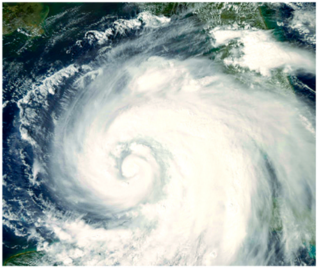
GULF COAST WASTE DISPOSAL AUTHORITY

HOUSTON, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2008



THE YEAR OF THE STORM

GULF COAST WASTE DISPOSAL AUTHORITY
HOUSTON, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008

Prepared by The Finance Department

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY
TABLE OF CONTENTS
December 31, 2008

GULF COAST WASTE DISPOSAL AUTHORITY
TABLE OF CONTENTS
December 31, 2008

STATISTICAL SECTION

TEXAS SUPPLEMENTARY INFORMATION (TSI)

INTRODUCTION SECTION

(This page intentionally left blank.)

Gulf Coast Waste Disposal Authority
910 Bay Area Blvd   Houston, Texas 77058
Phone: (281) 488-4115   ●   Fax: (281) 488-3331

April 9, 2009

To the Board of Directors, participants, customers, and citizens
Gulf Coast Waste Disposal Authority

The Texas Water Code, Section 49.191, requires an annual audit of the Gulf Coast Waste Disposal Authority's (the "Authority" or "GCWDA") books of accounts, financial records and transactions by independent certified public accountants selected by the Board of Directors. This report is published to fulfill that requirement for the fiscal year ended December 31, 2008.

The Texas Water Code, Section 49.194 requires that the Authority submit a copy of the Comprehensive Annual Financial Report (CAFR) to the Texas Commission on Environmental Quality within 135 days of year end, along with annual filing affidavits stating that copies of the report have been filed with the County Clerks' offices in the three counties of the Authority's statutory district. The Authority's statutory district is within the State of Texas, and includes Harris, Galveston, and Chambers Counties. A copy of the report must also be filed with the Governor of the State of Texas, the State Auditor, and the Pension Review Board. These filing requirements are being met.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not exceed the anticipated benefit, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Null-Lairson, PC, Certified Public Accountants, has issued an unqualified ("clean") opinion on the Authority's financial statements for the year ended December 31, 2008. The independent auditors' report is located at the front of the financial section of this report.

The management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Authority was created in 1969 by the Texas Legislature as a political subdivision of the State of Texas and is governed by a nine-member Board of Directors. The Authority provides services to enable governments and industries to better manage their pollution control needs. These services include the operation of waste treatment facilities, technical assistance and information

It is the mission of Gulf Coast Waste Disposal Authority to protect the waters of the state of Texas through regional waste management practices which are environmentally sound and economically feasible.

programs, involvement in community environmental projects, pollution control, and private activity bond financing of projects for other entities.

Each year the Authority's Board of Directors adopts an annual budget for the General Services Division. Consistent with Section 49.057 of the Texas Water Code, annual budgets are not legal spending limits, but rather management devices for evaluation of program efficiency and effective use of resources. Accordingly, this financial plan is defined as a *non-appropriated* budget.

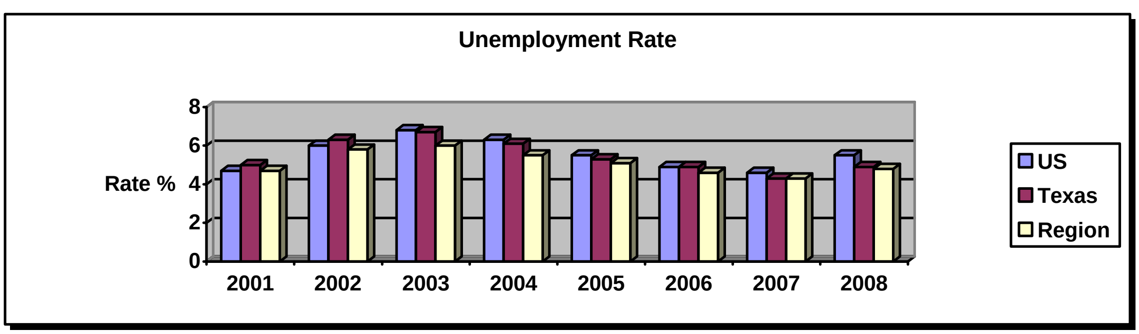
During 2008, the Authority operated four industrial wastewater treatment plants, one municipal sewage treatment plant, an industrial solid waste landfill, a pipeline, a receiving station for the collection of trucked in wastewater and a service that provides billing and collection for utility districts. In addition, the Authority operated a central laboratory that has consolidated most of GCWDA's testing procedures.

Local economy

Harris, Galveston, and Chambers Counties form the primary jurisdictional area for the Authority. Situated near major petroleum and natural-gas fields, this area is the center of the national petroleum industry. The region also has a diverse industrial base in manufacturing, aeronautics and technology. Houston, located in Harris County, is the world's primary producer of oil-field equipment. The Houston area is also home to the Port of Houston.

The Authority's main jurisdictional area is within the Houston-Sugarland-Baytown Metropolitan Statistical Area. According to the December 2008, issue of Houston – The Economy at a Glance, a publication of the Greater Houston Partnership, this 10-county Houston metropolitan area is predicted to see job losses between December 2008 and December 2009 of 1.7 percent. This decline in jobs is influenced by the overall status of the economy, the price of oil falling, and the value of the dollar rising against other markets as it inhibits the exportation of goods and services from the Port of Houston. Though these appear to be unfavorable for the Houston economy, it is predicted that Houston will fair better than other cities during the current recession and Houston is well positioned to grow once the economic recovery begins.

The following chart shows the Region's unemployment rate over the past eight years in comparison to the United States and the State of Texas.



Source – Texas Workforce Commission

Long-term financial planning

The Houston-Galveston area has been designated as a nonattainment area for ozone. Area industries and the Texas Commission on Environmental Quality, an agency of the State of Texas, are working to lower emissions of designated pollutants as necessary to achieve attainment of the ground level ozone standard by the year 2010. The Authority operates the 40-Acre Facility, an industrial treatment plant that is within the nonattainment area. During 2008, this Facility completed the construction of an oxygen activated sludge system treatment unit that will allow the facility to comply with the environmental regulations. Funding for this capital improvement was paid solely by Union Carbide Corporation.

During 2008, the Authority continued managing risk with comprehensive general liability, errors and omissions, automobile, workers' compensation and property insurance by participation in the TWCA Risk Management Fund self-insurance pool. The pool is available to members of the Texas Water Conservation Association. The Authority maintains a Casualty Insurance Risk Reserve Internal Service Fund to pay for losses within the Risk Management pool's insurance deductible limits. Coverage is provided for all other insurable losses through private insurance companies.

Awards

Sewage Treatment Awards

The Authority's 40-Acre, Odessa South, Blackhawk and Bayport Facilities received recognition for their compliance achievements during the 2007 operational year by the National Association of Clean Water Agencies. The Blackhawk Facility and the 40-Acre Facility received the Platinum award for 2007. The Platinum award is given to a facility that has had perfect operating permit compliance for five consecutive years. Through 2007, the Blackhawk Facility has gone twelve years without a single permit violation; therefore, it was awarded the Platinum 12. The Bayport and Odessa South Facilities received the Gold Award for 2007 which is given to acknowledge 100 percent compliance with the Facility's discharge permit for 12 months.

Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to Gulf Coast Waste Disposal Authority for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2007. This was the 21st consecutive year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, the Authority had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report could not be accomplished on a timely basis without the efficient and dedicated services of the entire staff of the Finance Department and our independent auditor. We would like to express our sincere appreciation to all employees who contributed to its preparation. We would also like to thank the Board of Directors for its support in planning and conducting the financial operations of the Authority in a responsible and progressive manner and the Audit Committee for its role in overseeing the audit process.

Respectfully submitted,

Charles Ganze
General Manager

James Cooksey
Manager, Financial Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Gulf Coast Waste Disposal Authority Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

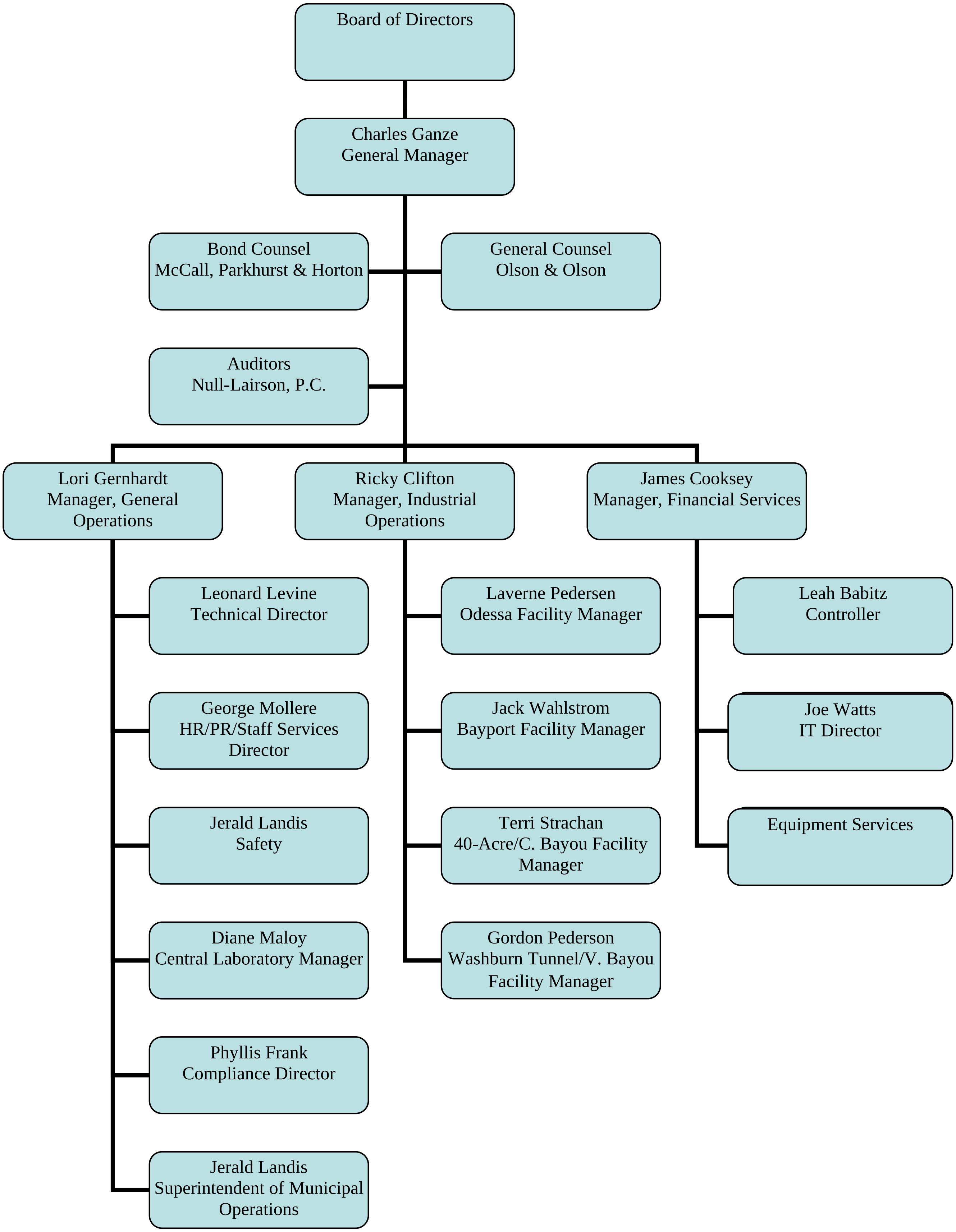
Executive Director

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY

ORGANIZATIONAL CHART

December 31, 2008



GULF COAST WASTE DISPOSAL AUTHORITY

BOARD OF DIRECTORS
December 31, 2008

Chairman

J. MARK SCHULTZ	
Representing Chambers County	Appointed by County Commissioners Court

Vice Chairman

RITA STANDRIDGE	
Representing Chambers County	Appointed by Consortium of Mayors

Treasurer

IRVIN W. OSBORNE-LEE	
Representing Harris County	Appointed by Consortium of Mayors

Secretary

JAMES A. MATHHEWS, JR.	
Representing Galveston County	Appointed by County Commissioners Court

Directors

ZOE MILIAN BARINAGA	
Representing Harris County	Appointed by Governor
RON CROWDER	
Representing Galveston County	Appointed by Consortium of Mayors
LAMONT MEAUX	
Representing Chambers County	Appointed by Governor
FRANKLIN D. R. JONES, JR.	
Representing Harris County	Appointed by County Commissioners Court
RANDY JARRELL	
Representing Galveston County	Appointed by Governor

GULF COAST WASTE DISPOSAL AUTHORITY

COMMITTEE/BOARD ASSIGNMENT

December 31, 2008

INDUSTRIAL DEVELOPMENT BOARD
Ron Crowder – President
Charles Ganze – Vice President
James Cooksey – Secretary

PUBLIC POLICY COMMITTEE
James Matthews – Chairman
Irvin Osborne-Lee
Frank Jones
Rita Standridge

AUDIT COMMITTEE
Irvin Osborne-Lee – Chairman
James Matthews
Randy Jarrell
Lamont Meaux

BUDGET REVIEW COMMITTEE
Irvin Osborne-Lee – Chairman
Randy Jarrell
Lamont Meaux

SPECIAL PROJECT COMMITTEE
Rita Standridge – Chairman
James Matthews
Lamont Meaux
Irvin Osborne-Lee

PROJECT REVIEW COMMITTEE
Mark Schultz – Chairman
Irvin Osborne-Lee
Randy Jarrell
Lamont Meaux

LEGISLATIVE COMMITTEE
Mark Schultz – Chairman
Frank Jones
Ron Crowder
Rita Standridge

GULF COAST WASTE DISPOSAL AUTHORITY
ADMINISTRATIVE STAFF AND CONSULTANTS
December 31, 2008

General Manager
CHARLES GANZE

Manager of Financial Services
JAMES COOKSEY

Manager of General Operations
LORI GERNHARDT

Manager of Industrial Operations
RICKY CLIFTON

Controller
LEAH BABITZ, CPA

Human Resources Director
GEORGE MOLLERE

General Counsel
OLSON & OLSON
Houston, Texas

Bond Counsel
McCALL, PARKHURST & HORTON
Dallas, Texas

Auditors
NULL-LAIRSON, PC
Certified Public Accountants
Houston, Texas

General Office
GULF COAST WASTE DISPOSAL AUTHORITY
910 Bay Area Boulevard
Houston, Texas 77058

FINANCIAL SECTION

(This page intentionally left blank.)

Independent Auditors' Report

To the Audit Committee and Board of Directors
Gulf Coast Waste Disposal Authority
Houston, Texas

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Gulf Coast Waste Disposal Authority, as of and for the year ended December 31, 2008, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Gulf Coast Waste Disposal Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Gulf Coast Waste Disposal Authority, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated March 31, 2009 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions or laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report, which has been issued separately from this document, is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

11 Greenway Plaza | Suite 1515 | Houston, TX 77046 | (P) 713.621.1515 | (F) 713.621.1570
www.null-lairson.com

To the Audit Committee and Board of Directors
Gulf Coast Waste Disposal Authority
Houston, Texas

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gulf Coast Waste Disposal Authority's basic financial statements. The management's discussion and analysis and schedule of funding progress employer contributions on pages 3 through 9 and 53, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The introductory section, combining information and statements, other supplementary information, statistical section, and Texas supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining information and statements and other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory, statistical section and Texas supplementary information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Null Lairson, P.C.

Houston, Texas
March 31, 2009

As management of Gulf Coast Waste Disposal Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of Gulf Coast Waste Disposal Authority for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have provided in our letter of transmittal, which can be found on pages i - iv of this report. The amounts in the text of the MD&A are rounded to the nearest one thousand dollars unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- Capital Assets increased by $15.0 million
- Net assets increased by $7.7 million
- Program Revenues increased by $9.4 million and operating expenses increased by $11.7 million

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Gulf Coast Waste Disposal Authority's basic financial statements. The Authority's financial statements are comprised of three components: 1) the basic financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances, presented in a manner similar to that of a private-sector business.

The *statement of net assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements show the activities of the Authority that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities)*. The activities of the Authority include general services, wastewater treatment, and solid waste disposal. The government-wide financial statements can be found beginning on page 13.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Authority can be divided into two categories: proprietary funds and fiduciary funds.

Proprietary funds. The Authority maintains two different types of proprietary funds: an enterprise fund and internal service funds. An enterprise fund is used to report the functions that are business-type activities. The Authority had one enterprise fund that is divided into twelve divisions. These divisions are the General Services Division, Alief Regional Facility Division, Bayport Area System Division, Blackhawk Regional Facility Division, Campbell Bayou Facility Division, Central Laboratory Division, 40-Acre Facility Division, Municipal Operations Division, Odessa South Regional Facility Division, Vince Bayou Facility Division, Washburn Tunnel Facility Division and the Washburn Tunnel Pipeline Facility Division. Internal services funds are an accounting device used to accumulate and allocate costs internally amongst the Authority's various divisions. The Authority uses internal service funds to account for payment of compensated absences; deductible amounts on casualty insurance claims; medical and dental benefits to Authority employees, participating dependents, and eligible retirees; equipment services; data processing; and governmental relations services regarding pretreatment legislation.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the Combining Information and Statements section of this report. The basic financial statements can be found in the basic financial statements under proprietary funds of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the combined financial statements because resources of those funds are *not* available to support the Authority's own programs. The basic fiduciary fund financial statements can be found in the basic financial statements under fiduciary funds of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found at the end of the basic financial statements report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Authority's progress in funding its obligation to provide post employment benefits to its employees. Required supplementary information can be found on page 53 of this report.

Additionally, this report also provides *other supplementary information* concerning conduit debt issued and outstanding which can be found after the combining information and statements of this report.

The combining information by division and the combining statements referred to earlier in connection with the internal service funds are presented immediately preceding the other supplementary information on conduit debt. These combining information and statements can be found after the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve as an indicator of a government's financial position. In the case of Gulf Coast Waste Disposal Authority, assets exceeded liabilities by $101,081,000 at the close of the 2008 fiscal year.

A large portion of the Authority's net assets (62.2%) reflect investment in capital assets (e.g., land, buildings, machinery, and equipment) less any remaining debt used to acquire those assets. The Authority's capital assets are used in operations to provide services to customers, participants and other governments; consequently, these assets are *not* available for future spending.

Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Gulf Coast Waste Disposal Authority
Net Assets
December 31, 2008
With comparative totals for December 31, 2007

	2008	2007
Current and other assets	$ 53,507,067	$ 62,736,426
Capital assets	104,357,976	89,327,648
Total assets	157,865,043	152,064,074
Long term liabilities	40,858,583	43,916,208
Other liabilities	15,925,833	14,789,379
Total liabilities	56,784,416	58,705,587
Net assets:		
Invested in capital assets, net of related debt	62,886,387	44,320,059
Restricted	5,146,708	4,780,166
Unrestricted	33,047,532	44,258,262
Total net assets	$101,080,627	$ 93,358,487

An additional portion of the Authority's net assets (5.1%) represent resources that are subject to restrictions for debt service and a contingency reserve. The remaining balance of *unrestricted net assets* ($33,048,000) may be used to meet the Authority's ongoing liabilities.

Current and other assets decreased 14.7% in 2008. Specifically, there was an $11.8 million decrease in cash due to over $8 million spent on construction at the Bayport Facility. Of this $8 million, $5 million was the remaining bond money from the Series 2004 bond issue. The remaining $3 million was drawn from operating reserves. During 2008, the Authority also spent over $1.1 million for clean up and repairs as a result of Hurricane Ike hitting most of the Authority's facilities in September, 2008. Accounts receivable includes a receivable from FEMA for $962,000. This receivable is based on FEMA prepared project worksheets for work completed as of December 31, 2008. Accounts receivable also includes a $4.8 million receivable from a single entity (parent and subsidiary companies). Subsequent to year end, this entity filed for Chapter 11 bankruptcy. Additional information on the FEMA receivable and the customer receivable can be found in Note I and K of the detailed Notes on All Funds section in the notes to the financial statements of this report.

The 16.8% increase in capital assets is attributed to the over $11 million spent in 2008 at the 40-Acre Facility on construction of the Oxygen Activated System to meet air compliance permit requirements. Additionally, over $8.7 million were spent at the Bayport Facility on expansion of the belt presses. These increases were netted with the $8 million increase in depreciation expense recorded in 2008. The 8.2% decrease in total liabilities resulted from the over $3.3 million in total principal payments made and amortization of bond issuance costs related to the outstanding debt. The payments were $2,780,000 on the Bayport Bonds Series 2002 and 2004 and $576,600 on the note within the General Services Division.

Total liabilities at December 31, 2008 also included over $1.3 million of payables to one vendor for the construction work being done at the 40-Acre Facility.

As of December 31, 2008, the Authority reported a net asset balance of $32,994,000 in unrestricted net assets and a total net asset balance of $101,081,000. Total net assets increased $7,722,000 over 2007. The total increase is attributable to the change in net assets. The components of the changes in the net assets are found in the following table:

Gulf Coast Waste Disposal Authority
Changes in Net Assets
Year Ended December 31, 2008
With comparative totals for Year Ended December 31, 2007

	2008	2007
Revenues:		
Program Revenues:		
Charges for services	$ 70,669,815	$ 62,218,710
Operating Grants and Contributions	440,948	-
Capital Grants and Contributions	521,042	-
Total program revenues	71,631,805	62,218,710
Extraordinary item - Hurricane Ike repairs	(1,126,200)	-
Extraordinary item - Loss on asset impairment	(334,339)	-
Unrestricted investment earnings	2,508,713	3,548,475
Total revenues	72,679,979	65,767,185
Expenses:		
General services	6,743,499	2,478,603
Wastewater treatment	56,606,205	49,536,590
Solid waste disposal	1,608,135	1,288,065
Total expenses	64,957,839	53,303,258
Change in net assets	7,722,140	12,463,927
Net assets, Beginning	93,358,487	80,894,560
Net assets, Ending	$ 101,080,627	$ 93,358,487

Charges for services increased $8,451,000 in 2008. During the year ended December 31, 2008, the Authority received over $11 million from Union Carbide Corporation to pay for the construction of the Oxygen Activated System at the 40-Acre Facility, this amount was over $2 million more than had been received in 2007. Additionally, charges for services at the Washburn Tunnel Facility increased by over $4.7 million. This increase was partially due to the over $3.6 million increase in chemicals reimbursed to the facility by the participants. During 2008, the Campbell Bayou Facility also received over $800,000 in additional revenue to finance the preliminary studies related to expanding the solid waste facility and permit renewals. Total expenses increased by over $12.2 million dollars. Over $6.2 million of this increase resulted from increases in chemical costs and sludge disposal fees at the Bayport and Washburn Tunnel Facilities during 2008. During 2008, over $1.3 million dollars was spent on general repairs across the Authority. Operational repairs and studies included a water treatment study for $382,000, major repairs to the clarifiers for $400,000, $500,000 for a study for the expansion of the solid waste facility and over $380,000 for work related to permit renewals.

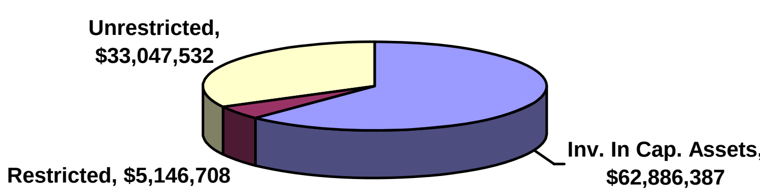
During 2008, the Authority established the Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust. At December 31, 2008, $422,000 was transferred to the trust to partially fund the computed net other post employment benefit obligations. These obligations include health care and life insurance for qualified retired employees. The remaining increase in payroll costs was due to annual merit and cost of living adjustments. The remaining increase in total expenses was the result of higher operating costs.

In September, 2008, six of the Authority's facilities were hit by Hurricane Ike. Prior to December 31, 2008, the Authority spent $1,126,000 on repairs and debris removal costs incurred after the event. The anticipated reimbursement related to expenditures made in 2008 are $441,000 for operating expenses related to clean up and repairs and $521,000 in capital contributions related to replacement of capital assets. Additionally, as a result of the hurricane portions of the roads at the Bayport and 40-Acre Facilities were heavily damaged. The portion of the roads that were damaged were written off resulting in an impairment loss of $334,000. Additional information on the event can be found in Note I of the detailed Notes on All Funds section in the notes to the financial statements of this report.

Investment earnings decreased by $1,025,000. Consistent with GASB Statement 31, the Authority records investments inclusive of holding gains and losses even though it has the ability and intent to hold to maturity. As a consequence, investment earnings have been subject to significant fluctuations from year to year. The Federal Reserve rate changes in 2008 have impacted the fixed income security market values. Inclusive of mark to market adjustments at year end, investment earnings averaged 4.07% for the year ended December 31, 2008 as compared to 4.78% for the previous year.

Financial Analysis of the Authority's Funds. As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Ending Net Assets



At the end of the year, the Authority had $62,886,000 in net assets restricted for investment in capital assets net of related debt, $5,147,000 in net assets restricted for debt service and contingency reserve and unrestricted net assets at the end of the year of $33,048,000. Factors concerning the finances of proprietary funds have previously been addressed.

Capital Asset and Debt Administration

Capital Assets. The Authority's investment in capital assets as of December 31, 2008 was $104,358,000 (net of accumulated depreciation). This investment in capital assets includes land, roads, buildings, machinery and equipment. The total increase in the Authority's investment in capital assets for the current fiscal year was 16.8%.

Gulf Coast Waste Disposal Authority
Capital Assets (net of depreciation)
December 31, 2008
With comparative totals for December 31, 2007

	2008	2007
Land	$ 5,175,541	$ 5,074,930
Buildings	335,796	351,661
Waste treatment facilities and equipment	94,791,814	67,668,745
Administrative furniture and equipment	1,473,356	1,349,017
Construction in progress	2,581,469	14,883,295
Total	$ 104,357,976	$ 89,327,648

Major capital asset outlays during the fiscal year 2008 included the following:

- Continuation of Plant improvements at the Bayport Facility:

Trailer Staging Area	$ 386,000
Belt Press Expansion	8,726,000

- Continuation of Plant improvements at the 40-Acre Facility:

Emission Control Project	$11,544,000

The Bayport Facility provides wastewater treatment to industrial companies in the Bayport Industrial Complex.

The 40-Acre Facility provides wastewater treatment to industrial companies in Texas City, Texas.

Additional information on the Authority's capital assets can be found in the Note E of the Detailed Notes on All Funds section in the notes to the financial statements of this report.

Debt

At the end of the current fiscal year, the Authority had $40.4 million in bonds outstanding compared to $43.1 million bonds last year – a decrease of 5.2% as shown below. Also at December 31, 2008 the Authority had $1.7 million outstanding on a promissory note as shown below:

	December 31,	
	2008	2007
Bayport Area System Revenue Bonds	$ 40,360,000	$ 43,140,000
Promissory Note	1,662,110	2,238,730
Capital lease	53,773	-
	$ 42,075,883	$ 45,378,730

In January 2008 the Authority financed the purchase of computer equipment through a capital lease.

Additional information on the Authority's long-term debt and capital leases can be found in Notes F and G of the Detailed Notes on All Funds section in the notes to the financial statements of this report.

Economic Factors

Health care costs are adversely affecting companies across the nation. The Authority provides health care to active employees, qualifying dependents, and eligible retirees. The Authority self funds its employee health care up to specific and aggregate stop-loss limits. This expense has experienced a steady increase in costs above premiums and contributions each fiscal year from 1999 through 2002. Plan changes in 2003 included increases in co-pays and incentives for generic prescription drugs. Each year there has been a successive increase in premiums and contributions. At the end of 2008, net assets in the Employees' Health Care Fund were $1,357,000. The Authority also provides an employee wellness program, inclusive of education, aimed at preventative health care, the benefits of an exercise regimen and a corporate membership rate for area gyms.

Counties within the Authority's primary service area (Harris, Galveston and Chambers Counties) have been designated to fall within a "Non-Attainment Zone" for the National Air Quality Standard for ground level ozone. The Bayport Facility and the Washburn Tunnel Facility have been meeting current permitting requirements for air emission control since 2007. The 40-Acre Facility met the permitting requirements during 2008. The Bayport Facility construction was funded largely by proceeds from the Bayport 2004 Bond Series; facility upgrades included first-step emission controls, oxygen injection and cooling tower improvements. Improvements at the Washburn Tunnel Facility included conversion of a clarifier to a first-step emission control tank. The 40-Acre Facility participants engineered and constructed an oxygen activated sludge system treatment unit. Construction was financed by Union Carbide Corporation.

Requests for Information

This financial report is designed to provide a general overview of the Gulf Coast Waste Disposal Authority's finances for anyone with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Manager of Financial Services, 910 Bay Area Boulevard, Houston, Texas 77058.

(This page intentionally left blank.)

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank.)

Gulf Coast Waste Disposal Authority
Statement of Net Assets
December 31, 2008

	Business Type Activities
Assets	
Equity in pooled cash and investments	$ 32,568,334
Marketable securities	14,983
Receivables	12,815,989
Prepaids	182,792
Deferred charges	724,936
Restricted assets	
Cash and cash equivalents	709,384
Marketable securities	4,392,099
Accrued interest	43,764
Noncurrent receivable	
Receivable within one year	616,280
Receivable in more than one year	1,438,506
Capital assets not being depreciated	
Land	5,175,541
Construction in progress	2,581,469
Capital assets net of accumulated depreciation	
Plant and equipment	96,600,966
Total assets	$ 157,865,043
Liabilities	
Accounts payable	$ 7,907,648
Wages payable	297,602
Retainage payable	406,662
Accrued bond interest	497,375
Unearned revenue	100,187
Working capital deposits	1,676,517
Noncurrent liabilities:	
Due within one year	5,039,842
Due in more than one year	40,858,583
Total liabilities	56,784,416
Net Assets	
Invested in capital assets, net of related debt	62,886,387
Restricted	
Debt service	4,792,811
Contingency reserve	353,897
Unrestricted	33,047,532
Total net assets	$ 101,080,627

See Notes to Financial Statements

Gulf Coast Waste Disposal Authority
Statement of Activities
Year ended December 31, 2008

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Captial Grants and Contributions	Business Type Activities: Net Revenue (Expenses) and Changes in Net Assets
General services	$ 6,743,499	$ 1,486,789	$ -	$ -	$ (5,256,710)
Wastewater treatment	56,606,205	67,341,708	385,856	437,310	11,558,669
Solid waste disposal	1,608,135	1,841,318	55,092	83,732	372,007
Total primary government	$ 64,957,839	$ 70,669,815	$ 440,948	$ 521,042	$ 6,673,966
Extraordinary item - Hurricane Ike repairs					(1,126,200)
Extraordinary item - Capital Asset Impairment					(334,339)
Unrestricted investment earnings					2,508,713
Total revenues					1,048,174
Change in net assets					7,722,140
Beginning Net Assets					93,358,487
Ending Net assets					$ 101,080,627

See Notes to Financial Statements

Gulf Coast Waste Disposal Authority
Proprietary Funds
Statement of Net Assets (Page 1 of 2)
December 31, 2008

	Enterprise Fund	Internal Service Funds
Assets		
Current Assets		
Equity in pooled cash and investments	$ 25,687,504	$ 6,880,830
Marketable securities	14,983	-
Receivables	12,802,353	13,636
Due from other funds	104,280	-
Current portion of note receivable	616,280	-
Prepaids	182,519	273
Total current assets	39,407,919	6,894,739
Noncurrent Assets		
Restricted asets		
Cash and cash equivalents	709,384	-
Marketable securities	4,392,099	-
Accrued interest	43,764	-
Deferred charges	724,936	-
Notes receivable	1,438,506	-
Capital assets		
Land	5,175,541	-
Construction in progress	2,581,469	-
Plant and equipment	215,918,618	3,592,981
Less accumulated depreciation	(120,520,509)	(2,390,124)
Total capital assets (net of accumulated deprecation)	103,155,119	1,202,857
Total noncurrent assets	110,463,808	1,202,857
Total assets	$ 149,871,727	$ 8,097,596

See Notes to Financial Statements

Gulf Coast Waste Disposal Authority

Proprietary Funds

Statement of Net Assets (Page 2 of 2)

December 31, 2008

	Enterprise Fund	Internal Service Funds
Liabilities		
Current liabilities		
Accounts payable	$ 7,594,187	$ 313,461
Wages payable	297,602	-
Retainage payable	406,662	-
Due to other funds	-	104,280
Accrued bond interest	497,375	-
Current portion of accrued compensated absences	-	1,357,555
Current portion of loan payable	612,729	-
Current portion of capital lease payable	-	25,197
Current portion of revenue bonds payable	3,044,361	-
Total current liabilities	12,452,916	1,800,493
Noncurrent liabilities		
Accrued compensated absences	-	873,681
Net OPEB obligation	-	534,179
Loan payable	1,048,692	-
Capital lease payable	-	28,576
Deferred revenue	100,187	-
Revenue bonds payable (net of unamortized discount and deferred amount on refunding)	38,373,455	-
Working capital deposits	1,676,517	-
Total noncurrent liabilieis	41,198,851	1,436,436
Total liabilities	53,651,767	3,236,929
Net Assets		
Invested in capital assets, net of related debt	61,737,303	1,149,084
Restricted		
Debt service	4,792,812	-
Contingency reserve	353,896	-
Unrestricted	29,335,949	3,711,583
Total net assets	96,219,960	$ 4,860,667
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	4,860,667	
Net assets of business-type activities	$ 101,080,627	

See Notes to Financial Statements

Gulf Coast Waste Disposal Authority

Proprietary Funds

Statement of Revenue, Expenses, and Changes in Fund Net Assets

Year ended December 31, 2008

	Enterprise Fund	Internal Service Funds
Operating revenues		
Charges for sales and services		
Services to industries	$ 53,924,138	$ -
Services to municipalities	2,243,136	-
Intergovernmental	-	2,773,543
Other	13,553,759	948,782
Total operating revenues	69,721,033	3,722,325
Operating expenses		
Costs of sales and services	50,715,280	3,341,587
Administration	2,896,992	461,141
Depreciation	7,721,083	332,637
Total operating expenses	61,333,355	4,135,365
Operating income (loss)	8,387,678	(413,040)
Nonoperating revenues (expenses)		
Investment income	2,180,950	341,561
Interest expense	(2,204,917)	(16,458)
Bond issuance costs	36,443	-
Loss on disposal of capital assets	(91,528)	-
Operating Contributions	440,948	-
Total nonoperating revenues	361,896	325,103
Income (loss) before contributions	8,749,574	(87,937)
Capital Contributions	521,042	-
Income (loss) before extraordinary items	9,270,616	(87,937)
Extraordinary item - Hurricane Ike repairs	(1,126,200)	-
Extraordinary item - Capital Asset Impairment	(334,339)	-
Changes in net assets	7,810,077	(87,937)
Beginning net assets	88,409,883	4,948,604
Ending net assets	$ 96,219,960	$ 4,860,667
Change in net assets of proprietary fund	$ 7,810,077	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	(87,937)	
Change in nets assets of business-type activities	$ 7,722,140	

See Notes to Financial Statements

Gulf Coast Waste Disposal Authority
Proprietary Funds
Statement of Cash Flows (page 1 of 2)
Year ended December 31, 2008

	Enterprise Fund	Internal Service Funds
Cash Flows from Operating Activities		
Receipts from customers and users	$ 67,051,583	$ 4,206,016
Payments to suppliers	(36,151,070)	(3,278,480)
Payments to employees	(16,400,024)	-
Net cash provided by operating activities	14,500,489	927,536
Cash Flows from Noncapital Financing Activities		
Principal paid on loan payable	(577,308)	-
Interest paid on loan payable	(117,167)	-
Interest received on note receivable	190,190	-
Principal received on note receivable	578,136	-
Net cash provided (used) by noncapital financing activities	73,851	-
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(23,070,038)	(363,960)
Principal paid on capital debt	(2,780,000)	-
Interest paid on capital debt	(2,120,500)	-
Principal payments on lease obligations	-	(22,144)
Interest payments on lease obligations	-	(2,661)
Ike related repairs and replacements	(1,126,200)	-
Net cash provided (used) by capital and related financing activities	(29,096,738)	(388,765)
Cash Flows from Investing Activities		
Purchase of investments	(2,000,000)	-
Proceeds from maturity of investments	2,000,000	-
Interest received	1,851,199	327,763
Net cash provided by investing activities	1,851,199	327,763
Net increase (decrease) in cash and cash equivalents	(12,671,199)	866,534

See Notes to Financial Statements

Gulf Coast Waste Disposal Authority

Proprietary Funds

Statement of Cash Flows (page 2 of 2)

Year ended December 31, 2008

	Enterprise Fund	Internal Service Funds
Beginning cash and cash equivalents		
Unrestricted cash and cash equivalents	$ 33,310,574	$ 6,014,296
Restricted cash and cash equivalents	5,757,513	-
Beginning cash and cash equivalents	39,068,087	6,014,296
Ending cash and cash equivalents	$ 26,396,888	$ 6,880,830
Ending cash and cash equivalents		
Unrestricted cash and cash equivalents	$ 25,687,504	$ 6,880,830
Restricted cash and cash equivalents	709,384	-
	$ 26,396,888	$ 6,880,830
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	$ 8,387,679	$ (413,040)
Adjustment to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	7,721,083	332,637
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assets		
Accounts Receivable	(2,675,044)	483,691
Due from other funds	149,861	-
Prepaids	(8,377)	35,810
Increase (Decrease) Liabilities		
Wages Payable	91,744	195,473
Accounts payable	819,723	(91,353)
Retainage payable	(111,834)	-
Due to other funds	-	(149,861)
Net OPEB obligation	-	534,179
Deferred revenue	5,594	-
Working capital deposits	120,060	-
Net cash provided by operating activities	$ 14,500,489	$ 927,536
Noncash Investing, Capital, and Financing Activities		
Loss on disposition of capital assets	$ 91,528	$ -
Purchase of equipment through capital lease	-	75,917
Capital asset impairment	334,339	-
Receivable from insurance and FEMA	961,990	-

See Notes to Financial Statements

Gulf Coast Waste Disposal Authority

Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2008

	Private-purpose Trust Fund Campbell Landfill Closure/ Post-Closure	Other Employee Benefit Trust Fund Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust
Assets		
Cash and cash equivalents	$ 64,586	$ -
Accrued receivables	21,289	-
Investments, at fair value		
Marketable securities	2,172,291	-
Balance/Asset Allocation Funds	-	422,091
Total assets	2,258,166	422,091
Net Assets		
Held in trust for closure/post-closure costs	2,258,166	-
Held in trust for other postemployment benefits	-	422,091
Total net assets	$ 2,258,166	$ 422,091

See Notes to Financial Statements

Gulf Coast Waste Disposal Authority

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
December 31, 2008

	Private-purpose Trust Fund	Other Employee Benefit Trust Fund
	Campbell Landfill Closure/ Post-Closure	Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust
Additions		
Contributions		
Employer	$ -	$ 422,091
Total contributions	-	422,091
Investment earnings		
Interest	73,362	-
Net increase in fair value of investments	163,866	-
Net investment earnings	237,228	-
Total additions	237,228	422,091
Deductions		
Banking fees	22,134	-
Total deductions	22,134	-
Change in net assets	215,094	422,091
Beginning net assets	2,043,072	-
Ending net assets	$ 2,258,166	$ 422,091

See Notes to Financial Statements

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY

INDEX TO NOTES TO FINANCIAL STATEMENTS

December 31, 2008

GULF COAST WASTE DISPOSAL AUTHORITY

INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Page

IV. OTHER INFORMATION

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Gulf Coast Waste Disposal Authority (the "Authority" or "GCWDA") is a separate self-supporting governmental unit, a political subdivision and special district of the state of Texas. GCWDA was established in 1969 by the State Legislature under Article XVI, Section 59, of the Texas Constitution as a conservation and reclamation district. The Authority is governed by a nine-member Board of Directors comprised of appointees from Harris, Galveston, and Chambers Counties, the three counties in the Authority's statutory district.

The following summary of the Authority's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies conform to generally accepted accounting principles in the United States of America (GAAP) as applicable to governments and should be viewed as an integral part of the accounting financial statements. GAAP for state and local governments is promulgated by the Governmental Accounting Standards Board (GASB), and the Financial Accounting Standards Board (FASB), where applicable.

For financial reporting purposes, the Authority includes all funds and corporations for which the GCWDA Board of Directors is financially accountable. In compliance with GASB Statement No. 14, *The Financial Reporting Entity,* and No. 39, *Determining Whether Certain Organizations Are Component Units,* the financial statements of the reporting entity include those of the Authority (the primary government) and its blended component unit, the Gulf Coast Industrial Development Authority ("GCIDA" or the "Corporation").

GCIDA was created by the Authority in 1979 under the provisions of the Development Corporation Act of 1979. As stated in its Articles of Incorporation, "GCIDA was organized exclusively for the purposes of benefiting and accomplishing the public purposes of, and to act on behalf of, the Gulf Coast Waste Disposal Authority and the specific purposes for which the Corporation was created."

The Board of Directors of the Authority appoints the entire board and may, for cause or at will, remove the Corporation's three-member governing board. The Board of Directors appointed by the Authority has always been comprised entirely of the Authority's board members and management of the Authority. Accordingly, the governing bodies of both entities are "substantially the same" providing the Authority sufficient representation to allow complete control of GCIDA. In addition, the Authority approves all specific transactions of GCIDA and has the authority to amend GCIDA's Articles of Incorporation, terminate, or dissolve the Corporation. GCIDA is reported as a blended component unit.

B. Government-wide and Fund Financial Statements

The statement of net assets and the statement of activities display information about the Authority as a whole. These statements include all funds of the reporting entity except the fiduciary funds. The statements present business-type activities. Internal service fund activity is eliminated to avoid duplicating revenues and expenses. Business-type activities are financed by fees charged to external parties for goods or services and reimbursement from participants.

In the government-wide statement of net assets, business-type activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Authority. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Functional revenues include charges paid by the recipients for goods or services offered by the function. Revenues that are not classified as program revenues, such as investment earnings, are presented as general revenues.

Fund financial statements of the Authority are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: proprietary and fiduciary.

Proprietary Funds

The Authority reports the following proprietary funds:

Enterprise Fund. This fund accounts for the operations of the Authority's three functions: general services, wastewater treatment and solid waste disposal. It includes the following divisions of the Authority: the General Services Division, Alief Regional Facility Division, Bayport Area System Division, Blackhawk Wastewater Treatment Facility Division, Campbell Bayou Facility Division, Central Laboratory Division, 40-Acre Facility Division, Municipal Operations Division, Odessa South Regional Facility Division, Vince Bayou Division, Washburn Tunnel Treatment Facility Division, Washburn Tunnel Pipeline Facility Division and The Component Unit – GCIDA Division. These divisions account for all of the business-type activities of the Authority

Internal Services Funds. These funds account for payment of compensated absences; for the deductible amounts on casualty insurance claims; for medical, dental, and vision benefits to Authority employees, participating dependents, and eligible retirees; for equipment services; for data processing; and for lobbying efforts for pretreatment legislation on a cost-reimbursement basis.

Fiduciary Division

The Authority reports the following Fiduciary Funds which include a private purpose trust fund and an other employment benefits trust fund:

Campbell Bayou Landfill and Land Treatment Unit Closure/Post-Closure Fund. This is a private-purpose trust division to account for the accumulation of amounts of money estimated to be the cost of closure and post-closure care of the Campbell Bayou Industrial Solid Waste Facility. In compliance with the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, the funds necessary to cover the closure and post-closure costs will be available as portions of the facility are closed from the funds accumulated in this fund and by direct payments from the participants. Direct payments are guaranteed through a letter of credit. Payments from the fund will be made by the Executive Director of the Texas Commission on Environmental Quality (the "Commission") to reimburse the Authority for expenses incurred in performing closure and post-closure activities.

Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust Fund. This is an integral part trust established to accumulate money needed to pay post employment benefit to the Authority's eligible retirees.

C. Measurement Focus and Basis of Accounting

Measurement focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. In government-wide financial statements, business-type activities are presented using the "economic resources" measurement focus as defined in item (a) below. In the fund financial statements, "economic resources" measurement focus is also used as appropriate.

a) The enterprise fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net assets.

b) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

All proprietary funds and fiduciary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred. All primary sources of the Authority's revenue are susceptible to accrual. Examples of revenue accrued are fees for services, charges to participants based on cost-reimbursement contracts, and earnings from investments. The Authority receives no revenue from taxes. Unbilled receivables are recorded for services rendered but not yet invoiced as of the end of each accounting period. For those divisions where services are rendered on a cost-reimbursement basis, unbilled receivables consist primarily of variances between periodic budget billings and actual expenditures. These include the Blackhawk Regional Wastewater Treatment Facility Division, Campbell Bayou Facility Division, 40-Acre Facility Division, Odessa South Facility Division, and Washburn Tunnel Facility Division. For those divisions whose services are rendered on a fee basis, unbilled receivables consist primarily of charges for services performed in the current month which are invoiced the following month. The General Services Division, Bayport Area System Facility Division, Central Laboratory Division, Municipal Operations Division and Vince Bayou Division make up this category.

In the Employees' Health Care Internal Service Fund estimated loss from claims are recognized as expenses and liabilities and are recognized when it is probable that the liabilities have been incurred but not reported as of the date of the financial statements and the amount of the losses can reasonably be estimated.

Deferred revenues arise when resources are received before earned. Billings in the current year for budgeted expenditures of pollution control facilities operated on a cost-reimbursement basis are not earned until the expenditures are incurred. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has earned the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary division's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services along with penalties and fees. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, all proprietary funds will continue to follow FASB standards issued on or before November 30, 1989. However, from that date forward, enterprise funds have the option of either choosing not to apply future FASB standards (including amendments of earlier pronouncements), or continuing to follow new FASB pronouncements (unless they conflict with GASB guidance). The Authority has chosen not to apply FASB standards issued after November 30, 1989.

D. Assets, Liabilities, and Net Assets or Equity

1. Cash, Cash Equivalents and Investments

Cash is defined as currency, demand deposits with banks and other financial institutions, and any other kind of account that has the general characteristics of demand deposits where funds may be added or withdrawn at any time without penalty or prior notice. Cash equivalents are defined as liquid investments that are both readily convertible to known amounts of cash and so near their maturity they present insignificant risk or changes in value because of changes in interest rates. Only investments with original maturities of three months or less qualify under this definition.

During 1999 the Authority implemented GASB Statement No. 31, which establishes accounting and reporting standards for all of the Authority's investments. The Authority reports all investments at fair-value in accordance with Statement No. 31. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pool's share price. TexPool was created by the State of Texas and the Comptroller of Public Accounts of the State of Texas oversees the operation of the pool.

The Authority follows the practice of pooling cash and investments of all funds except for imprest funds, trustee funds, and some reserve funds restricted by bond indentures. An additional exception to pooled cash is the amount maintained in a separate bank account for the payment of claims for employees' health care. Each division's "Equity in pooled cash and investments" is included on the combined balance sheet.

2. <u>Short-Term Interfund Receivables/Payables</u>

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet and statement of net assets.

3. <u>Inventories</u>

GCWDA facilities maintain inventories of parts and supplies available as needed for operation of the facilities. Any equipment included in those inventories is subject to GCWDA's capitalization policy and is included as capital assets in the statement of net assets. There is no other significant inventory and; therefore, no inventory is recorded on the balance sheet or statement of net assets.

4. <u>Prepayments</u>

Prepayments for services and insurance that will benefit periods beyond the current period are reflected as prepaid expenses.

5. <u>Capital Assets</u>

Capital assets of proprietary funds are reported in both the government-wide and divisional financial statements. Capital assets of fiduciary funds are reported only in the statement of fiduciary net assets.

Capital assets are recorded at historical cost and depreciated over their estimated useful lives unless they are inexhaustible, such as land. Depreciation expense is reported in the government-wide statement of activities, the proprietary fund statement of revenues, expenses, and changes in fund net assets, and the statement of fiduciary net assets.

Depreciation is recorded using the straight-line method over the estimated service lives as follows:

Computers and computer equipment	3-5 Years
Cranes, mobile units, motor vehicles, and other equipment	3-10 Years
Aerators, pumps, and electrical equipment	5-10 Years
Pipelines	10-20 Years
Buildings, roads and fences	10-30 Years
Ponds, basins, lift stations, clarifiers, dikes, and channels	10-40 Years
Tanks	15-20 Years

Capital assets are defined as items of property that:

1. Are tangible in nature;
2. Have an economic useful life longer than two years;
3. Maintain their identities throughout their useful lives, either as separate entities or as identifiable components, and;

4. Have an original cost of $5,000 or more.

6. Other Assets

In proprietary funds, bond discount and issuance costs are deferred and amortized over the term of the bonds using the bonds outstanding method which approximates the interest method. In the Bayport Area System Division, unamortized bond discounts are presented as a reduction of the face amount of bonds payable, whereas unamortized issuance costs are recorded as deferred charges.

7. Capital Leases

Assets acquired through capital leases are recorded in the appropriate divisions and depreciated according to the Authority's policy.

8. Long-Term Debt

All long-term debt is shown in the long-term liabilities section of the respective statement of net assets.

9. Compensated Absences (Vacation and Leave)

Vacation is granted in varying amounts depending upon length of service. Employees must take two weeks of vacation each year after the first year of employment. Employees may carry over a maximum of 360 hours of vacation from one calendar year to the next. Once an employee reaches the maximum, he/she will be allowed to accrue time in the next year, with any hours in excess of the 360 being paid to the employee's Retirement Health Savings Account.

Leave is granted at the rate of 15 days per year and may be accumulated up to a total of 90 days. When the maximum has been reached, the employee is paid in January of each year for the number of leave hours exceeding 720 (90 days). Active employees are eligible to be paid for one-half of accrued hours in excess of 720 at their current pay rate. An employee who terminates employment after six months of service or who retires will be compensated for one-half of total accrued hours at the employee's termination date.

During 1987, the Authority established the Compensated Absence Fund, an internal service fund, to accumulate money to pay liabilities for compensated absences. The total vested liability to all GCWDA employees for vacation and leave is recorded in this internal service fund. Every pay period, the Enterprise Fund pays to the Compensated Absence Fund the current value of the accrued compensated absences earned by the employees during that pay period.

10. Interfund Transactions

Interfund transactions are treated as follows:

Transactions that would be treated as revenue or expense if they involved organizations external to the Authority are similarly treated when involving funds of the Authority.

Major transactions that fall into this category include payments for services and rental of equipment to the Equipment Services Fund, payments for computer services to the Data Processing Fund, and payments in lieu of insurance premiums to the Employees' Health Care Fund.

11. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, as well as, reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, allowance for doubtful accounts, and other accounts. Actual results may differ from these estimates.

II. STEWARDSHIP AND ACCOUNTABILITY

A. Financial Plan

The estimates of revenues and expenses for the Authority's operating divisions are presented annually to GCWDA's Board of Directors for adoption. In the case of the Bayport Area Division, the Board establishes rates for the treatment of waste received from the Bayport customers. Although the Bayport Area Division budget is presented annually to all the participants in the Bayport complex for their review, the financial plan does not become a legal document. Additionally, the financial plan of the Blackhawk Regional Wastewater Treatment Facility Division, Campbell Bayou Facility Division, 40-Acre Facility Division, Odessa South Facility Division, and Washburn Tunnel Facility Division are approved by the industries or municipalities that the facilities serve; however, the financial plan is only a planning tool and does not become a legal document.

These non-appropriated financial plans are prepared for management control and are not presented in these financial statements.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of December 31, 2008, the Authority had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Agencies	$ 29,657,978	2.48
State Pool (TexPool)	2,348,131	-
Total fair value	$ 32,006,109	
Portfolio weighted average maturity		2.30

Interest rate risk. In accordance with its investment policy, the Authority manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

Credit risk. State law and the Authority's investment policy limits investments to obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. Further, commercial paper must be rated not less than A-l or P-l or an equivalent rating by at least two nationally recognized credit rating agencies. As of December 31, 2008, the Authority's investment in TexPool was rated AAAm by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuer U.S. agency. One hundred percent of the total dollar value of the Authority's U.S. Agencies are rated AAA.

Concentration of credit risk. The Authority's investment policy does not allow for an investment in any one issuer that is in excess of fifty percent of the portfolio's total investments.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's investment policy requires funds on deposit at the depository bank to be collateralized by securities with a collective market value of at least 102 percent. As of December 31, 2008, the entire balance of bank deposits were covered by pledged securities and FDIC insurance.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the Authority's safekeeping account prior to the release of funds.

B. <u>Receivables</u>

Receivables at year end consist of the following:

	Accounts Receivable	**Unbilled Receivable**	**Accrued Interest**	**Accrued Revenue**	**Total**
Enterprise Fund	$ 8,296,204	$ 1,625,082	$ 109	$ 2,880,958	$ 12,802,353
Internal Service Funds	(28)	13,664	-	-	13,636
Total receivables shown on statement of net assets	8,296,176	1,638,746	109	2,880,958	12,815,989
Enterprise Fund restricted assets	-	-	43,764	-	43,764
Total receivables	$ 8,296,176	$ 1,638,746	$ 43,873	$ 2,880,958	$ 12,859,753

During 2007, the Bayport Facility entered into a promissory note with one of its customers for its overdue balance. The note bears interest at 7.25% per annum on the outstanding balance. The note is repayable in installments equal to all revenues that the Bayport customer receives from one of its internal customers and an additional 50% of the revenues the Bayport customer receives over $5,500 per month. Any unpaid principal balance as of April 30, 2017 will accrue interest as a rate of 10% per annum on all unpaid amounts. The remaining balance on the note as of December 31, 2008 was $356,136.

In June 2006, the Washburn Tunnel Facility entered into a $3 million note agreement with the Industrial Advisory Council (IAC), participants of the Facility, to design and construct air pollution control improvements. The note bears interest at 8% per annum and is receivable in monthly installments. IAC's repayment schedule is as follows:

Years	Principal	Interest	Total
2009	616,280	113,620	729,900
2010	667,430	62,469	729,899
2011	414,940	10,740	425,680
Total	$ 1,698,650	$ 186,829	$ 1,885,479

The only receivables not expected to be collected in one year are the $356,136 due from the Bayport customer and the long term portion of the receivable from the Washburn Tunnel participants of $1,082,370.

C. Due To/From Other Funds

The balance in this account represents short-term amounts owed to a particular fund by another fund for goods sold, services rendered or other current transactions. The composition of interfund balances as of year end is as follows:

Receivable Fund	Payable Fund	Amount
Enterprise Fund	Internal Service Funds	$ 104,280
	Total	$ 104,280

D. Restricted Assets

Bayport Area System

The Bayport Area System Revenue Bonds Series 1996 Resolution requires that the "Pledged Revenues of the System" (the "System") shall be deposited into the Revenue Fund.

The System is required to maintain a Reserve Fund in an amount equal to the average annual debt service requirements of all the outstanding bonds, which was $3,571,674 at year end. Whenever the fund contains less than the required amount, the System shall transfer monthly from the Revenue Fund a sum of at least l/60th of the balance of the required amount until the reserve fund requirement is attained. At year end, reserve fund assets of $4,792,812 were invested in a money market fund, a U.S. government securities mutual fund, U.S. government securities, and accrued interest.

Restricted assets as reported on the Statement of Net Assets as of December 31, 2008 are as follows:

Restricted Assets:		
Cash and cash equivalents	$	356,949
Marketable securities		4,392,099
Accrued interest		43,764
	$	4,792,812
Restricted for:		
Debt Service	$	4,792,812
	$	4,792,812

Blackhawk Regional Wastewater Treatment

The Regional Waste Disposals Facility Contract between the participants of the Blackhawk Regional Wastewater Treatment Facility and the Authority establishes a contingency reserve to cover ordinary and extraordinary repairs, capital replacement costs, improvements or betterments of the plant. The reserve is added to on a yearly basis by an amount equal to 1% of the participant's share of the operating expenditures. During the year ended December 31, 2008, the increase to the reserve was $20,047 from the participants and $16,801 in interest. The restricted assets as reported on the Statement of Net Assets as of December 31, 2008 were:

Restricted Assets:		
Cash and cash equivalents	$	352,435
Accounts receivable		1,461
	$	353,896
Restricted for:		
Contingency reserve	$	353,896
	$	353,896

E. Capital Assets

Capital asset activity for the year ended is as shown below:

	Beginning Balance	Increases	Reclassifications/ (Decreases)	Ending Balance
Capital assets not being depreciated:				
Land	$ 5,074,930	$ 100,611	$ -	$ 5,175,541
Construction in progress	14,883,295	22,388,646	(34,690,472)	2,581,469
Total capital assets not being depreciated	19,958,225	22,489,257	(34,690,472)	7,757,010
Capital assets being depreciated:				
Waste treatment facilities and equipment	180,510,190	35,134,166	(1,475,711)	214,168,645
Office buildings	923,772	61,169	-	984,941
Administrative furniture and equipment	4,150,350	542,692	(335,029)	4,358,013
Total capital assets being depreciated	185,584,312	35,738,027	(1,810,740)	219,511,599
Less accumulated depreciation for:				
Waste treatment facilities and equipment	(112,841,445)	(7,585,233)	1,049,847	(119,376,831)
Office buildings	(572,111)	(77,034)	-	(649,145)
Administrative furniture and equipment	(2,801,333)	(391,453)	308,129	(2,884,657)
Total accumulated depreciation	(116,214,889)	(8,053,720)	1,357,976	(122,910,633)
Total capital assets being depreciated, net	69,369,423	27,684,307	(452,764)	96,600,966
Capital Assets, net	$ 89,327,648	$ 50,173,564	$ (35,143,236)	$104,357,976

Depreciation expense was charged to functions/programs of the primary government as follows:

Business-type	
General services	$ 135,851
Wastewater treatment	7,231,099
Solid waste disposal	354,133
In addition, depreciation on capital assets held by the Authority's internal service funds is charged to the various functions based on their usage of assets	332,637
Total depreciation expense	$ 8,053,720

Construction in progress and remaining commitments under related construction contracts at year end were as follows:

Project Description	Authorized Contract	Contract Expenditures	Remaining Commitment
Digester T-700 Repair	$ 7,020	$ 1,723	$ 5,297
Oxygen Activated Sludge System	22,117,684	20,902,126	1,215,558
T-110 Air Control	371,797	264,245	107,552
Staging Area for Full Trailers	464,087	370,608	93,479
Belt Press Expansion	9,728,756	8,640,556	1,088,200
Totals	$ 32,689,344	$ 30,179,258	$ 2,510,086

F. **Capital Leases**

The Authority has entered into a lease agreement as lessee for financing the acquisition of network computer equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Network computer equipment	$ 75,917
Less accumulated depreciation	15,184
Total	$ 60,733

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2008 were as follows:

Year Ending December 31	
2009	$ 27,060
2010	27,060
2011	2,255
Total minimum lease payments	56,375
Less: amount representing interest	(2,602)
Present value of minimum lease payments	$ 53,773

G. Changes in Long-Term Debt

Promissory Note

In July, 2006, the Authority entered into a promissory note agreement in the amount of $3,000,000 for the construction of air pollution control improvements at the Washburn Tunnel Facility. The note is payable in monthly installments of $57,873 at a fixed interest rate of 5.91 percent. The note matures in July, 2011. The outstanding note balance as of December 31, 2008 is $1,661,421 and the annual principal and interest payments are as follows:

Years	Principal	Interest	Total
2009	612,729	80,658	693,387
2010	650,568	43,907	694,475
2011	398,124	7,771	405,895
Total	$ 1,661,421	$ 132,336	$ 1,793,757

Bayport Area System Revenue Bonds

In 2004, certain outstanding bonds were defeased by providing resources to purchase securities that were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. At year end, none of 1996 Series Bonds outstanding is considered defeased.

In 2002, certain outstanding bonds were defeased by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. At year end, $16,865,000 of 1996 Series Bonds outstanding is considered defeased relating to the 2002 refunding.

The bonds outstanding at December 31, 2008, consist of Revenue Bonds, Series 2004, maturing on October 1, 2024, with interest rates of two percent to five percent, originally issued at $26,845,000 and Refunding Bonds, Series 2002, maturing October 1, 2022, with an interest rate of five percent, originally issued at $24,025,000. The total bonds outstanding at December 31, 2008, are $40,360,000 with unamortized bond issue costs of $724,936.

The annual requirements to amortize all outstanding Bayport Area System Revenue Bonds as of year end, including interest payments, are as follows:

Years	Principal	Interest	Total
2009	2,910,000	1,989,500	4,899,500
2010	3,050,000	1,851,176	4,901,176
2011	3,190,000	1,705,050	4,895,050
2012	2,120,000	1,549,950	3,669,950
2013	2,230,000	1,446,400	3,676,400
2014-2018	11,440,000	5,550,450	16,990,450
2019-2023	12,920,000	2,569,250	15,489,250
2024	2,500,000	125,000	2,625,000
Total	$ 40,360,000	$ 16,786,776	$ 57,146,776

The bonds outstanding are special obligations of the Authority which are secured by a first lien on the "Pledged Revenues of the System," as defined below. The bonds are also secured by all monies in the Bond Fund and the Reserve Fund, subject to the use of such funds for the purposes specified in the Bond Resolution. The holder of the bonds shall never have the right to demand payment of the bonds from monies derived or to be derived from taxation or any other revenues except the Pledged Revenues. Neither the facilities owned by the Authority nor any other property of the Authority is encumbered by any lien for the benefit of the holder of the bonds. The bonds are payable solely from revenues pledged to their payment and shall not be considered as general obligations of the Authority, the governing body of the Authority or the State of Texas. The "Pledged Revenues" are defined as the "Net Revenues of the System" and any additional revenues, income receipts, deposits, or other resources which the Authority may at its option include. The "Net Revenues of the System" are defined as the "Gross Revenues of the System" less the "Current Expenses of the System."

The "Gross Revenues of the System" include all of the revenues of every nature derived from the operations of the System including all investment income for any fund created by the Bond Resolution to the extent such income is credited to the "Gross Revenues of the System" as required by the Bond Resolution. The "Current Expenses of the System" includes all necessary current operating and maintenance expenses, and the Authority's actual overhead and management costs relating to the System, but does not include depreciation, debt service of the bonds, and management fees to the General Services Division. The debt service coverage of the pledged revenues for the year ended December 31, 2008, for the Series 2002 and 2004 Bonds is computed in the following schedule:

Net income for the year ended December 31, 2008	$	(1,909,343)
Add-Items not includable in current expenses of the System:		
Bond interest expense		2,087,750
Depreciation		4,446,193
Management fee		600,000
Pledged revenues	$	5,224,600
Average annual debt service for bonds	$	3,571,674
Debt service coverage		1.46

"Pledged Revenues" are also deposited in the Bond Fund and the Reserve Fund. Any surplus revenues are to be used for paying the annual management fee to the General Services Division or for any other lawful purpose.

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt subsequent to August 1986 calculate and rebate arbitrage earnings to the federal government. Specifically, the excess of the aggregated amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield, is to be rebated to the federal government. As of year end, the Authority has no arbitrage liability.

Long-term liability activity for the year ended is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Accrued compendated absences	$ 2,035,763	$ 1,392,534	$ 1,197,061	$ 2,231,236	$ 1,357,555
Net OPEB obligaton	-	534,179	-	534,179	-
Promissory note	2,238,730	-	577,309	1,661,421	612,729
Capital lease	-	75,917	22,144	53,773	25,197
Bonds Payable:					
Revenue bonds	21,380,000	-	400,000	20,980,000	410,000
Refunding bonds	21,760,000	-	2,380,000	19,380,000	2,500,000
Premium	1,737,852	-	264,189	1,473,663	238,747
Less deferred loss and discounts	(531,563)	-	115,715	(415,848)	(104,386)
Long term liabilities	$ 48,620,782	$ 2,002,630	$ 4,956,418	$ 45,898,424	$ 5,039,842
Due in more than one year				$ 40,858,582	

Internal service funds serve the enterprise fund. Accordingly, long-term liabilities for them are included as part of the above totals for business-type activities. The balance in compensated absences and the net OPEB obligation at year-end is included in the internal service funds.

H. Private Activity, Contract and Industrial Development Revenue Bonds (Conduit Debt)

To accomplish its purposes, GCWDA is empowered to issue private activity bonds to finance the acquisition, construction or improvement of pollution control, and solid waste disposal facilities (the "Project", as defined in the bond documents).

The Authority is also authorized to sell the Project that is acquired, constructed, or improved to the entities that the pollution control or solid waste facilities serve (the "Users"). The bonds are secured by a pledge of the monies to be received by the Authority from the Users pursuant to the agreements. Debt service on the bonds, including principal and interest when due, is secured and paid from revenues in accordance with agreements made by the Authority with the Users.

The holders of the bonds shall never have the right to demand payment of the bonds from monies derived or to be derived by taxation or any other revenues of the Authority except those revenues pledged, which are debt service charges or payments made under the Installment Sale Agreements, as defined. Neither the facilities owned by the Authority nor any other property of the Authority is encumbered by a lien for the benefit of the holders of the bonds. The bonds are payable solely from revenues pledged to their payment and shall not be considered as general obligations of the Authority, the governing body of the Authority, or the state of Texas.

GCIDA may issue bonds with the approval of the Authority for the promotion and development of commercial, industrial, and manufacturing enterprises to promote and encourage employment and the public welfare. These bonds, like the GCWDA private activity bonds, fall into the category of "conduit" debt obligations.

Although conduit debt obligations bear the name of GCWDA or GCIDA, the resources are provided through the third party on whose behalf they are issued. As conduit debts are the responsibilities of the third parties, and no revenues are discussed above, GCWDA and GCIDA conduit bonds are not included in the Authority's financial statements.

Aggregate totals of amounts outstanding at year end as presented in detail in the "Other Supplementary Information" are as follows:

Industrial pollution projects private activity bonds	$ 1,338,300,000
Industrial development projects	383,785,000
Total private activity bonds	$ 1,722,085,000

I. Ownership of Waste Water Treatment Facilities

Generally, the Authority becomes the owner of the industrial wastewater treatment facilities it constructs or acquires from the proceeds of bonds issued. Municipal wastewater treatment plants owned by the Authority are financed through contributions received from municipalities and land developers, as well as bond issues. The ownership of other facilities financed from the proceeds of revenue bonds is conveyed to industry upon completion of construction or acquisition.

The construction of the 40-Acre Facility was financed through the issuance of Union Carbide Corporation Project Revenue Bonds and through additional contributions made by Union Carbide. Under the Facilities Agreement, Union Carbide has the option of purchasing the facility at appraised values, as defined. However, Union Carbide may not exercise its option to purchase if other corporations are also using the facilities. Effective January 6, 2006, the participants of the Washburn Tunnel Facility terminated the Joint Venture Agreement and delivered to the Authority a quitclaim deed, quitclaiming to the Authority any and all right, title and interest or reversionary interest they may have had in the Washburn Tunnel site.

IV. OTHER INFORMATION

A. Defined Contribution Pension Plan

GCWDA's Board of Directors adopted a resolution establishing a defined contribution money purchase plan and trust agreement (the "Plan") effective January 1, 1990. In a defined contribution pension plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan is a qualified pension plan under Section 401 (a) of the Internal Revenue Code with International City Management Association Retirement Corporation (ICMA RC) serving as the Plan administrator.

At December 31, 2008 the total plan assets were $28,338,285. These assets were allocated as follows:

Asset Category	Balance	Percent of Assets
Stable Value/Money Market Funds	$ 16,480,798	58.2%
Bond Funds	802,805	2.8%
Balanced Funds	3,965,132	14.0%
U.S. Stock Funds	5,360,357	18.9%
International Stock Funds	1,031,161	3.6%
Participant Loans	698,032	2.5%
Total Assets	$ 28,338,285	100.00%

The Authority's contribution for the year end was $938,307 which represents the required 10 percent of covered payroll. The employees' contribution was $469,153, which equals the five percent of covered payroll. There where no additional voluntary contributions. As of December 31, 2008 there were 153 active participants, 32 retired participants and 22 terminated participants with balances in the plan.

Plan Provisions

All employees whose customary employment is for at least twenty hours per week are eligible to participate in the Plan from the date of employment. Normal retirement age is 65. The Authority contributes on behalf of each participant 10 percent of each pay period earnings. Earnings are defined as W-2 earnings less overtime, shift differential, auto allowance, taxable fringe benefits, and other non-routine portions of employee's compensation, plus compensation voluntarily deferred under an eligible deferred compensation plan under Section 457, a flexible compensation plan under Section 125 of the Internal Revenue Code, or a Retirement Health Savings Plan. Also included in earnings is the tax deferred mandatory employee contribution made each pay period, as authorized by GCWDA's Board of Directors in amendments to the Plan.

Participants may also make voluntary, after-tax contributions. Mandatory and voluntary contributions are 100 percent vested. Contributions made by the Authority are 20 percent vested after three years of service, increasing 20 percent each year to 100 percent after seven years of service. A participant may direct the investment of the money contributed by the Authority on his/her behalf in any of the available ICMA RC investment options. There is no investment restriction on the mandatory five percent contribution or on any voluntary contribution made by each employee.

The Authority has no responsibility or authorization to direct the investment of the Plan assets. Accordingly, the financial statements of the GCWDA Employees' Defined Contribution Pension Plan are not presented in this report.

B. Deferred Compensation Plan

The Authority maintains a deferred compensation plan, which is available to all employees. The plan complies with Section 457 of the Internal Revenue Code (Deferred Compensation Plans with Respect to Service for State and Local Governments). ICMA RC is the independent administrator of the plan.

C. Retirement Health Savings Plan

During 2005, the Authority adopted the Vantage Care Retirement Health Savings ("RHS") plan. This plan, established by Private letter rulings and Treasury Regulation 301.7701-l (a) (3) allows employees to accumulate assets on a pre-tax basis to pay for medical expenses upon separation of employment with the Authority. The plan is open to all employees whose regular work schedule is for at least twenty hours per week. ICMA RC is the independent administrator of the plan.

D. Other Post Employment Benefits

Plan description

The Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust (GCAOPEBT) is a single employer trust established in 2008 to provide one or more retirement welfare benefit plans, programs, or arrangements to provide medical and life insurance coverage for qualified retirees in accordance with its personnel policy. The Trust is held by ICMA RC who is also the administrator of the Plan. Assets held by the Trust are valued at fair value. In order to qualify for coverage as a "retiree" under the Authority's medical and life insurance plans an employee must accumulate a minimum number of years of service and chronological age in some combination that equate to "80" (Rule of 80). The Authority has no statutory or contractual obligation to continue to offer these post-retirement benefits. The plan is a defined contribution benefit plan and the cost for each employee is paid on a pay-as-you-go basis. Employees age 55 or older who are fully vested in the Authority's Employees' Defined Contribution Pension Plan and elect to retire and begin receipt of monthly pension payments are provided post employment benefits. At year end, there were 36 active employees meeting these eligibility requirements who could elect to retire. During the year, 35 qualified retirees received these benefits at a total cost to the Authority of $171,749. Financial statements of the plan as required supplementary information can be found within this financial report. The Plan's provisions and funding requirements are established and can be amended by the Management of the Authority.

Funding policy

Beginning in 2008, the Authority implemented GASBS 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*, prospectively meaning there was a zero net OPEB obligation at transition. It is the Authority's current administrative policy to pay all but $76.25 (which is paid by the retiree) of the monthly premium assessed by the Employees' Health Care Internal Service Fund (which approximates cost), for each pre-Medicare retiree under age 65. The Authority pays the cost of supplemental health insurance for each retiree eligible for Medicare net of $63.75. The Authority continues to provide dental coverage to the retiree after they have reached age 65. The retiree pays $12.50 for this coverage. In addition, the Authority pays premiums for term life insurance for retirees. The amount of insurance coverage is 75 percent of the retired employee's base salary at termination, rounded to the next $1,000, with a minimum coverage of $20,000 and a maximum of $50,000. For the year ended December 31, 2008, $422,091 was transferred to the trust to cover future premiums. The amount transferred equated to 4.5 percent of annual covered payroll. The Plan uses the cash basis of accounting: therefore, contributions, benefits and refunds related to the Plan are recognized when they are made to the Plan or received from the Plan. Administrative costs of the Trust are financed from investment earnings.

Annual OPEB Cost and net OPEB obligation

The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annul OPEB cost for the year, the amount actually contributed to the plan, and changes in Authority's net OPEB obligation to GCAOPEBT:

Annual required contribution	$	956,270
Interest on net OPEB obligation		-
Adustment to annual required contribution		-
Annual OPEB cost (expense)		956,270
Contribution mades		(422,091)
Increase in net OPEB obligation		534,179
Net OPEB obligation - beginning of year		-
Net OPEB obligation - end of year	$	534,179

The Authority's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008, the first year of actuarial valuation, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obiligation
December 31, 2008	$ 956,270	44.14%	$ 534,179

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financials statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Actuarial Methods and Assumptions

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2008
Actuarial cost method	projected unit credit
Amortization method	level dollar
Remaining amortization period	30 years
Asset valuation	market value
Actuarial assumptions	
Investment rate of return	7.0%
Mortality rate	RP-2000 Mortality Table
Salary scale	5.0%
Healthcare cost trend rate	11% initial 5% ultimate

E. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority self-insures, participates in a public entity risk pool, and purchases commercial insurance. The Authority has not significantly reduced insurance coverage amounts or had settlements that exceeded coverage amounts for the past three fiscal years.

The Authority self-insures a portion of its risk by maintaining higher than average deductibles on its insurance policies for the purposes of reducing insurance premiums. The Authority established the Casualty Insurance Risk Reserve Internal Service Fund to account for these activities and made an initial contribution of $200,000. The fund provides the first dollar coverage of claims up to the casualty insurance policy's deductible amounts. On average, investment earnings have exceeded policy deductibles thereby increasing the reserve for losses. There were no material outstanding claims at year end. The following is a reconciliation of changes in the aggregate liabilities for claims for the current year:

	December 31, 2008	December 31, 2007
Claims payable, beginning of year	$ -	$ -
Claims incurred	8,750	47,500
Claims paid	10,000	(47,500)
Insurance refund of claims paid prior year	(18,750)	-
Claims payable, end of year	$ -	$ -

The Authority has further managed its risk by its participation in the Texas Water Conservation Association Risk Management Fund (the Risk Pool), a public entity risk pool. Members of the Texas Water Conservation Association established the Risk Pool for the purposes of (a) formulating, developing and administering a program of self-insurance, (b) obtaining lower costs for workers' compensation, property, liability and group health coverage, and (c) developing a comprehensive safety program for participants in the Risk Pool. The Authority participates in the Risk Pool through an interlocal cooperation agreement with 76 other water districts and authorities. The Risk Pool purchases commercial insurance to reinsure risks in excess of the Risk Pool's retention for each accident, occurrence or claim. The Authority has no additional risk or responsibility to the Risk Pool outside of payment of insurance premiums. The Authority purchases commercial insurance when coverage is not available through the Risk Pool.

F. Compensated Absences

The Authority accounts for the liability to its employees for accrued vacation, special leave, and sick leave in the Compensated Absences Internal Service Fund. On each pay period, the vested amount accrued by each employee is paid from the Enterprise Fund into the Compensated Absences Fund. When the employee takes vacation or sick leave, the total vested portion is drawn from the Compensated Absences Fund.

G. Employees' Health Care

The Authority provides medical, dental, and vision benefits to its employees, their dependents who elect coverage, and eligible retirees (covered persons) through a partially self-insured GCWDA Employee Medical and Dental Benefit Plan (the "Plan"). This Plan is accounted for as in the Employees' Health Care Fund.

The Authority, as Plan Sponsor, has a signed Service Agreement with the Risk Pool, with claims to be processed by Joseph Ivy Specialty Services, Inc. (J.I. Specialty Services). The Risk Pool is the fiduciary agent of the Plan and J.I. Specialty Services is the third party administrator in connection with the investigation, processing, payment, and resolution of claims. J.I. Specialty Services also processes for the Authority excess losses or stop loss (specific or aggregate) insurance for claims. The specific excess loss insurance provides payment of all medical claims that exceed $65,000. The aggregate stop loss insurance provides payment of all medical claims when the total of such claims exceeds $1,000,000, except for four specifically identified employees who are part of a pooled laser contingency whose total claims in aggregate must exceed $400,000. There is no stop loss insurance coverage for dental or vision claims.

Contributions for the Health Care Fund were based on historical information from the Authority's prior plan and estimates of claims for the current year, the cost of insurance purchased, and administrative fees. The present GCWDA personnel policy is for the employee to pay $32.81 per pay period for medical coverage and the Authority to pay the remainder of the premium for employees, at least 50 percent of the cost of the dependent premium (the Authority currently pays approximately 84 percent) and 100 percent for an eligible retiree net of $76.25 which is paid by the retiree monthly.

The Enterprise Fund makes monthly payments for the covered persons for Employee Health Care Fund. The retirees are invoiced monthly for the portion of the premium in excess of GCWDA's authorized costs.

The Authority estimates incurred but not reported (IBNR) claims at year-end through an analysis of historical trends. Changes in claims liability are as follows:

Year Ended December 31,	Beginning Balance	Claims Made and Changes in IBNR	Claims Paid	Ending Balance
2007	$ 217,387	2,516,254	2,404,744	$ 328,897
2008	$ 328,897	2,094,809	2,144,577	$ 279,129

The Authority provides group life insurance to employees at a rate equal to four times their annual rate of basic earnings, rounded to the next higher multiple of $1,000, subject to a maximum of $500,000. The Authority also provides accidental death and dismemberment benefits equal to the amount of life insurance in force. Assurant Employee Benefits provides this coverage. Employees also have the option of purchasing dependent life insurance of $10,000 for a spouse and $2,000 for each child through Assurant Employee Benefits.

H. Contingencies

Regulations

The Authority is subject to both state and federal regulations, primarily provided by the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA). The Authority must comply with such laws and regulations to maintain the necessary licenses and permits to operate waste disposal facilities.

Landfill Closure and Post-Closure Costs

The Authority owns and operates the Campbell Bayou Industrial Solid Waste Facility, which is permitted for non-hazardous and hazardous solid waste, although hazardous waste has not been accepted since 1993.

The TCEQ and EPA regulations require that a final cover be placed on the landfill when closed and that certain maintenance and monitoring functions be performed at the site for thirty years after closure. The Authority has previously certified closure of an inactive portion of the landfill. The Y-Cell is the remaining active cell that is subject to both closure and post-closure activities. Accordingly, a contingent liability exists for future closure of the Y-Cell and post-closure care costs for the entire landfill that will be incurred near or after the date of closure.

The estimated total cost of the landfill closure and post-closure care was developed by engineering estimates. These estimates take into account the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of year end. However, the actual cost of closure and post-closure care may vary due to inflation, changes in technology, or changes in laws and regulations.

The estimated total cost of closure and post-closure for the current site at year end is $10,929,778. Of this amount, $6,308,298 and $1,803,564 are for landfill cells and land farm, respectively, which are no longer accepting waste, and final closure has been certified. As of year end, the estimated utilized capacity of the Y-Cell is estimated at 62.56 percent, and $2,817,915 is the estimated total cost for closure and post-closure. Accordingly, the accrued closure and post-closure care cost liability at year end for the Y-Cell is $1,762,888. The total accrued closure and post-closure care costs at year end for the entire site are $9,874,750. The remaining accrued costs to be recognized are $1,055,028. The Y-Cell has a projected life of 12 years, of which four are remaining.

The Authority is responsible for the operations of the landfill and the site. The Authority has contracts with corporate participants for the construction of the facility and for its operation. In addition, the participants have acknowledged financial responsibility for the cost of closure and post-closure activities. Three of the participants have elected to demonstrate financial assurance through an irrevocable letter of credit. The other participant has funded its obligation by payment to the State-regulated Closure and Post-Closure Trust Fund. The account has a balance of $2,258,166 at year end, which is reported in the Authority's private-purpose trust fund.

The Authority considers the participants to be financially capable of meeting closure and post-closure care obligations when they are due. Accordingly, the Authority has not recorded a liability in connection with closure and post-closure care costs.

Legal Matters

During the normal course of business, the Authority becomes a party to disputes and various legal matters. The ultimate outcome of pending or potential disputes, lawsuits, or arbitration cannot be estimated with reasonable accuracy. However, management believes that the ultimate liability, if any, would not have a material effect on the financial condition of the Authority.

I. Extraordinary Items

Hurricane Ike Repairs

On September 12, 2008 Hurricane Ike made landfall on the Texas Gulf Coast. Extensive damage occurred at many of the Authority's facilities. Total estimated repair costs are projected to be approximately $3.5 million. The Authority's insurance company will cover approximately $750,000. The Authority is currently working with FEMA to recover additional amounts related to storm damage and repairs. At December 31, 2008, $1,126,199 had been spent in clean up and repairs related to the event. FEMA reimburses either 75% or 100% of the amount spent depending on the timing and the nature of the repairs and net of any insurance proceeds received. At December 31, 2008, the projected receivable from FEMA is $961,990.

Impairment Loss on Capital Loss

The Bayport and 40-Acre Facilities had extensive flooding as a result of Hurricane Ike. The flooding caused major damage to the roadways at the facilities. It has been estimated that 30% of the Bayport and 40% of the 40-Acre roads will require repair and replacement. Retirement of the roads resulted in a loss of $334,339. As of December 31, 2008, only temporary work had been done on the roads. Permanent repairs and replacement will be done in 2009.

J. Discontinued Operations

GCWDA discontinued operations at the Alief facility in 1998. The Facility was decommissioned in 2000. In March 2007 the land was deeded back to the City of Houston. During 2008, the remaining cash balance of $17,932 was transferred to the General Operating Division.

K. Subsequent Event

On January 6, 2009, Lyondell Chemical Company and certain of its subsidiaries and affiliates filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court. As of December 31, 2008, Lyondell owed the Authority approximately $4,796,900 for services related to 2008. These amounts are included in the accounts receivable balance on the financial statements. It is of the opinion of management that these amounts will be fully collected.

L. <u>Pollution Remediation</u>

During the course of business, regulatory discharge permits are occasionally violated. The Authority is required to report these violations to the Texas Commission on Environmental Quality (TCEQ). The infrequency of these violations in the past year has resulted in either notification of a violation by the TCEQ or an immaterial penalty. It is the opinion of management that there will be no material penalties assessed against the Authority as a result of any currently known permit violation.

(This page intentionally left blank.)

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

Gulf Coast Waste Disposal Authority

Required Supplementary Information
Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust
December 31, 2008

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accured Liabilities (AAL) (b)	Unfunded Actuarial Accrued Liabilities (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-c)/c]
January 1, 2008 (1)	$ -	$ 8,224,524	$ 8,224,524	0.00%	$9,379,800	87.68%

(1) The GCAOEBT was established prospectively in 2008. Actuarial information and annual OPEB costs are not available prior to that time.

(This page intentionally left blank.)

COMBINING INFORMATION AND STATEMENT

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY
DIVISIONS
December 31, 2008

General Services Division

This division provides various support activities to the facilities, including management, engineering, accounting, computer systems support, secretarial support staff, human resources and municipal management services. User charges, management fees and bond issuance financing fees provide the major sources of revenues.

Alief Regional Wastewater Treatment Facility Division

Operations at this division were discontinued during 1998. During 2008, the balance in the pooled cash held as a reserve for the past participants was transferred to the General Services Division.

Bayport Area System Facility Division

This division accounts for the operations of wastewater treatment to industrial companies in the Bayport Industrial Complex. Revenues to operate this facility are provided by the industries, municipalities, or special districts in the area following the rate order approved by the Board of Directors.

Blackhawk Regional Wastewater Treatment Facility Division

This division accounts for the operations of a wastewater treatment facility serving two municipal utility districts and two cities in Southeast Houston. Revenues to operate this facility are provided by the customers it serves through written contracts for pollution control services. These agreements provide for the participants', payment of costs on a monthly basis by reimbursement of actual costs. Part of the monthly invoices to the participants is for the contribution to the contingency reserve for capital equipment replacement pursuant to the facility contract.

Campbell Bayou Facility Division

This division accounts for the operations of an industrial landfill and land treatment and disposal of hazardous and nonhazardous solid wastes. The division also accounts for closing operations and post-closure monitoring and maintenance of closed cells of the industrial landfill. The agreement with participants provides for the participants' payment of cost through quarterly revenue billings to cover budgeted expenses followed by quarterly variance adjustments. The landfill is permitted and operates under the regulations of the Resource Conservation and Recovery Act Subtitle C for the receipt of industrial wastes, as defined.

Central Laboratory Division

This division accounts for the activities of the Authority's Central Laboratory. This facility provided laboratory analysis for all of the Authority's treatment facilities and some industrial customers on an as needed basis. Revenue is received from interdivisional transfers from the facilities for lab work provided and fees charged for lab tests done for industrial customers.

40-Acre Facility Division

This division accounts for the operations of the wastewater treatment facility in Texas City, Texas. Revenues to operate this facility are provided by the industries with which the Authority has written contracts for pollution control services. The agreement provides for the participants' payment of costs through quarterly revenue billings to cover budgeted expenses followed by periodic variance adjustments for reimbursement of actual costs.

Municipal Operations Division

This division accounts for the operations of municipal wastewater treatment and some related billing services for municipalities and special districts within the Authority's primary three-county area. Written agreements with these entities provide for negotiated charges for these operations.

Odessa South Facility Division

This division accounts for the operations of the wastewater treatment facility in Odessa, Texas. Revenues to operate this facility are provided by the industries, municipalities, or special districts with which the Authority has written contracts for pollution control services. The agreements provide for the participants' payment of costs through quarterly revenue billings to cover budgeted expenses followed by quarterly variance adjustments or invoices for reimbursement of actual costs.

Vince Bayou Division

This division accounts for the revenues and expenses of the operations of a trucked in wastewater receiving and pumping station located near the Washburn Tunnel Industrial Wastewater Treatment Facility. Contracts and agreements between the Authority and liquid waste hauling companies provide for receiving and testing of the wastewater at the Vince Bayou Facility and pumping it to the Washburn Tunnel Industrial Wastewater Facility for treatment.

Washburn Tunnel Facility Division

This division accounts for the operations of the wastewater treatment facility adjacent to the Houston Ship Channel. Revenues to operate this facility are provided by the municipalities and industries with which the Authority has written contracts for pollution control services. The agreements provide for the participants' payment of costs through monthly revenue billings to cover budgeted expenses followed by monthly variance adjustments for reimbursement for actual costs.

Washburn Tunnel Pipeline Services Division

This division accounts for the acquisition, operation, and maintenance of various pipelines for transport of industrial waste to the Washburn Tunnel Facility for treatment. This division was created in 2003 to help the industries in the Houston Ship Channel area with waste transportation needs. This division operated no pipelines as of year end.

Component Unit – GCIDA

GCIDA was created by the Authority in 1979 under the provisions of the Development Corporation Act of 1979. As stated in its Articles of Incorporation, "GCIDA was organized exclusively for the purpose of benefiting and accomplishing the public purposes of, and to act on behalf of, the Gulf Coast Waste Disposal Authority and the specifics for which the Corporation was created."

(This page intentionally left blank.)

Gulf Coast Waste Disposal Authority
Combining Information By Division - Net Assets (page 1 of 2)
Enterprise Fund
December 31, 2008

	General Services Division	Alief Regional Facility Division	Bayport Area System Division
Assets			
Current Assets			
Equity in pooled cash and investments	$ 3,745,293	$ -	$ 17,720,594
Marketable securities	14,983	-	-
Receivables	108,489	-	4,449,270
Due from other funds/divisions	3,084,165	-	-
Current portion of interdivision loan receivable	616,280	-	-
Current portion of note receivable	-	-	-
Prepaids	11,961	-	59,723
Total current assets	7,581,171	-	22,229,587
Noncurrent Assets			
Restricted assets			
Cash and cash equivalents	-	-	356,949
Marketable securities	-	-	4,392,099
Accrued interest	-	-	43,764
Deferred charges	-	-	724,936
Interdivision loan receivable	1,357,370	-	-
Note receivable	-	-	356,136
Capital assets			
Land	53,800	-	907,489
Construction in progress	-	-	1,499,557
Plant and equipment	1,749,973	-	106,267,970
Less accumulated depreciation	(1,143,678)	-	(52,944,233)
Total capital assets (net of accumulated deprecation)	660,095	-	55,730,783
Total noncurrent assets	2,017,465	-	61,604,667
Total assets	$ 9,598,636	$ -	$ 83,834,254
Liabilities			
Current liabilities			
Accounts payable	443,645	-	2,120,523
Wages payable	297,602	-	-
Retainage payable	-	-	406,662
Due to other funds/divisions	-	-	-
Accrued bond interest	-	-	497,375
Current poriton of interdivision loan payable	-	-	-
Current portion of loan payable	612,729	-	-
Current portion of revenue bonds payable	-	-	3,044,361
Total current liabilities	1,353,976	-	6,068,921
Noncurrent liabilities			
Interdivision loan payable	-	-	-
Loan payable	1,048,692	-	-
Deferred revenue	39,360	-	-
Revenue bonds payable (net of unamortized discount and deferred amount on refunding)	-	-	38,373,455
Working capital deposits	-	-	-
Total noncurrent liabilieis	1,088,052	-	38,373,455
Total liabilities	2,442,028	-	44,442,376
Net Assets			
Invested in capital assets, net of related debt	660,095	-	14,312,967
Restricted for			
Debt service	-	-	4,792,812
Contingency reserve	-	-	-
Unrestricted	6,496,513	-	20,286,099
Total net assets	$ 7,156,608	$ -	$ 39,391,878

Blackhawk Regional Facility Division	Campbell Bayou Facility Division: Industrial Solid Waste Facility	Campbell Bayou Facility Division: Closure/Post Closure	Central Laboratory Division	40-Acre Facility Division	Municipal Operations Division
$ 303,238	$ 248,432	$ -	$ 442,263	$ 1,139,419	$ 455,968
-	-	-	-	-	-
414,842	89,154	102,605	12,259	2,236,211	28,505
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,643	1,907	2,302	8,847	19,818	43
733,723	339,493	104,907	463,369	3,395,448	484,516
352,435	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
201,000	671,966	-	-	1,427,965	-
-	657,706	-	-	-	-
15,383,626	5,641,981	-	5,172,659	35,999,785	-
(11,527,511)	(4,648,571)	-	(2,391,667)	(11,902,885)	-
4,057,115	2,323,082	-	2,780,992	25,524,865	-
4,409,550	2,323,082	-	2,780,992	25,524,865	-
$ 5,143,273	$ 2,662,575	$ 104,907	$ 3,244,361	$ 28,920,313	$ 484,516
114,527	74,866	18,215	72,851	2,938,158	4,576
-	-	-	-	-	-
-	-	-	-	-	-
-	-	35,968	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
114,527	74,866	54,183	72,851	2,938,158	4,576
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1	-
-	-	-	-	-	-
561,025	251,018	-	-	-	-
561,025	251,018	-	-	1	-
675,552	325,884	54,183	72,851	2,938,159	4,576
4,057,115	2,323,082	-	2,780,992	25,524,865	-
-	-	-	-	-	-
353,896	-	-	-	-	-
56,710	13,609	50,724	390,518	457,289	479,940
$ 4,467,721	$ 2,336,691	$ 50,724	$ 3,171,510	$ 25,982,154	$ 479,940

Gulf Coast Waste Disposal Authority
Combining Information By Division - Net Assets (page 2 of 2)
Enterprise Fund
December 31, 2008

	Odessa South Regional Facility Division	Vince Bayou Facility Division
Assets		
Current Assets		
Equity in pooled cash and investments	$ 968,471	$ 650,440
Marketable securities	-	-
Receivables	12,701	151,135
Due from other funds/divisions	-	-
Current portion of interdivision loan receivable	-	-
Current portion of note receivable	-	-
Prepaids	15,141	1,765
Total current assets	996,313	803,340
Noncurrent Assets		
Restricted assets		
Cash and cash equivalents	-	-
Marketable securities	-	-
Accrued interest	-	-
Deferred charges	-	-
Interdivision loan receivable	-	-
Note receivable	-	-
Capital assets		
Land	76,161	100,611
Construction in progress	-	-
Plant and equipment	14,497,860	1,691,053
Less accumulated depreciation	(9,939,905)	(827,983)
Total capital assets (net of accumulated deprecation)	4,634,116	963,681
Total noncurrent assets	4,634,116	963,681
Total assets	$ 5,630,429	$ 1,767,021
Liabilities		
Current liabilities		
Accounts payable	173,636	29,950
Wages payable	-	-
Retainage payable	-	-
Due to other funds/divisions	-	-
Accrued bond interest	-	-
Current poriton of interdivision loan payable	-	-
Current portion of loan payable	-	-
Current portion of revenue bonds payable	-	-
Total current liabilities	173,636	29,950
Noncurrent liabilities		
Interdivision loan payable	-	-
Loan payable	-	-
Deferred revenue	1	-
Revenue bonds payable (net of unamortized discount and deferred amount on refunding)	-	-
Working capital deposits	825,874	-
Total noncurrent liabilieis	825,875	-
Total liabilities	999,511	29,950
Net Assets		
Invested in capital assets, net of related debt	4,634,116	963,681
Restricted for		
Debt service	-	-
Contingency reserve	-	-
Unrestricted	(3,198)	773,390
Total net assets	$ 4,630,918	$ 1,737,071

Washburn Tunnel Facility Division	Washburn Tunnel Pipeline Facility Division	Component Unit GCIDA Division	Eliminations	Total
$ 500	$ -	$ 12,886	$ -	$ 25,687,504
-	-	-	-	14,983
5,197,182	-	-	-	12,802,353
-	-	-	(2,979,885)	104,280
-	-	-	(616,280)	-
616,280	-	-	-	616,280
45,321	48	-	-	182,519
5,859,283	48	12,886	(3,596,165)	39,407,919
-	-	-	-	709,384
-	-	-	-	4,392,099
-	-	-	-	43,764
-	-	-	-	724,936
-	-	-	(1,357,370)	-
1,082,370	-	-	-	1,438,506
1,736,549	-	-	-	5,175,541
424,206	-	-	-	2,581,469
29,484,357	29,354	-	-	215,918,618
(25,178,634)	(15,442)	-	-	(120,520,509)
6,466,478	13,912	-	-	103,155,119
7,548,848	13,912	-	(1,357,370)	110,463,808
$ 13,408,131	$ 13,960	12,886	(4,953,535)	$ 149,871,727
1,603,240	-	-	-	7,594,187
-	-	-	-	297,602
-	-	-	-	406,662
2,943,817	100	-	(2,979,885)	-
-	-	-	-	497,375
616,280	-	-	(616,280)	-
-	-	-	-	612,729
-	-	-	-	3,044,361
5,163,337	100	-	(3,596,165)	12,452,916
1,357,370	-	-	(1,357,370)	-
-	-	-	-	1,048,692
60,825	-	-	-	100,187
-	-	-	-	38,373,455
38,600	-	-	-	1,676,517
1,456,795	-	-	(1,357,370)	41,198,851
6,620,132	100	-	(4,953,535)	53,651,767
6,466,478	13,912	-	-	61,737,303
-	-	-	-	4,792,812
-	-	-	-	353,896
321,521	(52)	12,886	-	29,335,949
$ 6,787,999	$ 13,860	$ 12,886	$ -	$ 96,219,960

Gulf Coast Waste Disposal Authority

Combining Information by Division - Change in Net Assets (page 1 of 2)
Enterprise Fund
Year ended December 31, 2008

	General Services Division	Alief Regional Facility Division	Bayport Area System Division
Operating revenues			
Charges for sales and services			
Services to industries	$ 1,311,605	$ -	$ 25,178,580
Services to municipalities	-	(113)	26,254
Intergovernmental	3,514,938	-	-
Other	5,336	17,745	254,604
Total operating revenues	4,831,879	17,632	25,459,438
Operating expenses			
Costs of sales and services	5,055,221	-	21,190,986
Administration	607,185	-	754,701
Depreciation	135,851	-	4,446,193
Total operating expenses	5,798,257	-	26,391,880
Operating income (loss)	(966,378)	17,632	(932,442)
Nonoperating revenues (expenses)			
Investment income	520,744	208	1,458,729
Interest expense	(117,167)	-	(2,087,750)
Bond issuance costs	-	-	36,443
Loss on disposal of capital assets	-	-	-
Operating contributions	-	-	24,340
Total nonoperating revenues (expenses)	403,577	208	(568,238)
Income (loss) before contributions and transfers	(562,801)	17,840	(1,500,680)
Capital contributions	-	-	235,122
Transfers in	17,932	-	-
Transfers out	-	(17,932)	-
Income (loss) before extraordinary items	(544,869)	(92)	(1,265,558)
Extraordinary items - Hurricane Ike repairs	-	-	(321,390)
Extraordinary items - Loss on asset impairment	-	-	(294,136)
Changes in net assets	(544,869)	(92)	(1,881,084)
Beginning net assets	7,701,477	92	41,272,962
Ending net assets	$ 7,156,608	$ -	$ 39,391,878

	Campbell Bayou Facility Division				
Blackhawk Regional Facility Division	Industrial Solid Waste Facility	Closure/Post Closure	Central Laboratory Division	40-Acre Facility Division	Municipal Operations Division
$ -	$ 1,286,171	$ 527,044	$ 31,453	$ 4,612,491	$ -
2,104,523	-	-	1,859	-	110,613
-	-	-	3,584,491	45,000	30,900
22,408	-	-	5,563	12,323,490	-
2,126,931	1,286,171	527,044	3,623,366	16,980,981	141,513
1,965,573	588,098	375,919	3,712,638	4,378,472	93,201
84,851	44,268	88,882	80,581	360,882	11,355
464,936	354,133	-	310,780	618,649	-
2,515,360	986,499	464,801	4,103,999	5,358,003	104,556
(388,429)	299,672	62,243	(480,633)	11,622,978	36,957
27,568	12,654	-	24,199	65,331	21,725
-	(2)	(725)	-	(8)	-
-	-	-	-	-	-
(105)	-	-	(24,105)	(371)	-
52,100	34,722	20,370	-	263,384	-
79,563	47,374	19,645	94	328,336	21,725
(308,866)	347,046	81,888	(480,539)	11,951,314	58,682
-	52,773	30,959	-	137,955	-
-	-	-	-	-	-
-	-	-	-	-	-
(308,866)	399,819	112,847	(480,539)	12,089,269	58,682
(54,663)	(106,085)	(62,234)	-	(447,706)	-
-	-	-	-	(40,203)	-
(363,529)	293,734	50,613	(480,539)	11,601,360	58,682
4,831,250	2,042,957	111	3,652,049	14,380,794	421,258
$ 4,467,721	$ 2,336,691	$ 50,724	$ 3,171,510	$ 25,982,154	$ 479,940

Gulf Coast Waste Disposal Authority

Combining Information by Division - Change in Net Assets (page 2 of 2)

Enterprise Fund

Year ended December 31, 2008

	Odessa South Regional Facility Division	Vince Bayou Facility Division
Operating revenues		
Charges for sales and services		
Services to industries	$ 2,917,199	$ 614,257
Services to municipalities	-	-
Intergovernmental	-	-
Other	456,685	7,918
Total operating revenues	3,373,884	622,175
Operating expenses		
Costs of sales and services	2,815,121	496,139
Administration	339,218	38,596
Depreciation	615,902	58,629
Total operating expenses	3,770,241	593,364
Operating income (loss)	(396,357)	28,811
Nonoperating revenues (expenses)		
Investment income	49,672	34,380
Interest expense	(8)	-
Bond issuance costs	-	-
Loss on disposal of capital assets	-	-
Operating contributions	-	20,714
Total nonoperating revenues (expenses)	49,664	55,094
Income (loss) before contributions and transfers	(346,693)	83,905
Capital contributions	-	-
Transfers in	-	-
Transfers out	-	-
Income (loss) before extraordinary items	(346,693)	83,905
Extraordinary items - Hurricane Ike repairs	-	(27,619)
Extraordinary items - Loss on asset impairment	-	-
Changes in net assets	(346,693)	56,286
Beginning net assets	4,977,611	1,680,785
Ending net assets	$ 4,630,918	$ 1,737,071

Washburn Tunnel Facility Division	Washburn Tunnel Pipeline Facility Division	Component Unit GCIDA Division	Eliminations	Total
$ 17,445,338	$ -	$ -	$ -	$ 53,924,138
-	-	-	-	2,243,136
75,715	-	-	(7,251,044)	-
460,010	-	-	-	13,553,759
17,981,063	-	-	(7,251,044)	69,721,033
17,294,956	-	-	(7,251,044)	50,715,280
486,275	159	39	-	2,896,992
712,485	3,525	-	-	7,721,083
18,493,716	3,684	39	(7,251,044)	61,333,355
(512,653)	(3,684)	(39)	-	8,387,678
137,716	-	629	(172,605)	2,180,950
(171,859)	(3)	-	172,605	(2,204,917)
-	-	-	-	36,443
(18,418)	(48,529)	-	-	(91,528)
25,318	-	-	-	440,948
(27,243)	(48,532)	629	-	361,896
(539,896)	(52,216)	590	-	8,749,574
64,233	-	-	-	521,042
-	-	-	(17,932)	-
-	-	-	17,932	-
(475,663)	(52,216)	590	-	9,270,616
(106,503)	-	-	-	(1,126,200)
-	-	-	-	(334,339)
(582,166)	(52,216)	590	-	7,810,077
7,370,165	66,076	12,296	-	88,409,883
$ 6,787,999	$ 13,860	$ 12,886	$ -	$ 96,219,960

Gulf Coast Waste Disposal Authority

Combining Information by Division - Cash Flows (page 1 of 4)
Enterprise Fund
Year ended December 31, 2008

	General Services Division	Alief Regional Facility Division	Bayport Area System Division
Cash Flows from Operating Activities			
Receipts from customers and users	$ 4,889,498	$ 17,632	$ 25,596,475
Payments to suppliers	(4,324,285)	(17,632)	(18,014,584)
Payments to employees	(3,923,190)	-	(3,654,206)
Net cash provided (used) by operating activities	(3,357,977)	-	3,927,685
Cash Flows from Noncapital Financing Activities			
Transfer from other division	17,932	-	-
Transfer to other division	-	(17,932)	-
Principal paid on loan payable	(577,308)	-	-
Interest paid on loan payable	(117,167)	-	-
Principal paid on interdivision loan	-	-	-
Interest paid on interdivision loan	-	-	-
Principal received on interdivision loan	573,821	-	-
Interest received on interdivision loan	171,884	-	-
Interest received on note receivable	-	-	29,339
Principal received on note receivable	-	-	9,087
Net cash provided (used) by noncapital financing activities	69,162	(17,932)	38,426
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(61,169)	-	(9,940,842)
Principal paid on capital debt	-	-	(2,780,000)
Interest paid on capital debt	-	-	(2,120,500)
Ike related repairs and replacements	-	-	(321,390)
Net cash provided (used) by capital and related financing activities	(61,169)	-	(15,162,732)
Cash Flows from Investing Activities			
Purchase of investments	-	-	(2,000,000)
Proceeds from maturity of investments	-	-	2,000,000
Interest received	349,678	208	1,289,011
Net cash provided (used) by investing activities	349,678	208	1,289,011
Net increase (decrease) in cash and cash equivalents	(3,000,306)	(17,724)	(9,907,610)
Beginning cash and cash equivalents			
Unrestricted cash and cash equivalents	6,745,599	17,724	22,542,989
Restricted cash and cash equivalents	-	-	5,442,164
Beginning cash and cash equivalents	6,745,599	17,724	27,985,153
Ending cash and cash equivalents	$ 3,745,293	$ -	$ 18,077,543

Blackhawk Regional Facility Division	Campbell Bayou Facility Division		Central Laboratory Division	40-Acre Facility Division	Municipal Operations Division
	Industrial Solid Waste Facility	Closure/Post Closure			
$ 2,216,298	$ 1,335,648	$ 475,768	$ 3,614,217	$ 17,317,010	$ 127,707
(1,620,718)	(432,443)	(323,504)	(1,427,032)	(3,788,826)	(71,162)
(483,607)	(227,109)	(159,872)	(2,381,864)	(1,135,655)	(31,396)
111,973	676,096	(7,608)	(194,679)	12,392,529	25,149
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(246)	(983)	-	(1,229)	-
-	(2)	(7)	-	(8)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(248)	(990)	-	(1,237)	-
(9,465)	(557,823)	-	(96,174)	(11,564,462)	-
-	-	-	-	-	-
-	-	-	-	-	-
(54,663)	(106,085)	(62,234)	-	(447,706)	-
(64,128)	(663,908)	(62,234)	(96,174)	(12,012,168)	-
-	-	-	-	-	-
-	-	-	-	-	-
27,568	12,654	(718)	24,199	65,331	21,725
27,568	12,654	(718)	24,199	65,331	21,725
75,413	24,594	(71,550)	(266,654)	444,455	46,874
264,911	223,838	71,550	708,917	694,964	409,094
315,349			-	-	-
580,260	223,838	71,550	708,917	694,964	409,094
$ 655,673	$ 248,432	$ -	$ 442,263	$ 1,139,419	$ 455,968

Gulf Coast Waste Disposal Authority

Combining Information by Division - Cash Flows (page 2 of 4)
Enterprise Fund
Year ended December 31, 2008

	General Services Division	Alief Regional Facility Division	Bayport Area System Division
Ending cash and cash equivalents			
Unrestricted cash and cash equivalents	$ 3,745,293	$ -	$ 17,720,594
Restricted cash and cash equivalents	-	-	356,949
	$ 3,745,293	$ -	$ 18,077,543
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ (966,377)	$ 17,632	$ (932,442)
Adjustment to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	135,851	-	4,446,193
Changes in Operating Assets and Liabilities			
(Increase) Decrease in Assets			
Accounts Receivable	52,025	-	137,037
Due from other funds/divisions	(2,759,391)	-	-
Prepaids	2,358	-	9,841
Increase (Decrease) Liabilities			
Wages Payable	91,744	-	-
Accounts payable	80,219	(587)	378,890
Retainage payable	-	-	(111,834)
Due to other funds/divisions	-	-	-
Deferred revenue	5,594	-	-
Working capital deposits	-	(17,045)	-
Net cash provided by operating activities	$ (3,357,977)	$ -	$ 3,927,685
Noncash Investing, Capital, and Financing Activities			
Loss on disposition of capital assets	$ -	$ -	$ -
Purchase of equipment through capital lease			
Capital Asset impairment	-	-	294,136
Receivable from insurance and FEMA	-	-	259,462

Blackhawk Regional Facility Division	Campbell Bayou Industrial Solid Waste Facility Division	Campbell Bayou Closure/Post Closure Division	Central Laboratory Division	40-Acre Facility Division	Municipal Operations Division
$ 303,238	$ 248,432	$ -	$ 442,263	$ 1,139,419	$ 455,968
352,435	-	-	-	-	-
$ 655,673	$ 248,432	$ -	$ 442,263	$ 1,139,419	$ 455,968
$ (388,429)	$ 299,672	$ 62,243	$ (480,633)	$ 11,622,978	$ 36,957
464,936	354,133	-	310,780	618,649	-
89,367	49,477	(51,276)	(9,149)	336,029	(13,806)
-	-	-	-	-	-
(1,612)	(231)	399	7,806	(9,660)	47
-	-	-	-	-	-
(67,214)	(26,955)	(54,942)	(23,483)	(175,467)	1,951
-	-	-	-	-	-
-	-	35,968	-	-	-
-	-	-	-	-	-
14,925	-	-	-	-	-
$ 111,973	$ 676,096	$ (7,608)	$ (194,679)	$ 12,392,529	$ 25,149
$ 105	$ -	$ -	$ 24,105	$ 371	$ -
-	-	-	-	40,203	-
52,100	87,495	51,329	-	401,339	-

Gulf Coast Waste Disposal Authority

Combining Information by Division - Cash Flows (page 3 of 4)
Enterprise Fund
Year ended December 31, 2008

	Odessa South Regional Facility Division	Vince Bayou Facility Division	Washburn Tunnel Facility Division
Cash Flows from Operating Activities			
Receipts from customers and users	$ 3,410,698	$ 592,344	$ 14,709,332
Payments to suppliers	(2,195,437)	(322,972)	(10,863,483)
Payments to employees	(958,803)	(212,648)	(3,231,674)
Net cash provided (used) by operating activities	256,458	56,724	614,175
Cash Flows from Noncapital Financing Activities			
Transfer from other division	-	-	-
Transfer to other division	-	-	-
Principal paid on loan payable	-	-	-
Interest paid on loan payable	-	-	-
Principal paid on interdivision loan	(1,085)	-	(570,278)
Interest paid on interdivision loan	(8)	-	(171,859)
Principal received on interdivision loan	-	-	-
Interest received on interdivision loan	-	-	-
Interest received on note receivable	-	-	160,851
Principal received on note receivable	-	-	569,049
Net cash provided (used) by noncapital financing activities	(1,093)	-	(12,237)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(267,692)	(100,611)	(471,800)
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Ike related repairs and replacements		(27,619)	(106,503)
Net cash provided (used) by capital and related financing activities	(267,692)	(128,230)	(578,303)
Cash Flows from Investing Activities			
Purchase of investments	-	-	-
Proceeds from maturity of investments	-	-	-
Interest received	49,672	34,380	(23,135)
Net cash provided (used) by investing activities	49,672	34,380	(23,135)
Net increase (decrease) in cash and cash equivalents	37,345	(37,126)	500
Beginning cash and cash equivalents			
Unrestricted cash and cash equivalents	931,126	687,566	-
Restricted cash and cash equivalents	-	-	-
Beginning cash and cash equivalents	931,126	687,566	-
Ending cash and cash equivalents	$ 968,471	$ 650,440	$ 500

Washburn Tunnel Pipeline Facility Division	Component Unit GCIDA Division	Eliminations	Total
$ -	$ -	$ (7,251,044)	$ 67,051,583
3	(39)	7,251,044	(36,151,070)
-	-	-	(16,400,024)
3	(39)	-	14,500,489
-	-	(17,932)	-
-	-	17,932	-
-	-	-	(577,308)
-	-	-	(117,167)
-	-	573,821	-
-	-	171,884	-
-	-	(573,821)	-
-	-	(171,884)	-
-	-	-	190,190
-	-	-	578,136
-	-	-	73,851
-	-	-	(23,070,038)
-	-	-	(2,780,000)
-	-	-	(2,120,500)
			(1,126,200)
-	-	-	(29,096,738)
-	-	-	(2,000,000)
-	-	-	2,000,000
(3)	629	-	1,851,199
(3)	629	-	1,851,199
-	590	-	(12,671,199)
-	12,296	-	33,310,574
-	-	-	5,757,513
-	12,296	-	39,068,087
$ -	$ 12,886	$ -	$ 26,396,888

Gulf Coast Waste Disposal Authority

Combining Information by Division - Cash Flows (page 4 of 4)
Enterprise Fund
Year ended December 31, 2008

	Odessa South Regional Facility Division	Vince Bayou Facility Division	Washburn Tunnel Facility Division
Ending cash and cash equivalents			
Unrestricted cash and cash equivalents	$ 968,471	$ 650,440	$ 500
Restricted cash and cash equivalents		-	-
	$ 968,471	$ 650,440	$ 500
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ (396,357)	$ 28,811	$ (512,653)
Adjustment to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	615,902	58,629	712,485
Changes in Operating Assets and Liabilities			
(Increase) Decrease in Assets			
Accounts Receivable	36,814	(29,831)	(3,271,731)
Due from other funds/divisions	-	-	-
Prepaids	(2,630)	(178)	(14,579)
Increase (Decrease) Liabilities			
Wages Payable	-	-	-
Accounts payable	(100,151)	(707)	808,169
Retainage payable	-	-	
Due to other funds/divisions	-	-	2,873,184
Deferred revenue	-	-	-
Working capital deposits	102,880	-	19,300
Net cash provided by operating activities	$ 256,458	$ 56,724	$ 614,175
Noncash Investing, Capital, and Financing Activities			
Loss on disposition of capital assets	$ -	$ -	$ 18,418
Purchase of equipment through capital lease			
Capital Asset Impairment	-	-	-
Receivable from insurance and FEMA	-	20,714	89,551

Washburn Tunnel Pipeline Facility Division	Component Unit GCIDA Division	Eliminations	Total
$ -	$ 12,886	$ -	$ 25,687,504
-	-	-	709,384
$ -	$ 12,886	$ -	$ 26,396,888
$ (3,684)	$ (39)	$ -	$ 8,387,679
3,525	-	-	7,721,083
-	-	-	(2,675,044)
-	-	2,909,252	149,861
62	-	-	(8,377)
-	-	-	91,744
-	-	-	819,723
-	-	-	(111,834)
100	-	(2,909,252)	-
-	-	-	5,594
-	-	-	120,060
$ 3	$ (39)	$ -	$ 14,500,489
$ 48,529	$ -	$ -	$ 91,528
			-
-	-	-	334,339
-	-	-	961,990

(This page intentionally left blank.)

Casualty Insurance Risk Reserve Fund

This fund accounts for the accumulation of resources to pay the deductible amounts on casualty insurance. This limited purpose risk reserve fund was established in 1989. It was funded to a level of $200,000 allocated among the operating divisions on the same basis as the actual liability insurance premiums.

Compensated Absences Fund

This fund accounts for the accumulation of resources to pay the liability for the vested amount of employees' vacation and sick leave. The primary source of revenue is earnings on the accumulated resources.

Data Processing Fund

This fund accounts for the revenues and expenses generated through data processing services provided to GCWDA facilities.

Employees' Health Care Fund

This fund accounts for the revenues and expenses of a fund created in March 1993 to provide medical and associated benefits for the Authority's employees, participating dependents, and eligible retirees in accordance with the Gulf Coast Waste Disposal Authority Employee Medical and Dental Benefit Plan. The Enterprise Fund makes payments to the Health Care Fund based on historical estimates of the amounts needed to pay current year claims and to establish a reserve for future expenses.

Equipment Services Fund

This fund accounts for the revenues and expenses generated through equipment lease services provided to GCWDA facilities.

Pretreatment Legislation Fund

This fund accounts for revenues and expenditures for support of public law that offers pretreatment categorical exemptions to Authority industrial customers.

Gulf Coast Waste Disposal Authority

Combining Statement of Net Assets

December 31, 2008

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Assets			
Current Assets			
Equity in pooled cash and investments	$ 346,386	$ 2,611,849	$ -
Receivables	-	-	-
Prepaids	-	-	204
Total current assets	346,386	2,611,849	204
Noncurrent Assets			
Capital assets			
Plant and equipment	-	-	961,500
Less accumulated depreciation	-	-	(616,573)
Total capital assets (net of accumulated deprecation)	-	-	344,927
Total noncurrent assets	-	-	344,927
Total assets	$ 346,386	$ 2,611,849	$ 345,131
Liabilities			
Current liabilities			
Accounts payable	-	-	20,745
Due to other funds/divisions	-	-	104,280
Current portion of accrued compensated absences	-	1,357,555	-
Current portion of capital lease payable	-	-	25,197
Total current liabilities	-	1,357,555	150,222
Noncurrent liabilities			
Accrued compensated absences	-	873,681	-
Net OPEB obligation	-	-	-
Capital lease payable	-	-	28,576
Total noncurrent liabilities	-	873,681	28,576
Total liabilities	-	2,231,236	178,798
Net Assets			
Invested in capital assets, net of related debt	-	-	291,154
Unrestricted	346,386	380,613	(124,821)
Total net assets	$ 346,386	$ 380,613	$ 166,333

Employees' Health Care	Equipment Service	Pretreatment Legislation	Total
$ 2,156,801	$ 1,499,326	$ 266,468	$ 6,880,830
13,636	-	-	13,636
-	69	-	273
2,170,437	1,499,395	266,468	6,894,739
-	2,631,481	-	3,592,981
-	(1,773,551)	-	(2,390,124)
-	857,930	-	1,202,857
-	857,930	-	1,202,857
$ 2,170,437	$ 2,357,325	$ 266,468	$ 8,097,596
279,129	5,587	8,000	313,461
-	-	-	104,280
-	-	-	1,357,555
-	-	-	25,197
279,129	5,587	8,000	1,800,493
-	-	-	873,681
534,179	-	-	534,179
-	-	-	28,576
534,179	-	-	1,436,436
813,308	5,587	8,000	3,236,929
-	857,930	-	1,149,084
1,357,129	1,493,808	258,468	3,711,583
$ 1,357,129	$ 2,351,738	$ 258,468	$ 4,860,667

Gulf Coast Waste Disposal Authority

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Year ended December 31, 2008

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Operating revenues			
Charges for sales and services			
Intergovernmental	$ -	$ -	$ 461,815
Other	-	-	-
Total operating revenues	-	-	461,815
Operating expenses			
Costs of sales and services	10,000	139,824	241,593
Administration	(18,750)	-	286
Depreciation	-	-	165,181
Total operating expenses	(8,750)	139,824	407,060
Operating income (loss)	8,750	(139,824)	54,755
Nonoperting revenues (expenses)			
Investment income	16,988	129,014	-
Interest expense	-	-	(9,257)
Total nonoperating revenues (expenses)	16,988	129,014	(9,257)
Changes in net assets	25,738	(10,810)	45,498
Beginning net assets	320,648	391,423	120,835
Ending net assets	$ 346,386	$ 380,613	$ 166,333

Employees' Health Care	Equipment Service	Pretreatment Legislation	Total
$ 2,114,459	$ 197,269	$ -	$ 2,773,543
819,332	-	129,450	948,782
2,933,791	197,269	129,450	3,722,325
2,821,123	21,839	107,208	3,341,587
479,266	339	-	461,141
-	167,456	-	332,637
3,300,389	189,634	107,208	4,135,365
(366,598)	7,635	22,242	(413,040)
103,640	79,640	12,279	341,561
(7,201)	-	-	(16,458)
96,439	79,640	12,279	325,103
(270,159)	87,275	34,521	(87,937)
1,627,288	2,264,463	223,947	4,948,604
$ 1,357,129	$ 2,351,738	$ 258,468	$ 4,860,667

Gulf Coast Waste Disposal Authority

Combining Statement of Cash Flows
Internal Service Funds
Year ended December 31, 2008

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Cash Flows from Operating Activities			
Receipts from customers and user	$ -	$ -	$ 461,815
Payments to suppliers	8,750	55,649	(447,034)
Net cash provided by operating activities	8,750	55,649	14,781
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	-	16,621
Principal payments on lease obligations	-	-	(22,144)
Interest payments on lease obligations	-	-	(2,661)
Net cash provided by capital and related financing activities	-	-	(8,184)
Cash Flows from Investing Activities			
Interest received	16,988	129,014	(6,597)
Net cash provided by investing activities	16,988	129,014	(6,597)
Net increase (decrease) in cash and cash equivalents	25,738	184,663	-
Beginning cash and cash equivalents			
Beginning cash and cash equivalents	320,648	2,427,186	-
Ending cash and cash equivalents	$ 346,386	$ 2,611,849	$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ 8,750	$ (139,824)	$ 54,755
Adjustment to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	-	-	165,181
Changes in Operating Assets and Liabilities			
(Increase) Decrease in Assets			
Accounts Receivable	-	-	-
Prepaids	-	-	(122)
Increase (Decrease) Liabilities			
Wages Payable	-	195,473	-
Accounts payable	-	-	(55,172)
Due to other funds	-	-	(149,861)
Net OPEB obligation	-	-	-
Net cash provided by operating activities	$ 8,750	$ 55,649	$ 14,781
Noncash Investing, Capital, and Financing Activities			
Purchase of equipment through capital lease	$ -	$ -	$ 75,917

Employees' Health Care	Equipment Service	Pretreatment Legislation	Total
$ 3,417,482	$ 197,269	$ 129,450	$ 4,206,016
(2,780,114)	(16,523)	(99,208)	(3,278,480)
637,368	180,746	30,242	927,536
-	(380,581)	-	(363,960)
-	-	-	(22,144)
-	-	-	(2,661)
-	(380,581)	-	(388,765)
96,439	79,640	12,279	327,763
96,439	79,640	12,279	327,763
733,807	(120,195)	42,521	866,534
1,422,994	1,619,521	223,947	6,014,296
$ 2,156,801	$ 1,499,326	$ 266,468	$ 6,880,830
$ (366,598)	$ 7,635	$ 22,242	$ (413,040)
-	167,456	-	332,637
483,691	-	-	483,691
35,864	68	-	35,810
-	-	-	195,473
(49,768)	5,587	8,000	(91,353)
-	-	-	(149,861)
534,179	-	-	534,179
$ 637,368	$ 180,746	$ 30,242	$ 927,536
$ -	$ -	$ -	$ 75,917

(This page intentionally left blank.)

OTHER SUPPLEMENTARY INFORMATION

Gulf Coast Waste Disposal Authority

Industrial Projects - Private Activity Revenue Bonds Issued and Outstanding (Page 1 of 3)

December 31, 2008

	Series	Date Issued	Final Maturity	Interest Rate	Air Pollution Control
FMC Corporation Project	1979	10/01/79	2009	7.050%	$ 468,000
Amoco Oil Company Project	1984	12/01/84	2008	3.100% *	-
Amoco Oil Company Adjustable Project Environmental Improvement Project	1986	07/15/86	2009	**	7,000,000
Exxon Pollution Control Project Revenue Refunding Bonds	1989	10/01/89	2024	**	20,493,000
Amoco Oil Company Project Solid Waste Disposal Revenue Bonds	1991	05/01/91	2015	3.580% *	-
Amoco Oil Company Project Pollution Control Revenue Refunding Bonds	1992	09/01/92	2017	3.178% *	14,065,000
Amoco Oil Company Project Pollution Control Revenue Bonds	1993	05/01/93	2023	3.178% *	50,000,000
Amoco Oil Company Project Pollution Control Revenue Bonds	1994	06/01/94	2024	3.178% *	-
Amoco Oil Company Project Solid Waste Disposal Revenue Refunding Bonds	1994	08/01/94	2023	3.178% *	-
Amoco Oil Company Project Solid Waste Disposal Revenue Bonds	1995	07/01/95	2027	3.178% *	-
Exxon Project Pollution Control Revenue Refunding Bonds	1995	11/29/95	2020	**	21,216,000
Amoco Oil Company Project Pollution Control and Solid Waste Disposal Revenue Refunding Bonds	1996	03/01/96	2024	3.178% *	-
Amoco Oil Company Project Environmental Facilities Revenue Bonds	1997	04/01/97	2026	3.178% *	-
Amoco Oil Company Project Environmental Facilities Revenue Bonds	1998	01/01/98	2026	3.178% *	-
USX Corporation Environment Revenue Bonds	1998	03/01/98	2017	5.500%	-

* Rate as of 12/31/08, adjusted rate bonds

** Variable rate

Water Pollution Facilities						
Owned by the Authority	Conveyed to Industry	Environmental Improvement	Solid Waste Disposal	Total	Amount Retired	Amount Outstanding
$ -	$ 2,132,000	$ -	$ -	$ 2,600,000	$ 680,000	$ 1,920,000
8,280,000	-	-	-	8,280,000	8,280,000	-
-	-	-	-	7,000,000	-	7,000,000
-	4,207,000	-	-	24,700,000	-	24,700,000
-	-	-	9,200,000	9,200,000	-	9,200,000
-	19,255,000	54,895,000	-	88,215,000	-	88,215,000
-	-	-	-	50,000,000	-	50,000,000
-	50,000,000	-	-	50,000,000	-	50,000,000
-	-	-	50,000,000	50,000,000	-	50,000,000
-	-	-	50,000,000	50,000,000	-	50,000,000
-	31,284,000	-	-	52,500,000	-	52,500,000
-	8,000,000	-	17,000,000	25,000,000	-	25,000,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	10,600,000	-	10,600,000	-	10,600,000

Gulf Coast Waste Disposal Authority
Industrial Projects - Private Activity Revenue Bonds Issued and Outstanding (Page 2 of 3)
December 31, 2008

	Series	Date Issued	Final Maturity	Interest Rate	Air Pollution Control
Valero Energy Corporation Project Waste Disposal Revenue Bonds	1998	03/01/98	2032	5.600%	$ -
Armco Inc. Project Variable Rate Revenue Refunding Bonds	1998	08/01/98	2008	3.420% *	-
Reliant Energy Incorporated Revenue Refunding Bonds	1999	04/01/99	2011	4.700%	-
Valero Energy Corporation Project Waste Disposal Revenue Bonds	1999	02/01/99	2032	5.700%	-
Union Carbide Corporation Project Pollution Control Revenue Refunding Bonds	1999	01/01/99	2012	5.100%	-
Air Products Project Solid Waste Disposal Revenue Bonds	1999	06/01/99	2034	3.600% *	-
Air Products Project Solid Waste Disposal Revenue Bonds	2000	03/01/00	2035	3.600% *	-
Exxon Mobil Project Environmental Facilities Revenue Bonds	2000	05/31/00	2030	1.000% *	-
Valero Energy Corporation Project Waste Disposal Revenue Bonds	2001	03/01/01	2032	6.650%	-
Amoco Oil Company Environmental Facilities Revenue Bonds	2001	04/01/01	2032	**	-
Republic Waste Services of Texas, Ltd.	2001	04/01/01	2023	1.500% *	-
Exxon Mobil Environmental Facility Revenue Bonds	2001A	04/23/01	2030	1.100% *	-
Exxon Mobil Environmental Facility Revenue Bonds	2001B	04/23/01	2025	1.100% *	-
American Acryl L.P. Project Environmental Facilities Revenue Bonds	2001	09/14/01	2036	1.100% *	-
BP Products North America, Inc. Environmental Facilities Revenue Bonds	2002	01/01/02	2036	**	-

* Rate as of 12/31/08, adjusted rate bonds
** Variable rate

Water Pollution Facilities: Owned by the Authority	Water Pollution Facilities: Conveyed to Industry	Environmental Improvement	Solid Waste Disposal	Total	Amount Retired	Amount Outstanding
$ -	$ -	$ -	$ 25,000,000	$ 25,000,000	$ -	$ 25,000,000
-	-	-	12,140,000	12,140,000	12,140,000	-
-	19,200,000	-	-	19,200,000	-	19,200,000
-	-	-	25,000,000	25,000,000	-	25,000,000
-	1,200,000	-	-	1,200,000	-	1,200,000
-	-	-	25,000,000	25,000,000	-	25,000,000
-	-	-	25,000,000	25,000,000	-	25,000,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	-	18,500,000	18,500,000	-	18,500,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	-	3,500,000	3,500,000	-	3,500,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	25,000,000	-	25,000,000	-	25,000,000

Gulf Coast Waste Disposal Authority
Industrial Projects - Private Activity Revenue
Bonds Issued and Outstanding (Page 3 of 3)
December 31, 2008

	Series	Date Issued	Final Maturity	Interest Rate	Air Pollution Control
Exxon Mobil Environmental Facility Revenue Bonds	2002	02/01/02	2025	1.140% *	$ -
Anheuser-Busch Project Sewage and Solid Waste Disposal Revenue Bonds	2002	04/01/02	2036	5.900%	-
International Paper Company Project	2002A	08/18/02	2024	6.100%	-
Exxon Mobil Environmental Facility Revenue Bonds	2003	04/01/03	2025	1.140% *	-
Waste Management of Texas, Inc. Solid Waste Disposal Revenue Bonds	2003A	04/01/03	2028	5.200% *	-
Waste Management of Texas, Inc. Solid Waste Disposal Revenue Bonds	2003B	04/01/03	2028	4.590% *	-
Waste Management of Texas, Inc. Solid Waste Disposal Revenue Bonds	2003C	04/01/03	2028	5.200% *	-
American Acryl L.P. Environmental Facilities Revenue Bonds	2003	05/01/03	2038	1.400% *	-
BP Amoco Chemical Company Environmental Facilities Revenue Bonds	2003	05/01/03	2038	1.250% *	-
BP Products North America Inc. Environmental Facilities Revenue Bonds	2003	05/01/03	2034	1.250% *	-
BP Amoco Chemical Company Environmental Facilities Revenue Bonds	2003B	08/01/03	2038	1.250% *	-
Waste Management of Texas, Inc. Solid Waste Disposal Revenue Bonds	2003D	10/01/03	2012	4.550% *	-
Waste Management of Texas, Inc. Solid and Western Waste Industries Project	2004A	03/01/04	2019	1.450% *	-
CenterPoint Energy Houston Electric, LLC Project	2004	03/01/04	2012	3.625%	-
Air Products Environmental Facilities Revenue Bonds	2004	12/01/04	2039	3.600% *	-
Republic Waste Services of Texas, Ltd. Project	2004	12/01/04	2034	**	-
BP Products North America Inc. Project Environmental Facilities Revenue Bonds	2004	12/08/04	2031	1.250% *	-
Air Products Environmental Facilities Revenue Bonds	2005	04/01/05	2040	3.600% *	-
BP Products North America Inc. Project Revenue Refunding Bonds	2005	05/01/05	2026	**	-
BP Products North America Inc. Project	2006	05/02/06	2036	**	-
BP Products North America Inc. Project Environmental Facilities Revenue Bonds	2007	09/01/07	2042	1.250% *	-
Totals					$ 113,242,000

* Rate as of 12/31/08, adjusted rate bonds
** Variable rate

Water Pollution Facilities: Owned by the Authority	Water Pollution Facilities: Conveyed to Industry	Environmental Improvement	Solid Waste Disposal	Total	Amount Retired	Amount Outstanding
$ -	$ -	$ 25,000,000	$ -	$ 25,000,000	$ -	$ 25,000,000
-	-	-	20,000,000	20,000,000	-	20,000,000
-	-	-	71,565,000	71,565,000	-	71,565,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	-	12,000,000	12,000,000	-	12,000,000
-	-	-	10,000,000	10,000,000	-	10,000,000
-	-	-	12,000,000	12,000,000	-	12,000,000
-	-	19,000,000	-	19,000,000	-	19,000,000
-	-	21,000,000	-	21,000,000	-	21,000,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	18,600,000	-	18,600,000	-	18,600,000
-	-	-	25,000,000	25,000,000	-	25,000,000
-	-	-	35,000,000	35,000,000	-	35,000,000
-	1,828,310	-	10,271,690	12,100,000	-	12,100,000
-	-	-	25,000,000	25,000,000	-	25,000,000
-	-	-	12,500,000	12,500,000	-	12,500,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	-	19,000,000	19,000,000	-	19,000,000
-	-	25,000,000	-	25,000,000	-	25,000,000
-	-	39,000,000	-	39,000,000	-	39,000,000
	-			-		-
-	-	100,000,000	-	100,000,000	-	100,000,000
$ 8,280,000	$ 137,106,310	$ 588,095,000	$ 512,676,690	$ 1,359,400,000	$ 21,100,000	$ 1,338,300,000

Gulf Coast Waste Disposal Authority
Municipal Projects - Contract Revenue
Bonds Issued and Outstanding
December 31, 2008

	Series	Date Issued	Final Maturity	Interest Rate	Amount Issued Disposal	Amount Retired	Amount Outstanding
Cedar Bayou Park Utility District Sewer System Contract Revenue Bonds	1978	11/1/78	2008	7.500%	$ 320,000	$ 320,000	$ -
Totals					$ 320,000	$ 320,000	$ -

(This page intentionally left blank.)

Gulf Coast Waste Disposal Authority

Gulf Coast Industrial Development Authority - Industrial Development Revenue Bonds Issued and Outstanding

December 31, 2008

	Series	Date Issued	Final Maturity
Amoco Oil Company Adjusted Rate Marine Terminal Revenue Bonds Project	1985	06/01/85	2025
PetroUnited Terminals, Inc. Project	1989	11/01/89	2019
Amoco Oil Company Adjusted Rate Marine Terminal Revenue Bonds Project	1993	03/01/93	2028
CITGO Petroleum Corporation Project Solid Waste Disposal Revenue Bonds	1994	04/01/94	2026
Gruma Corporation Project Variable Rate Demand Revenue Bonds	1994	11/29/94	2009
Mobil Oil Corporation Project Pollution Control Revenue Bonds	1997	07/01/97	2007
Mueller Flow Technologies, Inc. Project	1997	07/01/97	2017
Valero Refining and Marketing Company Project	1997	12/01/97	2031
CITGO Petroleum Environmental Facilities Revenue Bonds	1998	08/01/98	2028
CITGO Petroleum Corporation Project Environmental Facilities Revenue Bonds	1999	04/01/99	2029
Harsco Corporation Project Economic Development Revenue Bonds	2000	05/01/00	2010
CITGO Petroleum Corporation Environmental Facilities Revenue Bonds	2001	03/01/01	2031
CITGO Petroleum Facilities Revenue Bonds	2002	03/01/02	2032
BP Global Power Corp. Project	2003	04/01/03	2038
CITGO Petroleum Corporation Project	2004	05/01/04	2032
Cinergy Solutions - CST Green Power, L.P. Project	2004	05/12/04	2039
Microgy Project Environmental Facilities Revenue Bonds	2006	11/01/06	2036
Dia-Den LTD Project Industrial Development Revenue Bonds	2007	10/01/07	2027
Totals			

* Rate as of 12/31/08, adjusted rate bonds
** Variable rate bond

Interest Rate		Amount Issued	Amount Retired	Amount Outstanding
1.860%	*	$ 14,350,000	$ 2,285,000	$ 12,065,000
**		12,400,000	5,200,000	7,200,000
0.935%	*	44,800,000	-	44,800,000
3.540%	*	50,000,000	-	50,000,000
**		6,850,000	410,000	6,440,000
4.950%		11,500,000	11,500,000	-
**		5,000,000	5,000,000	-
5.600%	*	25,000,000	-	25,000,000
8.000%		100,000,000	75,000,000	25,000,000
3.850%	*	25,000,000	-	25,000,000
3.670%		2,000,000	2,000,000	-
0.937%	*	25,000,000	-	25,000,000
0.950%	*	25,000,000	-	25,000,000
1.250%	*	23,000,000	-	23,000,000
0.935%	*	25,000,000	-	25,000,000
5.000%	*	25,000,000	-	25,000,000
7.000%		60,000,000	-	60,000,000
**		5,280,000		5,280,000
		$ 485,180,000	$ 101,395,000	$ 383,785,000

(This page intentionally left blank.)

STATISTICAL SECTION

This part of the Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the Authority's overall financial health.

Content **Page**

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Gulf Coast Waste Disposal Authority

Net Assets By Component

Last Eight Years (1) (2)

(accrual basis of accounting)

	2001	2002	2003	2004
Primary government				
Invested in capital assets, net of related debt	$ 35,540,226	$ 32,214,587	$ 34,181,828	$ 42,941,004
Restricted	4,316,148	4,245,104	3,206,216	3,913,286
Unrestricted	34,588,412	39,563,950	39,403,283	30,257,758
Total primary government net assets	$ 74,444,786	$ 76,023,641	$ 76,791,327	$ 77,112,048

(1) The requirement for statistical data is ten years; only eight years are available at this time.

(2) Effective January 1, 2007, the Authority reclassified all of its governmental activities to business-type activities 2001 through 2006 have been restated

	2005	2006	2007	2008
	$ 37,482,921	$ 40,832,148	$ 44,320,059	$ 62,886,387
	4,129,420	4,168,561	4,780,166	5,146,708
	34,966,631	35,893,851	44,258,262	33,047,532
	$ 76,578,972	$ 80,894,560	$ 93,358,487	$ 101,080,627

Gulf Coast Waste Disposal Authority

Change in Net Assets

Last Eight Years (1) (2)

(accrual basis of accounting)

	2001	2002	2003
Expenses			
Business-type activities			
General services	$ 4,350,245	$ 4,386,024	$ 4,460,510
Wastewater treatment	38,281,834	40,409,163	41,560,825
Solid waste disposal	2,557,041	1,596,454	1,389,301
Total primary government expenses	$ 45,189,120	$ 46,391,641	$ 47,410,636
Program Reveunes			
Business-type activities			
Charges for services			
General services	$ 4,709,375	$ 4,701,550	$ 5,004,388
Wastewater treatment	38,260,373	40,336,891	40,849,649
Solid waste disposal	2,119,360	1,546,629	1,122,774
Operating grants and contributions	52,740	-	-
Capital Grants and contributions	-	-	-
Total primary government revenues	$ 45,141,848	$ 46,585,070	$ 46,976,811
Net (Expense)/Revenue			
Total primary government net expense	$ (47,272)	$ 193,429	$ (433,825)
General Revenues and Other Changes in Net Assets			
Business-type activities			
Investment earnings	2,311,076	1,801,281	954,973
Loss on sale of capital assets	-	-	-
Gain on sale of capital assets	-	-	-
Special item - defeasance of loss	-	-	-
Extraordinary item - Hurricane Ike repairs	-	-	-
Extraordinary item - Capital asset impairment	-	-	-
Transfers	-	-	738,337
Total primary government	$ 2,311,076	$ 1,801,281	$ 1,693,310
Change in Net Assets			
Total primary government	$ 1,738,057	$ 1,578,855	$ 767,686

(1) The requirement for statistical data is ten years; only eight years are available at this time.

(2) Effective January 1, 2007, the Authority reclassified all of its governmental activities to business-type activities, 2001 through 2006 have been restated

2004	2005	2006	2007	2008
$ 4,821,918	$ 4,625,778	$ 5,061,636	$ 2,478,603	$ 6,743,499
45,602,872	46,073,983	50,184,882	49,536,590	56,606,205
1,608,921	1,201,672	1,368,584	1,288,065	1,608,135
$ 52,033,711	$ 51,901,433	$ 56,615,102	$ 53,303,258	$ 64,957,839
$ 4,696,638	$ 4,208,888	$ 4,998,422	$ 2,062,936	$ 1,486,789
45,227,878	44,741,360	49,867,530	59,195,871	67,341,708
2,201,273	886,576	1,010,813	959,903	1,841,318
-	-	3,000,000	-	440,948
-	-	-	-	521,042
$ 52,125,789	$ 49,836,824	$ 58,876,765	$ 62,218,710	$ 71,631,805
$ 92,078	$ (2,064,609)	$ 2,261,663	$ 8,915,452	$ 6,673,966
1,198,101	1,531,533	2,053,925	3,548,475	2,508,713
(123,318)	-	-	-	-
58,858	-	-	-	-
(1,040,848)	-	-	-	-
-	-	-	-	(1,126,200)
-	-	-	-	(334,339)
-	-	-	-	-
$ 92,793	$ 1,531,533	$ 2,053,925	$ 3,548,475	$ 1,048,174
$ 320,721	$ (533,076)	$ 4,315,588	$ 12,463,927	$ 7,722,140

Gulf Coast Waste Disposal Authority

Bayport Major Customers
Current Year and Seven Years Ago (1)
(modified accrual basis of accounting)

	2008			2001		
Customer	**Total Sales**	**Rank**	**% of Total Sales**	**Total Sales**	**Rank**	**% of Total Sales**
Celanese LTD	$ 4,198,044	1	16.66%	$ 3,437,621	1	18.50%
Lyondell Chemical Company	4,171,756	2	16.55%	2,437,437	2	13.12%
Albermarle Catalysts Company LP (2)	2,482,430	3	9.85%	1,973,148	3	10.62%
Kaneka Texas Corp	1,329,174	4	5.27%	1,113,686	4	6.00%
Dixie Chemical	1,194,059	5	4.74%	917,066	6	4.94%
Equistar Lyondell Chemicals LP	1,057,722	6	4.20%	954,075	5	5.14%
Kaneka Nutrients, LP	882,011	7	3.50%		n/a	
Huish Detergents	836,066	8	3.32%		n/a	
Intergulf Corporation	816,705	9	3.24%		n/a	
Lubrizol Corporation	713,281	10	2.83%		n/a	
Rohm and Haas		n/a		842,637	7	4.54%
Noltex, LLC		n/a		684,195	8	3.68%
Eval Company		n/a		638,699	9	3.44%
PPG Industries		n/a		595,342	10	3.21%
Subtotal	$ 17,681,248		70.16%	$ 13,593,906		73.19%
Other customers	7,523,589		29.84%	4,979,944		26.81%
Total	$ 25,204,837		100.00%	$ 18,573,850		100.00%

Source: GCWDA 2001 CAFR
2008 General Ledger

(1) The requirement for statistical data is current year and nine years previous; only current year and seven years previous is available at this time.

(2) In 2004, Albermarle Cataysts Company purchased Akzo Nobel Chemicals, Inc.

(This page intentionally left blank.)

Gulf Coast Waste Disposal Authority

Bayport Area Revenue Bonds Debt Service

Coverage of the Pledged Revenues

Last Ten Years

	1999	2000	2001	2002
Net Income (loss)	$ 2,324,472	$ 3,810,423	$ 3,641,119	$ 2,785,341
Add items not includable in current expenses:				
Bond interest expense	2,028,255	2,084,695	1,865,054	1,862,038
Depreciation	2,912,404	3,316,019	3,509,082	3,381,829
Management fees	331,136	338,088	341,100	363,900
Pledge revenues	7,596,267	9,549,225	9,356,355	8,393,108
Average annual debt service on outstanding bonds	$ 3,400,516	$ 3,374,550	$ 3,344,717	$ 2,532,068
Coverage by pledged revenues of average annual debt service on outstanding bonds	2.23	2.83	2.80	3.31

2003	2004	2005	2006	2007	2008
$ 237,712	$ 100,560	$ 602,928	$ 1,061,033	$ 3,344,921	$ (1,881,084)
1,805,219	1,935,773	2,443,000	2,339,387	2,214,213	2,087,750
3,365,147	3,536,328	3,572,981	3,915,355	4,271,287	4,446,193
368,004	359,496	378,696	489,996	600,000	600,000
5,776,082	5,932,157	6,997,605	7,805,771	10,430,421	5,252,859
$ 2,464,173	$ 3,834,726	$ 3,780,180	$ 3,719,318	$ 3,649,840	$ 3,571,674
2.34	1.55	1.85	2.10	2.86	1.47

Gulf Coast Waste Disposal Authority

Ratios of Outstanding Debt by Type

Last Ten Years

(dollars in thousands)

	Governmental Activites	Business-Type Activities				Total Primary Government	Total Operating Revenue	Percent of Total Revenue
Fiscal Year	*Promissory Note*	*Revenue Bonds*	*Refunding Bonds*	*Promissory Note*	*Capital Lease*			
1999	$ -	$ 36,930	$ -	$ -	$ -	$ 36,930	$ 43,438	85.02%
2000	-	35,110	-	-	-	35,110	50,099	70.08%
2001	-	33,205	-	-	-	33,205	43,905	75.63%
2002 (1)	-	35,875	-	-	-	35,875	45,519	78.81%
2003	-	33,905	-	-	-	33,905	46,270	73.28%
2004 (2)	-	26,685	24,025	-	-	50,710	51,616	98.24%
2005	-	24,275	24,025	-	-	48,300	49,679	97.22%
2006	2,783	21,770	24,025	-	-	48,578	55,877	86.94%
2007 (3)	-	21,380	21,760	2,239	-	45,379	62,218	72.94%
2008	-	20,980	19,380	1,661	54	42,075	70,670	59.54%

Note: Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

(1) In 2002, the Authority issued the Gulf Coast Waste Disposal Authority Bayport Area System Refunding Bonds, Series 2002
Part of the proceeds were used to advance refund a portion of the outstanding principal amount of the Series 1996 Revenue Bonds.

(2) In 2004, the Authority issued the Gulf Coast Waste Disposal Authority Bayport Area System Revenue Bonds, Series 2004

(3) Effective January 1, 2007, the Authority reclassified all of its governmental activities to business-type activities

Gulf Coast Waste Disposal Authority

Active Industrial and Muncipal Customers

Last Ten Years (1)

	Business-Type Activities
1999	128
2000	125
2001	130
2002	129
2003	133
2004	127
2005	143
2006	143
2007	142
2008	155

Source: Facility operations records and GCWDA 1999 - 2008 CAFR

(1) Effective January 1, 2007, the Authority reclassified all of its
1999 through 2006 have been restated

Gulf Coast Waste Disposal Authority
Full-Time Equivalent Authority Employees by Function/Program
Last Ten Years

Year	General services	Wastewater Treatment	Solid Waste Disposal	Total
1999	43	115	4	162
2000	38	120	3	161
2001	35	118	3	156
2002	35	120	3	158
2003	33	119	3	155
2004	33	120	3	156
2005	29	123	-	152
2006	29	120	-	149
2007	29	118	3	150
2008	30	118	3	151

Source: Human Resources

Gulf Coast Waste Disposal Authority

Operating Indicators by Function/Program

Last Eight Years (1)

	Fiscal Year							
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Function/Program								
Wastewater Treatment								
Waste water treated (MGD)*	55.277	53.767	50.749	50.010	43.785	47.827	44.610	46.646
Permitted capacity (MGD)	112.550	109.650	109.650	109.650	109.650	109.650	109.650	109.650
Solid Waste Disposal								
Nonhazardous waste received (cubic yards)	3,817	12,248	6,200	5,374	9,472	10,848	4,889	13,535
Permitted capacity (cubic yards)	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000

*MGD = million gallons per day

Source: Facility operations records

(1) The requirement for statistical data is ten years; only eight years are available at this time.

Note: No operating indicators are available for the general services function/program.

Gulf Coast Waste Disposal Authority
Capital Asset Statistics by Function/Program
Last Eight Years (1)

	Fiscal Year							
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Function/Program								
General Services								
Administrative Building	1	1	1	1	1	1	1	1
Wastewater Treatment								
Aeration basins	22	22	22	22	22	22	22	22
Aeration tanks	3	3	3	3	3	4	5	5
Aerobic digester basins	11	11	11	11	11	11	11	12
Anaerobic basins	1	1	1	1	1	1	1	1
Belt presses	8	8	8	8	8	8	8	10
Clarifiers	18	18	18	18	18	18	17	17
Equalization basins	6	6	6	6	6	6	6	5
Facultative basins	2	2	2	2	2	2	2	2
Gravity filters	5	5	5	5	5	5	5	5
Disinfect areas	5	5	5	5	5	5	5	5
Sewerage acceptance units	2	2	2	2	2	2	2	2
Sludge surface disposal basins	3	3	3	3	3	3	3	3
Solid Waste Disposal								
Land treatment units	2	2	2	2	2	2	2	2
Hazardous waste disposal cells	6	6	6	6	6	6	6	6
Non-hazardous waste disposal cells	4	4	4	4	4	4	4	4

Source: Various Facilities

(1) The requirement for statistical data is ten years; only eight years are available at this time.

TEXAS SUPPLEMENTARY INFORMATION (TSI)

Gulf Coast Waste Disposal Authority
TSI-1 Services and Rates
Year ended December 31, 2008

1. Services provided by the District:

   A. Wastewater treatment (Industrial and Municipal)

   B. Solid waste disposal (Industrial)

Gulf Coast Waste Disposal Authority

TSI-2 Government Wide Schedule of Expenses (1)
Year ended December 31, 2008

Personnel services*	$ 17,349,143
Materials and supplies	12,621,264
Utilities	9,490,830
Repairs and maintenance	3,045,405
Professional services	562,732
Contractual services	7,255,257
General and administrative	2,236,486
Special studies	1,964,247
Interest and amortization	2,378,755
Depreciation	8,053,720
TOTAL EXPENSES	$ 64,957,839

*Number of persons employed by the Authority: 149 Full-Time, 2 Part-Time

(1) The TCEQ Water District Financial Management Guide specifies the above schedule to include the general fund and notes that if the Authority uses an enterprise fund an alternative schedule should be used. Because the Authority only has one enterprise fund this schedule is prepared at government-wide level.

Gulf Coast Waste Disposal Authority
TSI-3 Schedule of Temporary Investments
Year ended December 31, 2008

	Identification or Certificate Number	Effective Yield	Maturity Date	Balance at End of Year (Amortized Cost)	*Accrued Interest Receivable
Bank of America - Master Acct	Concentration	20bps off Fed Funds daily rate	N/A	$ 1,363,274	$ -
Texpool	N/A	1.238%	N/A	2,348,131	-
FNMA	31371KJ85	5.000%	1/1/2009	27,711	(368)
FHLMC	31282RZB3	4.990%	3/1/2009	90,507	378
FNMA	31282RZB3	3.100%	3/16/2009	994,987	9,115
Total temporary investments				$ 4,824,610	$ 9,125

*Net of Amortization/Accretion

Gulf Coast Waste Disposal Authority

TSI-5 Long-Term Debt Service Requirements by Year
(All Bonded Debt Services) - By Years (Page 1 of 2)
Year ended December 31, 2008

Due During the Year Ending	Annual Requirements for All Series Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2009	$ 2,910,000	$ 994,750	$ 994,750	$ 4,899,500
2010	3,050,000	925,588	925,588	4,901,176
2011	3,190,000	852,525	852,525	4,895,050
2012	2,120,000	774,975	774,975	3,669,950
2013	2,230,000	723,200	723,200	3,676,400
2014	2,335,000	668,750	668,750	3,672,500
2015	2,450,000	611,725	611,725	3,673,450
2016	2,110,000	551,875	551,875	3,213,750
2017	2,215,000	499,125	499,125	3,213,250
2018	2,330,000	443,750	443,750	3,217,500
2019	2,450,000	385,500	385,500	3,221,000
2020	2,565,000	324,250	324,250	3,213,500
2021	2,695,000	260,125	260,125	3,215,250
2022	2,830,000	192,750	192,750	3,215,500
2023	2,380,000	122,000	122,000	2,624,000
2024	2,500,000	62,500	62,500	2,625,000
	$ 40,360,000	$ 8,393,388	$ 8,393,388	$ 57,146,776

Due During the Year Ending	Series, 2002 Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2009	$ 2,500,000	$ 484,500	$ 484,500	$ 3,469,000
2010	2,625,000	422,000	422,000	3,469,000
2011	2,750,000	356,375	356,375	3,462,750
2012	1,875,000	287,625	287,625	2,450,250
2013	1,970,000	240,750	240,750	2,451,500
2014	2,065,000	191,500	191,500	2,448,000
2015	2,170,000	139,875	139,875	2,449,750
2016	420,000	85,625	85,625	591,250
2017	440,000	75,125	75,125	590,250
2018	465,000	64,125	64,125	593,250
2019	490,000	52,500	52,500	595,000
2020	510,000	40,250	40,250	590,500
2021	535,000	27,500	27,500	590,000
2022	565,000	14,125	14,125	593,250
	$ 19,380,000	$ 2,481,875	$ 2,481,875	$ 24,343,750

Gulf Coast Waste Disposal Authority
TSI-5 Long-Term Debt Service Requirements by Year
(All Bonded Debt Services) - By Years (Page 2 of 2)
Year ended December 31, 2008

	Series, 2004			
Due During the Year Ending	**Principal Due 10/01**	**Interest Due 4/01**	**Interest Due 10/01**	**Total**
2009	$ 410,000	$ 510,250	$ 510,250	$ 1,430,500
2010	425,000	503,588	503,588	1,432,176
2011	440,000	496,150	496,150	1,432,300
2012	245,000	487,350	487,350	1,219,700
2013	260,000	482,450	482,450	1,224,900
2014	270,000	477,250	477,250	1,224,500
2015	280,000	471,850	471,850	1,223,700
2016	1,690,000	466,250	466,250	2,622,500
2017	1,775,000	424,000	424,000	2,623,000
2018	1,865,000	379,625	379,625	2,624,250
2019	1,960,000	333,000	333,000	2,626,000
2020	2,055,000	284,000	284,000	2,623,000
2021	2,160,000	232,625	232,625	2,625,250
2022	2,265,000	178,625	178,625	2,622,250
2023	2,380,000	122,000	122,000	2,624,000
2024	2,500,000	62,500	62,500	2,625,000
	$ 20,980,000	$ 5,911,513	$ 5,911,513	$ 32,803,026

Gulf Coast Waste Disposal Authority
TSI-6 Changes in Long-Term Bonded Debt
Year ended December 31, 2008

			Requirements Fiscal Year 2007				
Revenue Bonds	**Interest Rate**	**Bonds Outstanding 1/1/2008**	**Principal due 10/01**	**Interest due 04/01**	**Interest due 10/01**	**Total**	**Bonds Outstanding 12/31/08**
Series 2002	5.0	$ 21,760,000	$ 2,380,000	$ 544,000	$ 544,000	$ 3,468,000	$ 19,380,000
Series 2004	2.0-5.0	21,380,000	400,000	516,250	516,250	1,432,500	20,980,000
		$ 43,140,000	$ 2,780,000	$ 1,060,250	$ 1,060,250	$ 4,900,500	$ 40,360,000

Paying Agent's Name & City

Series 2002 The Bank of New York Mellon	Dallas, TX
Series 2004 The Bank of New York Mellon	Dallas, TX

Debt Service cash and investments balances as of December 31, 2008	$ 4,778,215
Average annual Debt Service payment (Principal and Interest) for remaining term of all debt	$ 3,571,674

Gulf Coast Waste Disposal Authority

TSI-7 Comparative Schedule of Revenues and Expenditures

Governmental Funds

For Five Years ended December 31, 2008

	AMOUNTS				
	2008 (1)	**2007 (1)**	**2006**	**2005**	**2004**
Revenues					
Services to industries	$ -	$ -	$ 22,623,476	$ 19,768,670	$ 20,995,183
Services to municipalities	-	-	1,986,211	2,011,857	2,035,898
Intergovernmental	-	-	3,299,100	2,889,327	3,071,938
Investment income	-	-	451,777	186,153	179,522
Other	-	-	254,493	28,869	192,772
Total revenues	-	-	28,615,057	24,884,876	26,475,313
Expenditures					
General services	-	-	4,879,389	4,648,414	4,723,388
Wastewater	-	-	20,774,730	19,019,769	18,505,531
Solid waste	-	-	1,023,159	889,273	1,016,103
Capital outlay	-	-	3,189,371	650,806	2,556,302
Debt service	-	-	293,253	-	-
Total expenditures	-	-	30,159,902	25,208,262	26,801,324
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ (1,544,845)	$ (323,386)	$ (326,011)
Total active industrial and municipal customers	-	-	34	34	33

(1) Effective January 1, 2007, the Authority converted all of its governmental fund to enterprise funds, therefore there are no values for 2007 and 2008

PERCENT OF TOTAL REVENUES				
2008	2007	2006	2005	2004
		79.4%	79.4%	79.3%
		8.1%	8.1%	7.7%
		11.7%	11.6%	11.6%
		0.7%	0.7%	0.7%
		0.1%	0.1%	0.7%
		100.00%	99.90%	100.00%
		17.1%	18.7%	17.8%
		72.6%	76.4%	69.9%
		3.6%	3.6%	3.8%
		11.1%	2.6%	9.7%
		1.0%		
		105.4%	101.3%	101.1%
		-5.4%	-1.4%	-1.1%

Gulf Coast Waste Disposal Authority

TSI-7 Comparative Schedule of Revenues and Expenses

Enterprise Funds

For Five Years ended December 31, 2008

	AMOUNTS				
	2008	**2007 (1)**	**2006**	**2005**	**2004**
Operating revenues					
Charges for services	$ -	$ -	$ 27,743,522	$ 24,835,477	$ 25,691,045
Services to industries	53,924,138	48,098,795	-	-	-
Services to municipalities	2,243,136	2,166,721	-	-	-
Other	13,553,759	10,628,131	176,827	302,624	288,736
Total revenues	69,721,033	60,893,647	27,920,349	25,138,101	25,979,781
Expenditures					
Cost of sales and services	50,715,280	40,195,292	20,501,522	18,065,988	17,571,786
Administrative	2,896,992	2,563,430	711,167	731,830	757,175
Depreciation	7,721,083	7,176,412	4,277,218	3,931,211	3,888,865
Total expenditures	61,333,355	49,935,134	25,489,907	22,729,029	22,217,826
Operating income	8,387,678	10,958,513	2,430,442	2,409,072	3,761,955
Non-Operating Revenues (Expenses):					
Interest income	2,180,950	3,125,688	1,363,854	1,231,697	914,478
Interest expense	(2,204,917)	(2,366,136)	(2,356,928)	(2,466,289)	(1,992,906)
Bond issance costs	36,443	40,267	(91,498)	(201,015)	(1,411,434)
Gain (loss) on disposal of capital asset	(91,528)	(8,801)	(58,856)	(24,230)	58,858
Operating Contributions	440,948	-	-	-	-
Total non-operating revenues (expenses)	361,896	791,018	(1,143,428)	(1,459,837)	(2,431,004)
Income (loss) before contributions	8,749,574	11,749,531	1,287,014	949,235	1,330,951
Capital Contributions	521,042	-	-	-	-
Income (loss) before extraordinary items	9,270,616	11,749,531	1,287,014	949,235	1,330,951
Extraordinary item - Hurricane Ike repairs	(1,126,200)	-	-	-	-
Extraordinary item - Capital Asset Impairment	(334,339)	-	-	-	-
Change in Net Assets	$ 7,810,077	$ 11,749,531	$ 1,287,014	$ 949,235	$ 1,330,951
Total active industrial and municipal participants	155	142	109	109	94

(1) Effective January 1, 2007, the Authority converted all of its governmental fund to enterprise funds and charges for services were separated into services to industries and services to municipalities

PERCENT OF TOTAL REVENUES				
2008	**2007**	**2006**	**2005**	**2004**
		99.4%	98.8%	98.9%
77.2%	78.9%			
3.2%	3.6%			
19.4%	17.5%	0.6%	1.2%	1.1%
99.8%	100.0%	100.0%	100.0%	100.0%
72.7%	66.0%	73.4%	71.9%	67.6%
4.2%	4.2%	2.5%	2.9%	2.9%
11.1%	11.8%	15.3%	15.6%	15.0%
87.9%	81.9%	91.2%	90.4%	85.5%
11.9%	18.1%	8.8%	9.6%	14.5%
3.1%	5.1%	4.9%	4.9%	3.5%
-3.2%	-3.9%	-8.4%	-9.8%	-7.7%
0.1%	0.1%	-0.3%	-0.8%	-5.4%
-0.1%		-0.2%	-0.1%	0.2%
0.6%				
0.5%	1.3%	-4.0%	-5.8%	-9.4%
12.4%	19.4%	4.8%	3.8%	5.1%
0.7%				
13.1%	19.4%	4.8%	3.8%	5.1%
-1.6%				
-0.5%				
11.0%	19.4%	4.8%	3.8%	5.1%

Gulf Coast Waste Disposal Authority
TSI-8 Board Members and Administrative Personnel
Year ended December 31, 2008

Complete District Mailing Address:	910 Bay Area Boulevard, Houston, Texas 77058
District Business Telephone Number:	(281) 488-4115
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	09/08
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution - TWC Section 49.060)	$7,200

NAMES:	Term of Office or Date Hired	Elected/ Appointed	Fees of Office Paid 12/31/08	Expenses Reimbursed 12/31/08	Title at Year End
BOARD MEMBERS:					
J. Mark Schultz, Chairman	09/01/06 - 08/31/10	Appointed (2)	$ 7,200	$ 17,267	Chairman
Rita Standridge	09/01/06 - 08/31/10	Appointed (3)	7,200	18,243	Vice Chair
Irvin W. Osborne-Lee	09/01/06 - 08/31/08*	Appointed (3)	6,600	11,902	Treasurer
James A. Matthews	09/01/07 - 08/31/09	Appointed (2)	4,800	4,968	Secretary
Zoe Milian Barinaga	09/01/06 - 08/31/09	Appointed (1)	2,550	1,496	Member
Ron Crowder	09/01/06-08/31/09	Appointed (3)	2,100	2,032	Member
Randy Jarrell	09/01/08-08/31/10	Appointed (1)	5,250	4,298	Member
Franklin D.R. Jones, Jr.	09/01/07 - 08/31/09	Appointed (2)	4,650	13,750	Member
Lamont E. Meaux	01/04/08 - 08/31/10	Appointed (1)	6,750	9,477	Member
Shirley Seale	09/01/00-01/04/08	Appointed (1)	300	82	Past-member
Sam Dell'Olio	09/01/00-09/01/08	Appointed (2)	3,600	9,135	Past-member

*Note: Under State law, Directors whose terms have expired continue to serve until they are reappointed or a replacement is appointed and qualified. Members are appointed by (1) Governor; (2) County Commissioners Court; or (3) Consortium of Mayors

KEY ADMINISTRATIVE PERSONNEL:					
Charles W. Ganze	03/19/73	N/A	289,664		General Manager
CONSULTANTS:					
Olson and Olson	01/01/80	N/A	76,283		General Counsel
McCall, Parkhurst & Horton	01/01/73	N/A	-		Bond Counsel
Null-Lairson	10/01/06	N/A	65,510		External Auditors