



**MWD**

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

# **Executive Financial Report**

## **For the Five Months Ended November 30, 2007**

**Executive Financial Summary**  
**Table of Contents**  
**For the Five Months Ended November 30, 2007**

<b>Schedule</b>	<b>Page No.</b>
<b>Comparative Statements of Operations</b>	<b>1</b>
<b>Comparative Balance Sheets</b>	<b>2</b>
<b>Cash and Investments</b>	<b>3</b>
<b>Estimate vs. Actual – Construction Activities</b>	<b>4</b>
<b>Eligibility of Securities</b>	<b>5</b>

# The Metropolitan Water District of Southern California

## Statements of Operations - Accrual Basis (Dollars in millions)

	For the Five Months Ended November 30,		<i>Favorable/ (Unfavorable) Variance</i>
	2007	2006	
<b>Operating Revenues:</b>			
Water Sales	\$ 470.5	\$ 415.6	\$ 54.9
Wheeling / Exchange	7.7	4.3	3.4
Readiness-to-Serve	34.2	33.3	0.9
Capacity Charge	13.5	13.5	0.0
Power Sales	12.1	21.6	(9.6)
Total Operating Revenues	<b>538.0</b>	488.3	49.7
<b>Operating Expenses:</b>			
Cost of Water	142.4 <sup>(1)</sup>	135.0	(7.3)
Operations & Maintenance	138.9	140.9	2.0
Water Management Programs, Net	18.8	16.5	(2.3)
Depreciation & Amortization	93.3	86.0	(7.3)
Total Operating Expenses	<b>393.3</b>	378.4	(14.9)
<b>Net Operating Income</b>	<b>144.6</b>	109.9	34.8
<b>Other Income (Expense):</b>			
Net Taxes/Annexations	42.9	41.3	1.7
Investment Income <sup>(2)</sup>	38.7	33.1	5.6
Bond Interest Expense	(50.7)	(37.4)	(13.3)
Other	(1.5)	(1.6)	0.1
Total Other Income - Net	<b>29.4</b>	35.4	(6.0)
<b>Net Income</b>	<b>\$ 174.0</b>	\$ 145.3	\$ 28.8

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

Water Sales (TAF)	1,110.5	1,065.5	45.0
Wheeling/Exchange (TAF)	29.8	16.7	13.1
Power Sales (mWh)	214.2	256.9	(42.7)
<b>Average Sales Price</b>			
Water Sales	\$ 423.65	\$ 390.06	\$ 33.60
Wheeling/Exchange	\$ 259.60	\$ 258.00	\$ 1.60
Power Sales	\$ 0.06	\$ 0.08	\$ (0.03)

**Ratios:**

Operating (Operating Expense* divided by Operating Revenue)	55.8 %	59.9 %
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\* 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 \$10.1 million and \$13.8 million at November 30, 2007 and 2006, respectively. Certain reclassifications have been made to conform to current year presentation.

# The Metropolitan Water District of Southern California

## Balance Sheets - Accrual Basis (Dollars in millions)

	November 30,		<i>Increase/ (Decrease)</i>
	2007	2006	
<b>Assets:</b>			
Cash and investments at book value <sup>(1)</sup>	\$ 1,234.8	\$ 1,036.4	\$ 198.4
Fair Value Adjustment	9.3	5.7	3.6
Accounts Receivable	384.6	346.4	38.1
Property, Plant and Equipment, net	7,282.3	6,828.1	454.2
Prepaid State Water Project Costs, net	1,607.0	1,613.4	(6.4)
Participation Rights, net	257.6	264.9	(7.3)
Deferred Charges and Water Rights	370.6	349.2	21.4
Other	150.6	110.1	40.5
<b>Total Assets</b>	<b>\$ 11,296.8</b>	<b>\$ 10,554.2</b>	<b>\$ 742.6</b>
<b>Liabilities and Equity:</b>			
Long-Term Debt	\$ 4,567.5	\$ 4,129.1	\$ 438.4
Off-Aqueduct Power Facilities	70.0	77.1	(7.1)
Accounts Payable and Accrued Bond Interest	160.3	135.4	24.9
Deferred Income	117.3	120.1	(2.9)
State Water Project Obligations	445.6	393.7	51.9
Trust Funds and Other	87.9	80.8	7.1
<b>Total Liabilities</b>	<b>5,448.6</b>	4,936.1	512.4
<b>Equity</b>	<b>5,848.2</b>	5,618.0	230.2
<b>Total Liabilities and Equity</b>	<b>\$ 11,296.8</b>	<b>\$ 10,554.2</b>	<b>\$ 742.6</b>

Debt as a percent of equity (Long-Term Debt divided by Equity) 78.1 %                      73.5 %

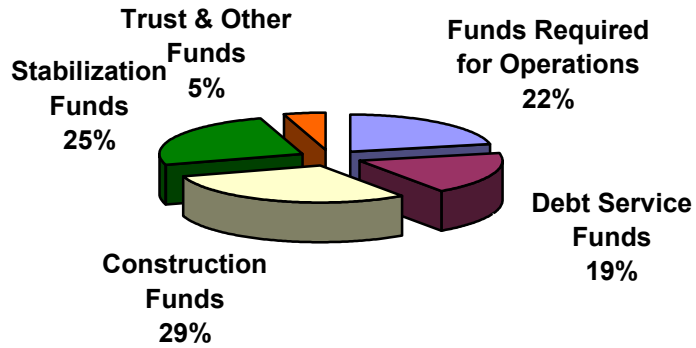
(1) Fair value of cash and investments was \$1,244.1 million and \$1,042.1 million at November 30, 2007 and 2006, respectively.

Certain reclassifications of prior year amounts have been made to conform to current year 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 November 30, 2007 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 174.8	\$ 91.5	\$ 1.9	\$ 268.2
Debt Service Funds	229.4	-	-	229.4
Construction Funds	347.5	-	23.0	370.5
Stabilization Funds	-	-	307.2	307.2
Trust & Other Funds	40.7	18.8	-	59.5
<b>Total</b>	<b>\$ 792.4</b>	<b>\$ 110.3</b>	<b>\$ 332.1</b>	<b>\$ 1,234.8</b>



The Metropolitan Water District of Southern California

Estimate vs. Actual: Construction Activities - Accrual Basis  
For the Five Months Ended November 30, 2007  
(Dollars in millions)

	Estimate	Actual	Variance from Estimate		Fiscal Year	Projected	Variance from Estimate		
	to Date	to Date	\$	%	Estimate	Year-End (1)	\$	%	
<b>Sources of Funds</b>									
Bond Construction Funds	\$ 158.4	\$ 115.6	\$ 42.9	27%	\$ 388.6	\$ 322.3	\$ 66.3	17%	
R & R/General Funds	44.8	43.5	1.3	3%	109.8	109.8	-	0%	
<b>Total</b>	<b>\$ 203.2</b>	<b>\$ 159.1</b>	<b>\$ 44.1</b>	<b>22%</b>	<b>\$ 498.4</b>	<b>\$ 432.1</b>	<b>\$ 66.3</b>	<b>13%</b>	
<b>Program Expenditures</b>									
Oxidation Retrofit Programs	\$ 57.7	\$ 53.8	\$ 3.9	7%	\$ 155.5	\$ 111.2	\$ 44.3	28%	
Treatment Plant Improvement	32.7	22.8	9.9	30%	83.2	73.2	10.0	12%	
Inland Feeder	29.1	27.0	2.1	7%	69.3	69.3	-	0%	
Chlorine Containment and Handling Facilities	16.0	7.4	8.6	54%	28.5	28.5	-	0%	
Perris Valley Pipeline	6.4	6.6	(0.2)	(3%)	25.1	25.1	-	0%	
Distribution System - Rehabilitation Program	9.4	7.4	1.9	20%	18.3	18.3	-	0%	
Mills Capacity Upgrade	4.3	4.2	0.1	2%	17.1	17.1	-	0%	
CRA - Reliability/Containment Programs	6.4	3.1	3.3	52%	11.4	11.4	-	0%	
Local Groundwater Storage	3.9	2.5	1.4	35%	9.6	9.6	-	0%	
Diamond Valley Lake Recreation	4.9	0.6	4.3	88%	9.6	6.3	3.3	34%	
Other	32.4	23.6	8.8	27%	70.9	62.1	8.8	12%	
<b>Total</b>	<b>\$ 203.2</b>	<b>\$ 159.1</b>	<b>\$ 44.1</b>	<b>22%</b>	<b>\$ 498.4</b>	<b>\$ 432.1</b>	<b>\$ 66.3</b>	<b>13%</b>	

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

Totals may not foot / cross foot due to rounding.



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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**Date:** December 11, 2007  
**To:** Board of Directors  
**From:** General Counsel  
**Subject:** Review as to Eligibility of Securities Invested in by the  
Treasurer for the Month of November 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 November 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