



**MWD**

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

**Executive Financial Summary**  
**February 2005**

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**February 2005**

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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>
	February 28, 2005	February 29, 2004	
<b>Operating Revenues:</b>			
Water Sales	\$ 547.3	\$ 572.0	\$ (24.8)
Wheeling / Exchange	4.0	3.6	0.4
RTS	53.3	53.3	(0.0)
Capacity Charge	19.5	12.7	6.8
Power Sales	14.7	15.3	(0.6)
Total Operating Revenues	<b>638.7</b>	656.9	(18.2)
<b>Operating Expenses:</b>			
Cost of Water	178.4	157.0	(21.4)
Operations & Maintenance	178.2	169.9	(8.3)
Grant Expense	13.5	-	(13.5)
Water Management Programs, Net	20.5	25.3	4.8
Member Agency Distributions/Refund	-	36.3	36.3
Depreciation & Amortization	139.8	134.6	(5.2)
Total Operating Expenses	<b>530.5</b>	523.1	(7.3)
<b>Net Operating Income</b>	<b>108.2</b>	133.8	(25.5)
<b>Other Income (Expense):</b>			
Net Taxes/Annexations	64.0	63.3	0.7
Investment Income	27.2	16.2	11.0
Bond Interest Expense	(61.5)	(67.9)	6.4
Other	(2.6)	(0.7)	(1.9)
Total Other Income - Net	<b>27.2</b>	10.9	16.3
<b>Net Income</b>	<b>\$ 135.4</b>	\$ 144.7	\$ (9.3)
<b>Sales Statistics:</b>			
Water Sales (TAF)	1,484.9	1,558.3	(73.4)
Wheeling/Exchange (TAF)	15.4	14.0	1.4
Power Sales (mWh)	292.8	312.8	(19.9)
Average Sales Price			
Water Sales	\$ 368.57	\$ 367.10	\$ 1.47
Wheeling/Exchange	\$ 258.19	\$ 257.38	\$ 0.81
Power Sales	\$ 0.05	\$ 0.05	\$ 0.00
<b>Ratios:</b>			
Operating (Operating Expense* divided by Operating Revenue)	59.1 %	53.6 %	

\* Excludes depreciation/amortization, member agency distribution and grant expense.

Totals may not foot / cross foot due to rounding.

# The Metropolitan Water District of Southern California

## Balance Sheets - Accrual Basis (Dollars in millions)

	February 28, 2005	February 29, 2004	<i>Increase/ (Decrease)</i>
<b>Assets:</b>			
Cash and investments at book value <sup>(1)</sup>	\$ 1,366.5	\$ 1,104.0	\$ 262.5
Fair Value Adjustment	(0.9)	11.3	(12.2)
Accounts Receivable	164.7	168.9	(4.1)
Property, Plant and Equipment, net	6,084.8	5,859.7	225.1
Participation Rights, net	1,807.9	1,803.2	4.7
Deferred Charges and Water Rights	280.8	294.6	(13.8)
Other	101.5	85.6	16.0
<b>Total Assets</b>	<b>\$ 9,805.3</b>	<b>\$ 9,327.2</b>	<b>\$ 478.1</b>
<b>Liabilities and Equity:</b>			
Long-Term Debt	\$ 3,783.8	\$ 3,534.9	\$ 249.0
Off-Aqueduct Power Facilities	89.8	94.2	(4.5)
Accounts Payable and Accrued Bond Interest	80.8	70.8	10.0
Deferred Income	88.8	85.3	3.5
State Water Project Obligations	266.9	274.7	(7.8)
Trust Funds and Other	79.4	68.7	10.6
<b>Total Liabilities</b>	<b>4,389.4</b>	<b>4,128.6</b>	<b>260.9</b>
<b>Equity</b>	<b>5,415.9</b>	<b>5,198.6</b>	<b>217.2</b>
<b>Total Liabilities and Equity</b>	<b>\$ 9,805.3</b>	<b>\$ 9,327.2</b>	<b>\$ 478.1</b>

Debt as a percent of equity (Long-Term Debt divided by Equity) 69.9 % 68.0 %

(1) Fair value of cash and investments was \$1,365.6 million and \$1,115.3 million at February 28, 2005 and February 29, 2004, respectively.

Certain reclassifications of prior year amounts have been made to conform to current year's presentation.

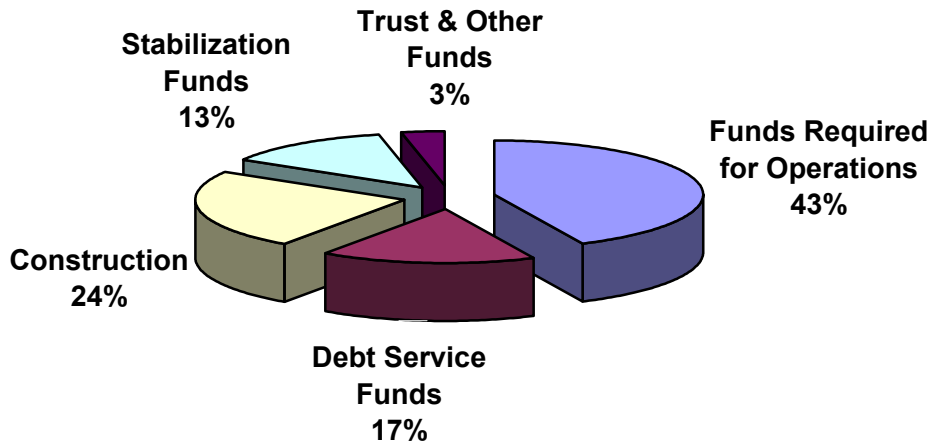
Totals may not foot / cross foot due to rounding.

# The Metropolitan Water District of Southern California

## Cash and Investments at Book Value As of February 28, 2005 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$100.9	\$193.7	\$293.6	\$588.1
Debt Service Funds	229.2	0.0	0.0	229.2
Construction	288.2	0.0	35.9	324.1
Stabilization Funds	0.0	0.0	180.0	180.0
Trust & Other Funds	20.6	24.5	0.0	45.1
<b>Total</b>	<b>\$638.8</b>	<b>\$218.2</b>	<b>\$509.4</b>	<b>\$1,366.5</b>

Totals may not foot / cross foot due to rounding.



The Metropolitan Water District of Southern California

Estimate vs. Actual: Construction Activities - Accrual Basis  
For the Eight Months Ended February 28, 2005  
(Dollars in millions)

	Estimate	Actual	Variance from Estimate		Fiscal Year	Projected	Variance from Estimate		
	to Date	to Date	\$	%	Estimate	Year-End <sup>(1)</sup>	\$	%	
<b>Sources of Funds</b>									
Bond Construction Funds	\$ 172.5	\$ 102.8	\$ 69.7	40%	\$ 300.7	\$ 222.4	\$ 78.3	26%	
R & R Funds	81.2	48.4	32.8	40%	100.1	104.7	(4.6)	(5%)	
<b>Total</b>	<b>\$ 253.7</b>	<b>\$ 151.2</b>	<b>\$ 102.5</b>	<b>40%</b>	<b>\$ 400.8</b>	<b>\$ 327.1</b>	<b>\$ 73.7</b>	<b>18%</b>	
<b>Program Expenditures</b>									
Inland Feeder	\$ 49.2	\$ 38.4	\$ 10.9	22%	\$ 75.1	\$ 62.5	\$ 12.6	17%	
Oxidation Retrofit Programs	50.0	37.2	12.8	26%	74.1	52.0	22.1	30%	
Treatment Plant Improvement	29.5	(0.6) <sup>(2)</sup>	30.2	102%	43.1	32.0	11.1	26%	
Skinner Filtration Plant Expansion No. 4	16.9	16.7	0.3	2%	31.0	29.0	2.0	6%	
CRA - Reliability/Containment Programs	13.9	13.2	0.7	5%	27.1	27.1	0.0	0%	
Diamond Valley Lake Recreation	10.0	4.8	5.1	51%	21.0	20.0	1.0	5%	
Diemer - Solids Handling/Water Reclamation	11.4	1.0	10.4	91%	16.6	12.0	4.6	28%	
San Diego Pipeline No. 6	7.0	1.9	5.0	72%	15.0	12.5	2.5	17%	
Distribution System - Rehabilitation Program	8.6	4.3	4.3	50%	14.2	14.0	0.2	2%	
Local Groundwater Storage Agreements	6.2	0.8	5.4	87%	10.7	6.0	4.7	44%	
Other	51.0	33.4	17.6	35%	72.9	60.0	12.9	18%	
<b>Total</b>	<b>\$ 253.7</b>	<b>\$ 151.2</b>	<b>\$ 102.5</b>	<b>40%</b>	<b>\$ 400.8</b>	<b>\$ 327.1</b>	<b>\$ 73.7</b>	<b>18%</b>	

1) Projected numbers are updated at quarter-end.

2) Per Board authorization approximately \$6 million was transferred from the Skinner Improvement Program to the Skinner Expansion Program.

Totals may not foot / cross foot due to rounding.




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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**Date:** March 11, 2005  
**To:** Board of Directors  
**From:** Jeffrey Kightlinger, General Counsel  
**Subject:** Review as to Eligibility of Securities Invested in by the Treasurer for the Month of February 2005

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 2005 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.

  
Jeffrey Kightlinger

cc: T. E. DeBacker  
G. F. Ivey  
R. N. Marumoto  
B. G. Thomas