

Combined Utility System Fund
For the period ended March 31, 2010
(amounts expressed in thousands)

	FY2009 Actual	FY2010				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
Operating Revenues						
Water Sales	\$ 351,656	\$ 395,779	\$ 395,779	\$ 275,107	\$ 372,709	\$ 372,709
Sewer Sales	323,301	334,500	334,500	244,311	331,664	331,664
Penalties	6,651	7,600	7,600	6,614	8,500	8,500
Other	5,855	5,794	5,794	4,993	6,606	6,606
Total Operating Revenues	<u>687,463</u>	<u>743,673</u>	<u>743,673</u>	<u>531,025</u>	<u>719,479</u>	<u>719,479</u>
Operating Expenses						
Personnel	133,721	150,906	150,981	110,840	147,350	147,350
Supplies	39,084	46,475	44,139	29,655	44,543	44,543
Electricity and Gas	67,997	74,370	74,247	49,498	67,344	67,344
Contracts & Other Payments	104,199	117,965	120,582	66,997	117,978	117,978
Non-Capital Equipment	1,150	2,829	2,817	1,286	2,685	2,685
Total Operating Expenses	<u>346,151</u>	<u>392,545</u>	<u>392,766</u>	<u>258,276</u>	<u>379,900</u>	<u>379,900</u>
Operating Income (Loss)	<u>341,312</u>	<u>351,128</u>	<u>350,907</u>	<u>272,749</u>	<u>339,579</u>	<u>339,579</u>
Nonoperating Revenues (Expenses)						
Interest Income	15,738	9,950	9,950	9,920	12,640	12,640
Sale of Property, Mains and Scrap	392	6,189	6,189	4,615	4,572	4,572
Other	9,908	9,291	9,291	6,857	9,597	9,597
Impact Fees	16,303	12,000	12,000	9,825	9,825	9,825
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	(28,103)	(23,817)	(23,817)	(21,679)	(23,817)	(23,817)
Total Nonoperating Rev (Exp)	<u>14,238</u>	<u>13,613</u>	<u>13,613</u>	<u>9,538</u>	<u>12,817</u>	<u>12,817</u>
Income (Loss) Before Operating Transfers	<u>355,550</u>	<u>364,741</u>	<u>364,520</u>	<u>282,287</u>	<u>352,396</u>	<u>352,396</u>
Operating Transfers						
Debt Service Transfer	305,016	378,103	378,103	173,714	366,774	366,774
Transfer to PIB - Water & Sewer	28,419	26,878	26,878	26,878	26,878	26,878
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,303	3,814	3,814	2,386	3,814	3,814
Equipment Acquisition	14,073	17,209	17,216	3,920	11,551	11,551
Transfer to Stormwater	39,129	40,591	40,363	24,970	30,793	30,793
Total Operating Transfers	<u>390,940</u>	<u>466,595</u>	<u>466,374</u>	<u>231,868</u>	<u>439,810</u>	<u>439,810</u>
Net Current Activity						
Operating Fund Only	\$ <u>(35,390)</u>	\$ <u>(101,854)</u>	\$ <u>(101,854)</u>	\$ <u>50,419</u>	\$ <u>(87,414)</u>	\$ <u>(87,414)</u>

About the Fund:

The Combined Utility System Fund, which includes Fund 8300, Fund 8301, and Fund 8305, 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.