



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

Executive Financial Report For the One Month Ended July 31, 2008

Executive Financial Summary
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For the One Month Ended July 31, 2008

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The Metropolitan Water District of Southern California

Statements of Operations - Accrual Basis (Dollars in millions)

	For the One Month Ended July 31,		<i>Favorable/ (Unfavorable) Variance</i>
	2008	2007	
Operating Revenues:			
Water Sales	\$ 98.3	\$ 101.5	\$ (3.2)
Wheeling / Exchange	1.7	1.5	0.1
Readiness-to-Serve	7.3	6.9	0.4
Capacity Charge	2.7	2.7	0.0
Power Sales	2.5	2.8	(0.3)
Total Operating Revenues	112.4	115.4	(3.0)
Operating Expenses:			
Cost of Water	19.2	3.9 ⁽¹⁾	(15.2)
Operations & Maintenance	26.2	24.9	(1.3)
Water Management Programs	4.6	4.4	(0.2)
Depreciation & Amortization	19.2	17.5	(1.7)
Total Operating Expenses	69.0	50.7	(18.3)
Net Operating Income	43.4	64.7	(21.3)
Other Income (Expense):			
Net Taxes/Annexations	8.8	8.3	0.5
Investment Income ⁽²⁾	2.5	9.0	(6.4)
Bond Interest Expense	(6.3)	(9.9)	3.7
Other	(0.2)	(0.6)	0.4
Total Other Income - Net	4.9	6.8	(1.9)
Net Income	\$ 48.3	\$ 71.4	\$ (23.2)

Sales Statistics

Water Sales (TAF)	224.1	251.4	(27.3)
Wheeling/Exchange (TAF)	6.0	6.0	-
Power Sales (mWh)	36.0	48.7	(12.7)
Average Sales Price ⁽³⁾			
Water Sales	\$ 438.63	\$ 403.67	\$ 34.96
Wheeling/Exchange	\$ 277.93	\$ 258.00	\$ 19.93
Power Sales	\$ 0.07	\$ 0.06	\$ 0.01

Notes:

- (1) July 2007 cost includes credit of \$30.3 million from DWR related to prior year variable costs.
- (2) Includes fair value adjustment of (\$0.7) million and \$3.0 million at July 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	July 31, 2007	<i>Increase/ (Decrease)</i>
Assets:			
Cash and investments at book value (1)	\$ 903.2	\$ 1,267.5	\$ (364.4)
Fair Value Adjustment	1.3	2.2	(0.9)
Accounts Receivable	391.7	394.5	(2.8)
Property, Plant and Equipment, net	7,518.5	7,149.0	369.5
Prepaid State Water Project Costs, net	1,688.9	1,661.9	27.1
Participation Rights, net	252.9	260.2	(7.3)
Deferred Charges and Water Rights	562.8	463.3	99.5
Other	177.5	155.2	22.4
Total Assets	\$ 11,496.8	\$ 11,353.8	\$ 143.0
Liabilities and Equity:			
Long-Term Debt	\$ 4,487.1	\$ 4,570.7	\$ (83.6)
Off-Aqueduct Power Facilities	66.1	72.0	(5.9)
Accounts Payable and Accrued Bond Interest	163.9	142.9	21.0
Deferred Income	196.6	187.6	8.9
State Water Project Obligations	588.4	543.5	44.9
Trust Funds and Other	92.6	83.9	8.7
Total Liabilities	5,594.7	5,600.7	(6.0)
Equity	5,902.1	5,753.1	149.0
Total Liabilities and Equity	\$ 11,496.8	\$ 11,353.8	\$ 143.0

Revenue Bond Debt as a percent of equity	Actual	71.3 %	79.4 %
	Target	< 100.0 %	< 100.0 %

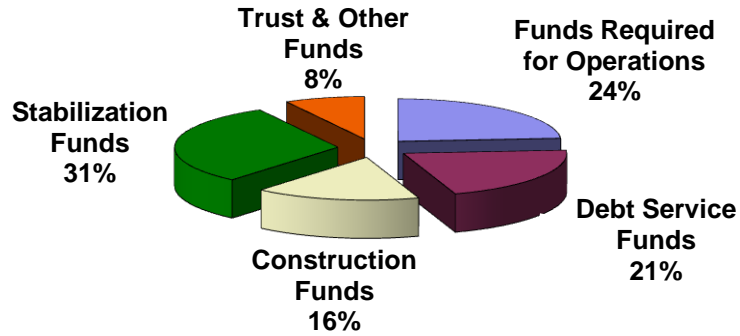
Notes:

- (1) Fair value of cash and investments was \$904.5 million and \$1,269.7 million at July 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 July 31, 2008 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 151.9	\$ 63.2	\$ 0.2	\$ 215.3
Debt Service Funds	189.9	-	-	189.9
Construction Funds	124.3	-	23.0	147.3
Stabilization Funds	-	-	279.0	279.0
Trust & Other Funds	52.5	19.2	-	71.7
Total	\$ 518.6	\$ 82.4	\$ 302.2	\$ 903.2



The Metropolitan Water District of Southern California

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

	For the One Month Ended July 31, 2008				Fiscal Year				
	Estimate	Actual	Variance from Estimate		Estimate	Projected (1)	Variance from Estimate		
			\$	%			\$	%	
Sources of Funds									
Bond Construction Funds	\$ 32.8	\$ 12.7	\$ 20.0	61%	\$ 373.9	\$ 311.0	\$ 62.9	17%	
R & R/General Funds	8.3	11.1	(2.8)	(33%)	95.0	95.0	-	0%	
Total (2)	\$ 41.1	\$ 23.9	\$ 17.3	42%	\$ 468.9	\$ 406.0	\$ 62.9	13%	
Program Expenditures									
Oxidation Retrofit Programs	\$ 9.0	\$ 4.4	\$ 4.7	52%	\$ 90.1	\$ 85.0	\$ 5.1	6%	
Treatment Plant Improvement	6.0	2.8	3.3	54%	84.0	75.0	9.0	11%	
Inland Feeder	5.2	5.1	0.0	1%	61.4	60.0	1.4	2%	
Riverside Treatment Plant Land Acquisition	3.3	0.0	3.3	100%	9.9	10.0	(0.1)	(1%)	
Perris Valley Pipeline	5.3	4.5	0.8	14%	61.7	48.0	13.7	22%	
Distribution System - Rehabilitation Program	2.1	0.6	1.5	72%	23.5	20.0	3.5	15%	
Mills Capacity Upgrade	2.6	0.9	1.7	67%	35.8	16.0	19.8	55%	
CRA - Reliability/Containment Programs	0.7	0.8	(0.1)	(15%)	17.2	15.0	2.2	13%	
Local Groundwater Storage	0.4	0.4	0.0	0%	10.3	10.0	0.3	3%	
Power Reliability & Energy Conservation	0.2	(0.7)	0.8	475%	7.3	7.0	0.3	4%	
Other	6.3	5.1	1.2	20%	67.8	60.0	7.8	11%	
Total (2)	\$ 41.1	\$ 23.9	\$ 17.3	42%	\$ 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: August 19, 2008
To: Board of Directors
From: General Counsel
Subject: Review as to Eligibility of Securities Invested in by the
Treasurer for the Month of July 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 July 2008 covering the investment of securities for that period. The reported forms of investment are within the eligible group 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