Financial Highlights

March 31, 2013

(Preliminary)

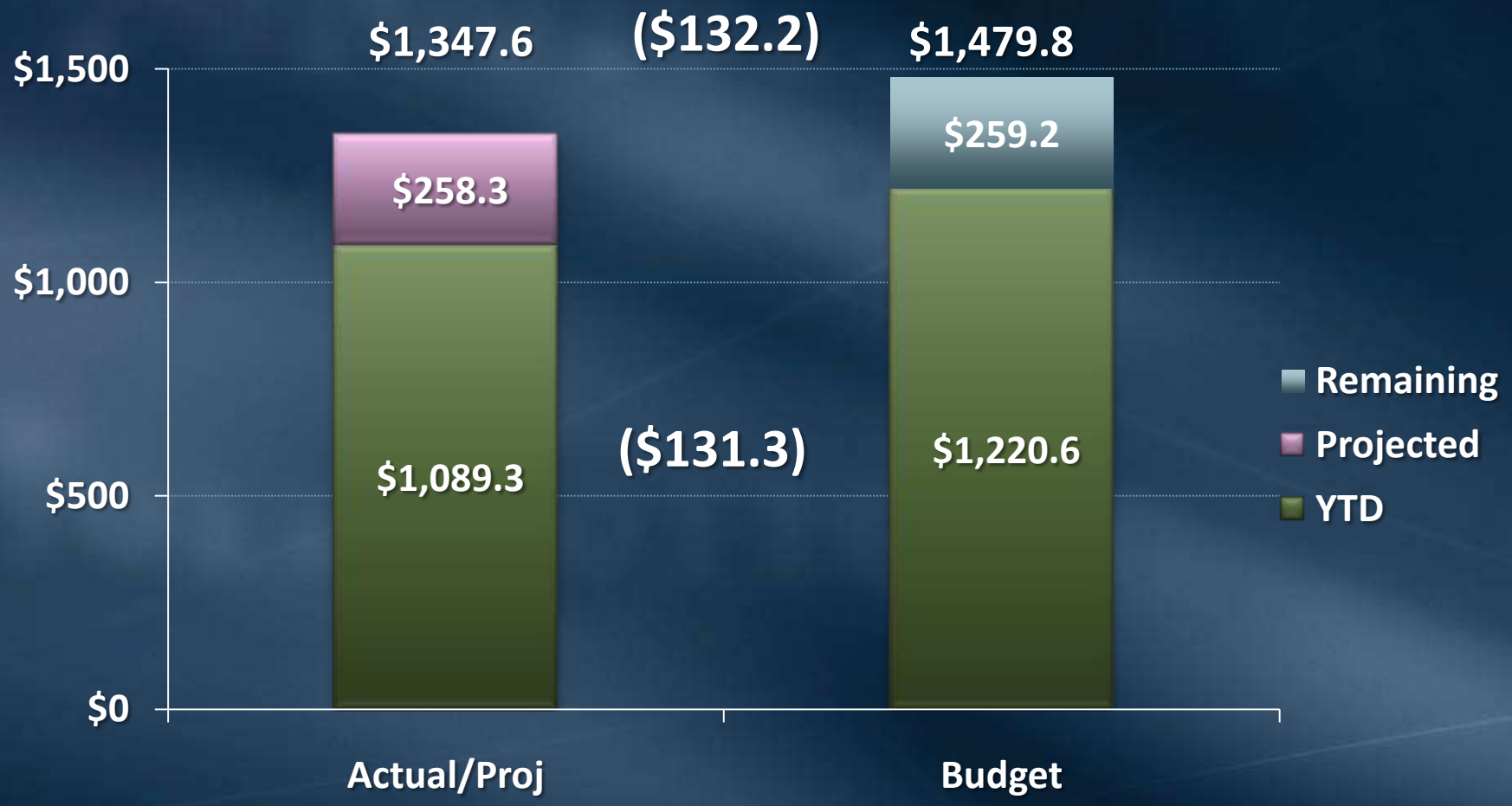
Finance and Insurance Committee
Item # 3-b
April 8, 2013

FY 12/13 Revenues

March 31, 2013
($ in millions)

FY 12/13 Expenses

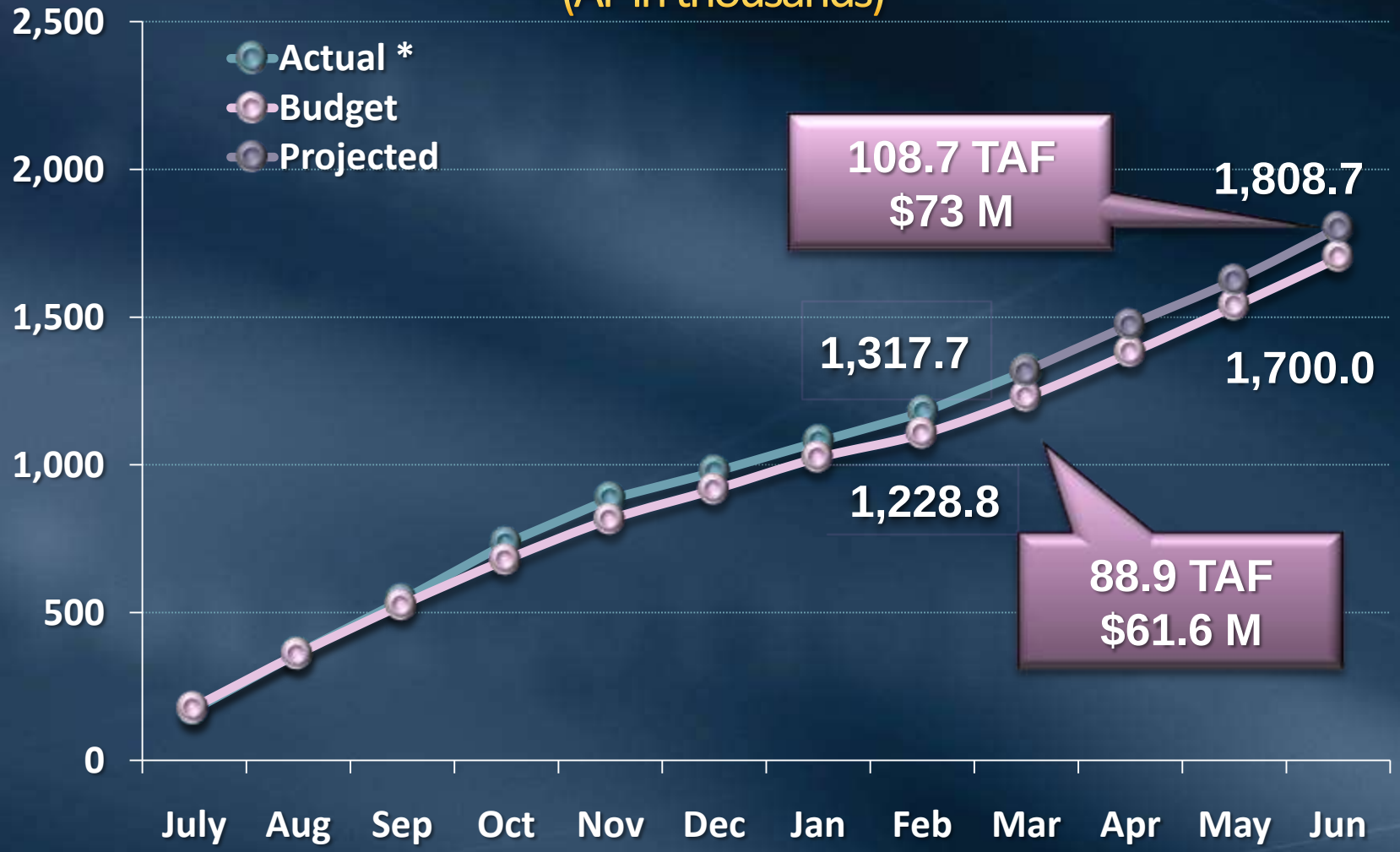
March 31, 2013
($ in millions)



FY12/13 Water Sales/Exchange Volumes

March 31, 2013

(AF in thousands)



* Estimated March sales

FY 12/13 Revenues

March 31, 2013

($ in millions)

	YTD Actual	FY Projected	FY Budget	Variance Fav (Unfav)
Water	$ 904.4	$ 1,256.7	$ 1,183.7	$ 73.0
RTS	108.5	144.0	144.0	-
Capacity Charge	22.3	30.4	30.4	-
Power	20.4	26.4	20.9	5.5
Taxes, net	64.2	85.6	82.6	3.0
Interest	9.8	13.0	12.6	0.4
Other	5.7	7.2	6.0	1.2
Total Revenues	$ 1,135.3	$ 1,563.3	$ 1,480.2	$ 83.1

FY 12/13 Revenues

March 31, 2013

($ in millions)

	YTD Actual	FY Projected	FY Budget	Variance Fav (Unfav)
Water	$ 904.4	$ 1,256.7	$ 1,183.7	$ 73.0
RTS	108.5	144.0	144.0	-
Capacity Charge	22.3	30.4	30.4	-
Power	20.4	26.4	20.9	5.5
Taxes, net				3.0
Interest			12.6	0.4
Other			6.0	1.2
Total Revenues	$ 1,135.3	$ 1,563.3	$ 1,480.2	$ 83.1

Higher water sales through system
=
Higher power generation

FY 12/13 Expenses

March 31, 2013
($ in millions)

	YTD Actual	FY Projected	FY Budget	Variance (Fav) Unfav
State Water Contract	$ 411.9	$ 496.3	$ 593.5	$ (97.2)
Supply Programs	32.3	39.4	36.3	3.1
CRA Power Costs	10.8	17.2	33.5	(16.3)
Debt Service	323.2	333.4	341.2	(7.8)
Demand Management	30.4	44.3	53.2	(8.9)
Departmental O&M	253.2	362.0	367.1	(5.1)
R&R/General Fund	27.5	55.0	55.0	-
Total Expenses	$ 1,089.3	$ 1,347.6	$ 1,479.8	$ (132.2)

FY 12/13 Expenses

March 31, 2013
($ in millions)

	YTD Actual	FY Projected	FY Budget	Variance (Fav) Unfav
State Water Contract	$ 411.9	$ 496.3	$ 593.5	$ (97.2)
Supply Program			6.3	3.1
CRA Power Cost				(16.3)
Debt Service			1.2	(7.8)
Demand Manag			3.2	(8.9)
Departmental C			7.1	(5.1)
R&R/General Fund	27.3	55.0	55.0	-
Total Expenses	$ 1,089.3	$ 1,347.6	$ 1,479.8	$ (132.2)

Lower power costs	$(44.9)
Springing amendment	(22.5)
Prior year adjustments	(17.5)
Rate mgmt credits	(14.3)
Other	2.0
	$(97.2)

FY 12/13 Expenses

March 31, 2013
($ in millions)

	YTD Actual	FY Projected	FY Budget	Variance (Fav) Unfav
State Water Contract	$ 411.9	$ 496.3	$ 593.5	$ (97.2)
Supply Programs	32.3	39.4	36.3	3.1
CRA Power Co			-	(16.3)
Debt Service			2	(7.8)
Demand Mana			2	(8.9)
Departmental O&M	253.2	362.0	367.1	(5.1)
R&R/General Fund	27.5	55.0	55.0	-
Total Expenses	$ 1,089.3	$ 1,347.6	$ 1,479.8	$ (132.2)

Moving/storing about 142 TAF more water reflecting additional purchases and renegotiated contracts

FY 12/13 Expenses

March 31, 2013
($ in millions)

	YTD Actual	FY Projected	FY Budget	Variance (Fav) Unfav
State Water Contract	$ 411.9	$ 496.3	$ 593.5	$ (97.2)
Supply Programs	32.3	39.4	36.3	3.1
CRA Power Costs	10.8	17.2	33.5	(16.3)
Debt			41.2	(7.8)
Dema			.2	(8.9)
Depa			67.1	(5.1)
R&R/			65.0	-
Total Expenses	$ 1,089.3	$ 1,347.6	$ 1,479.8	$ (132.2)

Lower average purchase price
- Using SCE exchange power
- Lower costs for Hoover and Parker

FY 12/13 Expenses

March 31, 2013
($ in millions)

	YTD Actual	FY Projected	FY Budget	Variance (Fav) Unfav
State Water Contract	$ 411.9	$ 496.3	$ 593.5	$ (97.2)
Supply Programs	32.3	39.4	36.3	3.1
CRA Power Costs	10.8	17.2	33.5	(16.3)
Debt Service	323.2	333.4	341.2	(7.8)
Demand Manage			53.2	(8.9)
Departmental O&			67.1	(5.1)
R&R/General Fu			55.0	-
Total Expenses			479.8	$ (132.2)

Savings from current refundings and lower debt administrative fees

FY 12/13 Expenses

March 31, 2013
($ in millions)

	YTD Actual	FY Projected	FY Budget	Variance (Fav) Unfav
State Water Contract	$ 411.9	$ 496.3	$ 593.5	$ (97.2)
Supply Programs	32.3	39.4	36.3	3.1
CRA Power Costs	10.8	17.2	33.5	(16.3)
Debt Service	323.2	333.4	341.2	(7.8)
Demand Management	30.4	44.3	53.2	(8.9)
Departmen				(5.1)
R&R/Gener			55.0	-
Total Expen			479.8	$ (132.2)

Lower conservation spending

FY 12/13 Expenses

March 31, 2013
($ in millions)

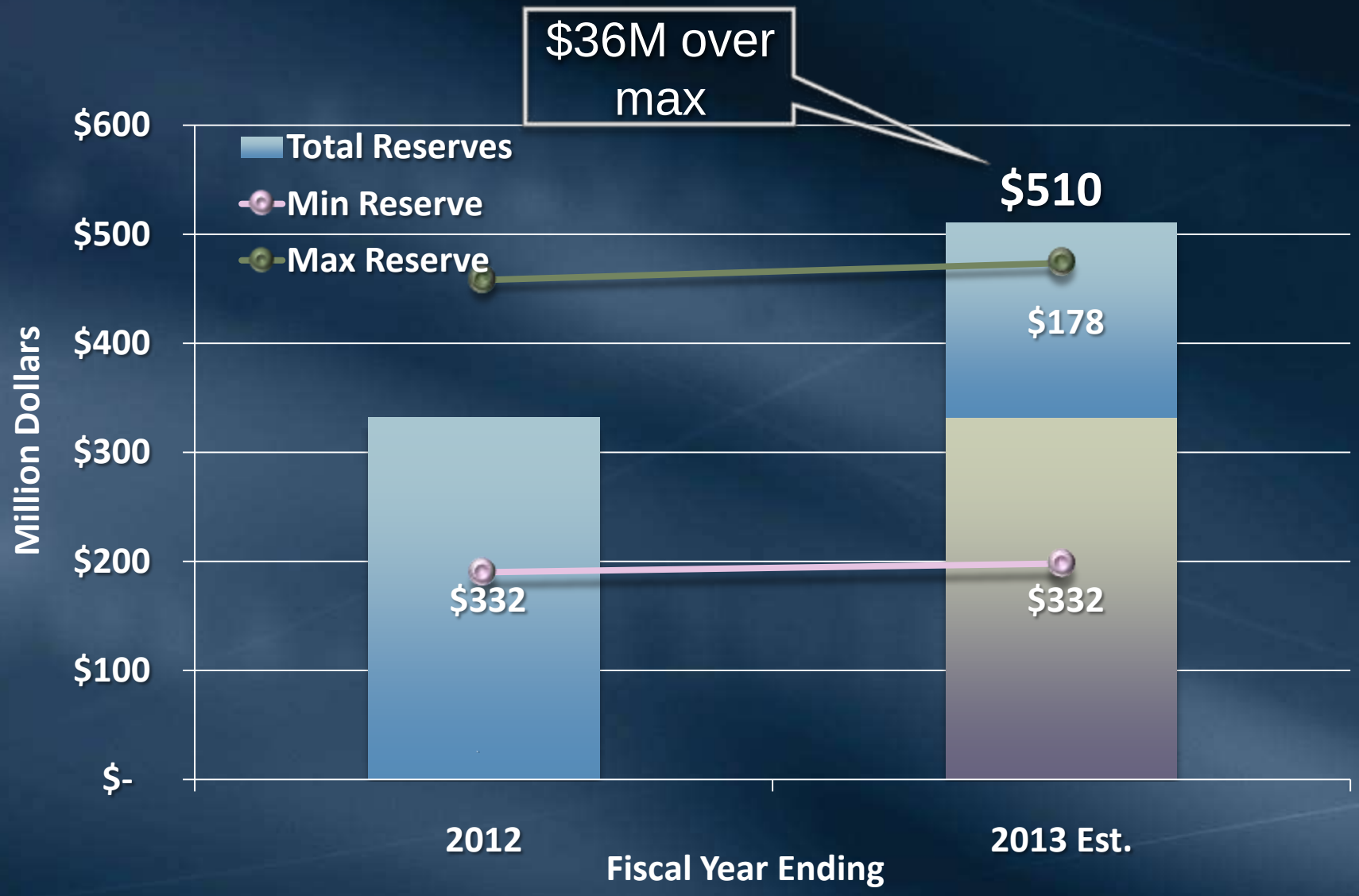
	YTD Actual	FY Projected	FY Budget	Variance (Fav) Unfav
State Water Contract	$ 411.9	$ 496.3	$ 593.5	$ (97.2)
Supply Programs	32.3	39.4	36.3	3.1
CRA Power Costs	10.8	17.2	33.5	(16.3)
Debt Service	323.2	333.4	341.2	(7.8)
Demand Management	30.4	44.3	53.2	(8.9)
Departmental O&M	253.2	362.0	367.1	(5.1)
R&R/Gene				-
Total Exper			479.8	$ (132.2)

Lower professional services and advertising expenses

Increase to Reserves
Estimated FY 2012-13
$ millions

Revenues	$1,563.3
Expenses	(1,347.6)
Net	**215.7**
Increase in restricted funds	(37.4)
Increase to Reserves	**$ 178.3**

Reserve Fund Balance



Financial Ratios

March 31, 2013

	Year-End Projected	Target
Revenue Bond Debt Service Coverage (1)	2.24 x	> 2.00 x
Fixed Charge Coverage (1)	1.70 x	≥ 1.20 x
Revenue Bond Debt as a Percent of Equity (2)	69.1%	<100.0%

Target based on:
(1) Board adopted guideline
(2) MWD Act

Cash and Investments

Fair Value at March 31, 2013

($ in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	$ 133.6	$ 65.2	$ 0.6	$ 199.4
Debt Service Funds	269.5	-	-	269.5
Construction	87.0	-	16.1	103.1
Stabilization Funds (1)	16.9	-	479.1	496.0
Trust & Other Funds	66.6	20.0	-	86.6
Total	$ 573.6	$ 85.2	$ 495.8	$ 1,154.6
	$ 658.8			

(1) Restricted investments of $16.9 million were posted as collateral with swap counter parties.

Updates to 5-Year Forecast

FY2013 & FY2014 Budget

Avg Rate Increase	6%	14%	20%	7.5%	7.5%	5%	5%	← 3%	to	5% →
Sales, MAF	2.3	2.2	1.8	1.7	1.7	1.7	1.7	1.75	1.75	1.75
PAYGO, $M	43	30	37	45	45	55	125	125	125	125
Rev. Bond Cvg	1.8	1.8	1.6	1.5	1.5	1.6	1.9	1.9	2.0	2.0
Fixed Chg Cvg	1.3	1.3	1.1	1.0	1.1	1.2	1.3	1.3	1.3	1.3

* Includes Water Stewardship Fund
FY2013 and beyond are based on modified accrual

Updates to Forecast

- FY 2012 = actual
- FY 2013 = Projections as of March 31, 2013
- FY 2014 to FY 2017 reflects budget with the following updates:
  - Debt Service updated for refundings
  - FY 2014 CIP reduced to $225M

Updated Forecast

Avg Rate Increase	6%	14%	20%	7.5%	7.5%	5%	5%	3%	3%	3%
Sales, MAF	2.3	2.2	1.8	1.7	1.7	1.8	1.7	1.75	1.75	1.75
PAYGO, $M	43	30	37	45	45	55	125	125	125	125
Rev. Bond Cvg	1.8	1.8	1.6	1.5	1.8	2.2	1.9	2.1	2.0	2.1
Fixed Chg Cvg	1.3	1.3	1.1	1.0	1.3	1.7	1.3	1.4	1.4	1.4

* Includes Water Stewardship Fund
FY2013 and beyond are based on modified accrual

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928