

Combined Utility System Fund
For the period ended June 30, 2007
(amounts expressed in thousands)

	FY2006 Actual	FY2007				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 324,878	\$ 334,137	\$ 334,137	\$ 319,256	\$ 317,640	317,640
Sewer Sales	307,764	312,645	312,645	296,885	296,885	296,885
Penalties	5,085	4,996	4,996	6,736	6,736	6,736
Other	4,936	4,349	4,349	5,742	5,742	5,742
Total Operating Revenues	<u>642,663</u>	<u>656,127</u>	<u>656,127</u>	<u>628,619</u>	<u>627,003</u>	<u>627,003</u>
Operating Expenses						
Personnel	115,822	131,844	132,238	122,875	123,056	123,056
Supplies	33,744	30,603	33,670	35,519	36,023	36,023
Electricity and Gas	71,294	76,818	72,715	64,768	65,454	65,454
Contracts & Other Payments	80,623	93,746	93,818	89,624	96,896	96,896
Non-Capital Equipment	1,338	1,436	2,117	1,652	1,652	1,652
Total Operating Expenses	<u>302,821</u>	<u>334,447</u>	<u>334,558</u>	<u>314,438</u>	<u>323,081</u>	<u>323,081</u>
Operating Income (Loss)	<u>339,842</u>	<u>321,680</u>	<u>321,569</u>	<u>314,181</u>	<u>303,922</u>	<u>303,922</u>
Nonoperating Revenues (Expenses)						
Interest Income	18,649	17,283	17,283	19,620	21,232	21,232
Sale of Property, Mains and Scrap	15	1,129	1,129	1,026	4,626	4,626
Other	10,238	7,706	7,706	8,599	8,600	8,600
Impact Fees	15,558	17,519	17,519	20,999	20,999	20,999
HAWC	(6,242)	(9,077)	(9,077)	(8,999)	(8,999)	(8,999)
CWA & TRA Contracts (P & I)	<u>(32,218)</u>	<u>(32,875)</u>	<u>(32,875)</u>	<u>(32,875)</u>	<u>(32,875)</u>	<u>(32,875)</u>
Total Nonoperating Rev (Exp)	<u>6,000</u>	<u>1,685</u>	<u>1,685</u>	<u>8,370</u>	<u>13,583</u>	<u>13,583</u>
Income (Loss) Before Operating Transfers	<u>345,842</u>	<u>323,365</u>	<u>323,254</u>	<u>322,551</u>	<u>317,505</u>	<u>317,505</u>
Operating Transfers						
Debt Service Transfer	229,652	260,725	260,724	260,921	259,389	259,389
Transfer to PIB - Water & Sewer	26,257	24,604	25,044	24,651	24,651	24,651
Discretionary Debt-Stormwater	836	0	0	0	0	0
Pension Liability Interest	4,076	4,566	4,566	4,566	4,566	4,566
Equipment Acquisition	0	16,684	16,134	6,025	7,772	7,772
Transfer to Stormwater	31,300	34,837	34,837	33,926	34,056	34,056
Total Operating Transfers	<u>292,121</u>	<u>341,416</u>	<u>341,305</u>	<u>330,089</u>	<u>330,434</u>	<u>330,434</u>
Net Current Activity						
Operating Fund Only	<u>\$ 53,721</u>	<u>\$ (18,051)</u>	<u>\$ (18,051)</u>	<u>\$ (7,538)</u>	<u>\$ (12,929)</u>	<u>\$ (12,929)</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.