



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

Executive Financial Report For the Two Months Ended August 31, 2008

Executive Financial Summary
Table of Contents
For the Two Months Ended August 31, 2008

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

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>
	2008	2007	
Operating Revenues:			
Water Sales	\$ 196.4	\$ 207.0	\$ (10.5)
Wheeling / Exchange	3.3	3.1	0.2
Readiness-to-Serve	14.5	13.7	0.8
Capacity Charge	5.5	5.4	0.1
Power Sales	4.7	5.1	(0.4)
Total Operating Revenues	224.4	234.2	(9.8)
Operating Expenses:			
Cost of Water	61.6	39.4 ⁽¹⁾	(22.2)
Operations & Maintenance	54.4	53.5	(0.9)
Water Management Programs	9.4	8.1	(1.3)
Depreciation & Amortization	37.8	39.7	1.9
Total Operating Expenses	163.1	140.6	(22.5)
Net Operating Income	61.3	93.5	(32.3)
Other Income (Expense):			
Net Taxes/Annexations	18.0	17.2	0.9
Investment Income ⁽²⁾	8.4	15.7	(7.3)
Bond Interest Expense	(13.5)	(20.9)	7.4
Other	(0.1)	(0.6)	0.5
Total Other Income - Net	12.8	11.3	1.5
Net Income	\$ 74.0	\$ 104.8	\$ (30.8)

Sales Statistics

Water Sales (TAF)	448.0	506.2	(58.1)
Wheeling/Exchange (TAF)	11.9	11.9	-
Power Sales (mWh)	70.1	88.9	(18.8)
Average Sales Price ⁽³⁾			
Water Sales	\$ 438.48	\$ 408.87	\$ 29.61
Wheeling/Exchange	\$ 278.02	\$ 258.00	\$ 20.02
Power Sales	\$ 0.07	\$ 0.06	\$ 0.01

Notes:

- (1) Includes a \$30.3 million credit from DWR related to prior year variable costs.
- (2) Includes fair value adjustment of \$2.0 million and \$3.9 million at August 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)

	2008	August 31, 2007	<i>Increase/ (Decrease)</i>
Assets:			
Cash and investments at book value (1)	\$ 926.4	\$ 1,255.7	\$ (329.3)
Fair Value Adjustment	4.0	3.0	1.0
Accounts Receivable	390.0	402.0	(12.0)
Property, Plant and Equipment, net	7,548.5	7,175.4	373.1
Prepaid State Water Project Costs, net	1,680.6	1,651.3	29.3
Participation Rights, net	252.3	259.6	(7.3)
Deferred Charges and Water Rights	545.1	455.9	89.2
Other	171.1	154.2	16.9
Total Assets	\$ 11,518.0	\$ 11,357.1	\$ 160.9
Liabilities and Equity:			
Long-Term Debt	\$ 4,479.9	\$ 4,571.0	\$ (91.1)
Off-Aqueduct Power Facilities	65.6	71.5	(5.9)
Accounts Payable and Accrued Bond Interest	169.3	146.6	22.7
Deferred Income	180.1	172.2	7.9
State Water Project Obligations	607.1	529.4	77.7
Trust Funds and Other	92.4	87.4	5.0
Total Liabilities	5,594.4	5,578.1	16.3
Equity	5,923.6	5,779.0	144.6
Total Liabilities and Equity	\$ 11,518.0	\$ 11,357.1	\$ 160.9

Revenue Bond Debt as a percent of equity	Actual	71.3 %	76.4 %
	Target	< 100.0 %	< 100.0 %

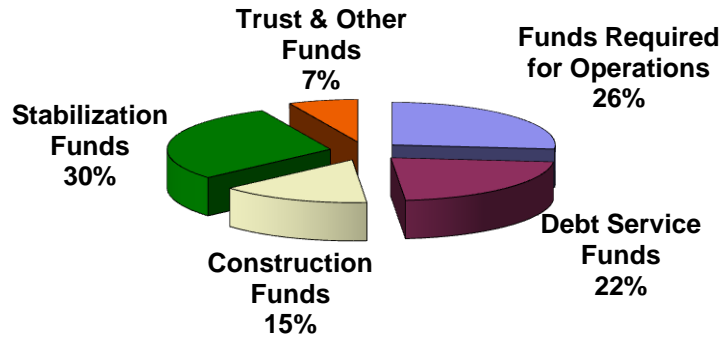
Notes:

- (1) Fair value of cash and investments was \$930.4 million and \$1,258.7 million at August 31, 2008 and 2007, respectively.
- (2) 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, 2008 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 179.2	\$ 64.7	\$ 2.1	\$ 246.0
Debt Service Funds	204.0	-	-	204.0
Construction Funds	112.1	-	25.7	137.8
Stabilization Funds	-	-	274.9	274.9
Trust & Other Funds	44.5	19.2	-	63.7
Total	\$ 539.8	\$ 83.9	\$ 302.7	\$ 926.4



The Metropolitan Water District of Southern California

Actual vs. Estimate: Construction Activity - Accrual Basis
(Dollars in millions)

	For the Two Months Ended August 31, 2008				Fiscal Year			
	Estimate	Actual	Variance from Estimate		Estimate	Projected (1)	Variance from Estimate	
			\$	%			\$	%
Sources of Funds								
Bond Construction Funds	\$ 65.6	\$ 25.6	\$ 40.0	61%	\$ 373.9	\$ 311.0	\$ 62.9	17%
R & R/General Funds	16.7	28.5	(11.9)	(71%)	95.0	95.0	-	0%
Total (2)	\$ 82.2	\$ 54.1	\$ 28.1	34%	\$ 468.9	\$ 406.0	\$ 62.9	13%
Program Expenditures								
Oxidation Retrofit Programs	\$ 18.1	\$ 12.4	\$ 5.6	31%	\$ 90.1	\$ 85.0	\$ 5.1	6%
Treatment Plant Improvement	12.1	8.1	4.0	33%	84.0	75.0	9.0	11%
Inland Feeder	10.3	11.7	(1.4)	(14%)	61.4	60.0	1.4	2%
Riverside Treatment Plant Land Acquisition	6.6	0.0	6.6	100%	9.9	10.0	(0.1)	(1%)
Perris Valley Pipeline	10.5	6.7	3.9	37%	61.7	48.0	13.7	22%
Distribution System - Rehabilitation Program	4.2	1.4	2.8	67%	23.5	20.0	3.5	15%
Mills Capacity Upgrade	5.2	2.7	2.5	49%	35.8	16.0	19.8	55%
CRA - Reliability/Containment Programs	1.4	1.3	0.2	11%	17.2	15.0	2.2	13%
Local Groundwater Storage	0.9	0.9	0.0	1%	10.3	10.0	0.3	3%
Power Reliability & Energy Conservation	0.4	(0.5)	0.9	248%	7.3	7.0	0.3	4%
Other	12.6	9.5	3.1	25%	67.8	60.0	7.8	11%
Total (2)	\$ 82.2	\$ 54.1	\$ 28.1	34%	\$ 468.9	\$ 406.0	\$ 62.9	13%

Notes:

- (1) Projected numbers are updated at quarter-end.
- (2) Totals may not foot / cross foot due to rounding.



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Date: September 9, 2008
To: Board of Directors
From: General Counsel
Subject: Review as to Eligibility of Securities Invested in by the
Treasurer for the Month of August 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 August 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