



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Financial Summary
August 2005

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August 2005

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The Metropolitan Water District of Southern California

Statements of Operations - Accrual Basis (Dollars in millions)

| | For the Two Months Ended August 31, | | <i>Favorable/ (Unfavorable) Variance</i> |
|---|--|-----------|--|
| | 2005 | 2004 | |
| Operating Revenues: | | | |
| Water Sales | \$ 179.6 | \$ 178.8 | \$ 0.8 |
| Wheeling / Exchange | 1.3 | 1.0 | 0.3 |
| Readiness- to-Serve | 13.3 | 13.3 | 0.0 |
| Capacity Charge | 5.3 | 4.7 | 0.6 |
| Power Sales | 5.3 | 4.9 | 0.4 |
| Total Operating Revenues | 204.8 | 202.7 | 2.1 |
| Operating Expenses: | | | |
| Cost of Water | 64.2 | 53.1 | (11.2) |
| Operations & Maintenance | 49.8 | 42.7 | (7.1) |
| Grant Expense | - | 13.5 | 13.5 |
| Water Management Programs, Net | 5.4 | 5.3 | (0.2) |
| Depreciation & Amortization | 34.0 | 34.2 | 0.2 |
| Total Operating Expenses | 153.4 | 148.8 | (4.7) |
| Net Operating Income | 51.3 | 53.9 | (2.6) |
| Other Income (Expense): | | | |
| Net Taxes/Annexations | 17.1 | 16.0 | 1.1 |
| Investment Income | 7.0 | 12.2 | (5.2) |
| Bond Interest Expense | (15.8) | (14.9) | (0.9) |
| Other | 1.8 | (1.0) | 2.8 |
| Total Other Income - Net | 10.1 | 12.3 | (2.2) |
| Net Income | \$ 61.4 | \$ 66.2 | \$ (4.8) |
| Sales Statistics: | | | |
| Water Sales (TAF) | 453.8 | 491.9 | (38.1) |
| Wheeling/Exchange (TAF) | 5.0 | 3.7 | 1.3 |
| Power Sales (mWh) | 98.5 | 92.0 | 6.5 |
| Average Sales Price | | | |
| Water Sales | \$ 395.77 | \$ 363.49 | \$ 32.28 |
| Wheeling/Exchange | \$ 258.00 | \$ 267.59 | \$ (9.59) |
| Power Sales | \$ 0.05 | \$ 0.05 | \$ 0.00 |
| Ratios: | | | |
| Operating (Operating Expense* divided by Operating Revenue) | 58.3 % | 49.9 % | |

* Excludes depreciation/amortization 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)

| | August 31, | | <i>Increase/ (Decrease)</i> |
|---|--------------------|-------------------|---------------------------------|
| | 2005 | 2004 | |
| Assets: | | | |
| Cash and investments at book value ⁽¹⁾ | \$ 1,254.1 | \$ 1,005.3 | \$ 248.8 |
| Fair Value Adjustment | 4.4 | 3.4 | 1.1 |
| Accounts Receivable | 349.0 | 350.8 | (1.8) |
| Property, Plant and Equipment, net | 6,266.8 | 5,983.9 | 283.0 |
| Participation Rights, net | 1,942.0 | 1,892.5 | 49.5 |
| Deferred Charges and Water Rights | 378.2 | 347.1 | 31.1 |
| Other | 118.2 | 92.8 | 25.4 |
| Total Assets | \$ 10,312.8 | \$ 9,675.8 | \$ 637.1 |
| Liabilities and Equity: | | | |
| Long-Term Debt | \$ 3,903.6 | \$ 3,472.2 | \$ 431.5 |
| Off-Aqueduct Power Facilities | 87.2 | 92.7 | (5.4) |
| Accounts Payable and Accrued Bond Interest | 160.7 | 81.6 | 79.1 |
| Deferred Income | 163.1 | 160.1 | 3.0 |
| State Water Project Obligations | 440.3 | 437.8 | 2.5 |
| Trust Funds and Other | 84.9 | 84.9 | 0.1 |
| Total Liabilities | 4,840.0 | 4,329.2 | 510.7 |
| Equity | 5,472.9 | 5,346.6 | 126.3 |
| Total Liabilities and Equity | \$ 10,312.8 | \$ 9,675.8 | \$ 637.1 |

Debt as a percent of equity (Long-Term Debt divided by Equity) 71.3 % 64.9 %

(1) Fair value of cash and investments was \$1,258.5 million and \$1,008.7 million at August 31, 2005 and 2004 respectively.

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

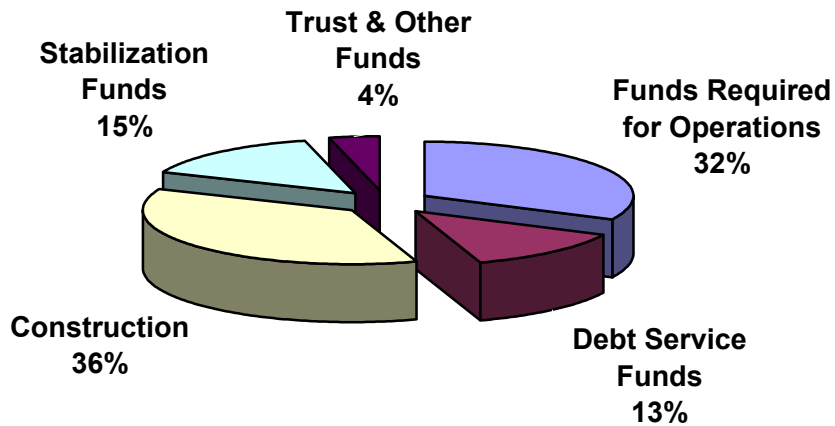
Totals may not foot / cross foot due to rounding.

The Metropolitan Water District of Southern California

Cash and Investments at Book Value As of August 31, 2005 (Dollars in millions)

| | Restricted | | Unrestricted | Total |
|-------------------------------|----------------|----------------|----------------|------------------|
| | Contractual | Board | | |
| Funds Required for Operations | \$112.1 | \$140.1 | \$153.3 | \$405.5 |
| Debt Service Funds | 159.9 | 0.0 | 0.0 | 159.9 |
| Construction | 371.2 | 0.0 | 84.8 | 455.9 |
| Stabilization Funds | 0.0 | 0.0 | 184.8 | 184.8 |
| Trust & Other Funds | 30.9 | 17.2 | 0.0 | 48.0 |
| Total | \$674.0 | \$157.2 | \$422.9 | \$1,254.1 |

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 Two Months Ended August 31, 2005
(Dollars in millions)

| | Estimate | Actual | Variance from Estimate | | Fiscal Year | Projected | Variance from Estimate | | |
|--|----------------|----------------|------------------------|------------|-----------------|-------------------------|------------------------|-----------|--|
| | to Date | to Date | \$ | % | Estimate | Year-End ⁽¹⁾ | \$ | % | |
| Sources of Funds | | | | | | | | | |
| Bond Construction Funds | \$ 50.2 | \$ 29.3 | \$ 20.9 | 42% | \$ 411.3 | \$ 411.3 | \$ 0.0 | 0% | |
| R & R Funds | 11.6 | 6.1 | 5.5 | 48% | 95.0 | 95.0 | - | 0% | |
| Total | \$ 61.8 | \$ 35.4 | \$ 26.4 | 43% | \$ 506.3 | \$ 506.3 | \$ 0.0 | 0% | |
| Program Expenditures | | | | | | | | | |
| Oxidation Retrofit Programs | \$ 11.8 | \$ 0.9 | (2) \$ 10.9 | 93% | \$ 102.7 | \$ 102.7 | \$ - | 0% | |
| Inland Feeder | 12.7 | 11.1 | 1.6 | 13% | 79.8 | 79.8 | - | 0% | |
| Treatment Plant Improvement | 7.2 | 5.7 | (2) 1.5 | 21% | 65.5 | 65.5 | - | 0% | |
| Skinner Filtration Plant Expansion No. 4 | 8.0 | 4.9 | 3.1 | 39% | 65.4 | 65.4 | - | 0% | |
| San Diego Pipeline No. 6 | 4.9 | 4.3 | 0.6 | 12% | 43.9 | 43.9 | - | 0% | |
| Diamond Valley Lake Recreation | 3.7 | 1.7 | 2.0 | 55% | 20.9 | 20.9 | - | 0% | |
| Distribution System - Rehabilitation Program | 1.6 | 5.0 | (3.4) | (213%) | 13.5 | 13.5 | - | 0% | |
| CRA - Reliability/Containment Programs | 2.6 | 0.8 | 1.8 | 69% | 13.2 | 13.2 | - | 0% | |
| Chlorine Containment and Handling Facilities | 0.7 | 0.2 | 0.5 | 71% | 13.1 | 13.1 | - | 0% | |
| Diemer - Solids Handling/Water Reclamation | 0.7 | 1.4 | (0.7) | (102%) | 12.4 | 12.4 | - | 0% | |
| Other | 7.9 | (0.6) | (3) 8.4 | 107% | 75.7 | 75.7 | - | 0% | |
| Total | \$ 61.8 | \$ 35.4 | \$ 26.4 | 43% | \$ 506.3 | \$ 506.3 | \$ - | 0% | |

(1) Projected numbers are updated at quarter-end.

(2) \$2.85 million of costs transferred from Jensen ORP to Jensen Plant Improvement program.

(3) Credited to construction were \$3.747 million for DVL land and \$4.764 million for Oxnard land sales in August 2005.

Totals may not foot / cross foot due to rounding.

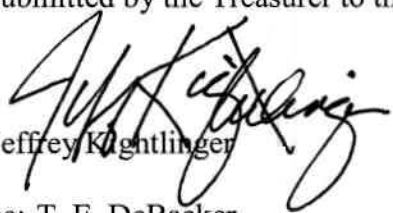


MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Date: September 16, 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 August 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 August 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
R. N. Marumoto
B. G. Thomas
D. B. Underwood