

Combined Utility System Fund
For the period ended January 31, 2010
(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	\$ 223,210	\$ 383,223	\$ 383,223
Sewer Sales	323,301	334,500	334,500	196,060	332,692	332,692
Penalties	6,651	7,600	7,600	5,425	8,592	8,592
Other	5,855	5,794	5,794	3,770	6,606	6,606
Total Operating Revenues	<u>687,463</u>	<u>743,673</u>	<u>743,673</u>	<u>428,465</u>	<u>731,113</u>	<u>731,113</u>
Operating Expenses						
Personnel	133,721	150,906	150,982	87,401	147,211	147,211
Supplies	39,084	46,475	44,156	22,806	43,719	43,719
Electricity and Gas	67,997	74,370	74,247	38,789	74,336	74,336
Contracts & Other Payments	104,199	117,965	120,559	50,006	120,883	120,883
Non-Capital Equipment	1,150	2,829	2,829	815	2,838	2,838
Total Operating Expenses	<u>346,151</u>	<u>392,545</u>	<u>392,771</u>	<u>199,817</u>	<u>388,987</u>	<u>388,987</u>
Operating Income (Loss)	<u>341,312</u>	<u>351,128</u>	<u>350,901</u>	<u>228,648</u>	<u>342,126</u>	<u>342,126</u>
Nonoperating Revenues (Expenses)						
Interest Income	15,738	9,950	9,950	8,143	12,640	12,640
Sale of Property, Mains and Scrap	392	6,189	6,189	4,525	4,607	4,607
Other	9,908	9,291	9,291	5,402	9,464	9,464
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)	<u>(28,103)</u>	<u>(23,817)</u>	<u>(23,817)</u>	<u>(20,254)</u>	<u>(23,817)</u>	<u>(23,817)</u>
Total Nonoperating Rev (Exp)	<u>14,238</u>	<u>13,613</u>	<u>13,613</u>	<u>3,055</u>	<u>12,719</u>	<u>12,719</u>
Income (Loss) Before Operating Transfers	<u>355,550</u>	<u>364,741</u>	<u>364,515</u>	<u>231,703</u>	<u>354,845</u>	<u>354,845</u>
Operating Transfers						
Debt Service Transfer	305,016	378,103	378,103	162,240	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	2,286	13,117	13,117
Transfer to Stormwater	39,129	40,591	40,357	21,052	40,591	40,591
Total Operating Transfers	<u>390,940</u>	<u>466,595</u>	<u>466,369</u>	<u>189,723</u>	<u>462,503</u>	<u>462,503</u>
Net Current Activity						
Operating Fund Only	<u>\$ (35,390)</u>	<u>\$ (101,854)</u>	<u>\$ (101,854)</u>	<u>\$ 41,980</u>	<u>\$ (107,658)</u>	<u>\$ (107,658)</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.