

Combined Utility System Fund
For the period ended December 31, 2004
(amounts expressed in thousands)

	FY2004 Actual	FY2005				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 265,272	\$ 311,068	\$ 311,068	\$ 155,948	\$ 294,093	\$ 294,093
Sewer Sales	257,224	299,253	299,253	145,699	288,626	288,626
Penalties	4,150	3,741	3,741	2,469	3,841	3,841
Other	4,562	4,360	4,360	2,236	4,417	4,417
Total Operating Revenues	<u>531,208</u>	<u>618,422</u>	<u>618,422</u>	<u>306,352</u>	<u>590,977</u>	<u>590,977</u>
Operating Expenses						
Personnel	124,054	122,241	122,241	57,604	115,000	115,000
Supplies	23,141	26,007	26,007	13,310	26,700	26,700
Electricity and Gas	35,200	47,169	47,169	20,896	47,048	47,048
Contracts & Other Payments	70,388	92,013	92,013	33,081	78,925	78,925
Total Operating Expenses	<u>252,783</u>	<u>287,430</u>	<u>287,430</u>	<u>124,891</u>	<u>267,673</u>	<u>267,673</u>
Operating Income (Loss)	<u>278,425</u>	<u>330,992</u>	<u>330,992</u>	<u>181,461</u>	<u>323,304</u>	<u>323,304</u>
Nonoperating Revenues (Expenses)						
Interest Income	6,889	5,161	5,161	3,517	5,261	5,261
Sale of Property, Mains and Scrap	664	508	508	601	693	693
Other	9,934	7,863	7,863	3,717	7,863	7,863
Impact Fees	15,580	14,000	14,000	7,056	14,000	14,000
HAWC	(6,391)	(4,608)	(4,608)	(1,677)	(4,608)	(4,608)
CWA & TRA Contracts (P & I)	<u>(31,454)</u>	<u>(32,317)</u>	<u>(32,317)</u>	<u>(23,558)</u>	<u>(32,317)</u>	<u>(32,317)</u>
Total Nonoperating Rev (Exp)	<u>(4,778)</u>	<u>(9,393)</u>	<u>(9,393)</u>	<u>(10,344)</u>	<u>(9,108)</u>	<u>(9,108)</u>
Income (Loss) Before Operating Transfers	<u>273,647</u>	<u>321,599</u>	<u>321,599</u>	<u>171,117</u>	<u>314,196</u>	<u>314,196</u>
Operating Transfers						
Debt Service Principal	67,492	12,675	12,675	7,014	12,675	12,675
Debt Service Interest	154,238	179,902	179,902	85,797	179,902	179,902
Discretionary Debt	29,572	28,934	28,934	5,626	28,934	28,934
Other Contractual Obligations	0	474	474	0	474	474
Equipment Acquisition	8,145	17,862	17,862	2,583	17,862	17,862
CUS General Purpose Fund	0	49,752	49,752	55,097	42,349	42,349
Transfer to General Fund	4,100	2,000	2,000	0	2,000	2,000
Transfer to Combined Utility System	0	0	0	0	0	0
Transfer to Stormwater	10,100	30,000	30,000	15,000	30,000	30,000
Total Operating Transfers	<u>273,647</u>	<u>321,599</u>	<u>321,599</u>	<u>171,117</u>	<u>314,196</u>	<u>314,196</u>
Net Current Activity						
Operating Fund Only	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

About the Fund:

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