



*THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA*

# **Executive Financial Report For the One Month Ended July 31, 2009**

**Executive Financial Summary**  
**Table of Contents**  
**For the One Month Ended July 31, 2009**

<b>Schedule</b>	<b>Page No.</b>
<b>Statements of Operations</b>	<b>1</b>
<b>Balance Sheets</b>	<b>2</b>
<b>Cash and Investments</b>	<b>3</b>
<b>Actual vs. Estimate – Construction Activity</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 One Month Ended July 31,		<i>Favorable/ (Unfavorable) Variance</i>
	2009	2008	
<b>Operating Revenues:</b>			
Water Sales	\$ 102.2	\$ 98.3	\$ 3.9
Wheeling / Exchange	2.3	1.7	0.7
Readiness-to-Serve	8.6	7.3	1.3
Capacity Charge	2.7	2.7	(0.0)
Power Sales	2.7	2.5	0.2
<b>Total Operating Revenues</b>	<b>118.5</b>	112.4	6.1
<b>Operating Expenses:</b>			
Cost of Water	38.0	19.2	(18.8)
Operations & Maintenance	25.8	26.2	0.4
Demand Management Programs	2.7	4.6	1.8
Depreciation & Amortization	18.8	19.2	0.3
<b>Total Operating Expenses</b>	<b>85.3</b>	69.0	(16.2)
<b>Net Operating Income</b>	<b>33.2</b>	43.4	(10.2)
<b>Other Income (Expense):</b>			
Net Taxes/Annexations	9.1	8.8	0.3
Investment Income <sup>(1)</sup>	4.4	2.5	1.9
Bond Interest Expense	(8.5)	(6.3)	(2.2)
Other	0.1	(0.2)	0.2
<b>Total Other Income/(Expense) - Net</b>	<b>5.0</b>	4.9	0.2
<b>Net Income</b>	<b>\$ 38.3</b>	\$ 48.3	\$ (10.0)

### Sales Statistics:

Water Sales (TAF)	204.4	224.1	(19.6)
Wheeling/Exchange (TAF)	8.4	6.0	2.4
Power Sales (mWh)	33.4	36.0	(2.5)
Average Sales Price <sup>(2)</sup>			
Water Sales	\$ 499.92	\$ 438.63	\$ 61.29
Wheeling/Exchange	\$ 277.97	\$ 278.00	\$ (0.03)
Power Sales	\$ 0.08	\$ 0.07	\$ 0.01

### Ratios:

Fixed Charge Coverage (rolling 12 months) - Cash Basis:

Actual	1.22 x	1.14 x
Target <sup>(3)</sup>	≥ 1.20 x	≥ 1.20 x

Revenue Bond Debt Service Coverage (rolling 12 months) - Cash Basis:

Actual	1.72 x	1.56 x
Target <sup>(3)</sup>	> 2.00 x	> 2.00 x

### Notes:

- (1) Includes fair value adjustment of \$2.7 million and (\$0.7) million at July 31, 2009 and 2008, respectively.
- (2) Average prices calculated using exact rather than rounded dollar amounts.
- (3) Board adopted guideline.
- (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	July 31, 2008	Increase/ (Decrease)
<b>Assets:</b>			
Cash and investments at book value <sup>(1)</sup>	\$ 913.7	\$ 903.2	\$ 10.6
Fair Value Adjustment	(2.6)	1.3	(3.9)
Accounts Receivable	411.8	391.7	20.0
Property, Plant and Equipment, net	7,805.2	7,518.5	286.7
Prepaid State Water Project Costs, net	1,705.8	1,688.9	16.9
Participation Rights, net	361.4	252.9	108.6
Deferred Charges and Water Rights	527.9	563.8	(35.8)
Other	195.9	176.6	19.3
<b>Total Assets</b>	<b>\$ 11,919.1</b>	<b>\$ 11,496.8</b>	<b>\$ 422.4</b>
<b>Liabilities and Equity:</b>			
Long-Term Debt	\$ 4,655.8	\$ 4,487.1	\$ 168.7
Off-Aqueduct Power Facilities	60.2	66.1	(5.9)
Accounts Payable and Accrued Bond Interest	185.2	163.9	21.3
Deferred Income	214.3	196.6	17.8
State Water Project Obligations	628.6	588.4	40.2
Trust Funds and Other	89.1	92.6	(3.5)
<b>Total Liabilities</b>	<b>5,833.2</b>	<b>5,594.7</b>	<b>238.5</b>
<b>Equity</b>	<b>6,085.9</b>	<b>5,902.1</b>	<b>183.9</b>
<b>Total Liabilities and Equity</b>	<b>\$ 11,919.1</b>	<b>\$ 11,496.8</b>	<b>\$ 422.4</b>

Revenue Bond Debt as a percent of equity	Actual	72.4 %	71.3 %
	Target <sup>(2)</sup>	< 100.0 %	< 100.0 %

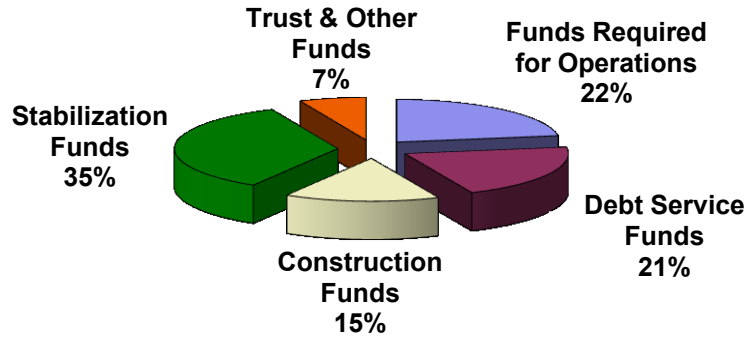
**Notes:**

- (1) Fair value of cash and investments was \$911.1 million and \$904.5 million at July 31, 2009 and 2008, respectively.
- (2) Per Metropolitan Water District Act - Part 5, Chapter 1.6, Section 239.2.
- (3) Certain reclassifications of prior year amounts has been made to conform to current year presentation.
- (4) 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, 2009 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 164.7	\$ 40.8	\$ 0.8	\$ 206.3
Debt Service Funds	189.4	-	-	189.4
Construction Funds	108.7	-	31.2	139.9
Stabilization Funds	-	-	317.8	317.8
Trust & Other Funds	40.8	19.5	-	60.3
<b>Total</b>	<b>\$ 503.6</b>	<b>\$ 60.3</b>	<b>\$ 349.8</b>	<b>\$ 913.7</b>



The Metropolitan Water District of Southern California

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

	For the One Month Ended July 31, 2009				Fiscal Year Ending June 30, 2010			
	Estimate	Actual	Variance from Estimate		Estimate	Projected <sup>(1)</sup>	Variance from Estimate	
			\$	%			\$	%
<b>Sources of Funds</b>								
Bond Construction Funds	\$ 35.9	\$ 22.8	\$ 13.1	37%	\$ 375.4	\$ 375.4	\$ -	0%
R & R/General Funds	3.5	3.0	0.5	15%	36.7	36.7	-	0%
<b>Total</b>	<b>\$ 39.4</b>	<b>\$ 25.8</b>	<b>\$ 13.7</b>	<b>35%</b>	<b>\$ 412.1</b>	<b>\$ 412.1</b>	<b>\$ -</b>	<b>0%</b>
<b>Program Expenditures</b>								
Treatment Plant Improvement	\$ 7.5	\$ 2.5	\$ 5.0	66%	\$ 118.2	\$ 118.2	\$ -	0%
Oxidation Retrofit Programs	7.1	8.2	(1.1)	(15%)	92.8	92.8	-	0%
Inland Feeder	6.2	6.7	(0.5)	(8%)	49.6	49.6	-	0%
Distribution System - Rehabilitation Program	2.4	2.0	0.4	16%	23.1	23.1	-	0%
Perris Valley Pipeline	2.4	1.8	0.6	24%	19.5	19.5	-	0%
CRA - Reliability/Containment Programs	1.1	0.5	0.6	56%	17.3	17.3	-	0%
Hayfield Ground Storage Program	1.3	0.0	1.2	97%	13.4	13.4	-	0%
Riverside Treatment Plant Land Acquisition	4.0	0.0	4.0	100%	11.9	11.9	-	0%
Power Reliability & Energy Conservation	2.1	0.1	1.9	93%	9.6	9.6	-	0%
Information Technology System - Infrastructure	1.2	1.0	0.3	22%	6.0	6.0	-	0%
Other	4.2	2.9	1.3	31%	50.7	50.7	-	0%
<b>Total</b>	<b>\$ 39.4</b>	<b>\$ 25.8</b>	<b>\$ 13.7</b>	<b>35%</b>	<b>\$ 412.1</b>	<b>\$ 412.1</b>	<b>\$ -</b>	<b>0%</b>

**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:** September 10, 2009  
**To:** Board of Directors  
**From:** General Counsel  
**Subject:** Review as to Eligibility of Securities Invested in by the  
Treasurer for the Month of July 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 July 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 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.

A handwritten signature in cursive script, appearing to read "Karen L. Tachiki".

Karen L. Tachiki

cc: T. E. DeBacker  
J. Kightlinger  
R. N. Marumoto  
B. G. Thomas