

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

	Unaudited Preliminary FY2007	FY2008				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 317,640	\$ 350,277	\$ 350,277	\$ 142,103	\$ 339,310	339,310
Sewer Sales	296,885	324,530	324,530	130,749	312,181	312,181
Penalties	6,736	6,300	6,300	3,518	6,300	6,300
Other	5,742	6,794	6,794	2,521	5,956	5,956
Total Operating Revenues	<u>627,003</u>	<u>687,901</u>	<u>687,901</u>	<u>278,891</u>	<u>663,747</u>	<u>663,747</u>
Operating Expenses						
Personnel	123,056	139,181	139,181	50,392	135,428	135,428
Supplies	36,023	34,162	34,162	13,729	36,831	36,831
Electricity and Gas	65,454	66,665	66,665	27,304	66,165	66,165
Contracts & Other Payments	96,896	101,114	101,114	28,361	101,114	101,114
Non-Capital Equipment	1,652	4,433	4,433	178	4,258	4,258
Total Operating Expenses	<u>323,081</u>	<u>345,555</u>	<u>345,555</u>	<u>119,964</u>	<u>343,796</u>	<u>343,796</u>
Operating Income (Loss)	<u>303,922</u>	<u>342,346</u>	<u>342,346</u>	<u>158,927</u>	<u>319,951</u>	<u>319,951</u>
Nonoperating Revenues (Expenses)						
Interest Income	21,232	19,453	19,453	9,902	21,550	21,550
Sale of Property, Mains and Scrap	4,626	2,268	2,268	1,144	2,438	2,438
Other	8,600	7,790	7,790	3,154	7,906	7,906
Impact Fees	20,999	21,578	21,578	12,537	27,134	27,134
HAWC	(8,999)	0	0	8	0	0
CWA & TRA Contracts (P & I)	<u>(32,875)</u>	<u>(32,642)</u>	<u>(32,642)</u>	<u>(21,829)</u>	<u>(32,642)</u>	<u>(32,642)</u>
Total Nonoperating Rev (Exp)	<u>13,583</u>	<u>18,447</u>	<u>18,447</u>	<u>4,916</u>	<u>26,386</u>	<u>26,386</u>
Income (Loss) Before Operating Transfers	<u>317,505</u>	<u>360,793</u>	<u>360,793</u>	<u>163,843</u>	<u>346,337</u>	<u>346,337</u>
Operating Transfers						
Debt Service Transfer	259,389	287,539	287,539	132,165	279,249	279,249
Transfer to PIB - Water & Sewer	24,651	26,066	26,066	4,241	26,066	26,066
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,566	4,566	4,566	1,126	4,566	4,566
Equipment Acquisition	7,772	17,270	17,270	1,468	16,918	16,918
Transfer to Stormwater	<u>34,056</u>	<u>37,735</u>	<u>37,735</u>	<u>9,776</u>	<u>37,735</u>	<u>37,735</u>
Total Operating Transfers	<u>330,434</u>	<u>373,176</u>	<u>373,176</u>	<u>148,776</u>	<u>364,534</u>	<u>364,534</u>
Net Current Activity						
Operating Fund Only	\$ <u>(12,929)</u>	\$ <u>(12,383)</u>	\$ <u>(12,383)</u>	\$ <u>15,067</u>	\$ <u>(18,197)</u>	\$ <u>(18,197)</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.