

Combined Utility System Fund
For the period ended April 30, 2008
(amounts expressed in thousands)

	Unaudited Preliminary FY2007	FY2008				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Water Sales	\$ 317,640	\$ 350,277	\$ 350,277	\$ 270,864	\$ 333,301	333,301
Sewer Sales	296,885	324,530	324,530	249,478	307,325	307,325
Penalties	6,736	6,300	6,300	6,469	8,200	8,200
Other	5,742	6,794	6,794	5,094	6,401	6,401
Total Operating Revenues	<u>627,003</u>	<u>687,901</u>	<u>687,901</u>	<u>531,905</u>	<u>655,227</u>	<u>655,227</u>
Operating Expenses						
Personnel	123,056	139,181	136,786	107,188	129,217	129,217
Supplies	36,023	34,162	35,671	29,062	35,733	35,733
Electricity and Gas	65,454	66,665	66,261	54,144	66,095	66,095
Contracts & Other Payments	96,896	101,114	107,404	77,910	101,184	101,184
Non-Capital Equipment	1,652	4,433	4,433	1,335	1,686	1,686
Total Operating Expenses	<u>323,081</u>	<u>345,555</u>	<u>350,555</u>	<u>269,639</u>	<u>333,915</u>	<u>333,915</u>
Operating Income (Loss)	<u>303,922</u>	<u>342,346</u>	<u>337,346</u>	<u>262,266</u>	<u>321,312</u>	<u>321,312</u>
Nonoperating Revenues (Expenses)						
Interest Income	21,232	19,453	19,453	18,308	22,000	22,000
Sale of Property, Mains and Scrap	4,626	2,268	2,268	3,689	8,818	8,818
Other	8,600	7,790	7,790	7,392	8,095	8,095
Impact Fees	20,999	21,578	21,578	27,134	27,134	27,134
HAWC	(8,999)	0	0	8	0	0
CWA & TRA Contracts (P & I)	<u>(32,875)</u>	<u>(32,642)</u>	<u>(32,642)</u>	<u>(30,397)</u>	<u>(32,642)</u>	<u>(32,642)</u>
Total Nonoperating Rev (Exp)	<u>13,583</u>	<u>18,447</u>	<u>18,447</u>	<u>26,134</u>	<u>33,405</u>	<u>33,405</u>
Income (Loss) Before Operating Transfers	<u>317,505</u>	<u>360,793</u>	<u>355,793</u>	<u>288,400</u>	<u>354,717</u>	<u>354,717</u>
Operating Transfers						
Debt Service Transfer	259,389	287,539	280,050	165,052	282,090	282,090
Transfer to PIB - Water & Sewer	24,651	26,066	26,066	25,804	25,804	25,804
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,566	4,566	4,566	1,216	4,566	4,566
Equipment Acquisition	7,772	17,270	12,770	6,618	12,405	12,405
Transfer to Stormwater	34,056	37,735	37,735	31,041	37,735	37,735
Total Operating Transfers	<u>330,434</u>	<u>373,176</u>	<u>361,187</u>	<u>229,731</u>	<u>362,600</u>	<u>362,600</u>
Net Current Activity						
Operating Fund Only	\$ <u>(12,929)</u>	\$ <u>(12,383)</u>	\$ <u>(5,394)</u>	\$ <u>58,669</u>	\$ <u>(7,883)</u>	\$ <u>(7,883)</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.