



**MWD**

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

## **Executive Financial Summary**

**April 2006**

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**April 2006**

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# The Metropolitan Water District of Southern California

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

	For the Ten Months Ended April 30,		Favorable/ (Unfavorable) Variance
	2006	2005	
<b>Operating Revenues:</b>			
Water Sales	\$ 683.4 <sup>(1)</sup>	\$ 639.1	\$ 44.3
Wheeling / Exchange	7.4	5.6	1.7
Readiness-to-Serve	66.7	66.7	0.0
Capacity Charge	26.5	24.8	1.7
Power Sales	23.0	17.3	5.7
Total Operating Revenues	<b>806.9</b>	753.5	53.4
<b>Operating Expenses:</b>			
Cost of Water	252.5	224.1	(28.4)
Operations & Maintenance	239.1	225.4	(13.7)
Grant Expense	-	13.5	13.5
Water Management Programs, Net	28.0	26.2	(1.8)
Depreciation & Amortization	170.1	174.0	4.0
Total Operating Expenses	<b>689.7</b>	663.2	(26.5)
<b>Net Operating Income</b>	<b>117.2</b>	90.3	26.8
<b>Other Income (Expense):</b>			
Net Taxes/Annexations	83.3	79.9	3.5
Investment Income	26.2	36.7	(10.5)
Bond Interest Expense	(85.3)	(80.6)	(4.7)
Other	1.5	(2.0)	3.5
Total Other Income - Net	<b>25.7</b>	33.9	(8.2)
<b>Net Income</b>	<b>\$ 142.9</b>	\$ 124.3	\$ 18.6

### Sales Statistics:

Water Sales (TAF)	1,731.5	1,713.3	18.2
Wheeling/Exchange (TAF)	28.5	21.6	6.9
Power Sales (mWh)	413.6	348.8	64.8
Average Sales Price			
Water Sales	\$ 394.71	\$ 373.05	\$ 21.65
Wheeling/Exchange	\$ 258.22	\$ 260.17	\$ (1.95)
Power Sales	\$ 0.06	\$ 0.05	\$ 0.01

### Ratios:

Operating (Operating Expense\* divided by Operating Revenue) 64.4 % 63.1 %

\* Excludes depreciation/amortization and grant expense.

### Notes:

(1) Water sales include \$14.6 million of untreated In-Lieu water sales, no associated volumes, from correction of prior year certifications. Totals may not foot / cross foot due to rounding.

# The Metropolitan Water District of Southern California

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

	2006	April 30, 2005	Increase/ (Decrease)
<b>Assets:</b>			
Cash and investments at book value <sup>(1)</sup>	\$ 1,063.3	\$ 1,270.0	\$ (206.7)
Fair Value Adjustment	(7.3)	1.9	(9.2)
Accounts Receivable	170.4	171.3	(0.9)
Property, Plant and Equipment, net	6,534.2	6,143.9	390.3
Participation Rights, net	1,830.3	1,785.1	45.2
Deferred Charges and Water Rights	267.5	226.0	41.4
Other	135.1	104.0	31.1
<b>Total Assets</b>	<b>\$ 9,993.4</b>	<b>\$ 9,702.2</b>	<b>\$ 291.2</b>
<b>Liabilities and Equity:</b>			
Long-Term Debt	\$ 3,868.4	\$ 3,756.0	\$ 112.5
Off-Aqueduct Power Facilities	83.1	88.8	(5.7)
Accounts Payable and Accrued Bond Interest	88.0	82.6	5.3
Deferred Income	57.7	52.6	5.1
State Water Project Obligations	263.2	234.8	28.4
Trust Funds and Other	78.5	82.6	(4.1)
<b>Total Liabilities</b>	<b>4,439.0</b>	<b>4,297.5</b>	<b>141.5</b>
<b>Equity</b>	<b>5,554.4</b>	<b>5,404.7</b>	<b>149.7</b>
<b>Total Liabilities and Equity</b>	<b>\$ 9,993.4</b>	<b>\$ 9,702.2</b>	<b>\$ 291.2</b>

Debt as a percent of equity (Long-Term Debt divided by Equity) 69.6 %      69.5 %

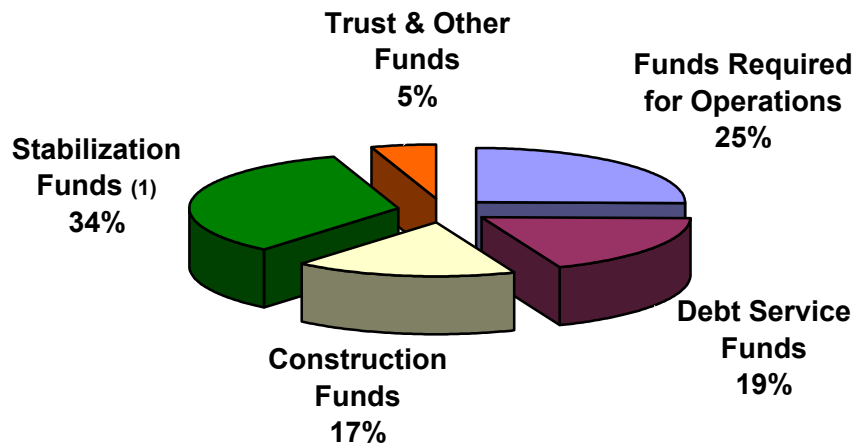
(1) Fair value of cash and investments was \$1,056.0 million and \$1,271.9 million at April 30, 2006 and 2005 respectively.

Totals may not foot / cross foot due to rounding.

# The Metropolitan Water District of Southern California

## Cash and Investments at Book Value As of April 30, 2006 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$120.4	\$143.3	\$4.9	\$268.6
Debt Service Funds	198.8	0.0	0.0	198.8
Construction Funds	152.6	0.0	28.7	181.3
Stabilization Funds (1)	0.0	0.0	360.0	360.0
Trust & Other Funds	36.0	18.6	0.0	54.6
<b>Total</b>	<b>\$507.8</b>	<b>\$161.9</b>	<b>\$393.6</b>	<b>\$1,063.3</b>



(1) Includes \$171.0 million of Revenue Remainder funds, previously reported as unrestricted Funds Required for Operations.

The Metropolitan Water District of Southern California

Estimate vs. Actual: Construction Activities - Accrual Basis  
For the Ten Months Ended April 30, 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	\$ 324.4		\$ 236.3		\$ 88.0	27%	\$ 411.3	\$ 327.0	\$ 84.3	20%
R & R/General Funds	74.9		73.0		1.9	3%	95.0	95.0	-	0%
<b>Total</b>	<b>\$ 399.3</b>		<b>\$ 309.4</b>		<b>\$ 90.0</b>	<b>23%</b>	<b>\$ 506.3</b>	<b>\$ 422.0</b>	<b>\$ 84.3</b>	<b>17%</b>
<b>Program Expenditures</b>										
Oxidation Retrofit Programs	\$ 80.3		\$ 65.4	(2)	\$ 15.0	19%	\$ 102.7	\$ 87.0	\$ 15.7	15%
Inland Feeder	66.1		45.5		20.6	31%	79.8	57.0	22.8	29%
Treatment Plant Improvement	49.5		30.9	(2)	18.6	38%	65.5	55.0	10.5	16%
Skinner Filtration Plant Expansion No. 4	52.1		59.0		(6.9)	(13%)	65.4	64.0	1.4	2%
San Diego Pipeline No. 6	34.2		46.9		(12.7)	(37%)	43.9	61.0	(17.1)	(39%)
Diamond Valley Lake Recreation	17.1		5.8		11.2	66%	20.9	12.0	8.9	42%
Distribution System - Rehabilitation Program	10.6		12.9		(2.3)	(22%)	13.5	13.0	0.5	4%
CRA - Reliability/Containment Programs	11.8		2.7		9.1	77%	13.2	7.0	6.2	47%
Chlorine Containment and Handling Facilities	8.8		5.5		3.4	38%	13.1	6.5	6.6	51%
Diemer - Solids Handling/Water Reclamation	9.6		9.9		(0.4)	(4%)	12.4	14.5	(2.1)	(17%)
Other	59.3		25.0	(3)	34.3	58%	75.7	45.0	30.7	41%
<b>Total</b>	<b>\$ 399.3</b>		<b>\$ 309.4</b>		<b>\$ 90.0</b>	<b>23%</b>	<b>\$ 506.3</b>	<b>\$ 422.0</b>	<b>\$ 84.3</b>	<b>17%</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 \$4.276 million for DVL land sales and \$4.764 million for Oxnard land sales during the fiscal year.

Totals may not foot / cross foot due to rounding.

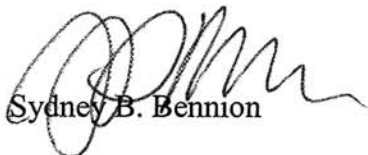


**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**Date:** May 16, 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 April 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 April 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