



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Financial Report

For the Two Months Ended August 31, 2007

Executive Financial Summary
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For the Two Months Ended August 31, 2007

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The Metropolitan Water District of Southern California

Statements of Operations - Accrual Basis (Dollars in millions)

	For the Two Months Ended August 31,		<i>Favorable/ (Unfavorable) Variance</i>
	2007	2006	
Operating Revenues:			
Water Sales	\$ 207.0	\$ 184.2	\$ 22.7
Wheeling / Exchange	3.1	1.7	1.4
Readiness-to-Serve	13.7	13.3	0.4
Capacity Charge	5.4	5.4	0.0
Power Sales	5.1	5.6	(0.5)
Total Operating Revenues	234.2	210.3	23.9
Operating Expenses:			
Cost of Water	39.4 ⁽¹⁾	55.5	16.1
Operations & Maintenance	53.5	53.4	(0.1)
Water Management Programs, Net	8.1	6.0	(2.0)
Depreciation & Amortization	39.7	34.5	(5.2)
Total Operating Expenses	140.6	149.4	8.7
Net Operating Income	93.6	60.9	32.7
Other Income (Expense):			
Net Taxes/Annexations	17.2	16.5	0.7
Investment Income ⁽²⁾	15.7	14.9	0.8
Bond Interest Expense	(20.9)	(13.9)	(7.1)
Other	(0.6)	(0.6)	(0.1)
Total Other Income - Net	11.3	17.0	(5.7)
Net Income	\$ 104.8	\$ 77.9	\$ 26.9

Sales Statistics (average prices calculated using exact rather than rounded dollar amounts):

Water Sales (TAF)	506.2	476.9	29.3
Wheeling/Exchange (TAF)	11.9	6.7	5.3
Power Sales (mWh)	88.9	103.4	(14.5)
Average Sales Price			
Water Sales	\$ 408.87	\$ 386.33	\$ 22.54
Wheeling/Exchange	\$ 257.96	\$ 258.00	\$ (0.04)
Power Sales	\$ 0.06	\$ 0.05	\$ 0.00

Ratios:

Operating (Operating Expense* divided by Operating Revenue) 43.1 % 54.7 %

* Excludes depreciation and amortization expense.

Notes:

- (1) Includes a \$30.3 million credit from DWR related to prior year variable costs.
(2) Includes fair value adjustment of \$3.9 million and \$7.8 million at August 31, 2007 and 2006, respectively.

The Metropolitan Water District of Southern California

Balance Sheets - Accrual Basis (Dollars in millions)

	2007	August 31, 2006	Increase/ (Decrease)
Assets:			
Cash and investments at book value (1)	\$ 1,255.7	\$ 1,096.9	\$ 158.8
Fair Value Adjustment	3.0	(0.3)	3.3
Accounts Receivable	402.0	364.4	37.5
Property, Plant and Equipment, net	7,175.4	6,696.4	479.0
Prepaid State Water Project Costs, net	1,651.3	1,649.0	2.3
Participation Rights, net	259.6	264.7	(5.1)
Deferred Charges and Water Rights	455.9	416.6	39.3
Other	154.2	140.6	13.5
Total Assets	\$ 11,357.1	\$ 10,628.4	\$ 728.6
Liabilities and Equity:			
Long-Term Debt	\$ 4,571.0	\$ 4,133.9	\$ 437.1
Off-Aqueduct Power Facilities	71.5	78.7	(7.2)
Accounts Payable and Accrued Bond Interest	146.6	141.3	5.2
Deferred Income	172.2	167.0	5.2
State Water Project Obligations	529.4	476.5	53.0
Trust Funds and Other	87.4	80.5	6.9
Total Liabilities	5,578.1	5,077.8	500.3
Equity	5,779.0	5,550.6	228.4
Total Liabilities and Equity	\$ 11,357.1	\$ 10,628.4	\$ 728.6

Debt as a percent of equity (Long-Term Debt divided by Equity) 79.1 % 74.5 %

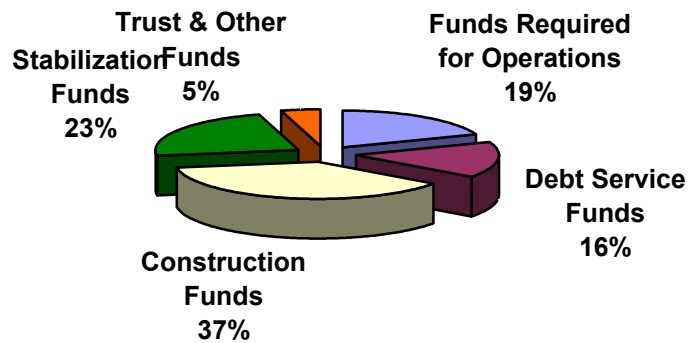
(1) Fair value of cash and investments was \$1,258.7 million and \$1,096.6 million at August 31, 2007 and 2006, respectively.

Certain reclassifications of prior year amounts have been made to conform to current year's presentation.
Totals may not foot / cross foot due to rounding.

The Metropolitan Water District of Southern California

Cash and Investments at Book Value As of August 31, 2007 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 145.2	\$ 93.8	\$ 0.9	\$ 239.9
Debt Service Funds	199.1	-	-	199.1
Construction Funds	424.2	-	47.0	471.2
Stabilization Funds	-	-	288.5	288.5
Trust & Other Funds	38.5	18.5	-	57.0
Total	\$ 807.0	\$ 112.3	\$ 336.4	\$ 1,255.7

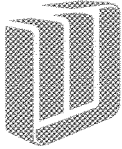


The Metropolitan Water District of Southern California

Estimate vs. Actual: Construction Activities - Accrual Basis
For the Two Months Ended August 31, 2007
(Dollars in millions)

	Estimate	Actual	Variance from Estimate		Fiscal Year	Projected	Variance from Estimate		
	to Date	to Date	\$	%	Estimate	Year-End (1)	\$	%	
Sources of Funds									
Bond Construction Funds	\$ 65.2	\$ 35.2	\$ 30.0	46%	\$ 388.6	\$ 388.6	\$ -	0%	
R & R/General Funds	18.4	15.1	3.3	18%	109.8	109.8	-	0%	
Total	\$ 83.6	\$ 50.2	\$ 33.4	40%	\$ 498.4	\$ 498.4	\$ -	0%	
Program Expenditures									
Oxidation Retrofit Programs	\$ 22.8	\$ 13.4	\$ 9.4	41%	\$ 155.5	\$ 155.5	\$ -	0%	
Treatment Plant Improvement	14.2	8.8	5.4	38%	83.2	83.2	-	0%	
Inland Feeder	11.6	10.2	1.4	12%	69.3	69.3	-	0%	
Chlorine Containment and Handling Facilities	7.3	2.9	4.4	60%	28.5	28.5	-	0%	
Perris Valley Pipeline	0.7	0.4	0.3	41%	25.1	25.1	-	0%	
Distribution System - Rehabilitation Program	4.2	2.2	2.1	49%	18.3	18.3	-	0%	
Mills Capacity Upgrade	1.0	0.8	0.2	23%	17.1	17.1	-	0%	
CRA - Reliability/Containment Programs	3.5	1.8	1.7	48%	11.4	11.4	-	0%	
Local Groundwater Storage	1.5	0.1	1.4	93%	9.6	9.6	-	0%	
Diamond Valley Lake Recreation	2.5	0.3	2.1	87%	9.6	9.6	-	0%	
Other	14.3	9.3	5.0	35%	70.9	70.9	-	0%	
Total	\$ 83.6	\$ 50.2	\$ 33.4	40%	\$ 498.4	\$ 498.4	\$ -	0%	

(1) Projected numbers are updated at quarter-end.



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Date: September 12, 2007
To: Board of Directors
From: General Counsel
Subject: Review as to Eligibility of Securities Invested in by the
Treasurer for the Month of August 2007

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 August 2007 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. For purposes of this letter, we have not undertaken to independently verify the accuracy of the information submitted by the Treasurer to this office.


Karen L. Tachiki

cc: T. E. DeBacker
J. Kightlinger
R. N. Marumoto
B. G. Thomas