

FOOTHILL MUNICIPAL WATER DISTRICT

MANAGEMENT REPORT

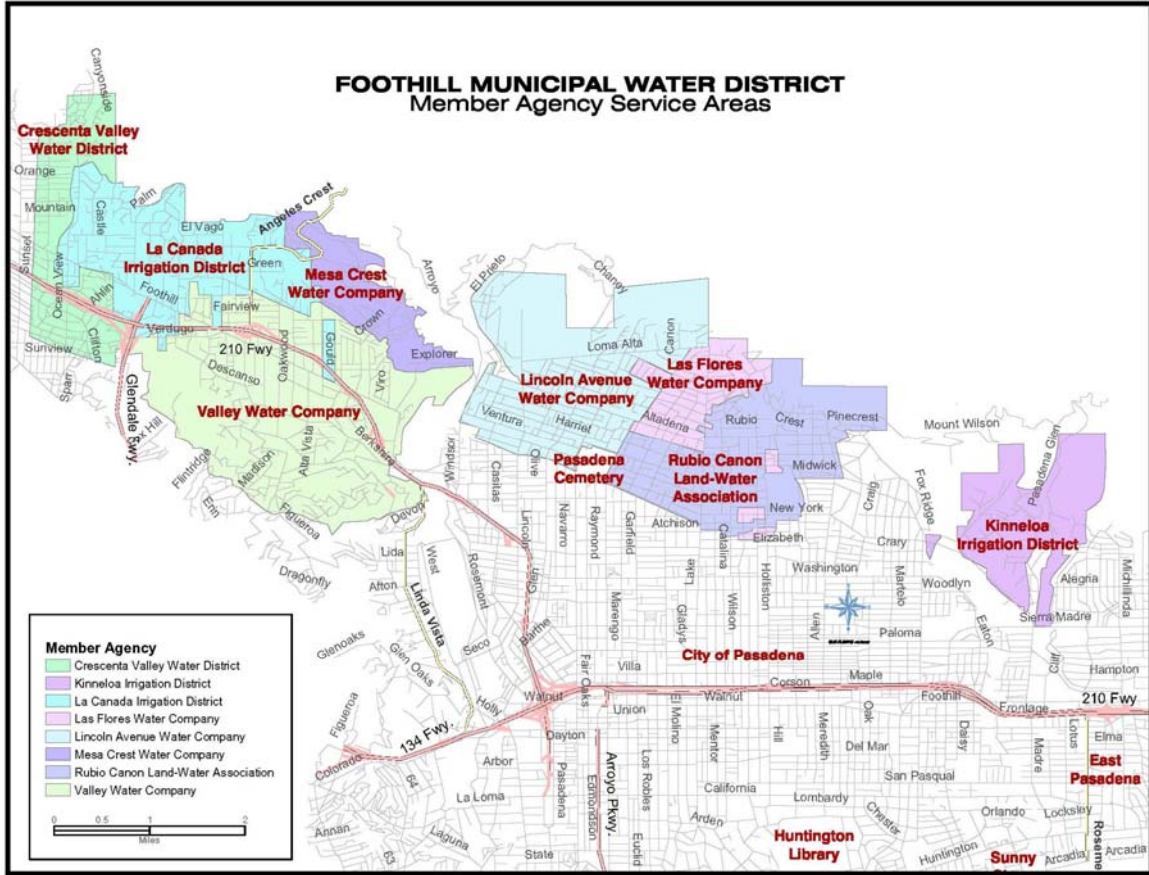
FISCAL YEAR 2006-07



Mission Statement: *Foothill Municipal Water District will reliably deliver quality water to its member agencies in a cost-efficient manner to meet their projected demands.*

DECEMBER 2007

FMWD Member Agency Service Area Map



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I. BOARD OF DIRECTORS

**FOOTHILL MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS**

Robert J. Gomperz
Director Division 1
Board Member since November, 2001

Thomas K. Underbrink
Director Division 2
Board Member since January, 1993

LaDrena D. Dansby
Director Division 3
Board Member since January, 2005

Richard W. Atwater
Director Division 4
Board Member since February, 2006

Dean V. Wiberg
Director Division 5
Board Member since January, 2007

James T. Edwards
Representative on Board of Directors
Metropolitan Water District
since May, 1999

Nina Jazmadarian
General Manager/Secretary
since August, 2007

Karen Oblak
Administrative Manager/Treasurer
since September, 2007

Wayne K. Lemieux
Lemieux & O'Neill
Legal Counsel since November, 1997

PAST TO PRESENT BOARD MEMBERS

Director Division 1

Joseph H. Tumbach
1/52 - 12/63

Leonard W. Jubb
1/64 - 1/80

Barnard Morse
2/80 - 2/95

Paul Brown
3/95 – 12/99

Mary Fruta Traylor
2/00 – 9/01

Robert J. Gomperz
11/01 – present

Director Division 2

W. Virgil Spaulding
1/52 - 1/55

Donald B. Milliken
1/55 - 9/68

Oscar Harper, Jr.
11/68 - 9/82

Ernest F. Smith
10/82 - 4/85

Arnold M. Ames
6/85 - 1/93

Thomas K. Underbrink
1/93 - present

Director Division 3

Nelson Hayward
1/52 - 7/59

Julius A. Muller
4/60 - 1/75

Douglas B. Nickerson
3/75 - 1/85

Richard M. Miller
1/85 - 11/92

James T. Edwards
1/93 – 1/05

La Drena D. Dansby
1/05 -- present

Director Division 4

Clifford Argue
1/52-11/64

Park L. Turrill
12/64 - 1/80

Lee B. Kline
2/80-11/95

Arthur H. Littlejohns
1/96 – 12/05

Richard W. Atwater
2/06 – present

Director Division 5

Robert Williams
1/52-10/98

Robert F. Sloan
11/98 – 11/06

Dean V. Wiberg
1/07 – present

**PAST TO PRESENT METROPOLITAN WATER DISTRICT
REPRESENTATIVES**

Nelson Hayward
Appointed 1/55

Brooks T. Morris
Appointed 8/90

Conrad R. Fanton
Appointed 10/59

William T. O'Neil
Appointed 12/91

Anderson B.Smedley
Appointed 5/65

James T. Edwards
Appointed 4/99

SIGNIFICANT BOARD ACTIONS
JULY 2006- JUNE 2007

JULY 2006

- Adopted resolution approving and accepting the negotiated exchange of property tax revenue resulting from annexation of territory (annexation no. 2005-1) to the La Canada Irrigation District.

AUGUST 2006

- Adopted resolution concerning proposed legislation on incompatibility of officers requested by ACWA
- Adopted resolution concerning proposed legislation to make not-for-profit mutual water companies eligible for state grants for water system improvements.

SEPTEMBER 2006

- Approved the Annual Audit and the Annual Management Reports for fiscal year 2005-06.

OCTOBER 2006

- Adopted resolution addressing changes to the Administrative Code as it relates to director compensation, benefits and expense reimbursement and filing of the financial reports.

NOVEMBER 2006

- Approved 2007 ACWA membership dues.
- Approved resolution expressing loss and in memory of Director Sloan for Division V.

DECEMBER 2006

- Adopted resolution approved and accepting the negotiated exchange of property tax revenue resulting from annexation of territory (annexation no. 2005-01) to the La Canada Irrigation District.
- Approved Foothill memberships and participation in listed organizations.
- Secretary William Peci administered the Oath of Office to Directors Underbrink, Atwater and Director Elect Wiberg.

JANUARY 2007

- Cast a unanimous ballot for Director Gomperz as FMWD President, and Director Dansby as FMWD Vice-President.
- Adopted resolution authorizing banking.

Approved Statement of Investment Policy.

- Appointed Director Atwater as the ACWA/JPIA representative for Foothill and MWD Representative Edwards as alternate.

FEBRUARY 2007

- Adopted resolution concurring in nomination of Joan Finnegan to serve as Vice President of the ACWA /JPIA.
- Adopted resolution concurring in nomination of Melody Henriques-McDonald to the Executive Committee of the ACWA/JPIA.
- Closed session. General Manager Pecsí announced that he has accepted a job offer from Metropolitan Water District.

MARCH 2007

- Board released General Manager Pecsí from his contract.
- Adopted three resolutions relating to tax revenue exchange.
- Approved agreement for the Interim General Manager Jay Malinowski.

APRIL 2007

- Authorization to obtain a plaque for display of past and present FMWD directors.

MAY 2007

- Appointed Director Dansby as chair of an adhoc committee to evaluate employee wage adjustments.
- Adopted resolution supporting nomination of Robert J. Gomperz for the Board of Directors of ACWA Region 8.
- Approved the \$25 per acre foot increase along with a \$2-3 power zone increase for calendar year 2007 for the rate recommendation for the 'Rates and Charges/Reserve'.

JUNE 2007

- Adopted the 2007-08 Operating and Administrative Budget.
- Adopted a resolution establishing new water rates effective January 1, 2008.
- Approved the compensation adhoc committee's report and recommendations on employee wage adjustments to be effective July, 1, 2007.
- Approved the purchase of a replacement District vehicle at a cost not to exceed \$30,000.

BOARD APPROVED PROJECTS IN FISCAL YEAR 2006-07

July 2006

No reportable projects.

August 2006

1. **Main Plant Claval** – Approved ratified expenditures of maintenance project for rehabilitating all pump discharge control valves at a total cost of \$18,168.
2. **FHCUP** - Approved contract augmentation totaling \$24,900 for a change in scope associated with the LCID ADR project and additional funds to design interconnections for member agencies.
3. **Repair Pipeline in Alta Canyada Road** – Accepted proposal received from Malcolm Pirnie for plans and specifications to rehabilitate the La Crescenta Force Main in Alta Canyada Road at an estimated cost of \$24,000 for Design Phase and directed the General Manager to proceed with the engineering design.

September 2006

1. **Computer System** - Approved recommendation for upgrades and repairs to computer equipment and network concurrently at an estimated cost of \$19,700 and to delegate General Manager to make surplus computer equipment available to the Foothill agencies followed by schools and charitable organizations.
2. **Pre-Purchase Pumps (FHCUP Project)** - Approved bid specs and authorizing the bidding process for pre-purchase of pumps for Pump Station P1 as part of the FHCUP at an estimated cost of \$307,000.

October 2006

1. **Electrical System Preventative Maintenance** - Approved Scope of Work for High Voltage Electrical Distribution System Preventative Maintenance and Testing Program as submitted by Hampton Tedder Electric Co., Inc. in the amount of \$25,732.00.

November 2006

1. **Pumps for Main Plan** – Accepted General Pump's bid for pre-purchase of pumping equipment for the P-1 Station as part of the Foothill Conjunctive Use Project facilities. The motion included a change in the motors and upgrades at the estimated price of \$149,603.64.

December 2006

1. **Berkshire pump station** – Approving purchase of Berkshire pumping plant new high efficiency motor for Pump 4B at a cost not to exceed \$25,000.

2. **Installation of MCC/SWBD ATS** – Accepted contract by A&B Electric for Main Control Center Switchboard automatic transfer switch at Bershire pump station at a cost of \$159,600.
3. **FHCUP Plans and Specifications** – Approved the plans and specifications for the Foothill Conjunctive Use Program and advertising of bids in January, engineer's estimate for this phase of the project is \$1,200,000.
4. **Kennedy/Jenks Consultants** – Approved amendment to Kennedy/Jenks Consultants contract to include post design/construction services for the FHCUP at a cost of \$73,400.

January 2007

No reportable projects.

February 2007

No reportable projects.

March 2007

No reportable projects.

April 2007

No reportable projects.

May 2007

No reportable projects.

June 2007

1. **P-1 Expansion** - Awarded contract to Cora Construction in the amount of \$549,000.
2. **Construction Management** - Approved contract for construction management services in an amount not to exceed \$32,000.

PROJECT STATUS AT JUNE 30, 2007
(Projects greater than \$10,000)

PROJECT TITLE	APPROVED AMOUNT	PRIOR COST	2006-07 COST	COST TO DATE	STATUS
FMWD CUP					
FMWD CUP Engineering *	552,970	248,800	198,766	447,566	in process
Pre-Purchase of Pumps	307,000	-	-	-	in process
Pump Install, Pipeline, LCID ASR Pump Stn	840,030	-	1,323	1,323	in process
Upgrade to Berkshire Motor Control Center	100,000				in process
Electrical Engineering Services	22,000	16,433	2,132	18,565	complet e
Equipment purchases & installation	107,091	-	106,019	106,019	complet e
Installation - Phase 2	159,600		118,392	118,392	in process
Professional Engineering Services	5,000		4,035	4,035	complet e
La Crescenta Force Main Rehab--plans&specs	24,000		23,697	23,697	in process
FMWD Master Plan	167,034	93,195	73,808	167,003	complet e
Computer Equipment Upgrade	22,000	-	20,161	20,161	complet e
Electrical System Preventive Maintenance	25,732		25,732	25,732	complet e
P1 High Voltage Maintenance	10,000		6,633	6,633	complet e
New High Efficiency Motor Pump 4B	25,000	-	13,944	13,944	complet e
Dollar amt. includes SCE rebate of (-\$4,047)					
Rexa Control Valve Replacement	42,000	-		-	in process
4W Capacitor/Fuse Replacement	10,000				complet e
Annual Reservoir Inspection	10,000		2,168		in process

* Proposition 13 funding -- in process

II. FINANCIAL

FMWD BUDGETED VS. ACTUAL EXPENSE FOR FISCAL YEAR 2006-07

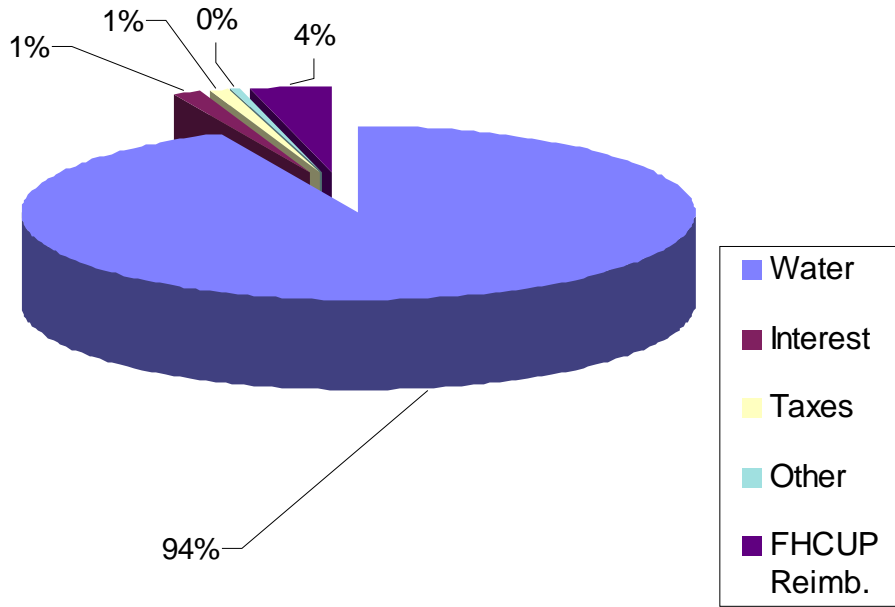
Budgeted and Actual Sales Based on Actual Acre Foot Delivery of:

10,601.0

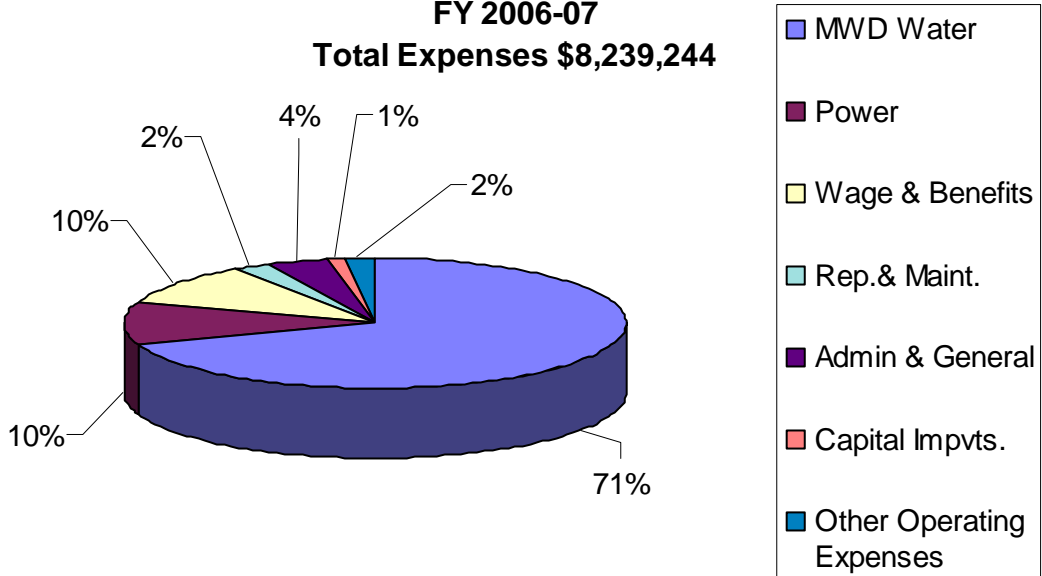
Cash Basis

Expense	Adjusted Budget Amount	Actual Amount	Budget Cost/AF	Actual Cost/AF
Purchased Water	\$ 4,907,700	\$ 4,615,593	\$ 462.95	\$ 435.39
Purchased Power	\$ 651,300	\$ 718,459	\$ 61.44	\$ 67.77
Wages:				
Administration	\$ 237,000	\$ 234,928		
O&M	\$ 360,500	\$ 294,327		
Benefits	\$ 370,200	\$ 335,919	\$ 34.92	\$ 31.69
Repairs & Maintenance:				
Maintenance and Service	\$ 50,000	\$ 87,250		
Materials	20,000	28,678		
Telemetry & Communications	10,000	8,312		
Utilities	18,000	23,395		
Water Quality monitoring	14,700	39,962		
Miscellaneous	10,300	4,106		
System Maintenance Total:	\$ 123,000	\$ 191,703	\$ 11.60	\$ 18.08
Administrative & General:				
Office Expense/Insurances	\$ 89,000	\$ 85,231		
Pasadena lease/pipeline agreement	3,600	3,593		
Director Fees/Expense	35,000	35,131		
Director Election Costs	-	-		
Legal, Audit Service	32,000	28,240		
Professional Service	50,000	38,091		
Other/Miscellaneous	37,000	52,285		
Administrative Total	\$ 246,600	\$ 242,571	\$ 23.26	\$ 22.88
Capital Improvements	\$ 800,000	\$ 306,053	\$ 75.46	\$ 28.87
TOTAL CASH EXPENSE	\$ 7,696,300	\$ 6,939,552	\$ 726.00	\$ 654.61

**FMWD Actual Revenues
FY 2006-07
Total Revenues \$8,577,458**

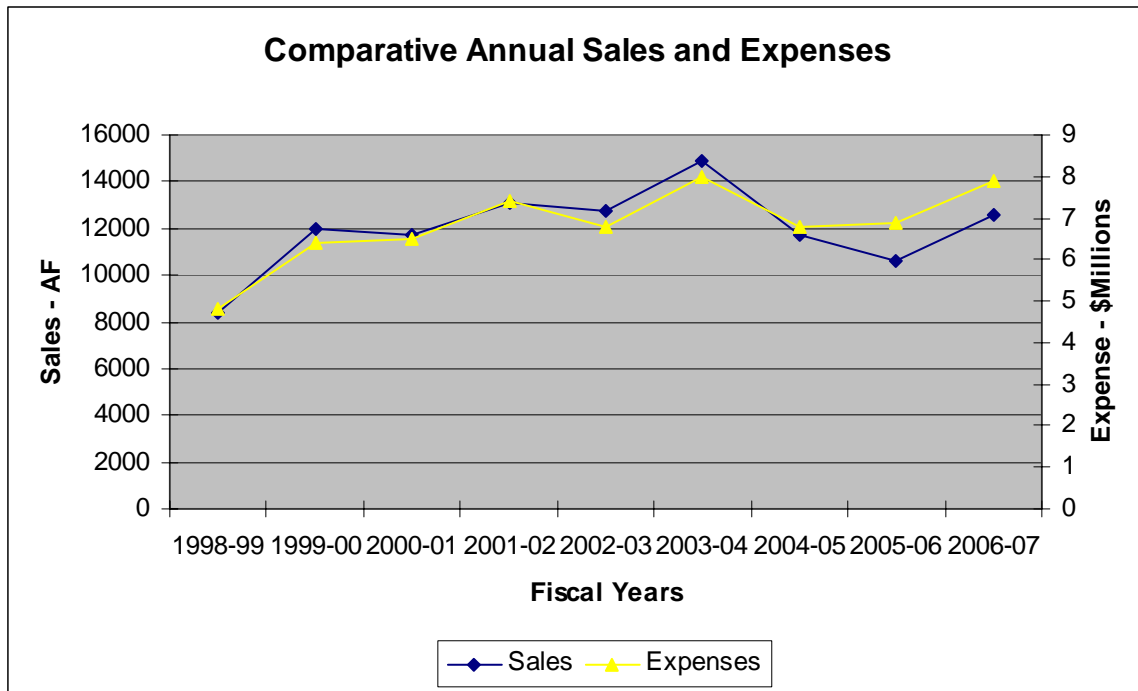


**FMWD Actual Expenses
FY 2006-07
Total Expenses \$8,239,244**



COMPARATIVE ANNUAL EXPENSES

Acre Feet Expenses	8,836.7 1998-99	11,982.0 1999-00	11,730.0 2000-01	13,058.4 2001-02	12,792.4 2002-03	14,901.8 2003-04	11,711.1 2004-05
Water Purchase	\$ 3,497,214	\$ 4,857,804	\$ 4,813,199	\$ 5,317,621	\$ 5,026,569	\$ 6,095,960	\$ 5,005,000
Power Purchase	490,163	663,278	741,834	953,006	866,854	901,622	729,000
Wages	387,769	434,500	440,796	474,269	468,042	488,504	510,000
Benefits	89,411	62,099	62,732	76,663	94,396	148,831	209,000
System Maintenance	86,220	136,457	98,284	130,447	118,096	95,782	106,000
Administrative/General	135,721	147,931	180,636	187,202	217,317	176,218	263,000
Capital Improvements	155,862	98,764	166,629	283,480	102,257	140,201	44,000
	\$ 4,842,360	\$ 6,400,833	\$ 6,504,110	\$ 7,422,688	\$ 6,893,531	\$ 8,047,118	\$ 6,870,000



**FOOTHILL MUNICIPAL WATER DISTRICT
WEIGHTED AVERAGE OPERATING EXPENSE
FISCAL YEAR 2006-07**

	<u>Eastside Pumps</u>	<u>Westside Pumps</u>	<u>Main Plant Subtotal</u>	<u>Berkshire Pumps</u>	<u>System Total</u>
Production (Acre Feet)	2,612.1	10,431.3	13,043.4	4,113.2	13,043.4
Average Head (Feet)	270	230	239	460	384
Energy Use (KWH)	1,096,800	3,801,600	4,898,400	2,825,708	7,724,108
Energy Use (KWH/AF)	419.9	364.4	375.5	687.0	592.2
Energy Use (KWH/AF/100' lift)	155.5	158.5	157.1	149.3	154.2
Power Cost (\$)	\$ 128,732	\$ 386,197	\$ 514,929	\$ 349,975	\$ 864,904
Power Cost (\$/KWH)	0.10342	0.10342	0.10342	0.13568	0.10874
Power Cost (\$/AF)	49.28	37.02	39.48	85.09	66.31
Power Cost (\$/AF/100' lift)	18.25	16.10	16.52	18.50	17.27
O&M Labor Cost (\$)	--	--	--	--	\$ 314,382
O&M Labor Cost (\$/AF)	--	--	--	--	24.10
O&M Labor Cost (\$/AF/100' lift)	--	--	--	--	6.28
Repair & Mtce. (\$)	--	--	--	--	\$ 196,418
Repair & Mtce. (\$/AF)	--	--	--	--	15.06
Repair & Mtce. (\$/AF/100' lift)	--	--	--	--	3.92
Total O&M Cost (\$)	--	--	--	--	\$ 1,375,704
Total O&M Cost (\$/AF)	--	--	--	--	105.47
Total O&M Cost (\$/AF/100' lift)	--	--	--	--	27.46

III. WATER PRODUCTION

**FOOTHILL MUNICIPAL WATER DISTRICT
SALES SUMMARY
FISCAL YEAR 2006-07**

<u>AGENCY</u>	<u>Type</u>	<u>Acre Feet</u>	<u>Rate</u>	<u>Sales</u>	<u>% of \$ Sales</u>	<u>% AF Sal</u>
Crescenta Valley Water District	CC(1)			\$ 58,476.00		
	RTS(1)			35,790.00		
	TIER 1	2,516.7	\$681/\$736	1,767,695.70		
	TIER 2	0.0	\$777/\$832	-		
		<u>2,516.7</u>		<u>\$1,861,961.70</u>	22.2%	20.0%
La Canada Irrigation District	CC(1)			31,956.00		
	RTS(1)			45,876.00		
	TIER 1	1,596.5	\$681/\$736	1,124,930.00		
	TIER 1	1,437.2	\$596/\$643	889,428.90		
	TIER 2	0.0	\$692/\$736	0.00		
		<u>3,033.7</u>		<u>\$2,092,190.90</u>	24.9%	24.1%
Las Flores Water Company	CC(1)			8,844.00		
	RTS(1)			10,974.00		
	TIER 1	741.2	\$597/\$646	457,436.50		
		<u>741.2</u>		<u>\$ 477,254.50</u>	5.7%	5.9%
Lincoln Avenue Water Company	CC(1)			31,956.00		
	RTS(1)			21,474.00		
	TIER 1	878.4	\$597/\$646	546,709.60		
	TIER 2	0.0	\$693/\$742	-		
		<u>878.4</u>		<u>\$ 600,139.60</u>	7.2%	7.0%
Mesa Crest Water Company	CC(1)			9,516.00		
	RTS(1)			11,718.00		
	TIER 1	774.3	\$596/\$643	477,002.23		
	TIER 2	0.0	692/\$739	\$ -		
		<u>774.3</u>		<u>\$ 498,236.23</u>	5.9%	6.2%
Rubio Canon Land & Water Association	CC(1)			33,996.00		
	RTS(1)			16,116.00		
	TIER 1	992.5	\$597/\$646	621,844.10		
	TIER 2	0.0	\$693/\$742	-		
		<u>992.5</u>		<u>\$ 671,956.10</u>	8.0%	7.9%
Valley Water Company	CC(1)			31,296.00		
	RTS(1)			43,002.00		
	INJECTION	592.9	\$335/\$360	235,037.60		
	FHCUP IN LIEU		\$37	-		
	TIER 1	3,042.0	\$596/\$643	1,877,779.20		
	TIER 2	0.0	\$692/\$739	-		
		<u>3,634.9</u>		<u>\$2,187,114.80</u>	26.1%	28.9%
		<u>12,572</u>		<u>\$8,388,853.83</u>	100.0%	100.0%

SALES REVENUE

Tier 1 Supply Rate	7,762,826.23
Tier 2 Supply Rate	.00
FHCUP In Lieu	4,391.90
Injection Direct	235,037.60
	\$8,002,255.73
FIXED CHARGES	
CC=Capacity Charge*	206,040.00
RTS=Readiness-to-Serve*	184,950.00
	\$8,393,245.73
* CC and RTS are direct pass-through.	

Tier 1, Tier 2 Supply Rate. Metropolitan Water District adopted a new rate structure January 2003. The main component is a two-tier approach to supply pricing. Foothill had the option of submitting a purchase order to purchase up to 90% of its base level at the Tier 1 supply rate. Any amount of water above the 90% will be at the Tier 2 supply rate. Foothill as an agency had no Tier 2 charges in 2007. The water year for Tier 1/Tier 2 is calculated beginning January.

Capacity Charge. The Capacity Charge recovers costs incurred to provide distribution capacity used to meet peak day demands. It provides a price signal to encourage member agencies to reduce peak day demands on the system and to shift demands that occur during the May 1 through September 30 period into the October 1 through April 30 period. This results in more efficient utilization of Metropolitan's existing infrastructure and defers capacity expansion costs.

Readiness-to-Serve Charge. Charge to recover the principal and interest payments on non-tax supported debt service that has been or will be issued to fund capital improvements. Charge is allocated among member agencies in proportion to the rolling average of MWD water sales in acre feet

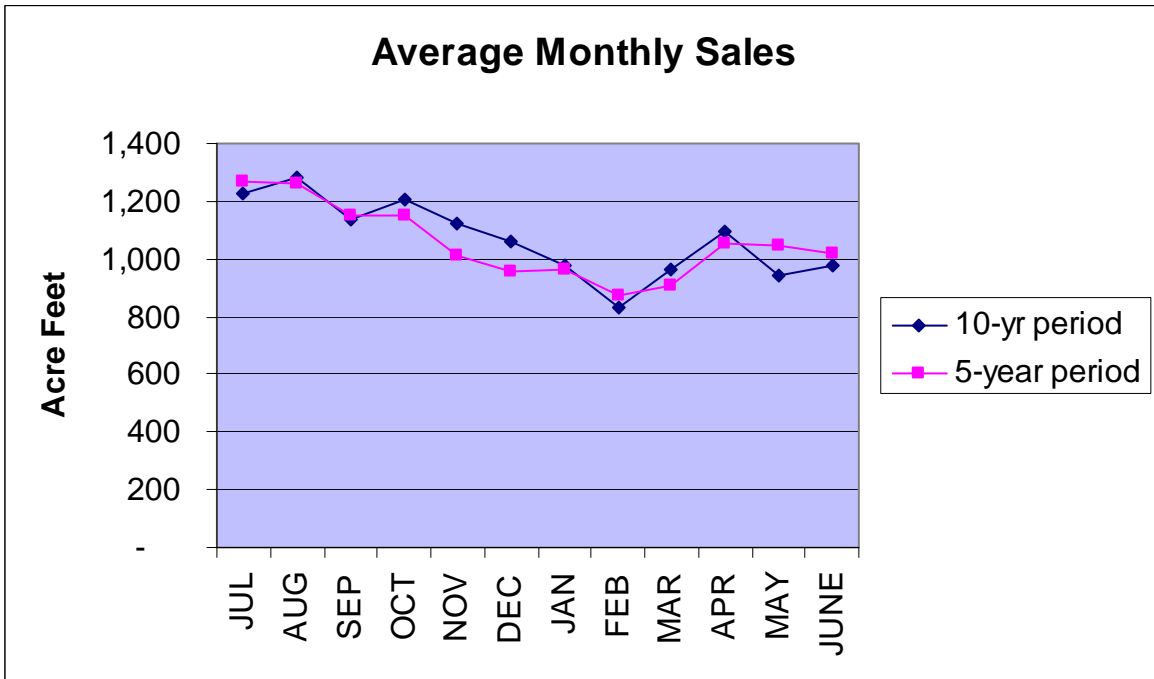
Injection. Water storage by injection is part of the conjunctive use program. Valley Water Company is capable of injecting MWD water into the ground via 2 wells that Valley Water Company retrofitted for this purpose. The injection period this year included the months of July through April. Valley Water Company participated during these months.

Through previous Foothill Board action, \$3.00/acre foot was retained for administration of the program.

FHCUP Injection. Through Valley Water Company's injection well, 592.9 acre feet of direct injection water was taken for the FHCUP project. Pumping charges of \$37.00/af were divided among the participating parties.

FHCUP In lieu. In August 2006, La Canada Irrigation District took 118.7 acre feet of MWD water in lieu of pumping groundwater. LCID paid pumping charges only on this water.

**FOOTHILL MUNICIPAL WATER DISTRICT
WATER SALES**



HIGHEST SALES YEARS

2003-04	14,902	acre feet
2001-02	13,058	acre feet
2002-03	12,792	acre feet
1999-00	11,982	acre feet
2000-01	11,730	acre feet

Includes replenishment/injection deliveries

2006-07 TOTAL WATER PRODUCTION OF FMWD AGENCIES

Breakdown by Community Served

<u>Community Served</u>	<u>FMWD</u>		<u>LOCAL</u>		<u>Total Acre Feet</u>
	<u>Acre Feet</u>	<u>% of Total</u>	<u>Acre Feet</u>	<u>% of Total</u>	
ALTADENA:					
Las Flores Water Company	741.2	67.4%	358.2	32.6%	1,099.4
Lincoln Avenue Water Company	878.4	22.6%	3,016.5	77.4%	3,894.9
Rubio Cañon L&W Association	<u>992.5</u>	<u>36.7%</u>	<u>1,709.0</u>	<u>63.3%</u>	<u>2,701.5</u>
Altadena Totals	2,612.1	33.9%	5,083.7	66.1%	7,695.8
LA CAÑADA FLINTRIDGE:					
La Cañada Irrigation District	3,033.7	96.5%	111.4	3.5%	3,145.1
Mesa Crest Water Company	774.3	100.0%	0.0	0.0%	774.3
Valley Water Company*	<u>3,042.0</u>	<u>69.9%</u>	<u>1,307.2</u>	<u>30.1%</u>	<u>4,349.2</u>
La Canada Flintridge Totals	6,850.0	82.8%	1,418.6	17.2%	8,268.6
LA CRESCENTA:					
Crescenta Valley Water District	<u>2,516.7</u>	<u>44.5%</u>	<u>3,141.9</u>	<u>55.5%</u>	<u>5,658.6</u>
La Crescenta Totals:	2,516.7	44.5%	3,141.9	55.5%	5,658.6
FMWD AGENCIES TOTAL	11,978.8	55.4%	9,644.2	44.6%	21,623.0

* Valley Water Company acre foot purchases from FMWD excludes replenishment/injection well deliveries of 592.9 acre feet. Subsequently produced by wells during summer months.
Additionally 471.7 FHCUP injection water was obtained from MWD.

ANNUAL AND FIVE YEAR AVERAGE ANNUAL FMWD DELIVERIES

<u>AGENCY</u>	02-03	03-04	04-05	05-06	06-07	5 YR AVG
	<u>AC FT</u>	<u>AC FT</u>	<u>AC FT</u>	<u>AC FT</u>	<u>AC FT</u>	<u>AC FT</u>
Crescenta Valley Water Dist.	2,701.2	3,309.1	2,252.1	1,694.5	2,516.7	2,494.7
La Canada Irrigation District*	2,743.8	3,200.0	2,664.3	2,679.7	3,033.7	2,864.3
Las Flores Water Company	809.4	679.9	639.6	685.3	741.2	711.1
Lincoln Avenue Water Company*	1,455.9	2,013.2	1,055.4	1,205.9	878.4	1,321.8
Mesa Crest Water Company	706.5	789.2	686.1	680.2	774.3	727.3
Rubio Canon L&W Association*	1,362.1	1,350.1	1,054.3	702.2	992.5	1,092.2
Valley Water Company*	<u>3,013.5</u>	<u>3,560.3</u>	<u>3,359.3</u>	<u>2,953.2</u>	<u>3,634.9</u>	<u>3,304.2</u>
Annual Total	12,792.4	14,901.8	11,711.1	10,601.0	12,571.7	12,515.6

*LCID, LAWC, LFWC, RCLWA and VWC includes replenishment/injection well purchases subsequently produced by wells during the year (Fiscal Years 2002-03 through 2006-07.)

**FOOTHILL MUNICIPAL WATER DISTRICT
AGENCY WATER USE**

FISCAL YEAR 2006-07

AGENCY	ACTIVE METERS	LOCAL WATER AF	LOCAL WATER %	FMWD WATER AF	FMWD WATER %	TOTAL WATER AF	LOCAL WATER AF/M
Crescenta VWD	8,156	3,142	55.5%	2,517	44.5%	5,659	
La Canada ID*	2,901	111	3.5%	3,034	96.5%	3,145	
Las Flores WC*	1,474	358	32.6%	741	67.4%	1,099	
Lincoln Ave WC*	4,691	3,016	77.5%	878	22.5%	3,894	
Mesa Crest WC	711	0	0.0%	774	100.0%	774	
Rubio Canon L&W*	3,142	1,709	63.2%	993	36.8%	2,702	
Valley WC*	3,561	1,307	30.1%	3,042	69.9%	4,349	
TOTALS	24,636	9,643	44.6%	11,979	55.4%	21,622	

5 YEAR AVERAGE: 2002-03 through 2006-07

AGENCY	ACTIVE METERS	LOCAL WATER AF	LOCAL WATER %	FMWD WATER AF	FMWD WATER %	TOTAL WATER AF	LOCAL WATER AF/M
Crescenta VWD	8,090	3,081	55.3%	2,495	44.7%	5,576	
La Canada ID*	2,902	194	6.4%	2,835	93.6%	3,029	
Las Flores WC*	1,472	325	31.4%	709	68.6%	1,034	
Lincoln Ave WC*	4,688	2,090	61.6%	1,303	38.4%	3,393	
Mesa Crest WC	710	0	0.0%	727	100.0%	727	
Rubio Canon L&W*	3,141	1,490	60.1%	990	39.9%	2,480	
Valley WC*	3,577	1,391	34.1%	2,683	65.9%	4,074	
TOTALS	23,951	8,571	42.2%	11,742	57.8%	20,313	

* LCID, LAWC, LFWC, RCLWA & VWC FMWD deliveries exclude injection well purchases subsequently produced by well

**FOOTHILL MUNICIPAL WATER DISTRICT
AGENCY WATER USE**

FISCAL YEAR 1996-97 (TEN YEAR COMPARISON)							
AGENCY	ACTIVE METERS	LOCAL WATER AF	LOCAL WATER %	FMWD WATER AF	FMWD WATER %	TOTAL WATER AF	LOCAL WATER AF/M
Crescenta VWD	7,986	3,782	68.4%	1,748	31.6%	5,531	
La Canada ID	2,863	218	7.8%	2,572	92.2%	2,790	
Las Flores WC	1,470	447	46.5%	514	53.5%	961	
Lincoln Ave WC	4,377	1,007	43.7%	1,297	56.3%	2,305	
Mesa Crest WC	689	0	0.0%	665	100.0%	665	
Rubio Canon L&W	3,134	1,550	62.7%	924	37.3%	2,474	
Valley WC	3,523	1,327	34.6%	2,503	65.4%	3,830	
TOTALS	24,042	8,331	44.9%	10,223	55.1%	18,554	
5 YEAR AVERAGE: 1992-93 through 1996-97 (TEN YEAR COMPARISON)							
AGENCY	ACTIVE METERS	LOCAL WATER AF	LOCAL WATER %	FMWD WATER AF	FMWD WATER %	TOTAL WATER AF	LOCAL WATER AF/M
Crescenta VWD	7,968	3,430	70.8%	1,414	29.2%	4,844	
La Canada ID	2,844	254	10.5%	2,173	89.5%	2,427	
Las Flores WC	1,469	464	53.0%	412	47.0%	876	
Lincoln Ave WC	4,366	776	37.0%	1,322	63.0%	2,098	
Mesa Crest WC	689	0	0.0%	583	100.0%	583	
Rubio Canon L&W	3,133	1,285	61.4%	807	38.6%	2,092	
Valley WC	3,509	972	29.2%	2,359	70.8%	3,330	
TOTALS	23,978	7,182	44.2%	9,068	55.8%	16,250	

FMWD CONSERVATION MEASURES FISCAL YEAR 2006-07

This fiscal year, Foothill and its distributing agencies continued an agreement with MWD for participation in a residential ultra-low-flush toilet retrofit project. Through Foothill, MWD refunds \$60 per ultra-low-flush toilet installed. A total of 99 ultra-low-flush toilets and 8 high-efficiency-toilets were rebated under this program during the fiscal year.

Foothill and its distributing agencies also continued an agreement with MWD for participation in a residential high efficiency clothes washer rebate program. Through Foothill, MWD refunds \$110 per high efficiency clothes washer. A total of 56 clothes washers were rebated under this program this fiscal year.

Conservation funding with MWD also includes Weather-Based Irrigation Controllers and Landscape Water Use Efficiency Program incentives for large landscapes. Foothill and its distributing agencies signed an agreement with MWD for participation in a residential WBIC rebate program. Through Foothill, MWD refunds various amounts determined by the number of stations. A total of 347 controllers were rebated under this program this fiscal year.

Additionally, MWD contracts with Honeywell DMC to provide commercial administration of the water conservation program.

In late June, 2004 a water conservation alert system was put into place. Participating water agencies display an alert status at their offices, reservoirs and various other locations. The "green alert" signifies standard water conservation guidelines. The "yellow alert" calls for minimized outdoor water use. The "red alert" indicates when the agencies may have difficulty meeting peak water demands. The level of alert is tied to water supply levels, the condition of equipment and well operation. The program was discontinued during the winter months and started again on Memorial Weekend, 2006.

Foothills Community Business Expo, organized by the area's three chambers of commerce, was held September 6, 2006 at Verdugo Hills Hospital. Foothill and Crescenta Valley Water District sponsored a booth providing conservation handouts and literature.

Foothill Municipal Water District continues its water awareness campaign. Brochures, posters, bumper stickers, etc., are available from Foothill's office and its distributing agencies. Foothill also maintains a library of water resource education and conservation films and videos for loan to local organization. Foothill provides speakers upon request.

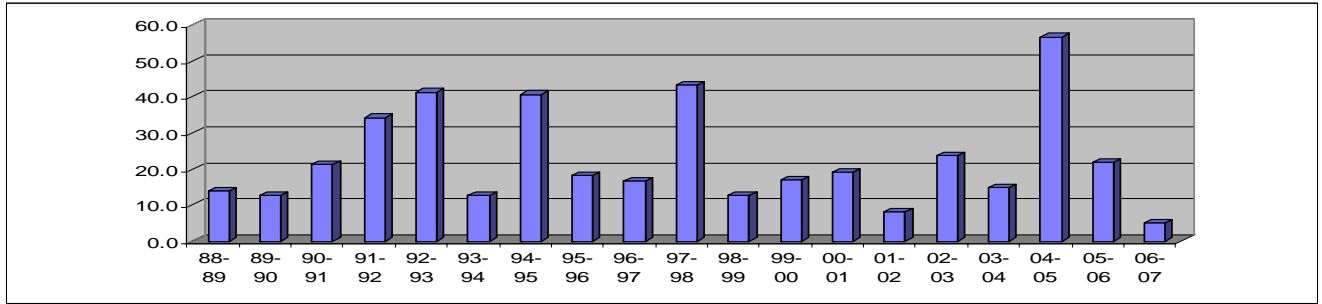
RAINFALL AND WATER SALES BY FISCAL YEAR

Firm Water Sales Only; does not include replenishment/injection water *

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
1970-71	0.0	0.0	0.0	0.0	7.7	5.9	0.9	1.1	1.1	0.7	0.6	0.0	18.0
1971-72	0.0	0.0	0.0	0.3	0.4	7.5	0.0	0.0	0.0	0.2	0.0	0.5	8.9
1972-73	0.0	0.4	0.1	0.3	3.8	2.5	4.4	12.2	4.4	0.1	0.0	0.2	28.4
1973-74	0.0	0.0	0.0	0.2	2.6	0.9	10.5	0.0	5.2	0.4	0.1	0.0	19.9
1974-75	0.1	0.0	0.0	1.1	0.2	4.0	0.2	3.2	6.7	2.5	0.2	0.1	18.3
1975-76	0.0	0.0	0.0	0.2	0.1	0.7	0.0	5.8	2.8	1.5	0.2	0.2	11.5
1976-77	0.0	0.4	3.9	1.0	0.8	0.6	3.3	0.3	1.9	0.0	4.4	0.1	16.7
1977-78	0.0	2.2	0.0	0.0	0.2	7.2	8.6	7.9	15.8	3.8	0.0	0.0	45.7
1978-79	0.0	0.0	0.8	0.5	2.2	2.3	7.5	4.4	7.6	0.0	0.1	0.1	25.5
1979-80	0.0	0.0	0.0	1.3	0.3	1.0	11.8	19.4	6.7	0.7	0.5	0.0	41.7
1980-81	0.0	0.0	0.0	0.0	0.0	1.1	3.7	1.4	0.8	0.7	0.0	0.0	7.7
1981-82	0.0	0.0	0.0	1.1	2.6	0.8	3.2	0.7	7.3	2.8	0.5	0.0	19.0
1982-83	0.0	0.0	1.9	0.7	6.9	2.4	9.1	4.9	15.0	7.8	0.3	0.1	49.1
1983-84	0.0	2.0	2.5	1.7	3.9	4.0	0.0	0.0	0.5	0.3	0.0	0.1	15.0
1984-85	0.0	0.2	0.3	0.1	3.0	6.3	1.0	2.2	1.5	0.0	0.3	0.0	14.9
1985-86	0.0	0.0	0.2	0.8	4.5	0.5	3.3	6.3	6.4	0.3	0.0	0.0	22.3
1986-87	0.3	0.3	2.2	0.5	1.5	0.5	2.2	1.9	1.7	0.5	0.1	0.1	11.6
1987-88	0.2	0.0	0.4	2.7	3.0	3.1	2.5	1.5	2.0	3.7	0.0	0.1	19.2
1988-89	0.0	0.3	0.5	0.0	1.9	5.6	1.1	3.2	1.3	0.0	0.2	0.0	14.0
1989-90	0.0	0.0	1.1	1.3	0.7	0.0	2.5	4.0	0.4	1.7	1.1	0.0	12.7
1990-91	0.0	0.2	0.0	0.0	1.1	0.1	2.2	4.4	13.2	0.1	0.0	0.0	21.3
1991-92	0.3	0.0	0.0	0.8	0.0	4.6	3.2	14.8	10.3	0.3	0.0	0.0	34.3
1992-93	0.9	0.0	0.0	2.3	0.0	6.2	16.2	10.1	4.0	0.0	0.0	1.6	41.3
1993-94	0.0	0.0	0.0	0.3	1.3	1.4	0.5	4.1	2.9	1.4	0.8	0.1	12.7
1994-95	0.0	0.0	0.0	1.0	0.7	1.3	19.9	3.6	10.3	1.8	0.2	1.9	40.7
1995-96	0.0	0.0	0.0	0.0	0.0	1.3	1.6	10.2	4.0	1.2	0.0	0.0	18.3
1996-97	0.0	0.0	0.0	1.1	2.8	4.2	8.0	0.3	0.0	0.0	0.0	0.2	16.6
1997-98	0.0	0.0	0.6	0.0	3.0	3.8	3.9	17.9	4.9	2.6	6.3	0.3	43.3
1998-99	0.0	0.0	0.2	0.0	1.6	0.4	2.8	1.3	1.5	3.2	0.3	1.3	12.7
1999-00	0.0	0.0	0.0	0.0	0.3	0.0	1.0	9.0	3.4	3.2	0.0	0.0	16.9
2000-01	0.0	0.1	0.4	1.3	0.0	0.0	5.3	7.7	1.8	2.5	0.0	0.0	19.1
2001-02	0.1	0.0	0.0	0.1	2.5	1.4	2.1	0.5	0.7	0.2	0.3	0.2	8.1
2002-03	0.0	0.0	0.2	0.0	3.5	3.8	0.0	7.1	4.6	2.3	1.7	0.6	23.8
2003-04	0.0	0.0	0.0	0.0	1.4	2.9	0.4	8.0	1.8	0.5	0.0	0.0	14.9
2004-05	0.0	0.0	0.0	10.8	1.1	9.1	17.3	13.5	3.3	1.2	0.3	0.0	56.6
2005-06	0.0	0.0	0.3	3.3	0.4	0.3	4.1	3.8	4.4	4.1	1.0	0.1	21.8
2006-07	0.1	0.0	0.0	0.0	0.1	0.9	0.6	2.5	0.5	0.5	0.0	0.0	5.2
AVERAGE 10 YR	0.1	0.2	0.4	0.9	1.8	2.7	4.5	5.4	4.3	1.4	0.5	0.2	22.4
AVG	0.0	0.0	0.2	1.7	1.7	2.6	4.5	6.9	2.6	2.0	1.0	0.3	23.4
5 YR AVG	0.0	0.0	0.1	2.8	1.8	3.5	4.8	6.6	3.0	1.7	0.7	0.2	25.0
3 YR AVG	0.0	0.0	0.1	4.7	1.0	4.1	7.3	8.4	3.2	1.9	0.4	0.0	31.1

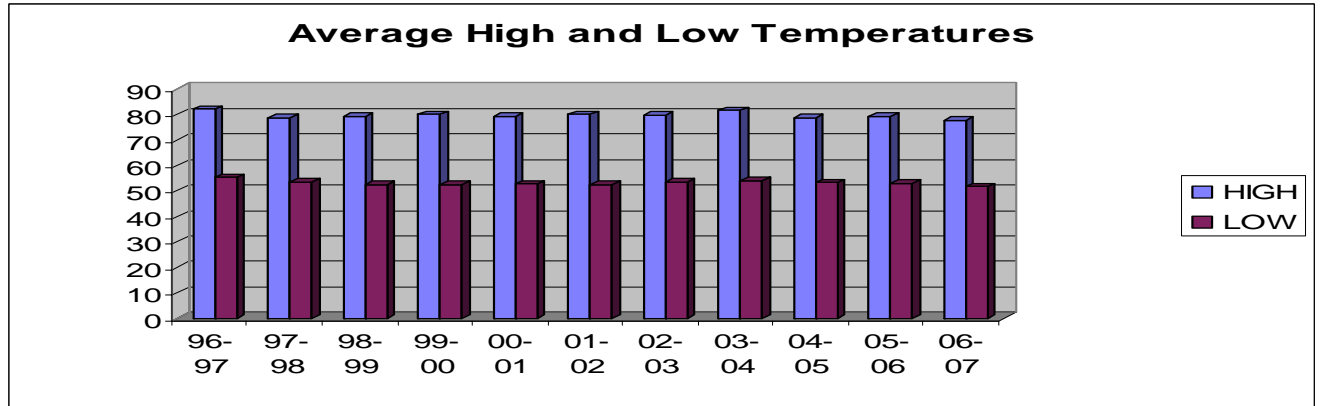
Rainfall and Temperature History

	87-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
Inches of Rainfall	19.2	14.0	12.7	21.3	34.3	41.3	12.7	40.7	18.3	16.6	43.3	12.7	16.9	19.1	8.1



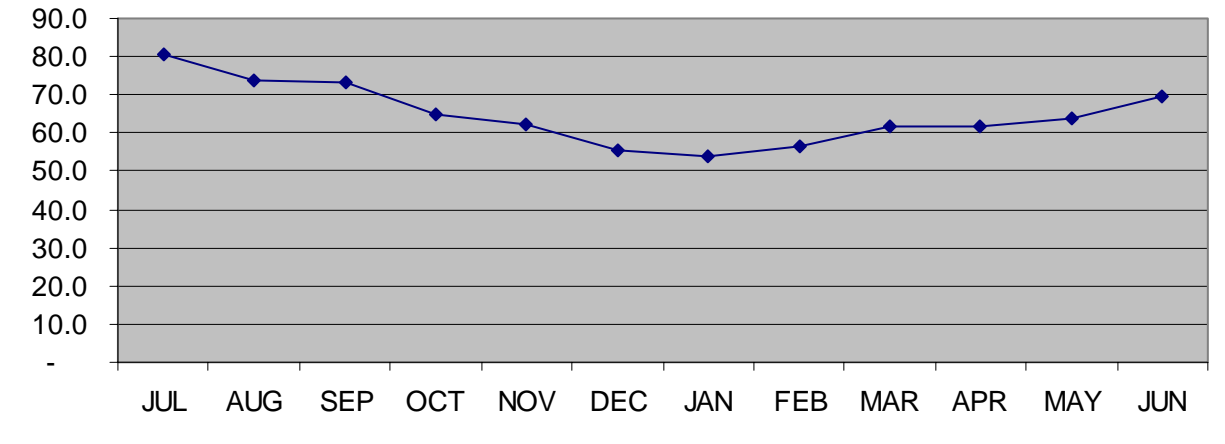
FMWD Rainfall History -- Inches of Rainfall

		95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05
Average Temperature	HIGH	82.6	82.2	78.7	79.2	80.0	79.3	80.1	79.8	81.7	78.8
	LOW	54.1	55.2	53.6	52.6	52.5	52.8	52.5	53.6	54.1	53.3



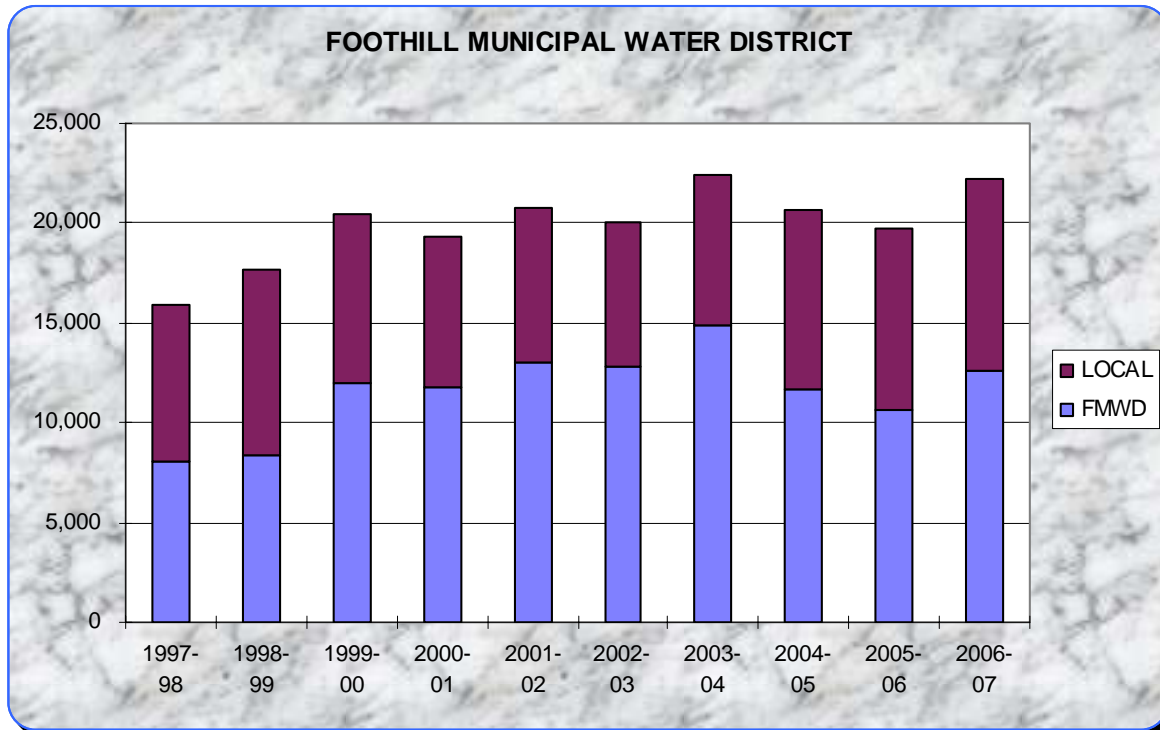
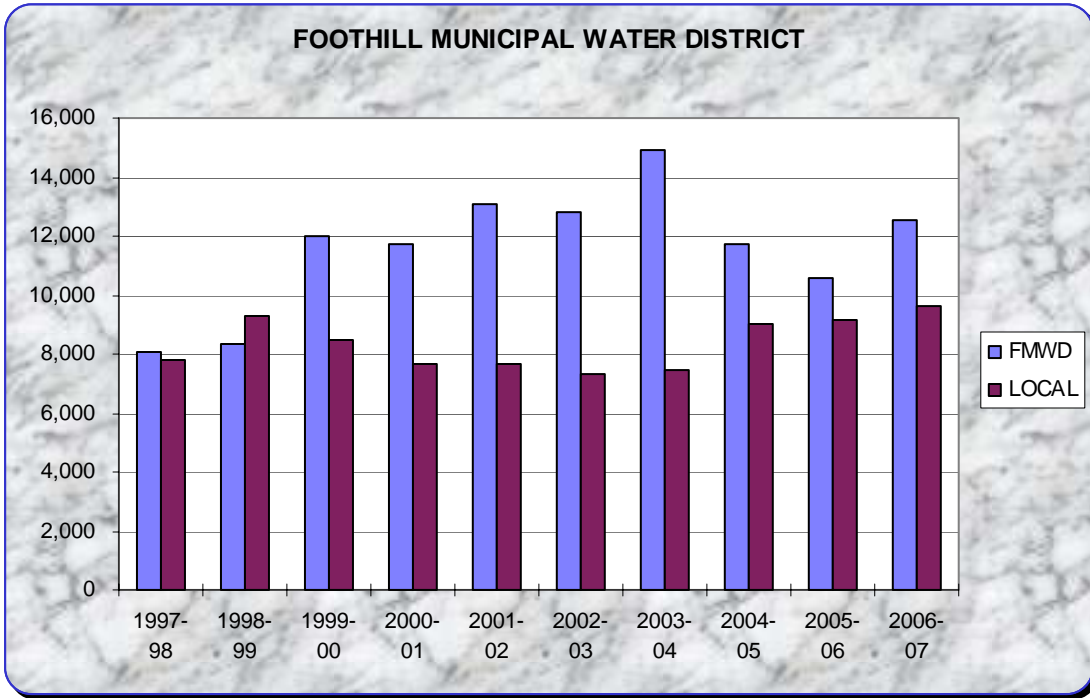
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Average Temperature	80.5	74.0	73.5	65.0	62.5	55.5	54.0	56.5	61.5	61.5	64.0	69.5

Average Monthly Temperatures



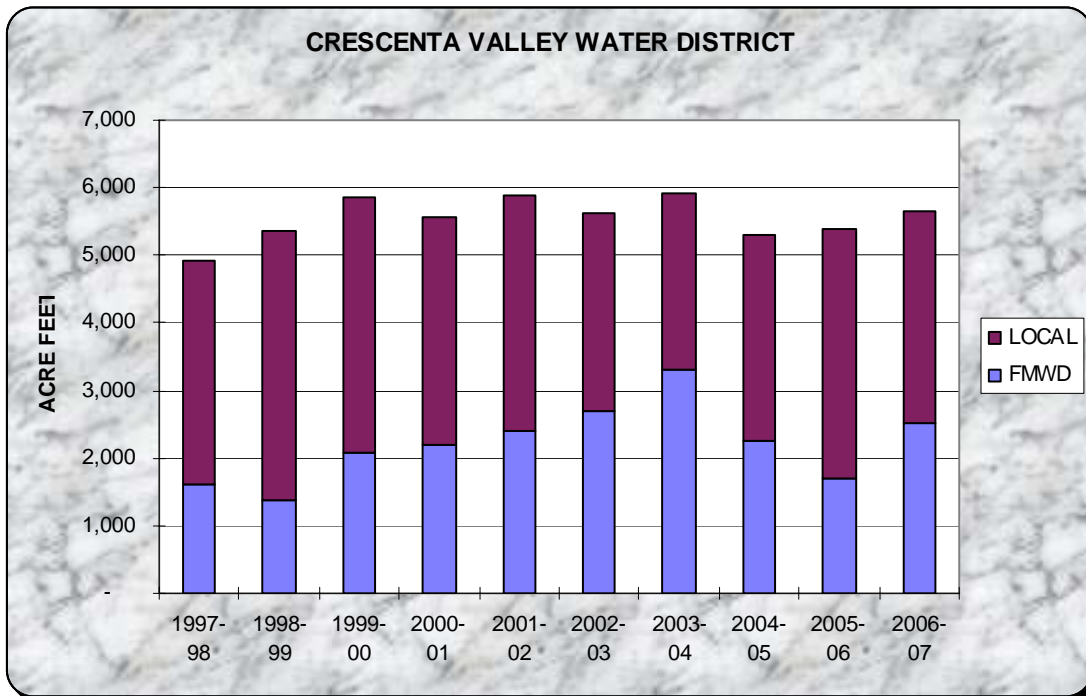
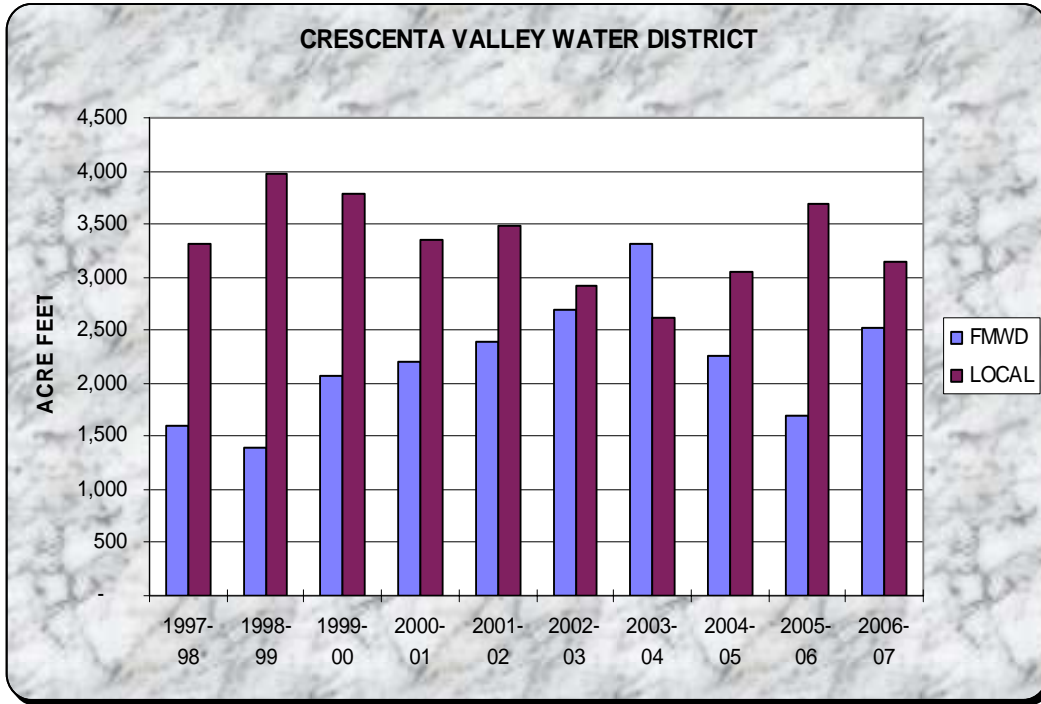
FMWD Temperature History

SERVICE AREA TOTAL DEMAND ANNUAL PRODUCTION

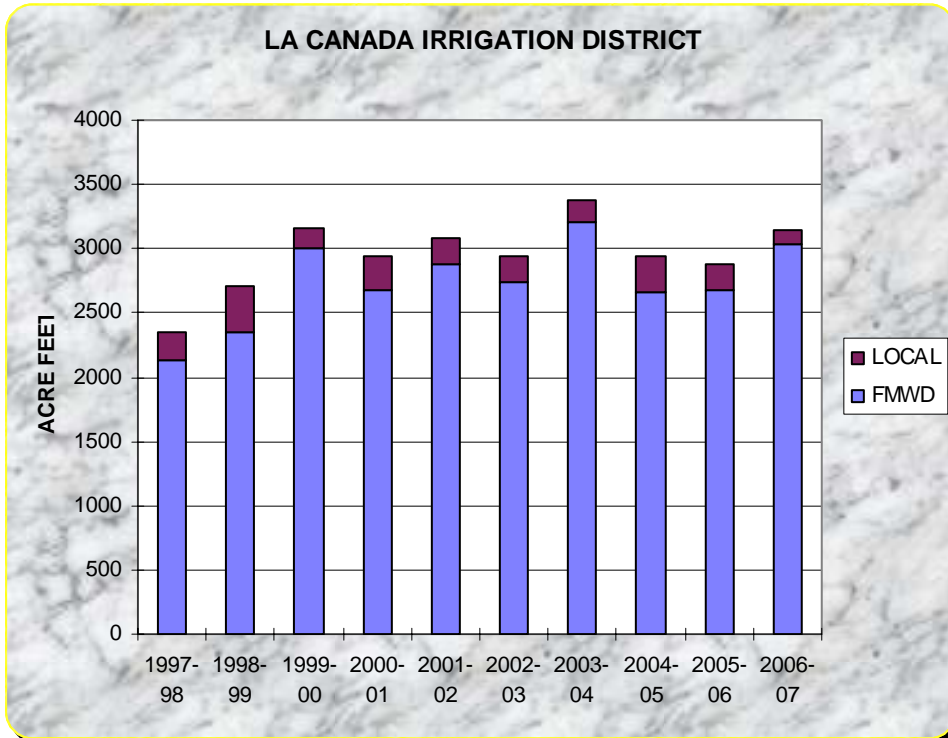
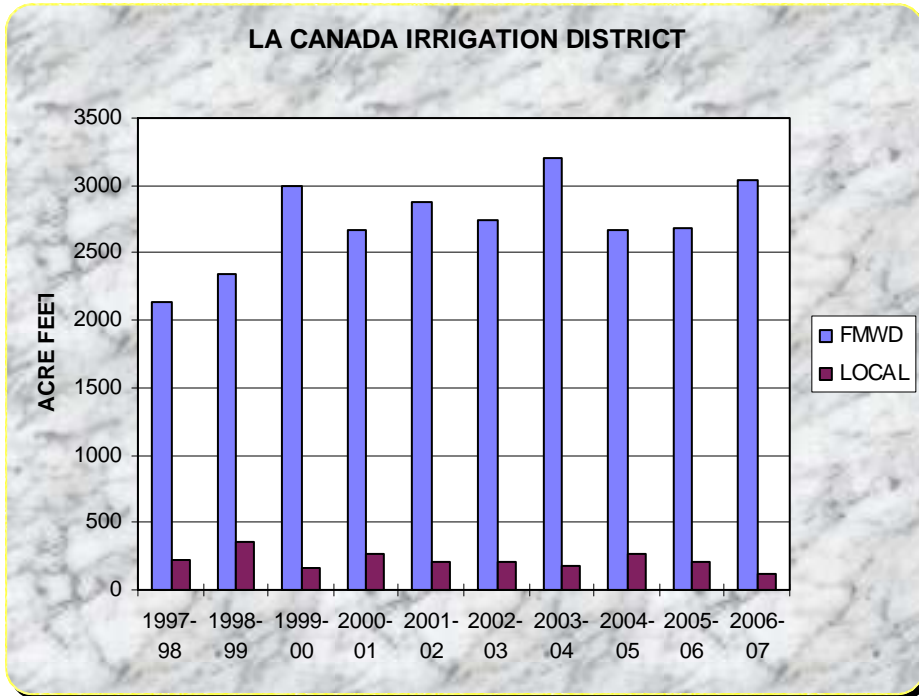


Total demand includes replenishment/injection

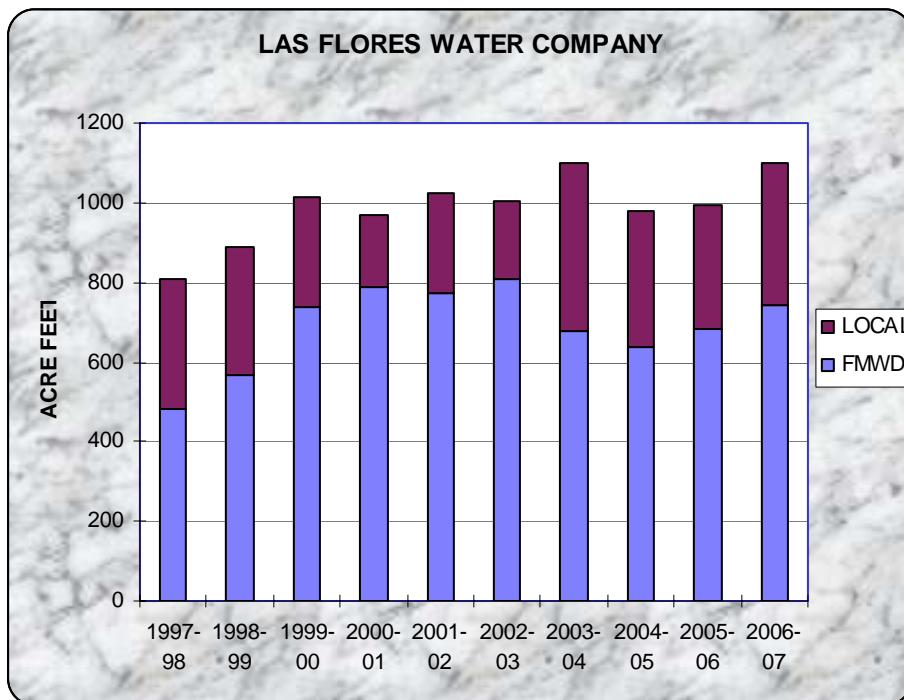
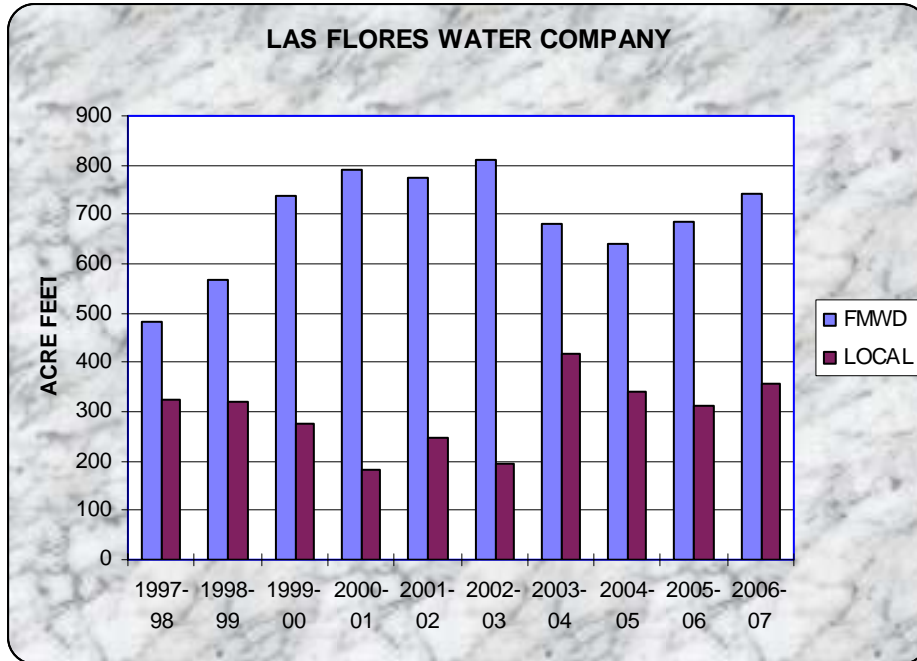
RETAIL AGENCY ANNUAL PRODUCTION



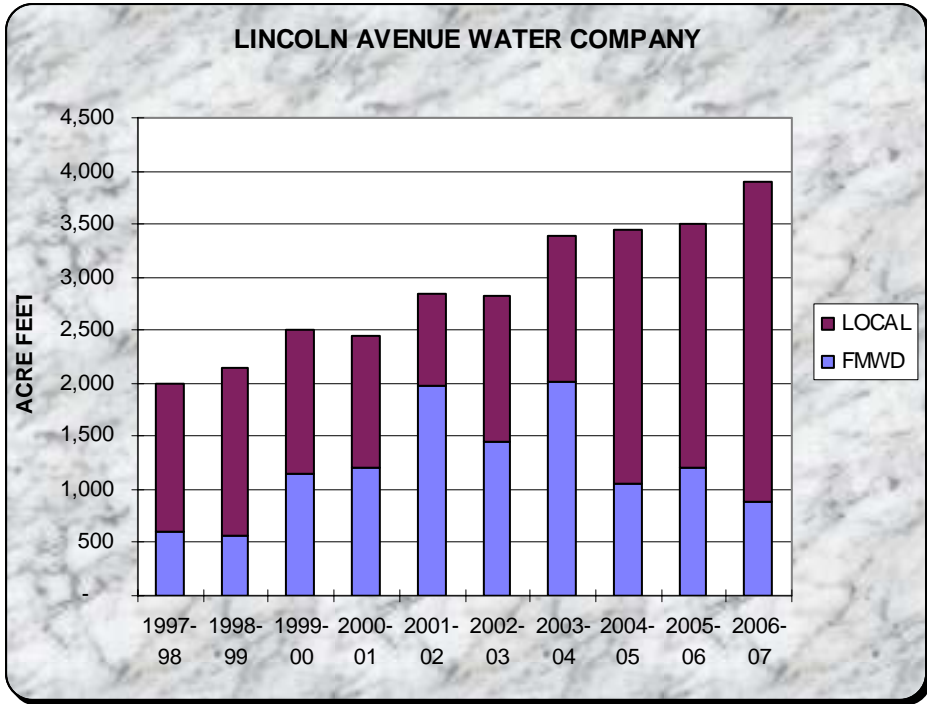
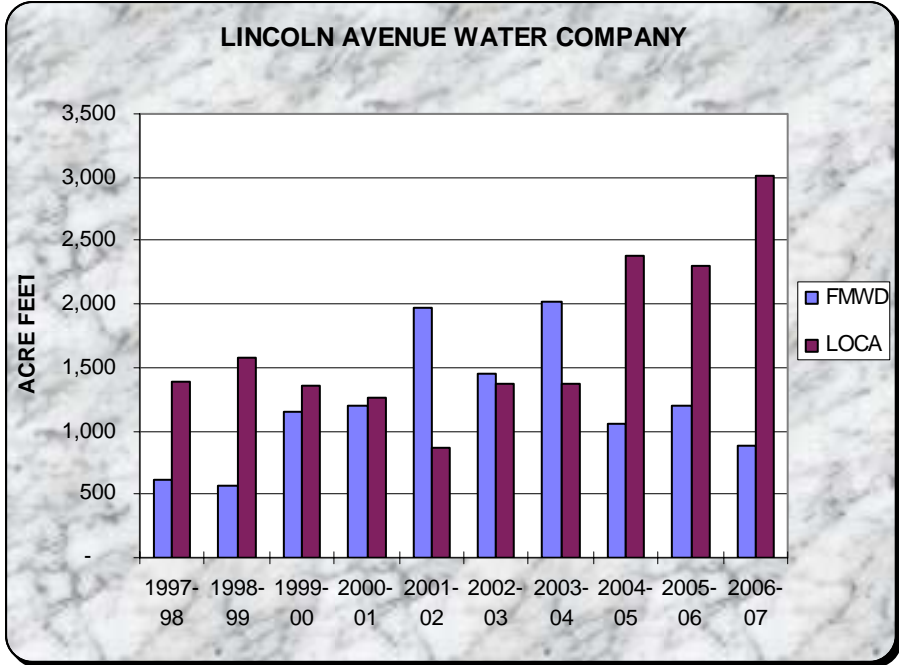
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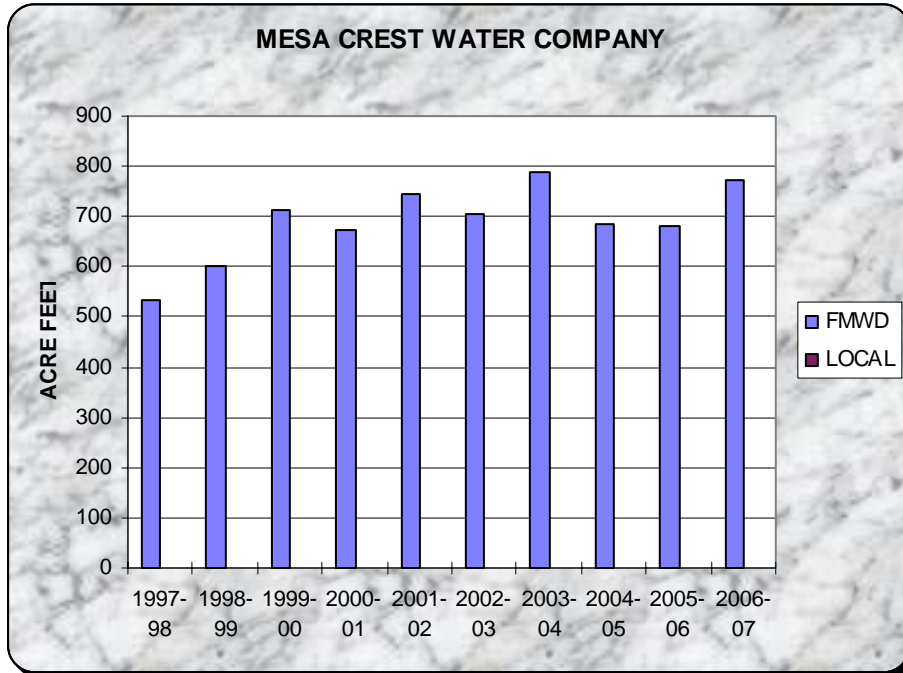
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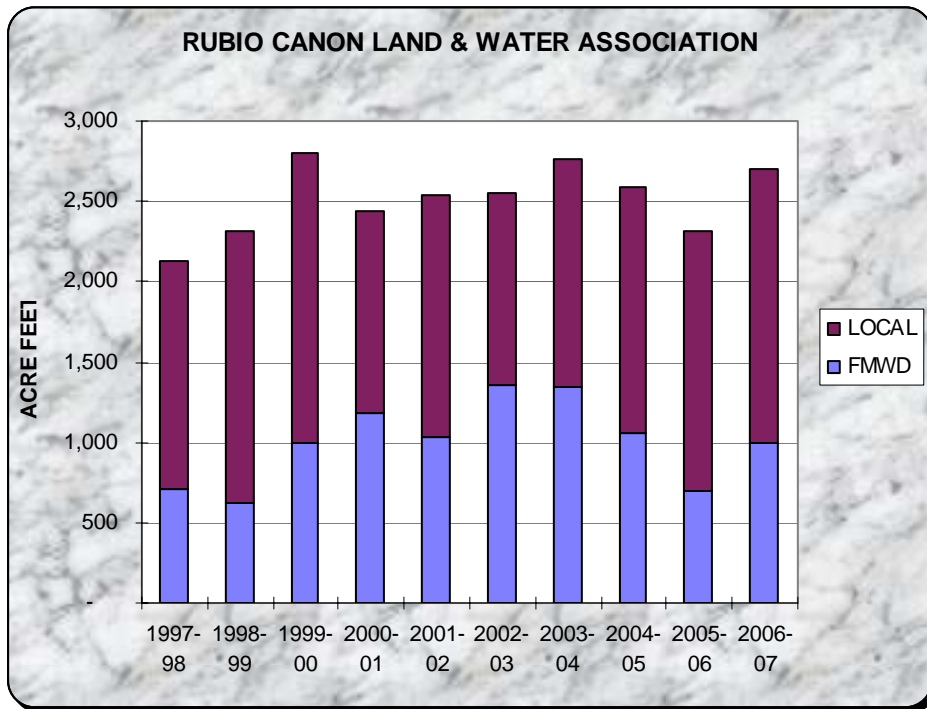
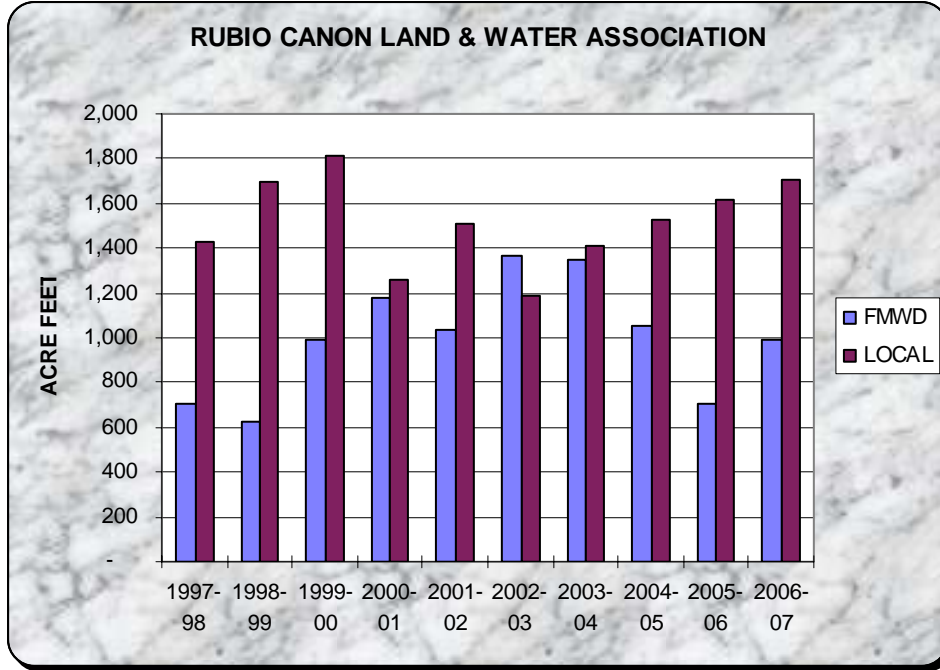
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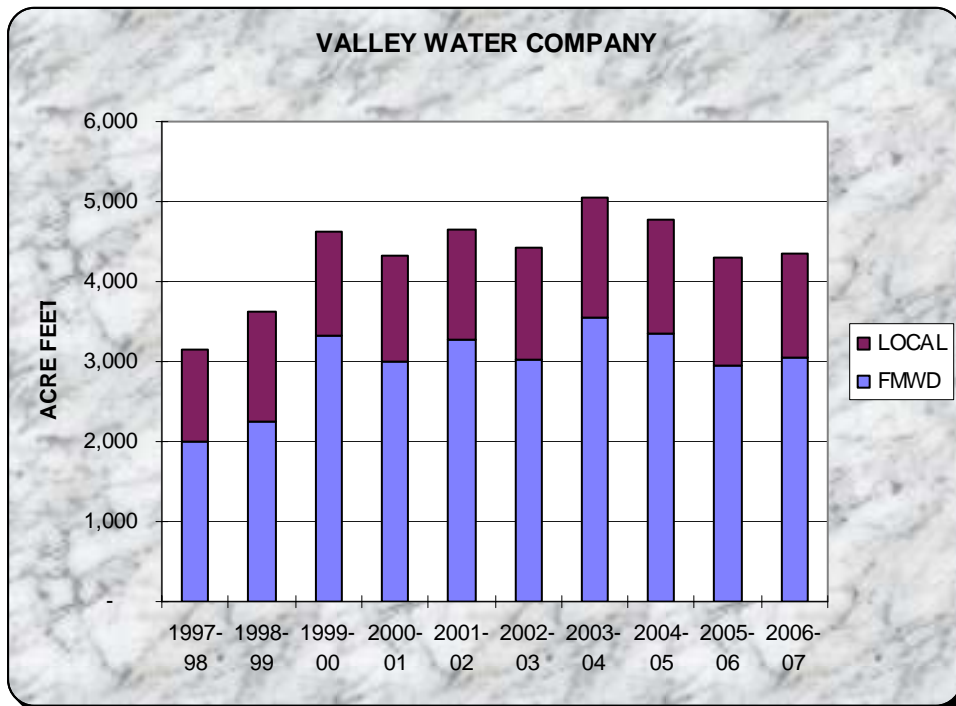
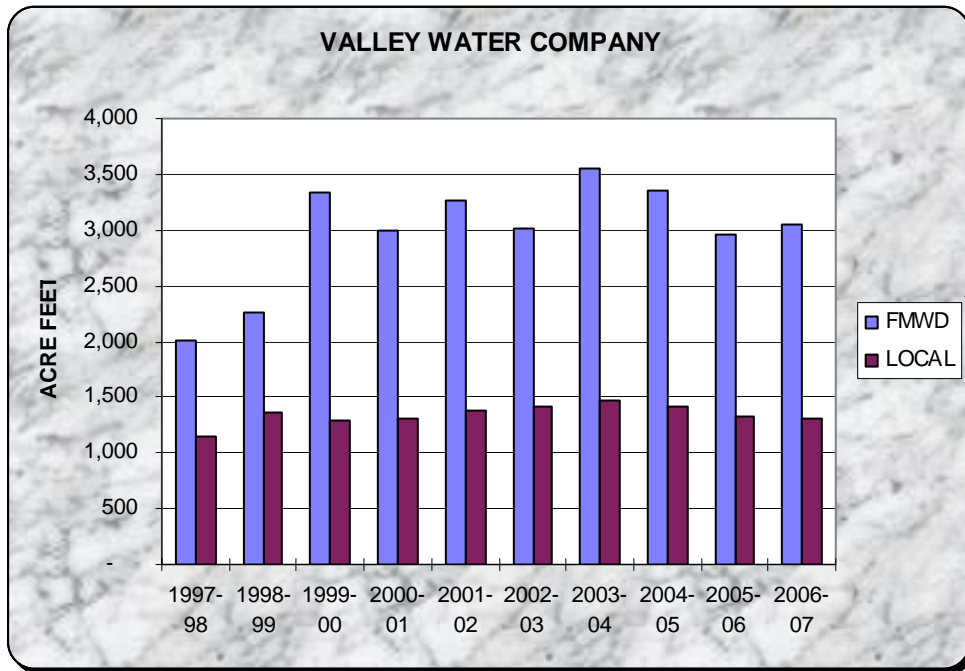
RETAIL AGENCY ANNUAL PRODUCTION



RETAIL AGENCY ANNUAL PRODUCTION



RETAIL AGENCY ANNUAL PRODUCTION



IV. POWER USE

WATER AND POWER - JULY 1, 2006 THROUGH JUNE 30, 2007

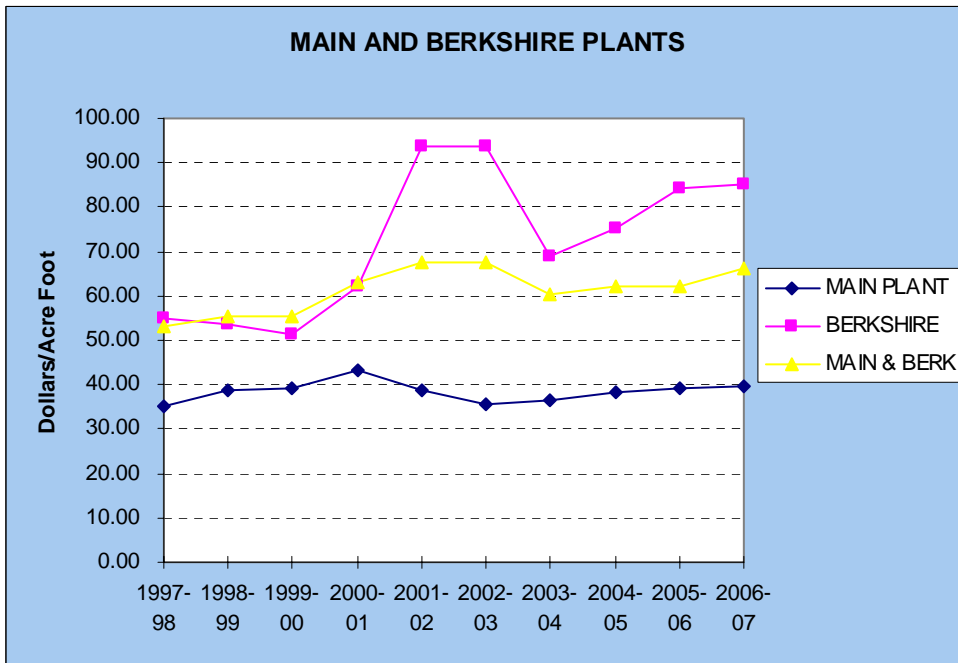
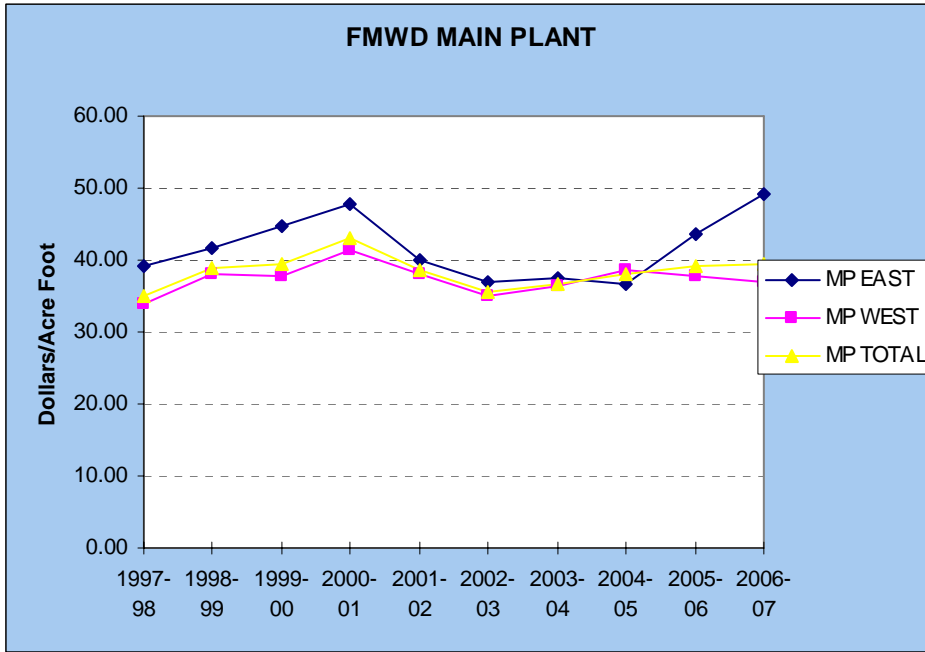
Power Cost by Reservoir Systems

Reservoir System	Acre Foot Water Delivery	2006-07 Total Power Cost	6/30/2007 Cost Per AF	6/30/2006 Cost Per AF	Change in Cost Per AF
<u>ALTADENA:</u>					
Las Flores Water Company	741.2				
Lincoln Avenue Water Company	878.4				
Rubio Canon Land & Water	<u>992.5</u>				
	2,612.1	\$ 128,732	\$ 49.28	\$ 43.74	\$ 5.54
<u>LA CANADA:</u>					
Crescenta Valley Water Dist.	2,516.7				
La Canada Irrigation District	1,596.5				
La Canada Irrigation District	1,555.9				
Mesa Crest Water Company	774.3				
Valley Water Company	3,634.9				
FHCUP	<u>353.0</u>				
	10,431.3	\$ 386,197	\$ 37.02	\$ 37.91	\$ (0.89)
Pasadena Water & Power	13,043.4	\$ 514,929	\$ 39.48	\$ 39.22	\$ 0.26
<u>LA CRESCENTA:</u>					
Crescenta Valley Water Dist.	2,516.7				
La Canada Irrigation District	1,596.5				
Valley Water Company	-				
SCE	<u>4,113.2</u>	\$ 349,975	\$ 85.09	\$ 84.19	\$ 0.90
TOTALS	13,043.4	\$ 864,904	\$ 66.31	\$ 62.10	\$ 4.21
Water Purchased from MWD	12,572.0	Water delivered by FMWD		13,043.0	
Water Purchased from Pasadena	-	Water delivered by MWD		<u>12,992.2</u>	
Total Water Purchased	<u>12,572.0</u>	Acre Foot Difference		50.8	
		% Difference		0.39%	

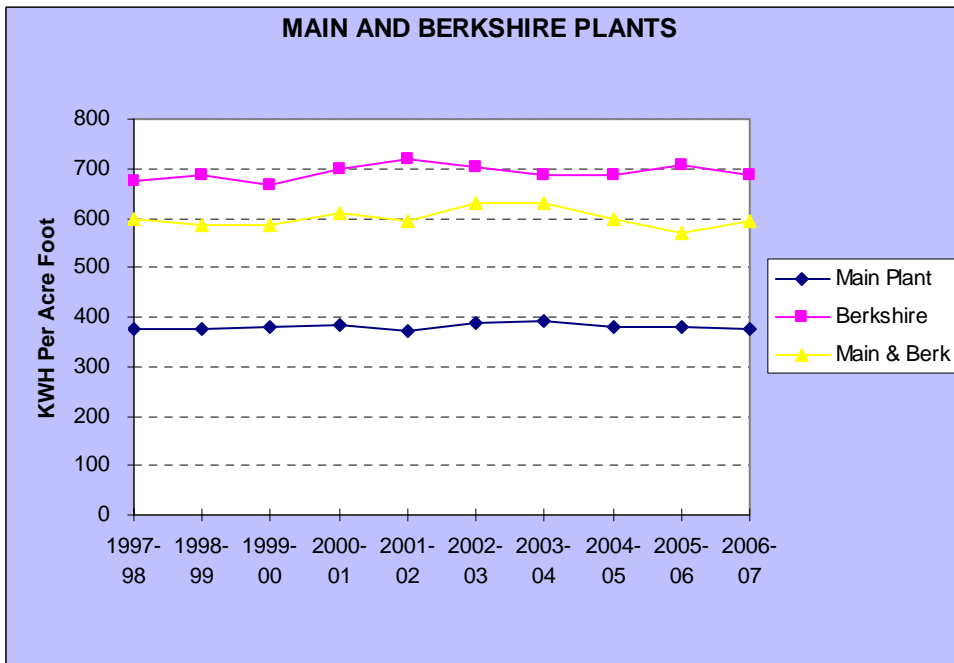
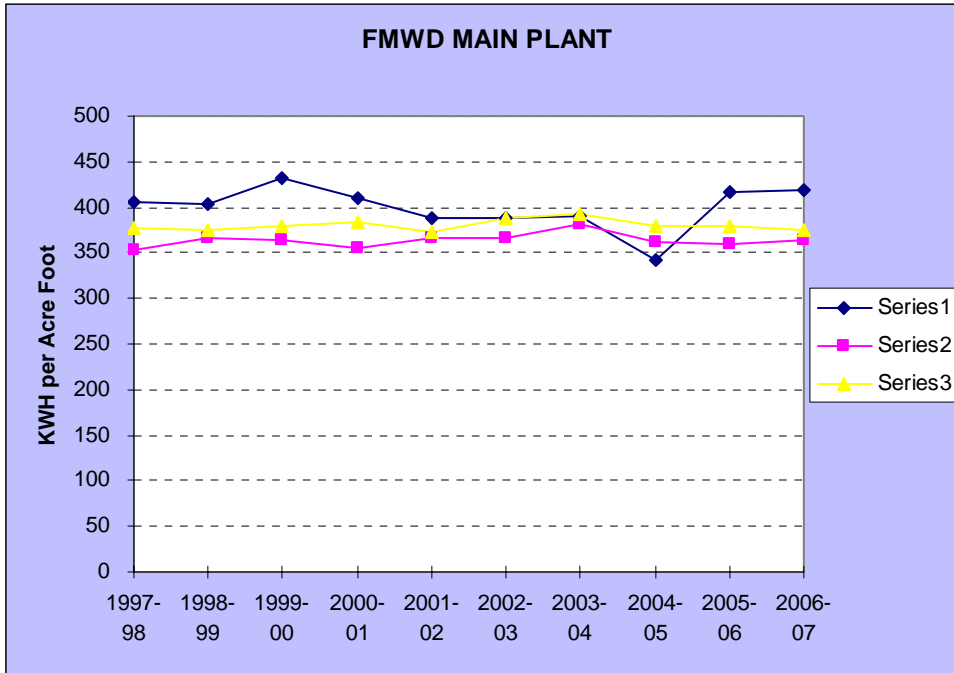
NOTES:

1. Power cost per acre foot figures shown are adjusted to reflect acre feet run from/to Pasadena and water delivered by Foothill's portable pump.

ENERGY COST PER ACRE FOOT



KWH PER ACRE FOOT ENERGY USE



V. GENERAL

FOOTHILL MUNICIPAL WATER DISTRICT

GENERAL COMPOSITION

Foothill Municipal Water District's (FMWD) jurisdictional area encompasses approximately 21.66 square miles of which 17.2 square miles comprise the present service area. All land area within the service area is essentially fully developed. The dominant categories of land use are estimated at 90% residential, 5% government, and 5% light commercial. The District serves approximately 84,000 people residing in the communities of Altadena, La Cañada Flintridge, and La Crescenta.

HISTORY

With the accelerating real estate development of the foothill area after the end of World War II and steadily increasing demand for water, the safe yields of the Raymond and Verdugo Basins were reached. It became imperative that an additional water supply be secured as soon as possible. The Raymond Basin, in the northwest corner of the San Gabriel Valley, is a reliable source of potable groundwater for the cities of Alhambra, Arcadia, La Cañada Flintridge, Pasadena, San Marino, Sierra Madre, and the community of Altadena (and in particular, the Monk Hill sub-basin for the FMWD area). The Verdugo Basin is a sub-basin of the San Fernando Basin that provides water to La Crescenta and a portion of the city of Glendale.

In 1949, the Foothill Water Group was formed by the concerned citizens of Altadena, La Cañada, and the Crescenta valley to secure additional water. These were forward looking men who preferred to solve their own water problem rather than submit to annexation to a municipality. Careful studies indicated the solution to the problem was to form a water district for the purpose of annexing to the Metropolitan Water District of Southern California (MWD) and thus secure access to Colorado River water. Foothill Municipal Water District was organized in 1951 by a vote of the citizens of Altadena, La Cañada and La Crescenta. Now, however, a change in state law would be required.

Frank Lanterman, a long-time resident of La Cañada and a director of Valley Water Company, was elected to the office of state assemblyman. With his help, the MWD Act was amended to allow municipal water districts to join MWD rather than limiting membership exclusively to cities. FMWD was formally incorporated as a municipal water district on January 7, 1952, and formal annexation to MWD was approved on January 15, 1953. Construction of the District's distribution system, using voter approved bond monies, was completed in 1954.

Foothill Municipal Water District, as a water wholesaler, currently serves seven retailing agencies. They are:

Las Flores Water Company, Altadena
Lincoln Avenue Water Company, Altadena
Rubio Cañon Land & Water Association, Altadena

La Cañada Irrigation District, La Cañada Flintridge
Mesa Crest Water Company, La Cañada Flintridge
Valley Water Company, La Cañada Flintridge

Crescenta Valley Water District, La Crescenta

An additional retailing agency, the Kinneloa Irrigation District, is located at the eastern end of Foothill's boundaries. Foothill deliveries to Kinneloa are not anticipated until some time after 2010.

OPERATION AND MAINTENANCE

GENERAL

Operation and maintenance of the Foothill Municipal Water District's facilities and equipment is directed from the Operations Center at 4602 Hampton Road in La Cañada Flintridge. The water distribution system is managed through a SCADA (Supervisory Control and Data Acquisition) system. Five District operation and maintenance employees operate the distribution system and perform maintenance and repair of the system. Major construction and repair projects are performed by contractors under the District's supervision.

The Operations Center is staffed every day, including weekends and holidays, from 7:30 a.m. to 10:00 p.m. During off-hours, a system operator is on standby and responds to any alarm condition.

The District's Main Pumping Station and additional maintenance facilities are located at 1630 Rosemont Avenue in Pasadena, one mile north of the Rose Bowl. Materials, supplies, tools and equipment are stored in three storage buildings and an equipment port at this site.

OPERATIONS

Metropolitan Water District's Upper Feeder is tapped in the vicinity of Seco Street and Rosemont Avenue, near the Rose Bowl. This treated water flows by gravity from Metropolitan's system through Foothill's 39-inch Arroyo Seco Gravity Main which traverses a northerly direction in the vicinity of Rosemont Avenue and terminates at the District's Main Pumping Station.

The Main Pumping Station consists of two banks of electrically driven vertical turbine pumps. The East bank of boosters pushes water into the Altadena Force Main leading to the Altadena Reservoir pressure zone; while the West propels water into the Westside Force Main leading to the La Cañada Reservoir pressure zone and, via the Berkshire Booster Station, into the La Crescenta Force Main and the La Crescenta pressure zone. In total, Foothill maintains approximately 9.5 miles of transmission water mains, ranging in size from 24" to 39".

The bank of pumps which supplies the 24-inch Altadena Force Main consists of four boosters, ranging in size from 100 to 200 HP, with a total capacity of 8.9 million gallons per day (MGD). Las Flores Water Company, Lincoln Avenue Water Company, and Rubio Cañon Land & Water Association are served by this system.

The bank of boosters which supplies the Westside Force Main consists of four pumps, ranging in size from 125 to 250 HP, with a total capacity of 14.6 MGD. Water is lifted through the 30-inch Westside Force Main to a junction with the 24-inch La Cañada Lateral and the Berkshire Booster Station Lateral. The La Cañada Lateral terminates at the La Cañada reservoirs. Water agencies served by this part of the system are the La Cañada Irrigation District, Mesa Crest Water Company, and Valley Water Company.

As a backup to the electrical service provided to this pump station by the Municipal Power Department of the City of Pasadena, the District maintains two 500 kW portable diesel driven generators at this plant. In the event of an extended power outage, these generators are capable of furnishing adequate energy to allow pumping in excess of the District's average flow demands.

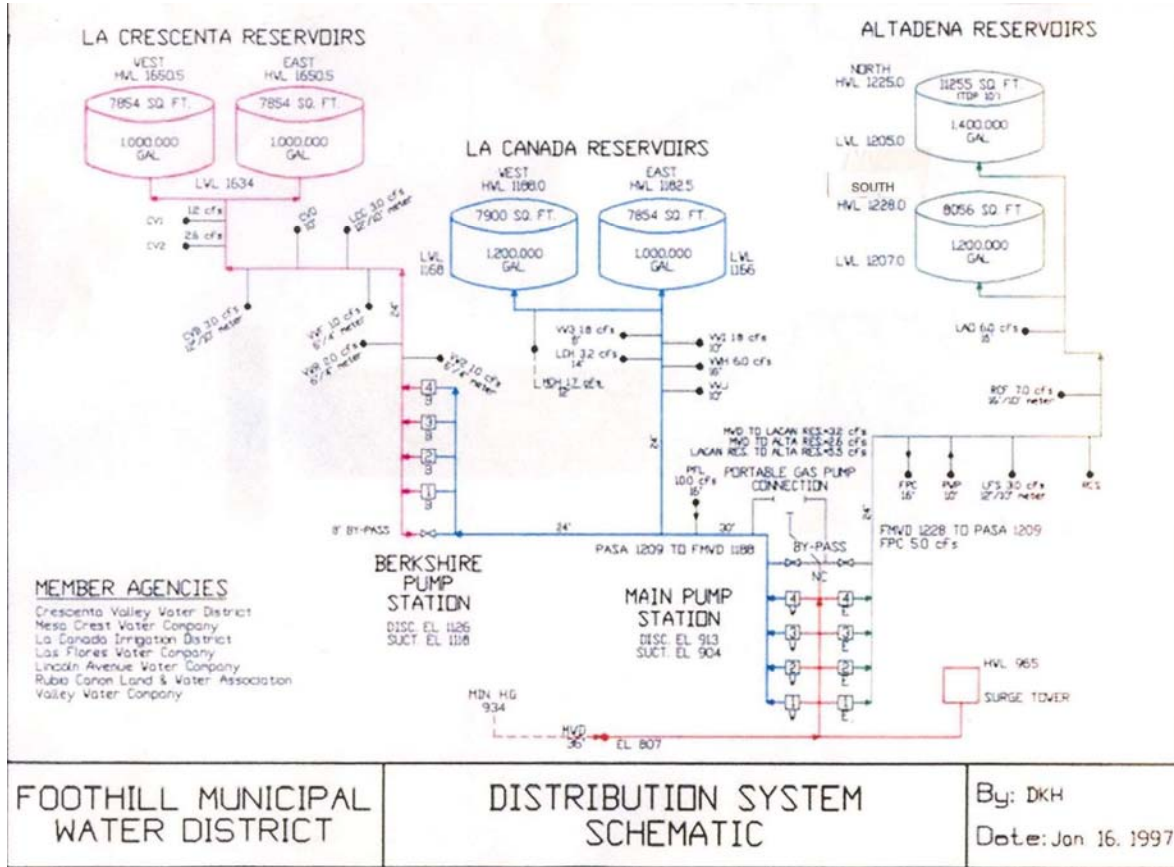
The 1200 horsepower Berkshire Booster Station consists of four 300 HP electrically driven vertical turbine pumps with a total capacity of 10.0 MGD. Water is pumped by the Berkshire pumps through the 24-inch La Crescenta Force Main into the La Crescenta Reservoir pressure zone. Water agencies served by this part of the system are the Crescenta Valley Water District, La Cañada Irrigation District, and Valley Water Company.

As a backup to the electrical service provided by the Southern California Edison Company, the District maintains a 350kW portable diesel driven generator at this booster station.

The system reservoir facilities consist of 6 storage tanks at 3 pressure zone locations with a total storage capacity of 6.8 million gallons.

Reservoir	Capacity	Type	Built
Altadena Reservoir North	1.4	Reinforced Concrete	1954
Altadena Reservoir South	1.2	Reinforced Concrete	1991
La Cañada Reservoir East	1.0	Steel	1954
La Cañada Reservoir West	1.2	Reinforced Concrete	1986
La Crescenta Reservoir East	1.0	Steel	1954
La Crescenta Reservoir West	1.0	Steel	1954

DISTRIBUTION SYSTEM SCHEMATIC



**SIGNIFICANT ADMINISTRATIVE, MAINTENANCE AND CONSTRUCTION PROJECTS
2006-07**

Upgrade to Berkshire Pump Station Motor Control Center

Electrical design for replacement of all existing electrical equipment with new equipment and installation. Project includes an automatic transfer switch for future emergency generator replacement. Project completed.

La Crescenta Force Main Line Meter Lateral Replacement and Shutoff Valve Installation

Replacement of appurtenance pipe and installation of a shutoff valve at main line outlet to preclude uncontrolled release of water from force main pipeline. Project completed.

FHCUP Engineering & Design Services to Develop Plans & Specifications

Kennedy Jenks Consultants to supply engineering and design services to develop plans and specifications for facilities required by the Foothill Conjunctive Use Project. Engineering and design services completed, Construction phase in process.

Master Plan

Bookman-Edmonston completed final draft of Master Plan for Foothill Municipal Water District

La Crescenta Force Main Leak & Alta Cañada Road Repair

Major leak caused damage to Alta Cañada Road. Made temporary repairs to pipeline and patched street. Phase 1 completed.

Rexa Control Valve Replacement and Ownership Transfer

In process.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

The Metropolitan Water District of Southern California (MWD) was created by public vote in 1928 under the Metropolitan Water District Act of the State of California as a special district of the state. Its purpose is to provide a supplemental water supply for Southern California's coastal plain. About 90 percent of the water supplied by Metropolitan is used for municipal and industrial purposes and the remaining 10 percent goes to agricultural uses.

MWD's service area encompasses more than 5,200 square miles and is located on the coastal plain of Southern California, extending about 200 miles along the coast from the City of Oxnard on the north to the Mexican border on the south and inland as far as 70 miles. It includes portions of the six counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. There are 26 member agencies of the District, consisting of 13 original cities, one city added in 1971, 11 municipal water districts, and 1 county water authority. The total population in the service area is approximately 18 million.

Under the MWD Act, policy is established by a board of directors which represents the member agencies. Under present policy, each member agency is entitled to a minimum of one director. An additional representative may be appointed for each full 5 percent of the total MWD assessed valuation which lies within the member agency's boundaries. MWD member agencies are listed below:

Original Cities

Anaheim	Beverly Hills	Burbank	Compton
Fullerton	Glendale	Long Beach	Los Angeles
Pasadena	San Marino	Santa Ana	Santa Monica
	Torrance		

Municipal Water Districts

Calleguas	Central Basin	Inland Empire	Eastern
Foothill	Las Virgenes	Orange County	Three Valleys
West Basin	Upper San Gabriel Valley	Western of Riverside County	

Additional Member Agencies

City of San Fernando - Joined in 1971
San Diego County Water Authority

Water is imported by MWD from two sources:

1.) The Colorado River via its Colorado River Aqueduct. The Colorado River Aqueduct, owned and operated by the District, transports water from the Colorado River 242 miles to its terminus at Lake Mathews, near the City of Riverside.

2.) Northern California via the State Water Project's Governor Edmund G. Brown California Aqueduct (the "California Aqueduct"). The State Water Project (SWP), which is owned and operated by the California Department of Water Resources, serves 30 State water contractors including MWD. The primary water storage facility for the SWP is Lake Oroville on the Feather River in Northern California. Water released from Lake Oroville, together with water in the Sacramento River, flows to the Sacramento-San Joaquin Delta, located inland from the San Francisco Bay. From the Delta, water is pumped into the California Aqueduct near the City of Tracy.

The California Aqueduct, including the East Branch, is 444 miles in length and transports water from the Delta through the San Joaquin Valley over the Tehachapi Mountains and then to the East Branch terminus at Lake Perris in Riverside County. The other major branch of the California Aqueduct, referred to as the West Branch, is 32 miles in length and has its terminus at Castaic Lake in northern Los Angeles County. MWD receives State Project water at four delivery points, one in Los Angeles County, one in San Bernardino County, and two in Riverside County.

MWD has five filtration plants in operation. These are: Skinner Filtration Plant in Winchester; Weymouth Filtration Plant in La Verne; Diemer Filtration Plant near Yorba Linda; Jensen Filtration Plant in Granada Hills; and the Mills Filtration Plant in Riverside.

FMWD receives its treated water from the Weymouth Plant. Metropolitan Water District's Upper Feeder is tapped in the vicinity of Seco Street and Rosemont Avenue in the City of Pasadena. Water flows from Metropolitan's system into Foothill's 39-inch pipeline called the Arroyo Seco Gravity Main which traverses a northerly direction in the vicinity of Rosemont Avenue and terminates at the District's Main Pump Plant located near Rosemont Avenue and Washington Boulevard in Pasadena.

Water Sales

MWD delivered approximately 2,382,313 acre-feet of water during fiscal year 2006-07. Delivery to FMWD of 12,992 acre-feet represents 0.5% of MWD's total deliveries. Deliveries from MWD include firm sales, replenishment and conjunctive use.

End of Report.