

Combined Utility System Fund
For the period ended February 28, 2009
(amounts expressed in thousands)

	FY2008 Actual	FY2009				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Water Sales	\$ 328,607	\$ 355,401	\$ 355,401	\$ 236,671	\$ 355,180	\$ 355,180
Sewer Sales	305,748	328,731	328,731	211,873	321,195	321,195
Penalties	7,759	8,400	8,400	4,615	7,511	7,511
Other	6,523	6,956	6,956	3,850	6,110	6,110
Total Operating Revenues	<u>648,637</u>	<u>699,488</u>	<u>699,488</u>	<u>457,009</u>	<u>689,996</u>	<u>689,996</u>
Operating Expenses						
Personnel	154,299	146,182	142,217	93,039	138,894	138,894
Supplies	36,614	34,467	39,474	30,681	44,186	44,186
Electricity and Gas	65,446	71,679	71,679	48,234	72,005	72,005
Contracts & Other Payments	102,479	97,626	103,339	52,672	107,734	107,734
Non-Capital Equipment	1,384	2,648	2,601	594	2,230	2,230
Total Operating Expenses	<u>360,222</u>	<u>352,602</u>	<u>359,310</u>	<u>225,220</u>	<u>365,049</u>	<u>365,049</u>
Operating Income (Loss)	<u>288,415</u>	<u>346,886</u>	<u>340,178</u>	<u>231,789</u>	<u>324,947</u>	<u>324,947</u>
Nonoperating Revenues (Expenses)						
Interest Income	24,674	22,000	22,000	11,271	18,000	18,000
Sale of Property, Mains and Scrap	7,614	12,009	12,009	402	3,890	3,890
Other	8,216	8,171	8,171	5,859	8,609	8,609
Impact Fees	27,134	25,000	25,000	10,351	16,303	16,303
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	<u>(32,642)</u>	<u>(28,103)</u>	<u>(28,103)</u>	<u>(24,523)</u>	<u>(28,103)</u>	<u>(28,103)</u>
Total Nonoperating Rev (Exp)	<u>34,996</u>	<u>39,077</u>	<u>39,077</u>	<u>3,360</u>	<u>18,699</u>	<u>18,699</u>
Income (Loss) Before Operating Transfers	<u>323,411</u>	<u>385,963</u>	<u>379,255</u>	<u>235,149</u>	<u>343,646</u>	<u>343,646</u>
Operating Transfers						
Debt Service Transfer	270,779	309,155	309,155	168,653	313,529	313,529
Transfer to PIB - Water & Sewer	25,804	28,419	28,419	28,419	28,419	28,419
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,564	4,566	4,566	2,251	2,876	2,876
Equipment Acquisition	9,428	23,965	18,709	2,561	14,433	14,433
Transfer to Stormwater	36,540	39,437	37,985	27,358	39,437	39,437
Total Operating Transfers	<u>347,115</u>	<u>405,542</u>	<u>398,834</u>	<u>229,242</u>	<u>398,694</u>	<u>398,694</u>
Net Current Activity						
Operating Fund Only	\$ <u>(23,704)</u>	\$ <u>(19,579)</u>	\$ <u>(19,579)</u>	\$ <u>5,907</u>	\$ <u>(55,048)</u>	\$ <u>(55,048)</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.