



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

Executive Financial Report For the Eight Months Ended February 29, 2012

Executive Financial Report
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For the Eight Months Ended February 29, 2012

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The Metropolitan Water District of Southern California

Statements of Operations - Accrual Basis (Dollars in millions)

	For the Eight Months Ended		<i>Favorable/ (Unfavorable) Variance</i>
	Feb. 29, 2012	Feb. 28, 2011	
Operating Revenues:			
Water Sales	\$ 662.4	\$ 632.9	\$ 29.5
Wheeling / Exchange	68.8	34.3	34.5
Readiness-to-Serve	86.8	79.7	7.2
Capacity Charge	22.4	23.0	(0.5)
Power Sales	23.7	16.7	7.0
Total Operating Revenues	864.1	786.4	77.7
Operating Expenses:			
Cost of Water	255.4	221.9	(33.5)
Operations & Maintenance	229.5	229.2	(0.3)
Demand Management Programs	28.3	29.0	0.8
Depreciation & Amortization	184.1	174.4	(9.6)
Total Operating Expenses	697.2	654.6	(42.6)
Net Operating Income	166.9	131.8	35.1
Other Income (Expense):			
Net Taxes/Annexations	53.4	58.9	(5.5)
Investment Income	24.2	5.0	19.2
Bond Interest Expense	(87.1)	(88.5)	1.3
Other	3.5	5.4	(1.9)
Total Other Income/(Expense) - Net	(6.0)	(19.1)	13.2
Net Income	\$ 160.9	\$ 112.7	\$ 48.3

Note:

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

The Metropolitan Water District of Southern California

Balance Sheets - Accrual Basis (Dollars in millions)

	Feb. 29, 2012	Feb. 28, 2011	<i>Increase/ (Decrease)</i>
Assets:			
Cash and investments at book value ⁽¹⁾	\$ 1,047.3	\$ 1,090.1	\$ (42.7)
Fair Value Adjustment	16.5	(1.5)	18.0
Accounts Receivable	215.6	220.6	(5.0)
Property, Plant and Equipment, net	8,222.1	8,130.4	91.7
Prepaid State Water Project Costs, net	1,638.1	1,612.7	25.4
Participation Rights, net	339.2	376.9	(37.8)
Deferred Charges and Water Rights	429.4	395.7	33.7
Deferred Outflow of Effective Swaps	98.5	22.7	75.7
Other	220.5	218.0	2.5
Total Assets	\$ 12,227.1	\$ 12,065.6	\$ 161.5
Liabilities and Equity:			
Long-Term Debt	\$ 4,790.0	\$ 4,922.3	\$ (132.3)
Fair Value of Interest Rate Swaps	200.9	110.8	90.1
Off-Aqueduct Power Facilities	42.9	49.8	(6.9)
Accounts Payable and Accrued Bond Interest	223.3	210.2	13.1
Deferred Income	90.2	86.9	3.3
State Water Project Obligations	343.7	331.7	12.0
Trust Funds and Other	101.5	94.2	7.3
Total Liabilities	5,792.6	5,805.8	(13.2)
Equity	6,434.5	6,259.8	174.7
Total Liabilities and Equity	\$ 12,227.1	\$ 12,065.6	\$ 161.5

Notes:

(1) Fair value of cash and investments was \$1,063.8 million and \$1,088.6 million at February 29, 2012 and February 28, 2011, respectively.

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

The Metropolitan Water District of Southern California

Statistics - Accrual Basis

	For the Eight Months Ended		<i>Increase/ (Decrease)</i>
	Feb. 29, 2012	Feb. 28, 2011	
Sales Statistics:			
Water Sales (TAF)	789.3	1,002.9	(213.6)
Wheeling/Exchange (TAF)	109.1	104.1	4.9
Replenishment Sales (TAF)	224.9	-	224.9
CVWD Exchange (TAF)	105.0	-	105.0
Power Sales (MWh)	305.2	218.8	86.5
Average Sales Price ⁽¹⁾			
Water Sales	\$ 709.38	\$ 631.05	\$ 78.33
Wheeling/Exchange	\$ 378.15	\$ 328.92	\$ 49.23
Replenishment Sales	\$ 455.70	\$ -	\$ 455.70
CVWD Exchange	\$ 262.32	\$ -	\$ 262.32
Power Sales	\$ 0.08	\$ 0.08	\$ -

Note:

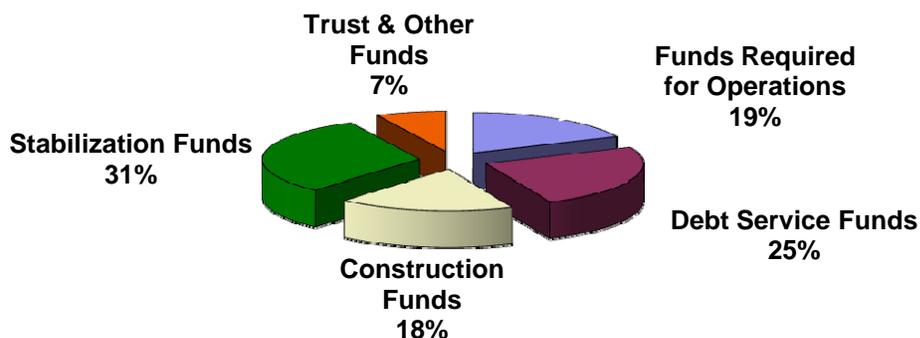
- (1) Average prices calculated using exact rather than rounded dollar amounts.
- (2) The fixed charge coverage ratio, bond debt service coverage ratio and revenue bond debt as a percent of equity are presented at quarter-end.

The Metropolitan Water District of Southern California

Cash and Investments at Book Value As of February 29, 2012 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 123.2	\$ 68.5	\$ 0.7	\$ 192.4
Debt Service Funds	262.2	-	-	262.2
Construction Funds	166.0	-	23.5	189.5
Stabilization Funds	28.3 ⁽¹⁾	-	299.6	327.9
Trust & Other Funds	55.4	19.9	-	75.3
Total	\$ 635.1	\$ 88.4	\$ 323.8	\$ 1,047.3

(1) Restricted investments of \$27.4 million and \$900,000 were posted as collateral with Morgan Stanley and JP Morgan Chase, respectively, pursuant to Metropolitan's interest rate swap agreements.



The Metropolitan Water District of Southern California

Actual vs. 1.8 MAF Projection: Construction Activity - Accrual Basis
(Dollars in millions)

	For the Eight Months Ended February 29, 2012					Fiscal Year Ending June 30, 2012				
	Budget	1.8 MAF Projection	Actual	Variance: Actual vs. Projection		Annual Budget	1.8 MAF Projection	Year End Estimate ⁽¹⁾	Variance: Estimate vs. Projection	
				\$	%				\$	%
Sources of Funds										
Bond Construction Funds	\$ 186.3	\$ 147.8	\$ 64.5	\$ 83.4	56%	\$ 293.5	\$ 236.9	\$ 142.0	\$ 94.9	32%
R & R/General Funds	30.2	28.1	29.0	(0.9)	(3%)	47.5	45.0	45.0	-	0%
Total	\$ 216.5	\$ 175.9	\$ 93.5	\$ 82.4	47%	\$ 341.0	\$ 281.9	\$ 187.0	\$ 94.9	34%
Program Expenditures										
Oxidation Retrofit Programs	\$ 49.0	\$ 48.8	\$ 34.7	\$ 14.1	29%	\$ 80.0	\$ 84.6	\$ 53.0	31.6	40%
Treatment Plant Improvement	46.5	52.8	25.3	27.6	52%	67.1	78.9	53.0	25.9	39%
Distribution System - Rehabilitation Program	31.9	24.7	9.2	15.4	63%	46.1	36.0	20.0	16.0	35%
CRA - Reliability/Containment Programs	17.7	12.1	6.7	5.4	44%	34.8	23.1	19.0	4.1	12%
La Verne Shop Facilities Upgrades	7.3	7.0	4.2	2.9	41%	11.9	12.5	8.2	4.3	36%
Information Technology System	15.4	6.6	0.9	5.7	86%	23.7	10.2	3.0	7.2	30%
Chlorine Containment and Handling Facilities	1.8	4.1	2.3	1.9	45%	2.4	6.2	6.0	0.2	10%
Inland Feeder	1.5	1.6	3.1	(1.5)	(97%)	1.9	2.1	3.5	(1.4)	(72%)
Other	45.3	18.1	7.0	11.1	61%	73.2	28.3	21.3	7.0	10%
Total	\$ 216.5	\$ 175.9	\$ 93.5	\$ 82.4	47%	\$ 341.0	\$ 281.9	\$ 187.0	\$ 94.9	34%

Notes:

(1) Year end estimate numbers are updated at quarter-end.

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



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: March 14, 2012
To: Board of Directors
From: General Counsel Marcia Scully
Subject: Review as to Eligibility of Securities Invested in by the
Treasurer for the Month of February 2012

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 February 2012 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 "M. Scully".

Marcia Scully

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

Portfolio Summary Report
Attachment 2a
February 29, 2012
(\$ in Thousands)

Credit Ratings Moody's S&P		Medium Term Notes	Maturity Date	Market Value	Book Value
Baa1	A-	Bank of America 6.5%	8/1/2016	\$ 1,081	\$ 1,059
Baa1	A-	Merrill Lynch Corporation 5.0%	1/15/2015	\$ 2,058	\$ 2,031
				\$ 3,139	\$ 3,090