



**MWD**

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

**Executive Financial Summary**  
**February 2006**

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# The Metropolitan Water District of Southern California

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

	For the Eight Months Ended February 28,		<i>Favorable/ (Unfavorable) Variance</i>
	2006	2005	
<b>Operating Revenues:</b>			
Water Sales	\$ 584.5	\$ 547.3	\$ 37.3
Wheeling / Exchange	5.6	4.0	1.7
Readiness-to-Serve	53.3	53.3	(0.0)
Capacity Charge	21.3	19.5	1.8
Power Sales	19.6	14.7	4.9
Total Operating Revenues	<b>684.4</b>	638.7	45.7
<b>Operating Expenses:</b>			
Cost of Water	205.7	178.4	(27.2)
Operations & Maintenance	192.3	178.2	(14.1)
Grant Expense	-	13.5	13.5
Water Management Programs, Net	23.4	20.5	(2.8)
Depreciation & Amortization	135.9	139.8	3.9
Total Operating Expenses	<b>557.2</b>	530.5	(26.8)
<b>Net Operating Income</b>	<b>127.1</b>	108.2	18.9
<b>Other Income (Expense):</b>			
Net Taxes/Annexations	66.9	64.0	2.9
Investment Income	24.9	27.2	(2.3)
Bond Interest Expense	(65.2)	(61.5)	(3.7)
Other	2.0	(2.6)	4.5
Total Other Income - Net	<b>28.5</b>	27.2	1.4
<b>Net Income</b>	<b>\$ 155.7</b>	\$ 135.4	\$ 20.2
<b>Sales Statistics:</b>			
Water Sales (TAF)	1,510.2	1,484.9	25.3
Wheeling/Exchange (TAF)	21.8	15.4	6.5
Power Sales (mWh)	343.5	292.8	50.7
<b>Average Sales Price</b>			
Water Sales	\$ 387.06	\$ 368.57	\$ 18.49
Wheeling/Exchange	\$ 258.25	\$ 258.19	\$ 0.07
Power Sales	\$ 0.06	\$ 0.05	\$ 0.01
<b>Ratios:</b>			
Operating (Operating Expense* divided by Operating Revenue)	61.6 %	59.1 %	
* 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)

	February 28,		<i>Increase/ (Decrease)</i>
	2006	2005	
<b>Assets:</b>			
Cash and investments at book value <sup>(1)</sup>	\$ 1,183.5	\$ 1,366.5	\$ (183.0)
Fair Value Adjustment	(1.2)	(0.9)	(0.3)
Accounts Receivable	204.9	164.7	40.2
Property, Plant and Equipment, net	6,458.6	6,084.8	373.8
Participation Rights, net	1,868.7	1,807.9	60.9
Deferred Charges and Water Rights	316.4	280.8	35.6
Other	117.0	101.5	15.5
<b>Total Assets</b>	<b>\$ 10,147.9</b>	<b>\$ 9,805.3</b>	<b>\$ 342.6</b>
<b>Liabilities and Equity:</b>			
Long-Term Debt	\$ 3,897.5	\$ 3,783.8	\$ 113.7
Off-Aqueduct Power Facilities	84.2	89.8	(5.6)
Accounts Payable and Accrued Bond Interest	122.7	80.8	42.0
Deferred Income	93.1	88.8	4.3
State Water Project Obligations	296.4	266.9	29.5
Trust Funds and Other	86.8	79.4	7.4
<b>Total Liabilities</b>	<b>4,580.7</b>	<b>4,389.4</b>	<b>191.3</b>
<b>Equity</b>	<b>5,567.2</b>	<b>5,415.9</b>	<b>151.3</b>
<b>Total Liabilities and Equity</b>	<b>\$ 10,147.9</b>	<b>\$ 9,805.3</b>	<b>\$ 342.6</b>

Debt as a percent of equity (Long-Term Debt divided by Equity) 70.0 %                      69.9 %

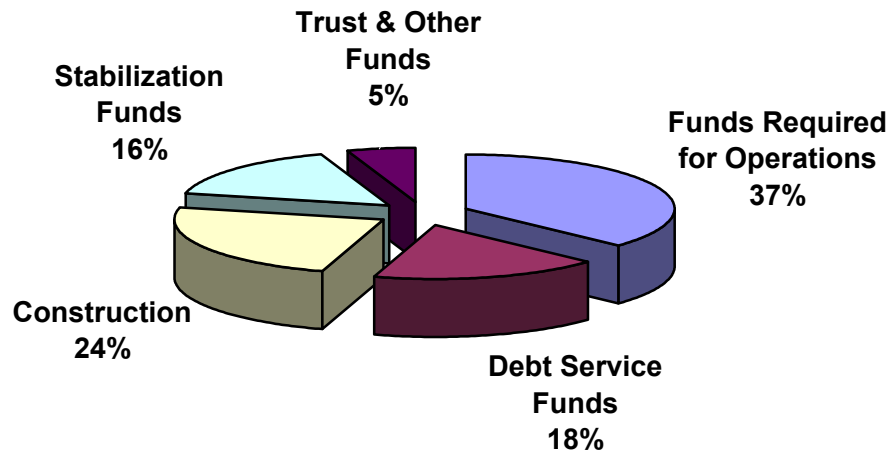
(1) Fair value of cash and investments was \$1,182.3 million and \$1,365.6 million at February 28, 2006 and 2005 respectively.

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, 2006 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$100.6	\$147.1	\$189.6	\$437.3
Debt Service Funds	210.9	0.0	0.0	210.9
Construction	238.1	0.0	45.5	283.6
Stabilization Funds	0.0	0.0	188.2	188.2
Trust & Other Funds	35.4	28.1	0.0	63.5
<b>Total</b>	<b>\$585.0</b>	<b>\$175.2</b>	<b>\$423.3</b>	<b>\$1,183.5</b>



The Metropolitan Water District of Southern California

Estimate vs. Actual: Construction Activities - Accrual Basis  
For the Eight Months Ended February 28, 2006  
(Dollars in millions)

	Estimate to Date		Actual to Date		Variance from Estimate		Fiscal Year	Projected	Variance from Estimate	
	\$	%	\$	%	\$	%	Estimate	Year-End (1)	\$	%
<b>Sources of Funds</b>										
Bond Construction Funds	\$ 244.4		\$ 177.6		\$ 66.8	27%	\$ 411.3	\$ 345.0	\$ 66.3	16%
R & R Funds	56.5		42.7		13.7	24%	95.0	95.0	-	0%
<b>Total</b>	<b>\$ 300.9</b>		<b>\$ 220.4</b>		<b>\$ 80.5</b>	<b>27%</b>	<b>\$ 506.3</b>	<b>\$ 440.0</b>	<b>\$ 66.3</b>	<b>13%</b>
<b>Program Expenditures</b>										
Oxidation Retrofit Programs	\$ 59.7		\$ 44.8	(2)	\$ 14.9	25%	\$ 102.7	\$ 80.0	\$ 22.7	22%
Inland Feeder	52.4		38.9		13.5	26%	79.8	71.0	8.8	11%
Treatment Plant Improvement	35.6		21.7	(2)	13.9	39%	65.5	54.0	11.5	18%
Skinner Filtration Plant Expansion No. 4	39.7		38.4		1.3	3%	65.4	64.0	1.4	2%
San Diego Pipeline No. 6	25.0		32.6		(7.6)	(30%)	43.9	48.0	(4.1)	(9%)
Diamond Valley Lake Recreation	13.5		5.1		8.4	62%	20.9	14.0	6.9	33%
Distribution System - Rehabilitation Program	7.7		9.1		(1.4)	(18%)	13.5	13.0	0.5	4%
CRA - Reliability/Containment Programs	10.4		2.5		7.9	76%	13.2	13.0	0.2	1%
Chlorine Containment and Handling Facilities	5.1		1.7		3.4	66%	13.1	12.0	1.1	9%
Diemer - Solids Handling/Water Reclamation	6.9		7.4		(0.5)	(7%)	12.4	16.0	(3.6)	(29%)
Other	44.9		18.2	(3)	26.7	60%	75.7	55.0	20.7	27%
<b>Total</b>	<b>\$ 300.9</b>		<b>\$ 220.4</b>		<b>\$ 80.5</b>	<b>27%</b>	<b>\$ 506.3</b>	<b>\$ 440.0</b>	<b>\$ 66.3</b>	<b>13%</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 sales 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:** March 14, 2006  
**To:** Board of Directors  
**From:** Interim General Counsel  
**Subject:** Review as to Eligibility of Securities Invested in by the  
Treasurer for the Month of February 2006

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 2006 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.



Sydney B. Bennion

cc: T. E. DeBacker  
J. Kightlinger  
R. N. Marumoto  
B. G. Thomas