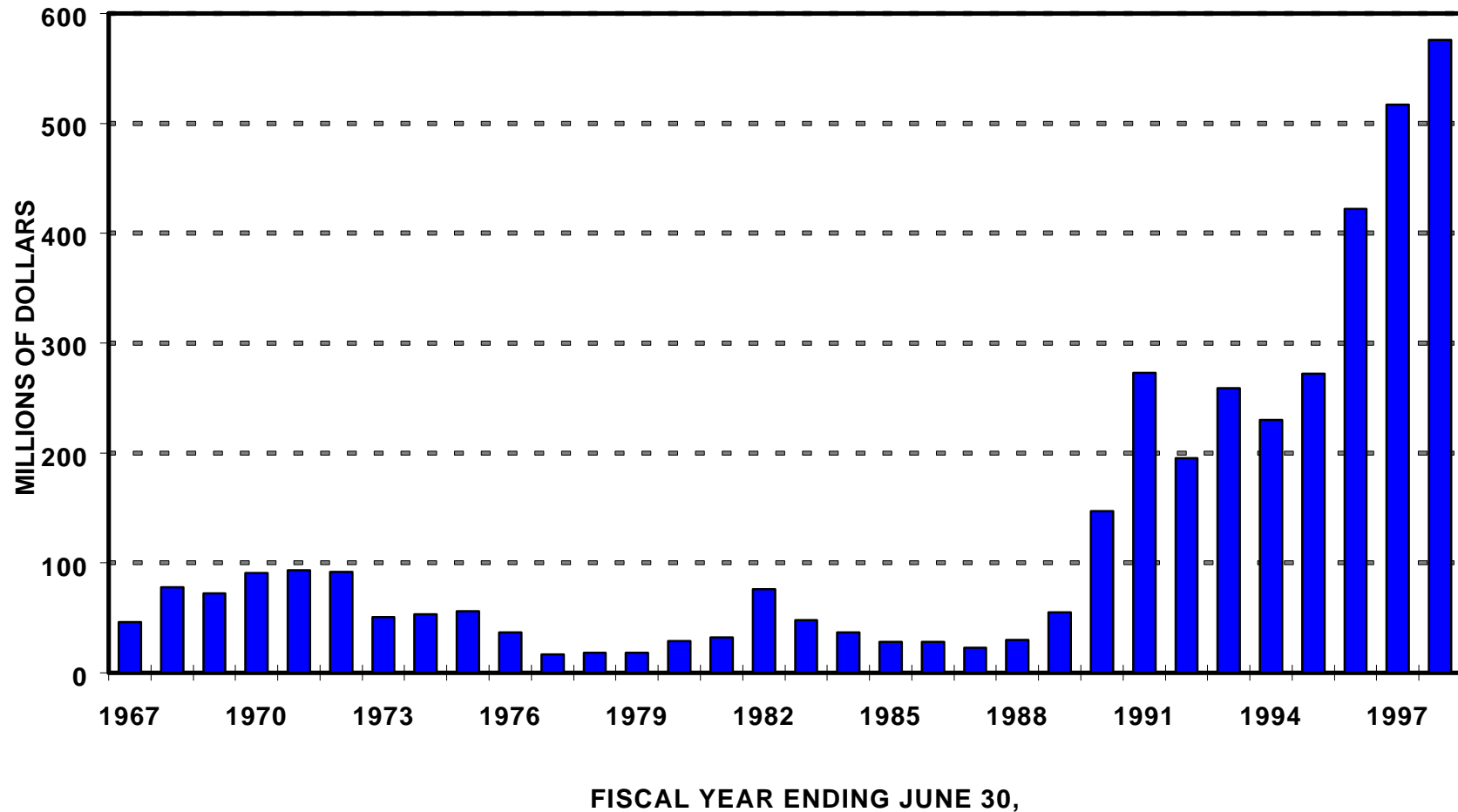
HISTORICAL CONSTRUCTION EXPENDITURES

from 7-1-66 through 6-30-98



EXPENDITURES THROUGH 6-30-98

\$4.00 BILLION



ELIGIBILITY OF SECURITIES

Date: October 13, 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 September 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 September 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 Taylor

SBB:mg
#12241

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

A. TRANSMITTAL LETTER

Date: October 8, 1998
To: Budget and Finance Committee
From: John R. Wodraska, General Manager
Subject: Treasurer’s Monthly Report - September 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 1, 1998.

Interest Earnings

<u>Portfolio Yield</u>	<u>1 Year Treasury Bill</u>	<u>Month</u>	<u>Fiscal Year to Date</u>	<u>Weighted Average Days to Maturity</u>
5.88%	4.39%	\$5,436,000	\$11,268,000	444

	<u>Book Value</u>	<u>Market Value</u>	<u>Excess of Market Over Cost</u>
Operating Funds	\$ 292,121,000		
State Water Contract Fund	33,192,000		
Debt Service Funds	84,448,000		
Rate Stabilization Funds	<u>112,723,000</u>		
Total	\$ 522,484,000	\$ 527,566,000	
Construction and Trust Funds	<u>\$ 663,330,000</u>	<u>\$ 672,059,000</u>	
	\$1,185,814,000	\$1,199,625,000	<u>\$13,811,000</u>

John R. Wodraska

By: Lambertus H. Becker
 Chief Financial Officer

SUMMARY OF INVESTMENT ACTIVITY AND STATUS OF CASH

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Summary Report of Investment Activity & Status of Cash for the Month Ending September 30, 1998

(Shown at Book Value and \$ in Thousands)

SECURITIES:	BALANCE	PURCHASES	SALES	MATURITIES	BALANCE	% of Portfolio ACT. CODE
U. S. TREASURY	\$126,325	\$24			\$126,349	10.7 100
U.S. GUARANTEES-GNMA'S	\$8,566			\$304	\$8,262	0.7 100
FEDERAL AGENCIES	\$109,884	\$1,995		\$6,733	\$105,146	8.9 50
REPURCHASE AGREEMENTS	\$0	\$449,960		\$449,960	\$0	0.0 50
BANKERS' ACCEPTANCES	\$62,128	\$31,793		\$29,600	\$64,321	5.4 40
COMMERCIAL PAPER	\$325,599	\$2,392,432		\$2,371,494	\$346,537	29.2 30
NEGOTIABLE CERTIFICATES OF DEPOSIT	\$263,611	\$13,015		\$67,979	\$208,647	17.6 30
TIME DEPOSITS	\$1,799				\$1,799	0.2
SHARES OF BENEFICIAL INTEREST	\$0				\$0	0.0 15
LOCAL AGENCY INVESTMENT FUND - CALIFORNIA	\$20,000	\$58,526			\$78,526	6.6
MEDIUM TERM NOTES	\$205,305	\$17,955		\$18,287	\$204,973	17.3 20
ASSET-BACKED SECURITIES	\$43,863			\$3,021	\$40,842	3.4 10
MUNICIPAL BONDS	\$411				\$411	0.0
SUBTOTAL	\$1,167,491	\$2,965,700	\$0	\$2,947,378	\$1,185,814	100.0
CASH:						
DEMAND ACCOUNTS	\$1,963	(\$620)			\$1,343	
PETTY CASH	\$10				\$10	(A)
LESS OVERNIGHT INVEST.	(\$15,009)	\$9,815			(\$5,194)	(B)
SUBTOTAL	(\$13,036)	\$9,195	\$0	\$0	(\$3,841)	
TOTAL	\$1,154,455	\$2,974,895	\$0	\$2,947,378	\$1,181,973	

A) Petty Cash, \$10,000

B) Includes investment of outstanding checks.

Note: Sales and Purchases may contain internal transfers.

Note: Excludes \$138,274,000 in cash and securities held in escrow for the District's crossover refunding bonds.

YIELD COMPARISONS

