

Combined Utility System Fund
For the period ended December 31, 2008
(amounts expressed in thousands)

	FY2008 Preliminary	FY2009				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Water Sales	\$ 328,607	\$ 355,401	\$ 355,401	\$ 183,834	\$ 356,344	\$ 356,344
Sewer Sales	305,748	328,731	328,731	162,566	322,013	322,013
Penalties	7,759	8,400	8,400	3,356	7,292	7,292
Other	6,523	6,956	6,956	2,755	6,356	6,356
Total Operating Revenues	<u>648,637</u>	<u>699,488</u>	<u>699,488</u>	<u>352,511</u>	<u>692,005</u>	<u>692,005</u>
Operating Expenses						
Personnel	154,299	146,182	146,117	70,249	138,894	138,894
Supplies	36,614	34,467	34,474	23,411	46,396	46,396
Electricity and Gas	65,446	71,679	71,679	37,897	72,079	72,079
Contracts & Other Payments	102,479	97,626	102,987	37,015	107,434	107,434
Non-Capital Equipment	1,384	2,648	2,601	181	2,330	2,330
Total Operating Expenses	<u>360,222</u>	<u>352,602</u>	<u>357,858</u>	<u>168,753</u>	<u>367,133</u>	<u>367,133</u>
Operating Income (Loss)	<u>288,415</u>	<u>346,886</u>	<u>341,630</u>	<u>183,758</u>	<u>324,872</u>	<u>324,872</u>
Nonoperating Revenues (Expenses)						
Interest Income	24,674	22,000	22,000	9,006	21,000	21,000
Sale of Property, Mains and Scrap	7,614	12,009	12,009	167	3,890	3,890
Other	8,216	8,171	8,171	4,321	8,589	8,589
Impact Fees	27,134	25,000	25,000	10,351	21,090	21,090
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	(32,642)	(28,103)	(28,103)	(22,952)	(28,103)	(28,103)
Total Nonoperating Rev (Exp)	<u>34,996</u>	<u>39,077</u>	<u>39,077</u>	<u>893</u>	<u>26,466</u>	<u>26,466</u>
Income (Loss) Before Operating Transfers	<u>323,411</u>	<u>385,963</u>	<u>380,707</u>	<u>184,651</u>	<u>351,338</u>	<u>351,338</u>
Operating Transfers						
Debt Service Transfer	270,779	309,155	309,155	154,257	309,455	309,455
Transfer to PIB - Water & Sewer	25,804	28,419	28,419	3,722	28,419	28,419
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,564	4,566	4,566	0	4,566	4,566
Equipment Acquisition	9,428	23,965	18,709	1,968	14,733	14,733
Transfer to Stormwater	36,540	39,437	39,437	18,663	39,437	39,437
Total Operating Transfers	<u>347,115</u>	<u>405,542</u>	<u>400,286</u>	<u>178,610</u>	<u>396,610</u>	<u>396,610</u>
Net Current Activity						
Operating Fund Only	\$ <u>(23,704)</u>	\$ <u>(19,579)</u>	\$ <u>(19,579)</u>	\$ <u>6,041</u>	\$ <u>(45,272)</u>	\$ <u>(45,272)</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.