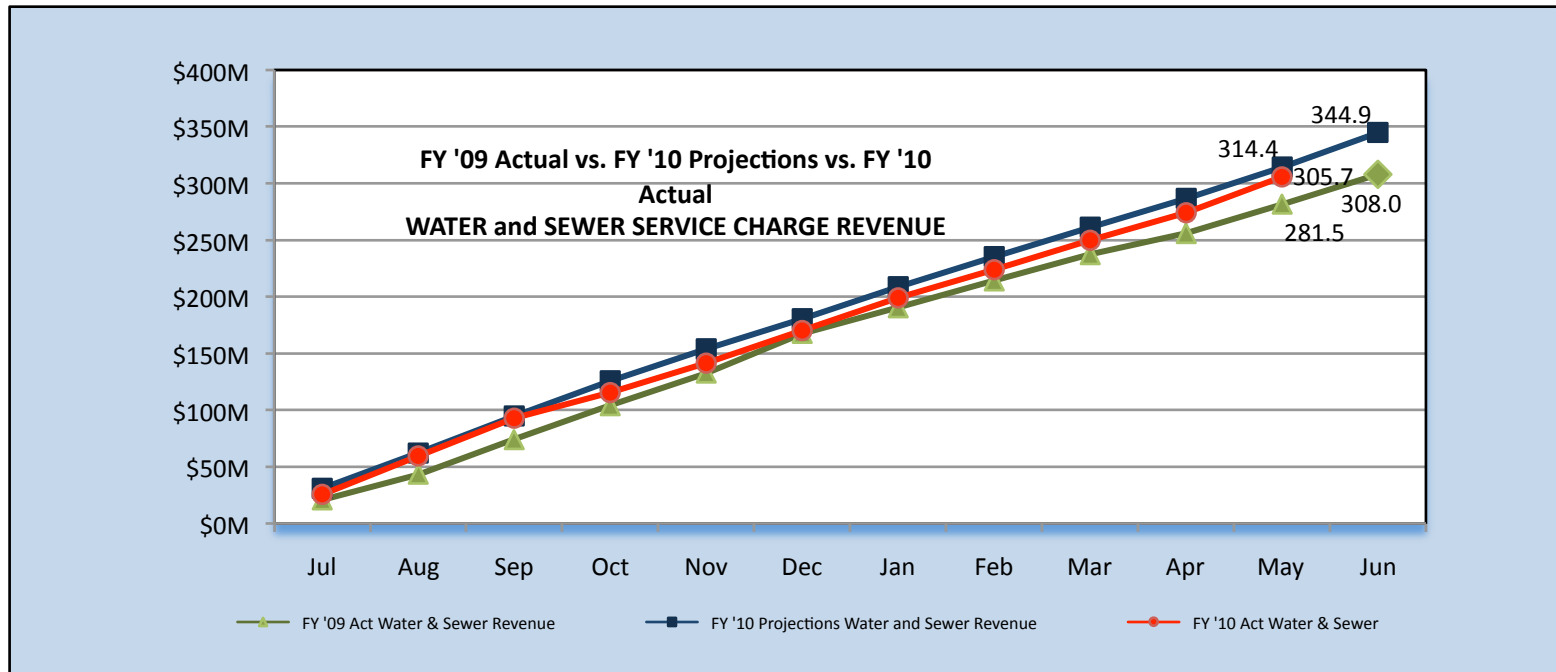


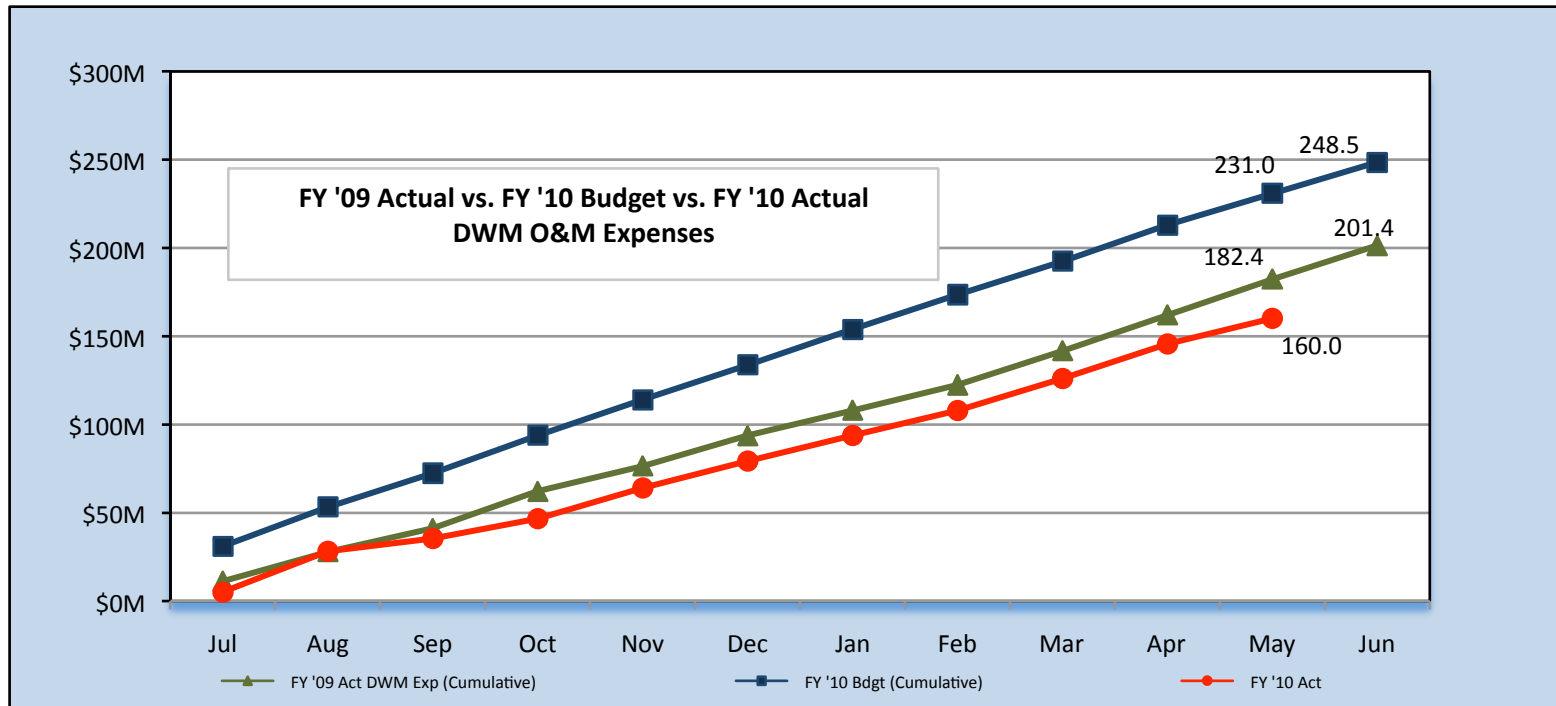
DEPARTMENT OF WATERSHED MANAGEMENT
 WATER AND SEWER SERVICE CHARGE REVENUE
 MAY-2010



The FY '10 projected amount incorporates the 12.5% rate increase approved by the City Council. The variance between the year-to-date anticipations \$314.4M, and the year-to-date actual amounts, \$305.7M, is unfavorable \$8.7M or 3%. The variance is due to lower than projected water consumption through eleven months of FY 2010.

Note: FY 2010 YTD Revenue reflects amounts recorded to date.

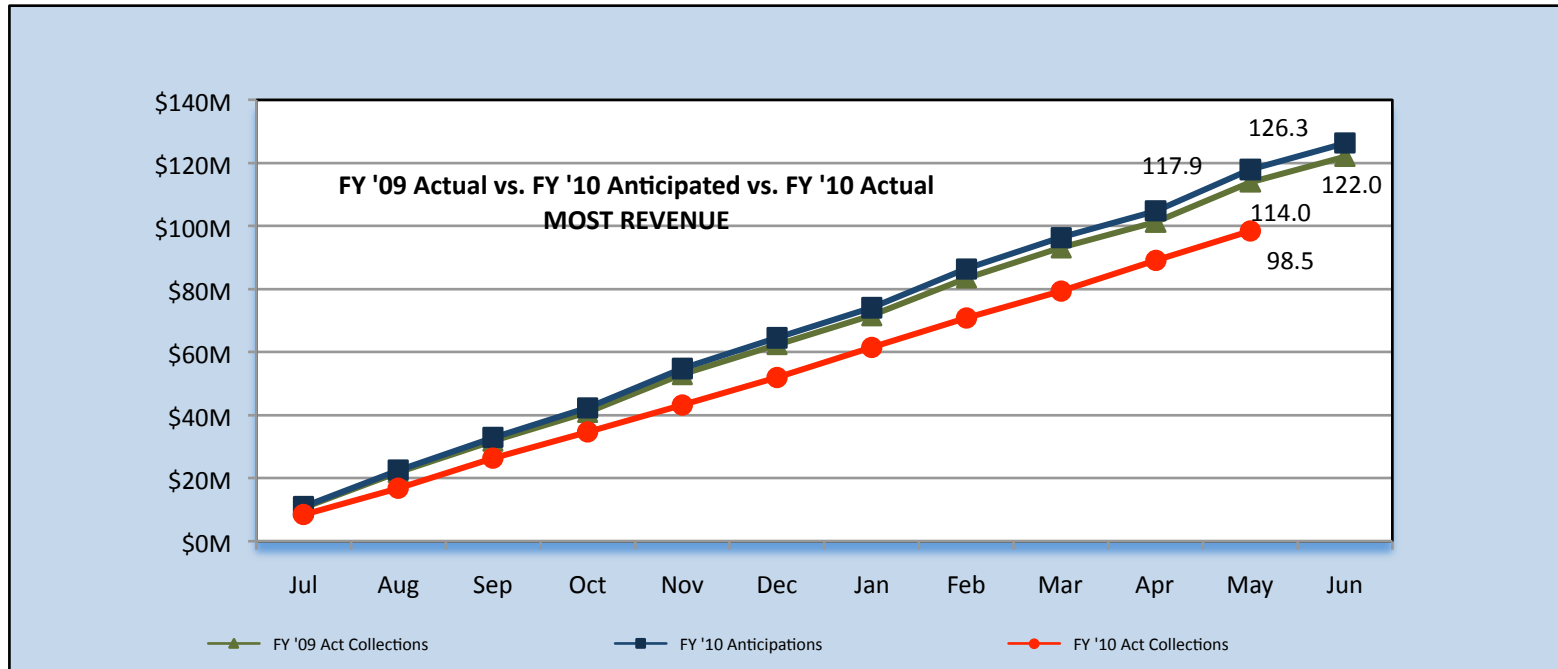
WATERSHED MANAGEMENT
DWM CASH BASIS O ad M EXPENSES
MAY 2010



As of May 31, 2010, the FY '10 year-to-actual expenses for the Department of Watershed Management were \$160.0M which reflects a \$71.0M favorable YTD budget-to-actual variance.

Note: FY 2010 YTD Expenses reflect amounts recorded to date.

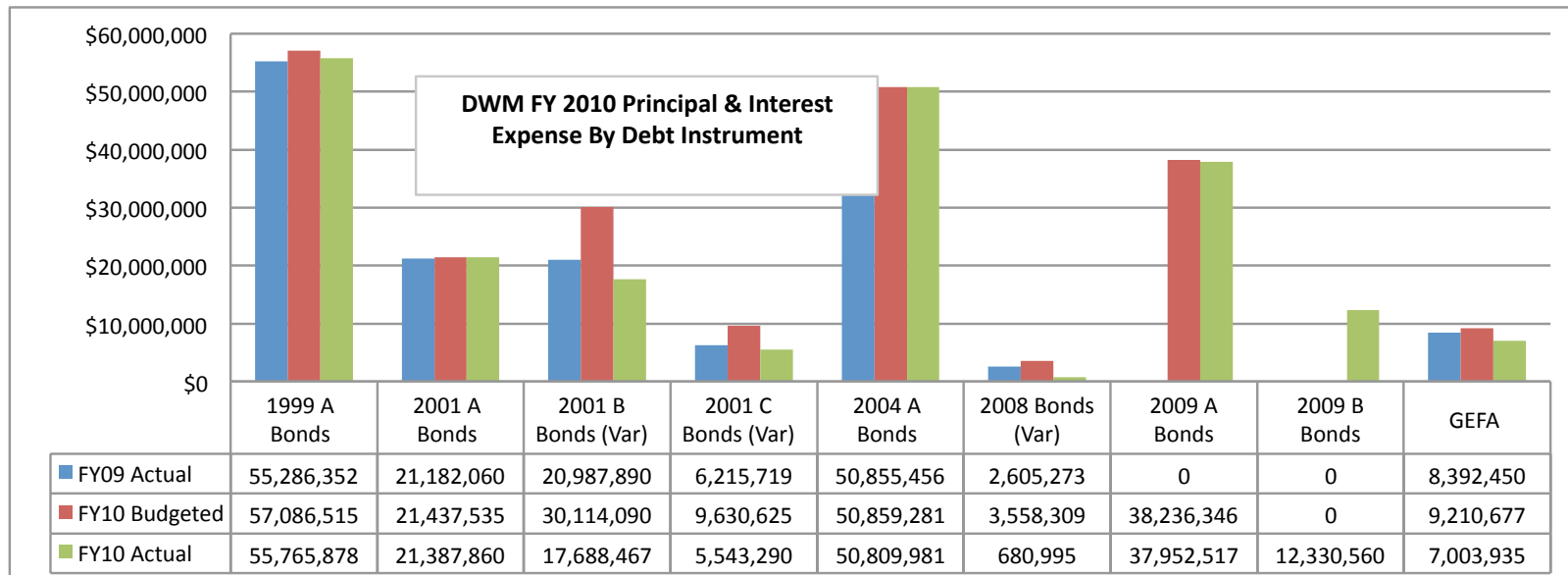
WATERSHED MANAGEMENT
 MOST REVENUE
 MAY-2010



The variance between year-to-date anticipated collections, \$117.9M, and year-to-date actual collections, \$98.5M, is unfavorable \$19.4M or 16%. The decrease in collections year-to-date is due to the downturn in the economy.

Note: FY 2010 YTD Revenue reflects amounts recorded to date.

**WATERSHED MANAGEMENT
DEBT SERVICE EXPENSES
MAY-2010**



The FY 2010 budgeted Principal, Interest, and Fee payments for the Department's Senior Debt is \$202.9M which is \$45.7M or 29.1% more than the FY 2009 actual amount, 157.1M. The increase is due primarily to the incremental debt service associated with the issuance of the 2009 A Bonds and the SWAP interest for the 2001B and 2001C Variable Rate bonds. On October 22, 2009, the Department issued the Series 2009B Revenue Bonds for \$448,965,000. The Department used the proceeds to refund all of the Series 2001B and 2001C outstanding Water and Wastewater Revenue Bonds, to fund the increase in the Debt Service Reserve Requirement resulting from the issuance of the Series 2009B Bonds, and to pay the cost of issuance related to the Series 2009B Bonds.