



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

Executive Financial Report For the Ten Months Ended April 30, 2009

Executive Financial Summary
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For the Ten Months Ended April 30, 2009

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The Metropolitan Water District of Southern California

Statements of Operations - Accrual Basis (Dollars in millions)

	For the Ten Months Ended April 30,		<i>Favorable/ (Unfavorable) Variance</i>
	2009	2008	
Operating Revenues:			
Water Sales	\$ 783.8	\$ 766.2	\$ 17.6
Wheeling / Exchange	23.0	17.2	5.9
Readiness-to-Serve	72.5	68.5	4.0
Capacity Charge	27.2	27.1	0.1
Power Sales	14.5	19.0	(4.5)
Total Operating Revenues	921.0	897.9	23.1
Operating Expenses:			
Cost of Water	320.3	276.1	(44.2) ⁽¹⁾
Operations & Maintenance	283.3	274.8	(8.6)
Demand Management Programs	62.8	40.2	(22.6)
Depreciation & Amortization	187.2	183.1	(4.1)
Total Operating Expenses	853.6	774.1	(79.5)
Net Operating Income	67.4	123.8	(56.4)
Other Income (Expense):			
Net Taxes/Annexations	89.2	85.8	3.4
Investment Income	28.0	63.9	(35.9) ⁽²⁾
Bond Interest Expense	(83.2)	(95.3)	12.0
Other	(0.3)	0.8	(1.2)
Total Other Income/(Expense) - Net	33.6	55.2	(21.6)
Net Income	\$ 101.0	\$ 179.0	\$ (78.0)
Sales Statistics			
Water Sales (TAF)	1,674.8	1,779.4	(104.6)
Wheeling/Exchange (TAF)	81.8	63.9	17.9
Power Sales (mWh)	221.6	333.5	(111.8)
Average Sales Price ⁽³⁾			
Water Sales	\$ 468.00	\$ 430.59	\$ 37.41
Wheeling/Exchange	\$ 281.28	\$ 268.43	\$ 12.85
Power Sales	\$ 0.07	\$ 0.06	\$ 0.01

Notes:

- (1) Variance from prior year year includes \$37.4 million attributed to higher OMP&R costs in FY09 compared to FY08.
- (2) Includes fair value adjustment of (\$2.2) million and \$7.8 million at April 30, 2009 and 2008, 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)

	2009	April 30, 2008	Increase/ (Decrease)
Assets:			
Cash and investments at book value ⁽¹⁾	\$ 979.7	\$ 1,092.6	\$ (112.9)
Fair Value Adjustment	(0.3)	7.0	(7.3)
Accounts Receivable	304.4	248.6	55.8 ⁽²⁾
Property, Plant and Equipment, net	7,771.8 ⁽³⁾	7,435.2	336.7
Prepaid State Water Project Costs, net	1,535.4	1,535.5	(0.1)
Participation Rights, net	249.3	254.7	(5.3)
Deferred Charges and Water Rights	292.2	272.9	19.3
Other	163.4	155.6	7.8
Total Assets	\$ 11,296.0	\$ 11,002.0	\$ 294.0
Liabilities and Equity:			
Long-Term Debt	\$ 4,642.4	\$ 4,539.0	\$ 103.4
Off-Aqueduct Power Facilities	61.3	67.5	(6.2)
Accounts Payable and Accrued Bond Interest	185.3	140.0	45.3
Deferred Income	43.8	42.3	1.4
State Water Project Obligations	300.5	265.1	35.5
Trust Funds and Other	89.1	95.0	(5.9)
Total Liabilities	5,322.4	5,148.8	173.6
Equity	5,973.6 ⁽³⁾	5,853.2	120.4
Total Liabilities and Equity	\$ 11,296.0	\$ 11,002.0	\$ 294.0

Revenue Bond Debt as a percent of equity	Actual	74.5 %	74.5 %	
	Target ⁽⁴⁾	< 100.0 %	< 100.0 %	

Notes:

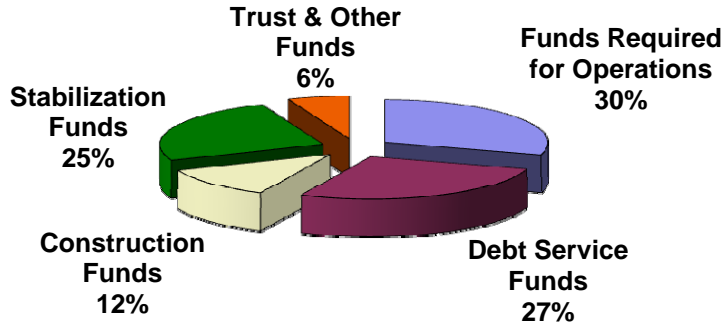
- (1) Fair value of cash and investments was \$979.4 million and \$1,099.6 million at April 30, 2009 and 2008, respectively.
- (2) Includes \$40 million of Proposition 50 grant billings placed on hold as the state re-assesses funding/budget issues. It is expected that the grant funds will be collected.
- (3) Includes \$14.4 million of the Center for Water Education's (CWE) retained earnings transferred to Metropolitan upon recording the dissolution of the CWE.
- (4) Administrative Code guideline.
- (5) Certain reclassifications of prior year amounts have been made to conform to current year presentation.
- (6) Totals may not foot / cross foot due to rounding.

The Metropolitan Water District of Southern California

Cash and Investments at Book Value As of April 30, 2009 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 200.7	\$ 90.1	\$ 0.3	\$ 291.1
Debt Service Funds	267.0	-	-	267.0
Construction Funds	117.0	-	-	117.0
Stabilization Funds	-	-	244.9	244.9 ⁽¹⁾
Trust & Other Funds	40.3	19.4	-	59.7
Total	\$ 625.0	\$ 109.5	\$ 245.2	\$ 979.7

(1) Includes \$12.7 million of investments posted as collateral with Morgan Stanley.



The Metropolitan Water District of Southern California

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

	For the Ten Months Ended April 30, 2009				Fiscal Year Ending June 30, 2009				
	Estimate	Actual	Variance from Estimate		Estimate	Projected ⁽¹⁾	Variance from Estimate		
			\$	%			\$	%	
Sources of Funds									
Bond Construction Funds	\$ 313.1	\$ 198.7	\$ 114.4	37%	\$ 373.9	\$ 339.0	\$ 34.9	9%	
R & R/General Funds	79.6	106.7	(27.1)	(34%)	95.0	30.0	65.0	68%	
Total	\$ 392.7	\$ 305.4	\$ 87.3	22%	\$ 468.9	\$ 369.0	\$ 99.9	21%	
Program Expenditures									
Oxidation Retrofit Programs	\$ 80.0	\$ 73.0	\$ 6.9	9%	\$ 90.1	\$ 85.0	\$ 5.1	6%	
Treatment Plant Improvement	68.2	35.3	32.8	48%	84.0	45.0	39.0	46%	
Inland Feeder	50.7	72.6	(21.9)	(43%)	61.4	80.0	(18.6)	(30%)	
Riverside Treatment Plant Land Acquisition	9.9	0.1	9.8	99%	9.9	-	9.9	100%	
Perris Valley Pipeline	52.7	30.6	22.1	42%	61.7	40.0	21.7	35%	
Distribution System - Rehabilitation Program	20.7	15.2	5.5	27%	23.5	20.0	3.5	15%	
Mills Capacity Upgrade	29.0	11.8	17.3	59%	35.8	15.0	20.8	58%	
CRA - Reliability/Containment Programs	12.7	4.8	7.9	62%	17.2	7.0	10.2	59%	
Local Groundwater Storage	7.1	3.6	3.6	50%	10.3	10.0	0.3	3%	
Power Reliability & Energy Conservation	5.4	10.5	(5.1)	(93%)	7.3	7.0	0.3	4%	
Other	56.3	48.0	8.3	15%	67.8	60.0	7.8	11%	
Total	\$ 392.7	\$ 305.4	\$ 87.3	22%	\$ 468.9	\$ 369.0	\$ 99.9	21%	

Notes:

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

(2) Totals may not foot / cross foot due to rounding.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: May 13, 2009
To: Board of Directors
From: General Counsel
Subject: Review as to Eligibility of Securities Invested in by the
Treasurer for the Month of April 2009

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 April 2009 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. We note that the Investment Policy, as amended on October 14, 2008, authorizes continued holding of the investments listed on Attachment 2a for orderly and systematic liquidation. 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