

Water and Sewer Operating Fund
For the period ended December 31, 2003
(amounts expressed in thousands)

	FY2003 CAFR	FY2004				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 267,125	\$ 275,057	\$ 275,057	\$ 140,460	\$ 269,057	\$ 269,057
Sewer Sales	264,159	272,618	272,618	134,328	266,618	266,618
Penalties	4,036	3,741	3,741	2,270	3,741	3,741
Other	3,997	2,758	2,758	2,260	2,758	2,758
Total Operating Revenues	<u>539,317</u>	<u>554,174</u>	<u>554,174</u>	<u>279,318</u>	<u>542,174</u>	<u>542,174</u>
Operating Expenses						
Personnel	112,510	116,360	116,360	56,998	116,360	116,360
Supplies	21,824	24,508	24,508	11,243	24,508	24,508
Service Contracts & Utilities	113,563	124,091	124,091	45,977	124,091	124,091
Uncollectibles	0	1,000	1,000	0	1,000	1,000
Total Operating Expenses	<u>247,897</u>	<u>265,959</u>	<u>265,959</u>	<u>114,218</u>	<u>265,959</u>	<u>265,959</u>
Operating Income (Loss)	<u>291,420</u>	<u>288,215</u>	<u>288,215</u>	<u>165,100</u>	<u>276,215</u>	<u>276,215</u>
Nonoperating Revenues (Expenses)						
Interest Income	19,297	14,653	14,653	7,606	14,653	14,653
Sale of Property, Mains and Scrap	1,048	1,464	1,464	283	1,464	1,464
Other	8,790	20,118	20,118	61,359	67,992	67,992
CWA & TRA Contracts (P & I)	<u>(30,934)</u>	<u>(32,701)</u>	<u>(32,701)</u>	<u>(24,156)</u>	<u>(32,701)</u>	<u>(32,701)</u>
Total Nonoperating Rev (Exp)	<u>(1,799)</u>	<u>3,534</u>	<u>3,534</u>	<u>45,092</u>	<u>51,408</u>	<u>51,408</u>
Income (Loss) Before Operating Transfers	<u>289,621</u>	<u>291,749</u>	<u>291,749</u>	<u>210,192</u>	<u>327,623</u>	<u>327,623</u>
Operating Transfers						
Debt Service Principal	50,335	67,488	67,488	27,264	67,488	67,488
Debt Service Interest	155,344	150,854	150,854	93,830	171,291	171,291
Discretionary Debt	23,811	30,021	30,021	8,042	30,021	30,021
Equipment Acquisition	14,976	16,688	16,688	8,145	16,688	16,688
Renewal and Replacement*	0	26,698	26,698	0	42,135	42,135
Accumulated Unexpended (ALP)	10,000	0	0	0	0	0
Transfer for Street and Drainage	<u>25,462</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Transfers	<u>279,928</u>	<u>291,749</u>	<u>291,749</u>	<u>137,281</u>	<u>327,623</u>	<u>327,623</u>
Net Current Activity						
Operating Fund Only	\$ <u>9,693</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>72,911</u>	\$ <u>0</u>	\$ <u>0</u>

*Please refer to Page 30 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.