

Combined Utility System Fund
For the period ended July 31, 2009
(amounts expressed in thousands)

	Unaudited Preliminary FY2009	FY2010				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Water Sales	\$ 356,446	\$ 395,779	\$ 395,779	\$ 41,318	\$ 395,779	\$ 395,779
Sewer Sales	323,078	334,500	334,500	34,966	334,500	334,500
Penalties	6,651	7,600	7,600	663	7,600	7,600
Other	5,856	5,794	5,794	520	5,794	5,794
Total Operating Revenues	<u>692,031</u>	<u>743,673</u>	<u>743,673</u>	<u>77,467</u>	<u>743,673</u>	<u>743,673</u>
Operating Expenses						
Personnel	138,229	150,906	150,906	13,201	150,906	150,906
Supplies	43,605	46,475	46,475	4,590	46,475	46,475
Electricity and Gas	70,086	74,370	74,370	4,534	74,370	74,370
Contracts & Other Payments	111,807	119,319	121,054	5,284	120,569	120,569
Non-Capital Equipment	1,272	5,391	5,379	76	5,391	5,391
Total Operating Expenses	<u>364,999</u>	<u>396,461</u>	<u>398,184</u>	<u>27,685</u>	<u>397,711</u>	<u>397,711</u>
Operating Income (Loss)	<u>327,032</u>	<u>347,212</u>	<u>345,489</u>	<u>49,782</u>	<u>345,962</u>	<u>345,962</u>
Nonoperating Revenues (Expenses)						
Interest Income	16,000	9,950	9,950	1,218	9,950	9,950
Sale of Property, Mains and Scrap	581	6,189	6,189	0	6,189	6,189
Other	10,111	9,291	9,291	659	9,291	9,291
Impact Fees	16,303	12,000	12,000	0	12,000	12,000
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	(28,103)	(23,817)	(23,817)	(3,257)	(23,817)	(23,817)
Total Nonoperating Rev (Exp)	<u>14,892</u>	<u>13,613</u>	<u>13,613</u>	<u>(1,380)</u>	<u>13,613</u>	<u>13,613</u>
Income (Loss) Before Operating Transfers	<u>341,924</u>	<u>360,825</u>	<u>359,102</u>	<u>48,402</u>	<u>359,575</u>	<u>359,575</u>
Operating Transfers						
Debt Service Transfer	305,018	378,103	378,103	9,409	378,103	378,103
Transfer to PIB - Water & Sewer	28,419	26,878	26,878	0	26,878	26,878
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	2,876	3,814	3,814	0	3,814	3,814
Equipment Acquisition	6,389	13,293	12,045	249	12,043	12,043
Transfer to Stormwater	39,129	40,591	40,116	2,567	40,591	40,591
Total Operating Transfers	<u>381,831</u>	<u>462,679</u>	<u>460,956</u>	<u>12,225</u>	<u>461,429</u>	<u>461,429</u>
Net Current Activity						
Operating Fund Only	\$ <u>(39,907)</u>	\$ <u>(101,854)</u>	\$ <u>(101,854)</u>	\$ <u>36,177</u>	\$ <u>(101,854)</u>	\$ <u>(101,854)</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.