



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Financial Report

For the Eleven Months Ended May 31, 2008

Executive Financial Summary
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For the Eleven Months Ended May 31, 2008

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The Metropolitan Water District of Southern California

Statements of Operations - Accrual Basis (Dollars in millions)

	For the Eleven Months Ended May 31,		<i>Favorable/ (Unfavorable) Variance</i>
	2008	2007	
Operating Revenues:			
Water Sales	\$ 841.7	\$ 823.6	\$ 18.1
Wheeling / Exchange	19.0	12.9	6.2
Readiness-to-Serve	75.3	73.3	2.0
Capacity Charge	29.8	29.6	0.3
Power Sales	21.0	23.9	(2.9)
Total Operating Revenues	986.8	963.2	23.6
Operating Expenses:			
Cost of Water	306.7 ⁽¹⁾	283.7	(23.0)
Operations & Maintenance	307.0	287.4	(19.6)
Water Management Programs, Net	44.2	36.4	(7.7)
Depreciation & Amortization	201.0	192.1	(9.0)
Total Operating Expenses	858.9	799.5	(59.4)
Net Operating Income	127.9	163.7	(35.8)
Other Income (Expense):			
Net Taxes/Annexations	94.3	90.7	3.7
Investment Income ⁽²⁾	64.1	51.6	12.5
Bond Interest Expense	(103.2)	(86.1)	(17.2)
Other	0.6	(1.6)	2.2
Total Other Income - Net	55.8	54.5	1.3
Net Income	\$ 183.7	\$ 218.2	\$ (34.5)
Sales Statistics			
Water Sales (TAF)	1,944.2	2,067.2	(122.9)
Wheeling/Exchange (TAF)	70.6	49.8	20.8
Power Sales (mWh)	367.2	469.9	(102.7)
Average Sales Price ⁽³⁾			
Water Sales	\$ 432.92	\$ 398.41	\$ 34.51
Wheeling/Exchange	\$ 269.79	\$ 258.03	\$ 11.75
Power Sales	\$ 0.06	\$ 0.05	\$ 0.01

Notes:

- (1) Includes \$47.7 million in credits from DWR related to prior year variable costs.
- (2) Includes fair value adjustment of \$4.5 million and \$8.6 million at May 31, 2008 and 2007, respectively.
- (3) Average prices calculated using exact rather than rounded dollar amounts.
- (4) Totals may not foot / cross foot due to rounding.

The Metropolitan Water District of Southern California

Balance Sheets - Accrual Basis (Dollars in millions)

		May 31,	2007	Increase/ (Decrease)
	2008			
Assets:				
Cash and investments at book value ⁽¹⁾	\$ 1,071.8	\$	1,294.6	\$ (222.9)
Fair Value Adjustment	3.7		0.5	3.2
Accounts Receivable	237.7		247.1	(9.4)
Property, Plant and Equipment, net	7,473.8		7,109.5	364.3
Prepaid State Water Project Costs, net	1,506.1		1,505.4	0.7
Participation Rights, net	254.1		261.4	(7.3)
Deferred Charges and Water Rights	251.3		223.8	27.5
Other	182.5		136.2	46.4
Total Assets	\$ 10,980.9	\$	10,778.5	\$ 202.4
Liabilities and Equity:				
Long-Term Debt	\$ 4,539.3	\$	4,525.4	\$ 13.9
Off-Aqueduct Power Facilities	67.0		73.9	(6.9)
Accounts Payable and Accrued Bond Interest	150.0		145.4	4.5
Deferred Income	24.2		29.9	(5.7)
State Water Project Obligations	251.3		230.6	20.7
Trust Funds and Other	91.4		82.3	9.1
Total Liabilities	5,123.0		5,087.5	35.5
Equity	5,857.8		5,691.0	166.9
Total Liabilities and Equity	\$ 10,980.9	\$	10,778.5	\$ 202.4

Revenue Bond Debt as a percent of equity	Actual	74.5	%	76.4	%
	Target	< 100.0	%	< 100.0	%

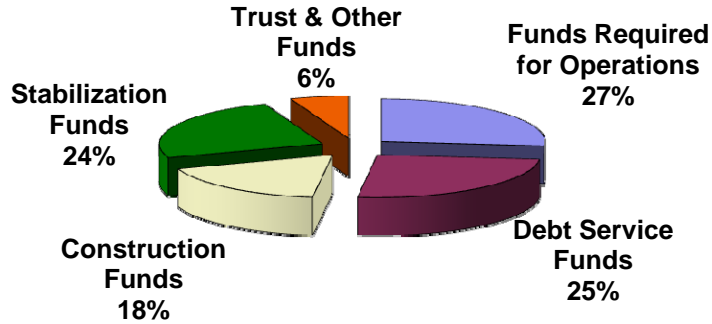
Notes:

- (1) Fair value of cash and investments was \$1,075.5 million and \$1,295.1 million at May 31, 2008 and 2007, respectively.
- (2) Certain reclassifications of prior year amounts have been made to conform to current year presentation.
- (3) Totals may not foot / cross foot due to rounding.

The Metropolitan Water District of Southern California

Cash and Investments at Book Value As of May 31, 2008 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 226.2	\$ 59.6	\$ 0.1	\$ 285.9
Debt Service Funds	270.7	-	-	270.7
Construction Funds	153.7	-	35.9	189.6
Stabilization Funds	-	-	263.8	263.8
Trust & Other Funds	42.7	19.1	-	61.8
Total	\$ 693.3	\$ 78.7	\$ 299.8	\$ 1,071.8



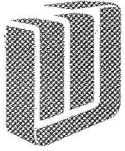
The Metropolitan Water District of Southern California
Actual vs. Estimate: Construction Activity - Accrual Basis
(Dollars in millions)

	For the Eleven Months Ended May 31, 2008				Fiscal Year				
	Estimate	Actual	Variance from Estimate		Estimate	Projected ⁽¹⁾	Variance from Estimate		
			\$	%			\$	%	
Sources of Funds									
Bond Construction Funds	\$ 356.2	\$ 314.4	\$ 41.8	12%	\$ 388.6	\$ 345.0	\$ 43.6	11%	
R & R/General Funds	100.6	33.3	67.3	67%	109.8	45.0 ⁽²⁾	64.8	59%	
Total	\$ 456.9	\$ 347.7	\$ 109.2	24%	\$ 498.4	\$ 390.0	\$ 108.4	22%	
Program Expenditures									
Oxidation Retrofit Programs	\$ 142.2	\$ 107.7	\$ 34.5	24%	\$ 155.5	\$ 130.0	\$ 25.5	16%	
Treatment Plant Improvement	75.7	30.0	45.7	60%	83.2	37.0	46.2	56%	
Inland Feeder	63.6	61.2	2.5	4%	69.3	69.3	(0.0)	(0%)	
Chlorine Containment and Handling Facilities	27.6	20.3	7.2	26%	28.5	20.0	8.5	30%	
Perris Valley Pipeline	22.4	33.1	(10.7)	(48%)	25.1	36.0	(10.9)	(43%)	
Distribution System - Rehabilitation Program	17.0	15.5	1.5	9%	18.3	18.3	(0.0)	(0%)	
Mills Capacity Upgrade	15.1	10.6	4.5	30%	17.1	10.0	7.1	41%	
CRA - Reliability/Containment Programs	10.7	5.6	5.0	47%	11.4	6.0	5.4	47%	
Local Groundwater Storage	8.6	7.1	1.4	17%	9.6	9.6	0.0	0%	
Diamond Valley Lake Recreation	9.0	1.0	8.0	89%	9.6	1.6	8.0	83%	
Other	65.0	55.5	9.5	15%	70.9	52.2	18.7	26%	
Total	\$ 456.9	\$ 347.7	\$ 109.2	24%	\$ 498.4	\$ 390.0	\$ 108.4	22%	

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

(2) Per Board action at the March 11, 2008 meeting, the R&R/General Fund budget was revised to \$45 million; excludes the \$28.7 million Drop 2 payment from the R&R fund for a water transfer program expenditure, not a construction expenditure.

Totals may not foot / cross foot due to rounding.



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Date: June 11, 2008
To: Board of Directors
From: General Counsel
Subject: Review as to Eligibility of Securities Invested in by the
Treasurer for the Month of May 2008

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 May 2008 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