

Combined Utility System Fund  
For the period ended May 31, 2007  
(amounts expressed in thousands)

	FY2006 Actual	FY2007				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
<b>Operating Revenues</b>						
Water Sales	\$ 324,878	\$ 334,137	\$ 334,137	\$ 291,715	\$ 324,918	324,918
Sewer Sales	307,764	312,645	312,645	270,618	299,775	299,775
Penalties	5,085	4,996	4,996	6,120	6,500	6,500
Other	4,936	4,349	4,349	5,314	5,664	5,664
Total Operating Revenues	<u>642,663</u>	<u>656,127</u>	<u>656,127</u>	<u>573,767</u>	<u>636,857</u>	<u>636,857</u>
<b>Operating Expenses</b>						
Personnel	115,822	131,844	132,238	112,684	124,636	124,636
Supplies	33,744	30,603	33,670	31,733	35,754	35,754
Electricity and Gas	71,294	76,818	72,715	59,298	66,684	66,684
Contracts & Other Payments	80,623	93,746	93,818	87,167	96,112	96,112
Non-Capital Equipment	1,338	1,436	2,117	1,395	2,034	2,034
Total Operating Expenses	<u>302,821</u>	<u>334,447</u>	<u>334,558</u>	<u>292,277</u>	<u>325,220</u>	<u>325,220</u>
Operating Income (Loss)	<u>339,842</u>	<u>321,680</u>	<u>321,569</u>	<u>281,490</u>	<u>311,637</u>	<u>311,637</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	18,649	17,283	17,283	19,620	21,232	21,232
Sale of Property, Mains and Scrap	15	1,129	1,129	920	4,622	4,622
Other	10,238	7,706	7,706	7,000	8,604	8,604
Impact Fees	15,558	17,519	17,519	20,999	20,999	20,999
HAWC	(6,242)	(9,077)	(9,077)	(8,244)	(9,077)	(9,077)
CWA & TRA Contracts (P & I)	(32,218)	(32,875)	(32,875)	(31,901)	(32,875)	(32,875)
Total Nonoperating Rev (Exp)	<u>6,000</u>	<u>1,685</u>	<u>1,685</u>	<u>8,394</u>	<u>13,505</u>	<u>13,505</u>
Income (Loss) Before Operating Transfers	<u>345,842</u>	<u>323,365</u>	<u>323,254</u>	<u>289,884</u>	<u>325,142</u>	<u>325,142</u>
<b>Operating Transfers</b>						
Debt Service Transfer	229,652	260,725	260,724	250,202	252,466	252,466
Transfer to PIB - Water & Sewer	26,257	24,604	25,044	24,651	24,651	24,651
Discretionary Debt-Stormwater	836	0	0	0	0	0
Pension Liability Interest	4,076	4,566	4,566	4,566	4,566	4,566
Equipment Acquisition	0	16,684	16,134	3,689	9,243	9,243
Transfer to Stormwater	31,300	34,837	34,837	31,251	33,926	33,926
Total Operating Transfers	<u>292,121</u>	<u>341,416</u>	<u>341,305</u>	<u>314,359</u>	<u>324,852</u>	<u>324,852</u>
Net Current Activity						
Operating Fund Only	<u>\$ 53,721</u>	<u>\$ (18,051)</u>	<u>\$ (18,051)</u>	<u>\$ (24,475)</u>	<u>\$ 290</u>	<u>\$ 290</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.