

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

	Unaudited Preliminary FY2009	FY2010				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Water Sales	\$ 351,656	\$ 395,779	\$ 395,779	\$ 114,763	\$ 397,561	\$ 397,561
Sewer Sales	323,301	334,500	334,500	97,189	334,431	334,431
Penalties	6,651	7,600	7,600	2,408	7,600	7,600
Other	5,855	5,794	5,794	1,556	5,794	5,794
Total Operating Revenues	<u>687,463</u>	<u>743,673</u>	<u>743,673</u>	<u>215,916</u>	<u>745,386</u>	<u>745,386</u>
Operating Expenses						
Personnel	133,721	150,906	150,982	38,637	150,906	150,906
Supplies	39,084	46,475	46,478	11,562	43,284	43,284
Electricity and Gas	67,997	74,370	74,370	16,862	74,877	74,877
Contracts & Other Payments	110,465	119,319	121,051	13,831	123,253	123,253
Non-Capital Equipment	1,150	5,391	5,303	156	5,391	5,391
Total Operating Expenses	<u>352,417</u>	<u>396,461</u>	<u>398,184</u>	<u>81,048</u>	<u>397,711</u>	<u>397,711</u>
Operating Income (Loss)	<u>335,046</u>	<u>347,212</u>	<u>345,489</u>	<u>134,868</u>	<u>347,675</u>	<u>347,675</u>
Nonoperating Revenues (Expenses)						
Interest Income	15,738	9,950	9,950	3,782	9,950	9,950
Sale of Property, Mains and Scrap	586	6,189	6,189	39	6,189	6,189
Other	9,907	9,291	9,291	2,049	9,291	9,291
Impact Fees	16,303	12,000	12,000	5,239	12,000	12,000
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	(28,103)	(23,817)	(23,817)	(9,771)	(23,817)	(23,817)
Total Nonoperating Rev (Exp)	<u>14,431</u>	<u>13,613</u>	<u>13,613</u>	<u>1,338</u>	<u>13,613</u>	<u>13,613</u>
Income (Loss) Before Operating Transfers	<u>349,477</u>	<u>360,825</u>	<u>359,102</u>	<u>136,206</u>	<u>361,288</u>	<u>361,288</u>
Operating Transfers						
Debt Service Transfer	305,016	378,103	378,103	28,715	378,103	378,103
Transfer to PIB - Water & Sewer	28,419	26,878	26,878	3,666	26,878	26,878
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,303	3,814	3,814	479	3,814	3,814
Equipment Acquisition	6,623	13,293	12,045	776	12,043	12,043
Transfer to Stormwater	39,129	40,591	40,116	9,048	40,591	40,591
Total Operating Transfers	<u>383,490</u>	<u>462,679</u>	<u>460,956</u>	<u>42,684</u>	<u>461,429</u>	<u>461,429</u>
Net Current Activity						
Operating Fund Only	<u>\$ (34,013)</u>	<u>\$ (101,854)</u>	<u>\$ (101,854)</u>	<u>\$ 93,522</u>	<u>\$ (100,141)</u>	<u>\$ (100,141)</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.