

Combined Utility System Fund  
For the period ended June 30, 2009  
(amounts expressed in thousands)

	FY2008 Actual	FY2009				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
<b>Operating Revenues</b>						
Water Sales	\$ 328,607	\$ 355,401	\$ 355,401	\$ 345,646	\$ 356,446	\$ 356,446
Sewer Sales	305,748	328,731	328,731	311,878	323,078	323,078
Penalties	7,759	8,400	8,400	6,651	6,651	6,651
Other	6,523	6,956	6,956	5,856	5,856	5,856
Total Operating Revenues	<u>648,637</u>	<u>699,488</u>	<u>699,488</u>	<u>670,031</u>	<u>692,031</u>	<u>692,031</u>
<b>Operating Expenses</b>						
Personnel	128,350	146,182	142,217	138,214	138,229	138,229
Supplies	36,614	34,467	41,478	43,355	43,605	43,605
Electricity and Gas	65,446	71,679	71,683	69,422	70,086	70,086
Contracts & Other Payments	102,479	97,626	103,330	101,564	111,807	111,807
Non-Capital Equipment	1,384	2,648	2,601	1,165	1,272	1,272
Total Operating Expenses	<u>334,273</u>	<u>352,602</u>	<u>361,309</u>	<u>353,720</u>	<u>364,999</u>	<u>364,999</u>
Operating Income (Loss)	<u>314,364</u>	<u>346,886</u>	<u>338,179</u>	<u>316,311</u>	<u>327,032</u>	<u>327,032</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	24,674	22,000	22,000	15,776	16,000	16,000
Sale of Property, Mains and Scrap	7,614	12,009	12,009	581	581	581
Other	8,216	8,171	8,171	9,774	10,111	10,111
Impact Fees	27,134	25,000	25,000	16,303	16,303	16,303
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	(32,642)	(28,103)	(28,103)	0	(28,103)	(28,103)
Total Nonoperating Rev (Exp)	<u>34,996</u>	<u>39,077</u>	<u>39,077</u>	<u>42,434</u>	<u>14,892</u>	<u>14,892</u>
Income (Loss) Before Operating Transfers	<u>349,360</u>	<u>385,963</u>	<u>377,256</u>	<u>358,745</u>	<u>341,924</u>	<u>341,924</u>
<b>Operating Transfers</b>						
Debt Service Transfer	270,779	309,155	309,334	305,018	305,018	305,018
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	2,946	2,876	2,876	2,876
Equipment Acquisition	9,428	23,965	18,972	6,863	6,389	6,389
Transfer to Stormwater	36,540	39,437	39,437	39,129	39,129	39,129
Total Operating Transfers	<u>347,115</u>	<u>405,542</u>	<u>399,108</u>	<u>382,305</u>	<u>381,831</u>	<u>381,831</u>
Net Current Activity						
Operating Fund Only	\$ <u>2,245</u>	\$ <u>(19,579)</u>	\$ <u>(21,852)</u>	\$ <u>(23,560)</u>	\$ <u>(39,907)</u>	\$ <u>(39,907)</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.