



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Financial Report

For the Eight Months Ended February 28, 2007

Executive Financial Summary
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For the Eight Months Ended February 28, 2007

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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>
	2007	2006	
Operating Revenues:			
Water Sales	\$ 583.7	\$ 584.5	\$ (0.9)
Wheeling / Exchange	8.2	5.6	2.6
Readiness-to-Serve	53.3	53.3	(0.0)
Capacity Charge	21.5	21.3	0.3
Power Sales	18.2	19.6	(1.4)
Total Operating Revenues	685.0	684.4	0.6
Operating Expenses:			
Cost of Water	198.3	205.7	7.4
Operations & Maintenance	204.2	192.3	(11.9)
Water Management Programs, Net	26.8	23.4	(3.4)
Depreciation & Amortization	137.0	135.9	(1.1)
Total Operating Expenses	566.2	557.2	(9.0)
Net Operating Income	118.7	127.1	(8.4)
Other Income (Expense):			
Net Taxes/Annexations	66.0	66.9	(0.9)
Investment Income ⁽¹⁾	44.6	24.9	19.7
Bond Interest Expense	(59.3)	(65.2)	6.0
Other	(1.8)	2.0	(3.7)
Total Other Income - Net	49.6	28.5	21.0
Net Income	\$ 168.3	\$ 155.7	\$ 12.6

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

Water Sales (TAF)	1,472.1	1,510.2	(38.1)
Wheeling/Exchange (TAF)	32.0	21.8	10.1
Power Sales (MWh)	349.9	343.5	6.4
Average Sales Price			
Water Sales	\$ 396.50	\$ 387.06	\$ 9.45
Wheeling/Exchange	\$ 258.05	\$ 258.25	\$ (0.20)
Power Sales	\$ 0.05	\$ 0.06	\$ (0.00)

Ratios:

Operating (Operating Expense* divided by Operating Revenue) 62.7 % 61.6 %

* Excludes depreciation and amortization expense.

Notes:

(1) Includes fair value adjustment of \$13.5 million and (\$5.7) million at February 28, 2007 and 2006, respectively.

The Metropolitan Water District of Southern California

Balance Sheets - Accrual Basis (Dollars in millions)

	February 28,		<i>Increase/ (Decrease)</i>
	2007	2006	
Assets:			
Cash and investments at book value ⁽¹⁾	\$ 973.2	\$ 1,183.5	\$ (210.2)
Fair Value Adjustment	5.4	(1.2)	6.6
Accounts Receivable	215.1	204.9	10.1
Property, Plant and Equipment, net	6,971.1	6,458.6	512.5
Prepaid State Water Project Entitlements, net	1,574.7	1,603.4	(28.7)
Participation Rights, net	263.2	265.3	(2.1)
Deferred Charges and Water Rights	330.7	316.4	14.3
Other	115.6	117.0	(1.4)
Total Assets	\$ 10,449.0	\$ 10,147.9	\$ 301.1
Liabilities and Equity:			
Long-Term Debt	\$ 4,130.3	\$ 3,897.5	\$ 232.8
Off-Aqueduct Power Facilities	75.5	84.2	(8.7)
Accounts Payable and Accrued Bond Interest	129.4	122.7	6.6
Deferred Income	99.0	93.1	5.9
State Water Project Obligations	292.7	296.4	(3.7)
Trust Funds and Other	81.0	86.8	(5.7)
Total Liabilities	4,807.9	4,580.7	227.2
Equity	5,641.1	5,567.2	73.9
Total Liabilities and Equity	\$ 10,449.0	\$ 10,147.9	\$ 301.1

Debt as a percent of equity (Long-Term Debt divided by Equity) 73.2 % 70.0 %

(1) Fair value of cash and investments was \$978.6 million and \$1,182.3 million at February 28, 2007 and 2006, respectively.

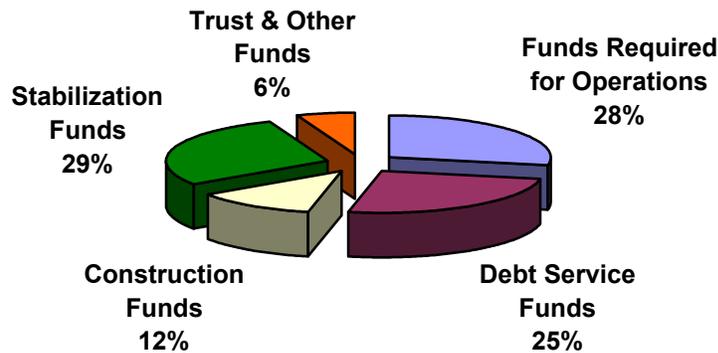
Certain reclassifications of prior year amounts have been made to conform to current year's presentation.

Totals may not foot / cross foot due to rounding.

The Metropolitan Water District of Southern California

Cash and Investments at Book Value As of February 28, 2007 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 123.3	\$ 146.4	\$ 2.3	\$ 272.0
Debt Service Funds	247.4	-	-	247.4
Construction Funds	107.5	-	11.6	119.1
Stabilization Funds	-	-	278.8	278.8
Trust & Other Funds	37.8	18.1	-	55.9
Total	\$ 516.0	\$ 164.5	\$ 292.7	\$ 973.2



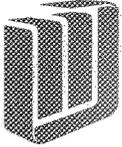
The Metropolitan Water District of Southern California

Estimate vs. Actual: Construction Activities - Accrual Basis
For the Eight Months Ended February 28, 2007
(Dollars in millions)

	Estimate	Actual	Variance from Estimate		Fiscal Year	Projected	Variance from Estimate		
	to Date	to Date	\$	%	Estimate	Year-End (1)	\$	%	
Sources of Funds									
Bond Construction Funds	\$ 270.3	\$ 266.7	\$ 3.6	1%	\$ 396.2	\$ 350.1	\$ 46.1	12%	
R & R/General Funds	112.6	84.9	27.8	25%	165.1	145.9	19.2	12%	
Total	\$ 382.9	\$ 351.6	\$ 31.4	8%	\$ 561.3	\$ 496.0	\$ 65.3	12%	
Program Expenditures									
Oxidation Retrofit Programs	\$ 117.9	\$ 109.7	\$ 8.2	7%	\$ 171.0	\$ 170.0	\$ 1.0	1%	
Treatment Plant Improvement	67.0	73.4	(6.4)	(10%)	90.6	88.0	2.6	3%	
Perris Valley Pipeline	34.6	1.3	33.3	96%	51.8	6.0	45.8	88%	
Inland Feeder	34.8	49.9	(15.1)	(43%)	51.8	76.0	(24.2)	(47%)	
Skinner Filtration Plant Expansion No. 4	24.6	19.8	4.8	20%	31.7	30.0	1.7	5%	
Chlorine Containment and Handling Facilities	18.5	19.1	(0.5)	(3%)	31.0	25.0	6.0	19%	
Diemer - Solids Handling/Water Reclamation	11.5	8.9	2.7	23%	15.1	13.0	2.1	14%	
Distribution System - Rehabilitation Program	9.1	12.3	(3.2)	(35%)	13.6	11.0	2.6	19%	
Diamond Valley Lake Recreation	8.8	9.9	(1.1)	(12%)	13.4	13.0	0.4	3%	
CRA - Reliability/Containment Programs	5.2	4.9	0.3	6%	9.8	8.0	1.8	18%	
Other	50.9	42.5	8.5	17%	81.4	56.0	25.4	31%	
Total	\$ 382.9	\$ 351.6	\$ 31.4	8%	\$ 561.3	\$ 496.0	\$ 65.3	12%	

(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: March 13, 2007
To: Board of Directors
From: General Counsel
Subject: Review as to Eligibility of Securities Invested in by the
Treasurer for the Month of February 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 February 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