



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

Executive Financial Report For the Five Months Ended November 30, 2012

**Executive Financial Report
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For the Five Months Ended November 30, 2012**

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The Metropolitan Water District of Southern California

Statements of Operations - Accrual Basis (Dollars in millions)

	For the Five Months Ended		<i>Favorable/(Unfavorable)</i>	
	November 30,		<i>Variance</i>	
	2012	2011	\$	%
Operating Revenues				
Water Sales ⁽²⁾	\$ 577.7	\$ 487.1	\$ 90.6	19%
Wheeling / Exchange ⁽²⁾	21.5	52.0	(30.5)	(59%)
Readiness-to-Serve	60.8	52.1	8.7	17%
Capacity Charge	13.2	14.3	(1.0)	(7%)
Power Sales	15.2	19.1	(3.9)	(20%)
Total Operating Revenues	688.4	624.5	64.0	10%
Operating Expenses				
Cost of Water	180.0	166.5	(13.5)	(8%)
Operations & Maintenance	159.4	148.1	(11.3)	(8%)
Demand Management Programs	18.1	18.9	0.9	5%
Depreciation & Amortization	113.7	115.7	2.0	2%
Total Operating Expenses	471.1	449.2	(21.9)	(5%)
Net Operating Income	217.4	175.2	42.1	24%
Other Income (Expense)				
Net Taxes/Annexations	35.5	36.6	(1.0)	(3%)
Investment Income	9.0	15.1	(6.1)	(40%)
Bond Interest Expense	(41.6)	(55.3)	13.7	25%
Other	1.9	2.8	(0.9)	(32%)
Total Other Income/(Expense) - Net	4.8	(0.9)	5.7	(649%)
Net Income	\$ 222.2	\$ 174.4	\$ 47.8	27%

Notes:

- (1) Totals may not foot / cross foot due to rounding.
- (2) 2012 includes adjustment for San Diego County Water Authority that reduced wheeling sales by \$6,221,000 and 16,722 acre feet and increased water sales by \$8,812,000 and 16,722 acre feet.

The Metropolitan Water District of Southern California

Balance Sheets - Accrual Basis (Dollars in millions)

	November 30,		Increase/(Decrease)	
	2012	2011	\$	%
Assets				
Cash and investments at book value ⁽¹⁾	\$ 1,122.1	\$ 1,090.3	\$ 31.8	3%
Fair Value Adjustment	23.3	9.2	14.1	154%
Accounts Receivable	410.2	336.9	73.2	22%
Property, Plant and Equipment, net	8,262.5	8,206.6	55.9	1%
Prepaid State Water Project Costs, net	1,451.6	1,460.4	(8.8)	(1%)
Participation Rights, net	328.9	342.6	(13.7)	(4%)
Deferred Charges and Water Rights	284.4	250.7	33.7	13%
Deferred Outflow of Effective Swaps	111.4	91.6	19.8	22%
Other	212.2	225.5	(13.3)	(6%)
Total Assets	\$ 12,206.6	\$ 12,013.7	\$ 192.9	2%
Liabilities and Equity				
Long-Term Debt	\$ 4,716.4	\$ 4,794.4	\$ (77.9)	(2%)
Fair Value of Interest Rate Swaps	167.5	194.3	(26.7)	(14%)
Off-Aqueduct Power Facilities	36.4	44.5	(8.1)	(18%)
Accounts Payable and Accrued Bond Interest	295.5	254.7	40.8	16%
Deferred Income	137.3	139.3	(2.0)	(1%)
State Water Project Obligations	83.6	44.9	38.7	86%
Trust Funds and Other	106.3	95.3	11.0	12%
Total Liabilities	5,543.0	5,567.3	(24.3)	(0%)
Equity	6,663.6	6,446.3	217.2	3%
Total Liabilities and Equity	\$ 12,206.6	\$ 12,013.7	\$ 192.9	2%

Notes:

(1) Fair value of cash and investments was \$1,145.4 million and \$1,099.5 million at November 30, 2012 and 2011, respectively.

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

The Metropolitan Water District of Southern California

Statistics and Ratios

	For the Five Months Ended		Increase/(Decrease)	
	2012	2011	TAF/\$	%
Sales Statistics - Accrual Basis				
Water Sales (TAF) ⁽²⁾	815.7	589.9	225.8	38%
Wheeling/Exchange (TAF) ⁽²⁾	70.0	65.7	4.3	7%
Replenishment Sales (TAF)	-	183.0	(183.0)	n/a
CVWD Exchange (TAF)	-	105.0	(105.0)	n/a
Power Sales (MWh)	178.8	233.1	(54.3)	(23%)
Average Sales Price ⁽¹⁾				
Water Sales	\$ 697.41	\$ 683.15	\$ 14.26	2%
Wheeling/Exchange	\$ 396.15	\$ 372.00	\$ 24.15	6%
Replenishment Sales	\$ -	\$ 459.58	\$ (459.58)	n/a
CVWD Exchange	\$ -	\$ 262.32	\$ (262.32)	n/a
Power Sales	\$ 0.08	\$ 0.08	\$ -	0%

Notes:

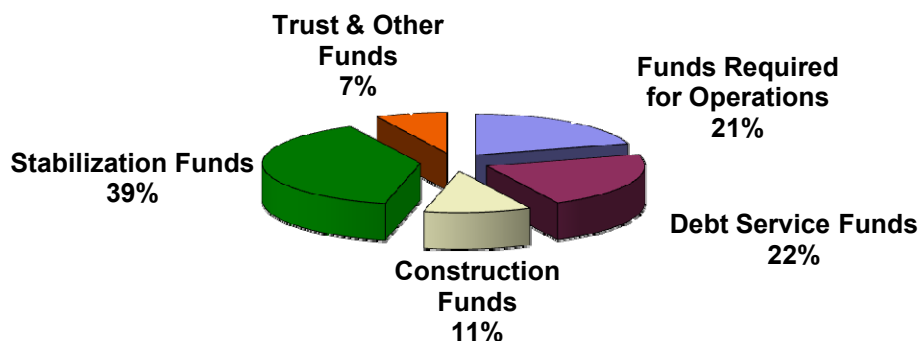
- (1) Average prices calculated using exact rather than rounded dollar amounts.
- (2) 2012 excludes adjustment for San Diego County Water Authority that reduced wheeling sales by \$6,221,000 and 16,722 acre feet and increased water sales by \$8,812,000 and 16,722 acre feet.
- (3) The fixed charge coverage ratio, bond debt service coverage ratio and revenue bond debt as a percent of equity are presented at quarter-end.

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Cash and Investments at Fair Value As of November 30, 2012 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 174.6	\$ 59.6	\$ 1.0	\$ 235.2
Debt Service Funds	253.2	-	-	253.2
Construction Funds	95.9	-	29.5	125.4
Stabilization Funds	26.5 ⁽¹⁾	-	421.3	447.8
Trust & Other Funds	63.8	20.0	-	83.8
Total	\$ 614.0	\$ 79.6	\$ 451.8	\$ 1,145.4

(1) Restricted investments of \$22.2 million and \$4.3 million 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. Budget: Construction Activity - Accrual Basis
(Dollars in millions)

	For the Five Months Ended November 30, 2012			
	Budget ⁽¹⁾	Actual	Variance from Budget	
			\$	%
Sources of Funds				
Bond Construction Funds	\$ 66.9	\$ 52.1	\$ 14.8	22%
R & R/General Funds	18.2	(0.4)	18.6	102%
Total	\$ 85.1	\$ 51.7	\$ 33.4	39%
Program Expenses				
Oxidation Retrofit Programs	\$ 18.4	\$ 16.1	\$ 2.3	13%
Treatment Plant Improvement	20.4	11.5	8.9	44%
CRA - Reliability/Containment Programs	13.3	5.9	7.4	56%
Distribution System - Rehabilitation Program	12.3	4.5	7.8	64%
La Verne Shop Facilities Upgrades	6.0	3.6	2.4	40%
Information Technology System	3.3	0.7	2.6	80%
Chlorine Containment and Handling Facilities	1.7	2.8	(1.1)	(62%)
Other	9.7	6.7	3.0	31%
Total	\$ 85.1	\$ 51.7	\$ 33.4	39%

Notes:

(1) Estimated year end results are under review.

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



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: December 12, 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 November 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 November 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. 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