

Combined Utility System Fund
For the period ended March 31, 2009
(amounts expressed in thousands)

	FY2008 Actual	FY2009				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Water Sales	\$ 328,607	\$ 355,401	\$ 355,401	\$ 263,970	\$ 355,180	\$ 355,180
Sewer Sales	305,748	328,731	328,731	237,716	321,195	321,195
Penalties	7,759	8,400	8,400	5,130	7,511	7,511
Other	6,523	6,956	6,956	4,316	6,110	6,110
Total Operating Revenues	<u>648,637</u>	<u>699,488</u>	<u>699,488</u>	<u>511,132</u>	<u>689,996</u>	<u>689,996</u>
Operating Expenses						
Personnel	154,299	146,182	142,217	104,588	137,703	137,703
Supplies	36,614	34,467	41,478	33,790	44,381	44,381
Electricity and Gas	65,446	71,679	71,683	53,714	72,786	72,786
Contracts & Other Payments	102,479	97,626	103,330	64,296	109,989	109,989
Non-Capital Equipment	1,384	2,648	2,601	685	2,118	2,118
Total Operating Expenses	<u>360,222</u>	<u>352,602</u>	<u>361,309</u>	<u>257,073</u>	<u>366,977</u>	<u>366,977</u>
Operating Income (Loss)	<u>288,415</u>	<u>346,886</u>	<u>338,179</u>	<u>254,059</u>	<u>323,019</u>	<u>323,019</u>
Nonoperating Revenues (Expenses)						
Interest Income	24,674	22,000	22,000	12,378	17,000	17,000
Sale of Property, Mains and Scrap	7,614	12,009	12,009	440	563	563
Other	8,216	8,171	8,171	8,203	11,016	11,016
Impact Fees	27,134	25,000	25,000	16,303	16,303	16,303
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	(32,642)	(28,103)	(28,103)	(25,745)	(28,103)	(28,103)
Total Nonoperating Rev (Exp)	<u>34,996</u>	<u>39,077</u>	<u>39,077</u>	<u>11,579</u>	<u>16,779</u>	<u>16,779</u>
Income (Loss) Before Operating Transfers	<u>323,411</u>	<u>385,963</u>	<u>377,256</u>	<u>265,638</u>	<u>339,798</u>	<u>339,798</u>
Operating Transfers						
Debt Service Transfer	270,779	309,155	309,334	175,437	313,529	313,529
Transfer to PIB - Water & Sewer	25,804	28,419	28,419	28,419	28,419	28,419
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,564	4,566	2,946	2,876	2,876	2,876
Equipment Acquisition	9,428	23,965	18,972	2,766	9,082	9,082
Transfer to Stormwater	36,540	39,437	39,437	30,069	39,437	39,437
Total Operating Transfers	<u>347,115</u>	<u>405,542</u>	<u>399,108</u>	<u>239,567</u>	<u>393,343</u>	<u>393,343</u>
Net Current Activity						
Operating Fund Only	<u>\$ (23,704)</u>	<u>\$ (19,579)</u>	<u>\$ (21,852)</u>	<u>\$ 26,071</u>	<u>\$ (53,545)</u>	<u>\$ (53,545)</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.