

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

	FY2009 Actual	FY2010				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Water Sales	\$ 351,656	\$ 395,779	\$ 395,779	\$ 195,492	\$ 387,542	\$ 387,542
Sewer Sales	323,301	334,500	334,500	170,073	333,284	333,284
Penalties	6,651	7,600	7,600	4,740	8,540	8,540
Other	5,855	5,794	5,794	2,975	5,854	5,854
Total Operating Revenues	<u>687,463</u>	<u>743,673</u>	<u>743,673</u>	<u>373,280</u>	<u>735,220</u>	<u>735,220</u>
Operating Expenses						
Personnel	133,721	150,906	150,982	75,445	146,158	146,158
Supplies	39,084	46,475	44,156	20,170	43,456	43,456
Electricity and Gas	67,997	74,370	74,247	31,385	74,292	74,292
Contracts & Other Payments	104,199	117,965	120,559	45,294	120,949	120,949
Non-Capital Equipment	1,150	2,829	2,829	633	2,807	2,807
Total Operating Expenses	<u>346,151</u>	<u>392,545</u>	<u>392,773</u>	<u>172,927</u>	<u>387,662</u>	<u>387,662</u>
Operating Income (Loss)	<u>341,312</u>	<u>351,128</u>	<u>350,900</u>	<u>200,353</u>	<u>347,558</u>	<u>347,558</u>
Nonoperating Revenues (Expenses)						
Interest Income	15,738	9,950	9,950	7,217	9,950	9,950
Sale of Property, Mains and Scrap	392	6,189	6,189	4,504	4,571	4,571
Other	9,908	9,291	9,291	4,515	9,302	9,302
Impact Fees	16,303	12,000	12,000	5,239	9,825	9,825
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	(28,103)	(23,817)	(23,817)	(19,541)	(23,817)	(23,817)
Total Nonoperating Rev (Exp)	<u>14,238</u>	<u>13,613</u>	<u>13,613</u>	<u>1,934</u>	<u>9,831</u>	<u>9,831</u>
Income (Loss) Before Operating Transfers	<u>355,550</u>	<u>364,741</u>	<u>364,513</u>	<u>202,287</u>	<u>357,389</u>	<u>357,389</u>
Operating Transfers						
Debt Service Transfer	305,016	378,103	378,103	156,869	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	14,073	17,209	17,216	2,168	17,235	17,235
Transfer to Stormwater	39,129	40,591	40,357	16,622	40,591	40,591
Total Operating Transfers	<u>390,940</u>	<u>466,595</u>	<u>466,367</u>	<u>179,804</u>	<u>466,621</u>	<u>466,621</u>
Net Current Activity						
Operating Fund Only	\$ <u>(35,390)</u>	\$ <u>(101,854)</u>	\$ <u>(101,854)</u>	\$ <u>22,483</u>	\$ <u>(109,232)</u>	\$ <u>(109,232)</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.