



**MWD**

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

**Executive Financial Report  
For the Seven Months Ended January 31, 2007**

**Executive Financial Summary**  
**Table of Contents**  
**For the Seven Months Ended January 31, 2007**

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

# The Metropolitan Water District of Southern California

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

	For the Seven Months Ended January 31,		<i>Favorable/ (Unfavorable) Variance</i>
	2007	2006	
<b>Operating Revenues:</b>			
Water Sales	\$ 532.7	\$ 525.7	\$ 7.0
Wheeling / Exchange	6.7	4.8	1.9
Readiness-to-Serve	46.7	46.7	0.0
Capacity Charge	18.8	18.6	0.3
Power Sales	16.7	17.8	(1.1)
Total Operating Revenues	621.6	613.6	8.1
<b>Operating Expenses:</b>			
Cost of Water	179.8	178.8	(1.0)
Operations & Maintenance	181.0	169.2	(11.8)
Water Management Programs, Net	24.1	21.1	(3.0)
Depreciation & Amortization	120.2	119.0	(1.2)
Total Operating Expenses	505.0	488.1	(16.9)
<b>Net Operating Income</b>	<b>116.6</b>	<b>125.5</b>	<b>(8.9)</b>
<b>Other Income (Expense):</b>			
Net Taxes/Annexations	57.7	58.6	(0.8)
Investment Income <sup>(1)</sup>	36.6	20.5	16.0
Bond Interest Expense	(50.7)	(56.9)	6.3
Other	(1.7)	2.3	(4.1)
Total Other Income - Net	41.9	24.5	17.4
<b>Net Income</b>	<b>\$ 158.5</b>	<b>\$ 150.0</b>	<b>\$ 8.5</b>

**Sales Statistics** (average prices calculated using exact rather than rounded dollar amounts):

Water Sales (TAF)	1,346.8	1,351.7	(4.9)
Wheeling/Exchange (TAF)	26.0	18.5	7.5
Power Sales (MWh)	323.2	310.0	13.2
<b>Average Sales Price</b>			
Water Sales	\$ 395.53	\$ 388.95	\$ 6.58
Wheeling/Exchange	\$ 258.07	\$ 258.29	\$ (0.23)
Power Sales	\$ 0.05	\$ 0.06	\$ (0.01)

**Ratios:**

Operating (Operating Expense\* divided by Operating Revenue) 61.9 %                      60.2 %

\* Excludes depreciation and amortization expense.

**Notes:**

(1) Includes fair value adjustment of \$9.6 million and (\$6.2) million at January 31, 2007 and 2006, respectively.

# The Metropolitan Water District of Southern California

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

	2007	January 31, 2006	<i>Increase/ (Decrease)</i>
<b>Assets:</b>			
Cash and investments at book value <sup>(1)</sup>	\$ 983.3	\$ 1,174.1	\$ (190.9)
Fair Value Adjustment	1.5	(1.7)	3.2
Accounts Receivable	229.2	227.7	1.6
Property, Plant and Equipment, net	6,925.9	6,427.3	498.6
Prepaid State Water Project Entitlements, net	1,585.4	1,614.3	(28.9)
Participation Rights, net	263.8	257.0	6.8
Deferred Charges and Water Rights	342.9	331.9	11.0
Other	114.4	102.8	11.5
<b>Total Assets</b>	<b>\$ 10,446.4</b>	<b>\$ 10,133.4</b>	<b>\$ 313.0</b>
<b>Liabilities and Equity:</b>			
Long-Term Debt	\$ 4,129.8	\$ 3,897.2	\$ 232.6
Off-Aqueduct Power Facilities	76.0	84.7	(8.6)
Accounts Payable and Accrued Bond Interest	118.4	113.0	5.4
Deferred Income	117.2	110.8	6.4
State Water Project Obligations	293.2	281.3	11.9
Trust Funds and Other	80.5	84.9	(4.4)
<b>Total Liabilities</b>	<b>4,815.2</b>	<b>4,571.9</b>	<b>243.2</b>
<b>Equity</b>	<b>5,631.3</b>	<b>5,561.5</b>	<b>69.8</b>
<b>Total Liabilities and Equity</b>	<b>\$ 10,446.4</b>	<b>\$ 10,133.4</b>	<b>\$ 313.0</b>

Debt as a percent of equity (Long-Term Debt divided by Equity) 73.3 %                      70.1 %

(1) Fair value of cash and investments was \$984.8 million and \$1,172.4 million at January 31, 2007 and 2006, respectively.

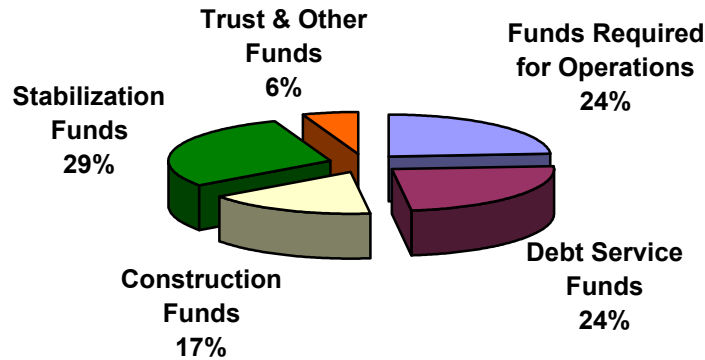
Certain reclassifications of prior year amounts have been made to conform to current year's presentation.

Totals may not foot / cross foot due to rounding.

# The Metropolitan Water District of Southern California

## Cash and Investments at Book Value As of January 31, 2007 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 89.2	\$ 144.4	\$ 0.7	\$ 234.3
Debt Service Funds	238.8	-	-	238.8
Construction Funds	137.8	-	27.8	165.6
Stabilization Funds	-	-	288.6	288.6
Trust & Other Funds	38.0	18.0	-	56.0
<b>Total</b>	<b>\$ 503.8</b>	<b>\$ 162.4</b>	<b>\$ 317.1</b>	<b>\$ 983.3</b>



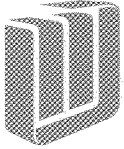
The Metropolitan Water District of Southern California

Estimate vs. Actual: Construction Activities - Accrual Basis  
For the Seven Months Ended January 31, 2007  
(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	\$ 238.2		\$ 232.4		\$ 5.9	2%	\$ 396.2	\$ 350.1	\$ 46.1	12%
R & R/General Funds	99.3		73.8		25.5	26%	165.1	145.9	19.2	12%
<b>Total</b>	<b>\$ 337.5</b>		<b>\$ 306.2</b>		<b>\$ 31.3</b>	<b>9%</b>	<b>\$ 561.3</b>	<b>\$ 496.0</b>	<b>\$ 65.3</b>	<b>12%</b>
<b>Program Expenditures</b>										
Oxidation Retrofit Programs	\$ 103.1		\$ 94.5		\$ 8.6	8%	\$ 171.0	\$ 170.0	\$ 1.0	1%
Treatment Plant Improvement	60.6		62.2		(1.6)	(3%)	90.6	88.0	2.6	3%
Perris Valley Pipeline	30.7		1.2		29.6	96%	51.8	6.0	45.8	88%
Inland Feeder	30.7		44.3		(13.7)	(45%)	51.8	76.0	(24.2)	(47%)
Skinner Filtration Plant Expansion No. 4	21.8		18.4		3.4	16%	31.7	30.0	1.7	5%
Chlorine Containment and Handling Facilities	15.7		17.0		(1.4)	(9%)	31.0	25.0	6.0	19%
Diemer - Solids Handling/Water Reclamation	10.5		11.0		(0.6)	(5%)	15.1	13.0	2.1	14%
Distribution System - Rehabilitation Program	7.1		8.9		(1.7)	(24%)	13.6	11.0	2.6	19%
Diamond Valley Lake Recreation	8.0		9.4		(1.4)	(17%)	13.4	13.0	0.4	3%
CRA - Reliability/Containment Programs	4.5		3.7		0.8	18%	9.8	8.0	1.8	18%
Other	44.8		35.5		9.2	21%	81.4	56.0	25.4	31%
<b>Total</b>	<b>\$ 337.5</b>		<b>\$ 306.2</b>		<b>\$ 31.3</b>	<b>9%</b>	<b>\$ 561.3</b>	<b>\$ 496.0</b>	<b>\$ 65.3</b>	<b>12%</b>

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

Totals may not foot / cross foot due to rounding.



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**Date:** February 14, 2007  
**To:** Board of Directors  
**From:** General Counsel  
**Subject:** Review as to Eligibility of Securities Invested in by the  
Treasurer for the Month of January 2007

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 January 2007 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.

Karen L. Tachiki

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