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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Financial Summary

May 2006

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Table of Contents
May 2006

	<u>Page No.</u>
Comparative Statements of Operations	1
Comparative Balance Sheets	2
Cash and Investments	3
Estimate vs. Actual – Construction Activities	4
Eligibility of Securities	5

The Metropolitan Water District of Southern California

Statements of Operations - Accrual Basis (Dollars in millions)

	For the Eleven Months Ended May 31,		<i>Favorable/ (Unfavorable) Variance</i>
	2006	2005	
Operating Revenues:			
Water Sales	\$ 744.2 ⁽¹⁾	\$ 698.2	\$ 46.0
Wheeling / Exchange	8.3	6.3	2.0
Readiness-to-Serve	73.3	73.3	(0.0)
Capacity Charge	29.1	27.4	1.7
Power Sales	24.6	18.8	5.8
Total Operating Revenues	879.5	824.1	55.4
Operating Expenses:			
Cost of Water	278.2	248.2	(30.0)
Operations & Maintenance	265.1	247.8	(17.3)
Grant Expense	-	13.5	13.5
Water Management Programs, Net	31.0	29.0	(2.0)
Depreciation & Amortization	187.2	191.4	4.3
Total Operating Expenses	761.5	730.1	(31.5)
Net Operating Income	118.0	94.0	24.0
Other Income (Expense):			
Net Taxes/Annexations	91.6	87.9	3.7
Investment Income	29.5	42.4	(12.9)
Bond Interest Expense	(97.3)	(90.9)	(6.4)
Other	1.7	(2.8)	4.5
Total Other Income - Net	25.5	36.6	(11.1)
Net Income	\$ 143.5	\$ 130.6	\$ 12.9

Sales Statistics:

Water Sales (TAF)	1,883.4	1,859.1	24.3
Wheeling/Exchange (TAF)	31.9	24.1	7.8
Power Sales (mWh)	449.9	381.7	68.2
Average Sales Price			
Water Sales	\$ 395.13	\$ 375.57	\$ 19.57
Wheeling/Exchange	\$ 258.32	\$ 259.95	\$ (1.63)
Power Sales	\$ 0.05	\$ 0.05	\$ 0.01

Ratios:

Operating (Operating Expense* divided by Operating Revenue) 65.3 % 63.7 %

* 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	May 31,	2005	Increase/ (Decrease)
Assets:				
Cash and investments at book value ⁽¹⁾	\$ 992.8		\$ 1,245.2	\$ (252.4)
Fair Value Adjustment	(7.6)		3.6	(11.2)
Accounts Receivable	177.4		185.5	(8.1)
Property, Plant and Equipment, net	6,568.4		6,173.2	395.2
Participation Rights, net	1,821.6		1,755.4	66.2
Deferred Charges and Water Rights	252.7		223.2	29.5
Other	134.8		101.7	33.1
Total Assets	\$ 9,940.2		\$ 9,687.8	\$ 252.4
Liabilities and Equity:				
Long-Term Debt	\$ 3,868.9		\$ 3,756.3	\$ 112.6
Off-Aqueduct Power Facilities	82.6		88.3	(5.7)
Accounts Payable and Accrued Bond Interest	90.8		101.0	(10.1)
Deferred Income	39.6		35.3	4.3
State Water Project Obligations	224.4		208.7	15.7
Trust Funds and Other	78.8		87.1	(8.3)
Total Liabilities	4,385.3		4,276.8	108.5
Equity	5,555.0		5,411.0	143.9
Total Liabilities and Equity	\$ 9,940.2		\$ 9,687.8	\$ 252.4

Debt as a percent of equity (Long-Term Debt divided by Equity) 69.6 % 69.4 %

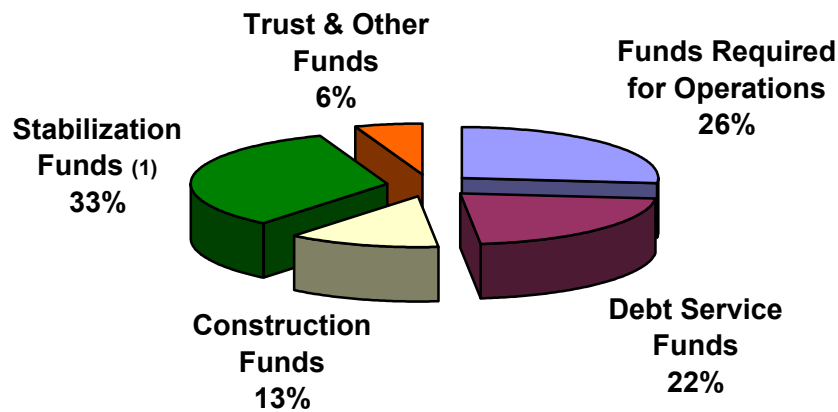
(1) Fair value of cash and investments was \$985.2 million and \$1,248.8 million at May 31, 2006 and 2005 respectively.

Totals may not foot / cross foot due to rounding.

The Metropolitan Water District of Southern California

Cash and Investments at Book Value As of May 31, 2006 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$110.8	\$154.0	\$0.2	\$265.0
Debt Service Funds	214.9	0.0	0.0	214.9
Construction Funds	109.7	0.0	14.8	124.5
Stabilization Funds (1)	0.0	0.0	333.7	333.7
Trust & Other Funds	36.4	18.3	0.0	54.7
Total	\$471.8	\$172.3	\$348.7	\$ 992.8



(1) Includes \$143.9 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 Eleven Months Ended May 31, 2006
(Dollars in millions)

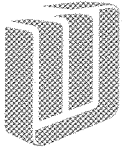
	Estimate to Date		Actual to Date		Variance from Estimate		Fiscal Year	Projected	Variance from Estimate	
	\$	%	\$	%	\$	%	Estimate	Year-End (1)	\$	%
Sources of Funds										
Bond Construction Funds	\$ 367.9		\$ 273.7		\$ 94.2	26%	\$ 411.3	\$ 327.0	\$ 84.3	20%
R & R/General Funds	85.0		73.8		11.1	13%	95.0	95.0	-	0%
Total	\$ 452.9		\$ 347.5		\$ 105.4	23%	\$ 506.3	\$ 422.0	\$ 84.3	17%
Program Expenditures										
Oxidation Retrofit Programs	\$ 91.5		\$ 75.5	(2)	\$ 16.0	17%	\$ 102.7	\$ 87.0	\$ 15.7	15%
Inland Feeder	73.0		48.0		24.9	34%	79.8	57.0	22.8	29%
Treatment Plant Improvement	57.6		46.3	(2)	11.3	20%	65.5	55.0	10.5	16%
Skinner Filtration Plant Expansion No. 4	58.8		55.9		2.9	5%	65.4	64.0	1.4	2%
San Diego Pipeline No. 6	39.1		51.9		(12.9)	(33%)	43.9	61.0	(17.1)	(39%)
Diamond Valley Lake Recreation	19.0		6.7		12.2	65%	20.9	12.0	8.9	42%
Distribution System - Rehabilitation Program	12.0		13.4		(1.3)	(11%)	13.5	13.0	0.5	4%
CRA - Reliability/Containment Programs	12.5		3.4		9.1	73%	13.2	7.0	6.2	47%
Chlorine Containment and Handling Facilities	11.0		5.8		5.2	47%	13.1	6.5	6.6	51%
Diemer - Solids Handling/Water Reclamation	11.0		11.6		(0.6)	(6%)	12.4	14.5	(2.1)	(17%)
Other	67.5		28.9	(3)	38.5	57%	75.7	45.0	30.7	41%
Total	\$ 452.9		\$ 347.5		\$ 105.4	23%	\$ 506.3	\$ 422.0	\$ 84.3	17%

(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.

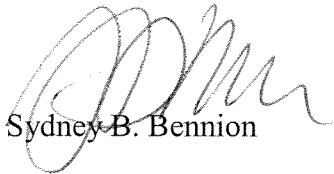


MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Date: June 13, 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 May 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 May 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