



**MWD**

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

**Executive Financial Summary**  
**October 2005**

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# The Metropolitan Water District of Southern California

## Statements of Operations - Accrual Basis (Dollars in millions)

	For the Four Months Ended		<i>Favorable/ (Unfavorable) Variance</i>
	October 31,		
	2005	2004	
<b>Operating Revenues:</b>			
Water Sales	\$ 333.2	\$ 334.2	\$ (1.0)
Wheeling / Exchange	2.6	1.8	0.8
Readiness-to-Serve	26.7	26.7	0.0
Capacity Charge	10.6	9.4	1.1
Power Sales	10.5	9.1	1.4
Total Operating Revenues	<b>383.5</b>	381.2	2.3
<b>Operating Expenses:</b>			
Cost of Water	110.9	96.6	(14.3)
Operations & Maintenance	98.6	90.6	(8.1)
Grant Expense	-	13.5	13.5
Water Management Programs, Net	12.8	11.7	(1.1)
Depreciation & Amortization	68.5	68.3	(0.2)
Total Operating Expenses	<b>290.8</b>	280.6	(10.1)
<b>Net Operating Income</b>	<b>92.7</b>	100.6	(7.8)
<b>Other Income (Expense):</b>			
Net Taxes/Annexations	33.7	32.0	1.7
Investment Income	6.1	17.7	(11.6)
Bond Interest Expense	(32.3)	(29.2)	(3.1)
Other	0.7	(1.9)	2.6
Total Other Income - Net	<b>8.2</b>	18.6	(10.4)
<b>Net Income</b>	<b>\$ 100.9</b>	\$ 119.1	\$ (18.2)
<b>Sales Statistics:</b>			
Water Sales (TAF)	855.0	908.9	(53.8)
Wheeling/Exchange (TAF)	10.0	7.0	3.0
Power Sales (mWh)	186.7	178.9	7.8
<b>Average Sales Price</b>			
Water Sales	\$ 389.70	\$ 367.72	\$ 21.98
Wheeling/Exchange	\$ 258.00	\$ 260.65	\$ (2.65)
Power Sales	\$ 0.06	\$ 0.05	\$ 0.01

**Ratios:**

Operating (Operating Expense\* divided by Operating Revenue) 58.0 % 52.2 %

\* 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)

	October 31, 2005	October 31, 2004	<i>Increase/ (Decrease)</i>
<b>Assets:</b>			
Cash and investments at book value <sup>(1)</sup>	\$ 1,225.4	\$ 1,033.7	\$ 191.7
Fair Value Adjustment	(3.7)	4.5	(8.2)
Accounts Receivable	342.6	349.8	(7.2)
Property, Plant and Equipment, net	6,322.4	6,003.9	318.4
Participation Rights, net	1,916.5	1,868.9	47.6
Deferred Charges and Water Rights	331.3	297.8	33.5
Other	111.5	77.4	34.1
<b>Total Assets</b>	<b>\$ 10,246.0</b>	<b>\$ 9,636.1</b>	<b>\$ 609.9</b>
<b>Liabilities and Equity:</b>			
Long-Term Debt	\$ 3,897.9	\$ 3,472.4	\$ 425.5
Off-Aqueduct Power Facilities	86.2	91.7	(5.5)
Accounts Payable and Accrued Bond Interest	150.9	84.5	66.4
Deferred Income	132.3	126.0	6.3
State Water Project Obligations	377.6	380.8	(3.2)
Trust Funds and Other	88.8	81.1	7.6
<b>Total Liabilities</b>	<b>4,733.6</b>	<b>4,236.5</b>	<b>497.1</b>
<b>Equity</b>	<b>5,512.4</b>	<b>5,399.6</b>	<b>112.8</b>
<b>Total Liabilities and Equity</b>	<b>\$ 10,246.0</b>	<b>\$ 9,636.1</b>	<b>\$ 609.9</b>

Debt as a percent of equity (Long-Term Debt divided by Equity) **70.7 %** 64.3 %

(1) Fair value of cash and investments was \$1,221.7 million and \$1,038.2 million at October 31, 2005 and 2004 respectively.

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

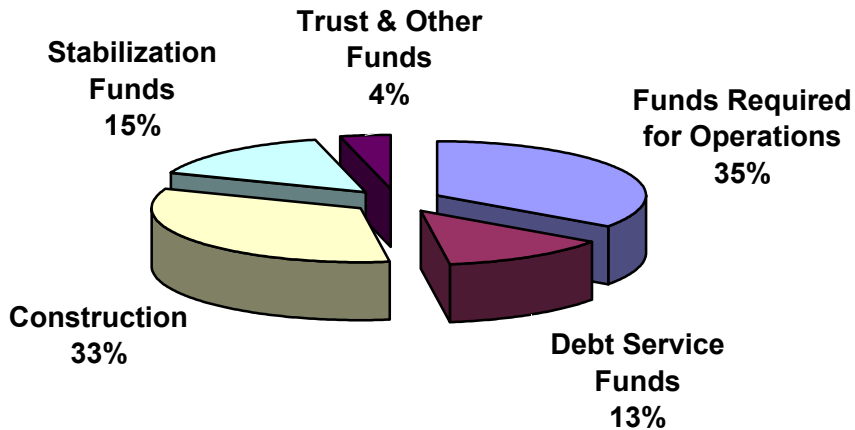
Totals may not foot / cross foot due to rounding.

# The Metropolitan Water District of Southern California

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

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$88.0	\$156.2	\$180.9	\$425.1
Debt Service Funds	158.8	0.0	0.0	158.8
Construction	336.8	0.0	70.2	407.0
Stabilization Funds	0.0	0.0	185.8	185.8
Trust & Other Funds	32.0	16.8	0.0	48.8
<b>Total</b>	<b>\$615.6</b>	<b>\$173.0</b>	<b>\$436.9</b>	<b>\$1,225.4</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 Four Months Ended October 31, 2005  
(Dollars in millions)

	Estimate to Date		Actual to Date		Variance from Estimate		Fiscal Year Estimate	Projected Year-End (1)	Variance from Estimate	
	\$	%	\$	%	\$	%	\$	\$	\$	%
<b>Sources of Funds</b>										
Bond Construction Funds	\$ 107.5		\$ 71.2		\$ 36.3	34%	\$ 411.3	\$ 395.1	\$ 16.2	4%
R & R Funds	24.8		17.6		7.2	29%	95.0	95.0	-	0%
<b>Total</b>	<b>\$ 132.3</b>		<b>\$ 88.8</b>		<b>\$ 43.5</b>	<b>33%</b>	<b>\$ 506.3</b>	<b>\$ 490.1</b>	<b>\$ 16.2</b>	<b>3%</b>
<b>Program Expenditures</b>										
Oxidation Retrofit Programs	\$ 25.0		\$ 10.7	(2)	\$ 14.2	57%	\$ 102.7	\$ 102.7	\$ -	0%
Inland Feeder	25.5		21.9		3.7	14%	79.8	79.8	-	0%
Treatment Plant Improvement	16.4		11.7	(2)	4.7	29%	65.5	62.0	3.5	5%
Skinner Filtration Plant Expansion No. 4	17.4		13.8		3.6	21%	65.4	65.4	-	0%
San Diego Pipeline No. 6	11.2		12.1		(0.9)	(8%)	43.9	43.9	-	0%
Diamond Valley Lake Recreation	7.0		3.3	(3)	3.8	54%	20.9	19.0	1.9	9%
Distribution System - Rehabilitation Program	3.6		5.9		(2.3)	(64%)	13.5	13.5	-	0%
CRA - Reliability/Containment Programs	5.5		1.5		4.0	73%	13.2	13.2	-	0%
Chlorine Containment and Handling Facilities	1.3		0.6		0.7	53%	13.1	13.1	-	0%
Diemer - Solids Handling/Water Reclamation	2.1		4.4		(2.2)	(106%)	12.4	12.4	-	0%
Other	17.2		3.0		14.3	83%	75.7	65.0	10.7	14%
<b>Total</b>	<b>\$ 132.3</b>		<b>\$ 88.8</b>		<b>\$ 43.5</b>	<b>33%</b>	<b>\$ 506.3</b>	<b>\$ 490.1</b>	<b>\$ 16.1</b>	<b>3%</b>

(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.



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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**Date:** November 9, 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 October 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 October 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. Man