

Water and Sewer Operating Fund
For the period ended October 31, 2002
(amounts expressed in thousands)

	FY2002		FY2003			
	Preliminary CAFR	Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 271,098	\$ 272,886	\$ 272,886	\$ 98,887	\$ 270,386	\$ 270,386
Sewer Sales	265,091	270,704	270,704	94,764	268,204	268,204
Penalties	4,214	3,741	3,741	1,529	3,741	3,741
Other	2,993	2,766	2,766	1,067	2,766	2,766
Total Operating Revenues	<u>543,396</u>	<u>550,097</u>	<u>550,097</u>	<u>196,247</u>	<u>545,097</u>	<u>545,097</u>
Operating Expenses						
Personnel	101,697	107,673	107,673	35,387	107,673	107,673
Supplies	19,620	22,792	22,792	7,270	22,792	22,792
Sale of Inventory (Intrafund)	0	0	0	0	0	0
Service Contracts & Utilities	122,363	125,143	125,143	24,276	125,143	125,143
Uncollectibles	0	1,000	1,000	0	1,000	1,000
Total Operating Expenses	<u>243,680</u>	<u>256,608</u>	<u>256,608</u>	<u>66,933</u>	<u>256,608</u>	<u>256,608</u>
Operating Income (Loss)	<u>299,716</u>	<u>293,489</u>	<u>293,489</u>	<u>129,314</u>	<u>288,489</u>	<u>288,489</u>
Nonoperating Revenues (Expenses)						
Interest Income	29,118	23,000	23,000	7,035	23,000	23,000
Sale of Property, Mains and Scrap	1,428	1,477	1,477	409	1,477	1,477
Other	8,933	7,898	7,898	640	7,898	7,898
CWA & TRA Contracts (P & I)	<u>(31,278)</u>	<u>(32,189)</u>	<u>(32,189)</u>	<u>(16,000)</u>	<u>(32,189)</u>	<u>(32,189)</u>
Total Nonoperating Rev (Exp)	<u>8,201</u>	<u>186</u>	<u>186</u>	<u>(7,916)</u>	<u>186</u>	<u>186</u>
Income (Loss) Before Operating Transfers	<u>307,917</u>	<u>293,675</u>	<u>293,675</u>	<u>121,398</u>	<u>288,675</u>	<u>288,675</u>
Operating Transfers						
Debt Service Principal	58,376	48,262	48,262	18,456	48,262	48,262
Debt Service Interest	149,040	179,595	179,595	58,858	179,595	179,595
Discretionary Debt	36,479	35,947	35,947	8,141	35,947	35,947
Equipment Acquisition	13,021	15,976	15,976	5,325	15,976	15,976
Renewal and Replacement*	0	2,433	2,433	0	2,433	2,433
Accumulated Unexpended (ALP)	14,600	0	0	0	0	0
Transfer for Street and Drainage	21,597	11,462	11,462	0	11,462	11,462
Total Operating Transfers	<u>293,113</u>	<u>293,675</u>	<u>293,675</u>	<u>90,780</u>	<u>293,675</u>	<u>293,675</u>
Net Current Activity						
Operating Fund Only	\$ <u>14,804</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>30,618</u>	\$ <u>(5,000)</u>	\$ <u>(5,000)</u>

*Please refer to Page 31 for the current status of the Renewal and Replacement Fund No. 751.

About the Fund:

Public Utilities - Water and Sewer is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.