

## Operating Results in Brief

The Division of Water was created in 1853 and charged with the responsibility for collecting, treating, pumping and distributing water and providing related water service to customers within its service areas. The Division operates a major public water supply system which serves not only the City of Cleveland, but also 70 suburban municipalities in Cuyahoga, Medina, Summit and Geauga Counties. The Division is an emergency standby provider for systems in 3 other counties. The present service area covers over 640 square miles and serves over 1.5 million people.

In 2007, the aggregate metered consumption of water in the City constituted 33% of the total metered consumption in the service area, while consumption in the direct service communities and master meter communities constituted 56% and 11%, respectively.

Operating revenue in 2007 increased 14.6% to \$240.6 million from \$210.0 million in 2006. A water rate increase of approximately 5.5%, a quarterly customer service charge of \$7 and an increase in metered water consumption of 1.9% attributed to this increase. Operating expenses, exclusive of depreciation, increased 5.5% to \$140.2 million compared to \$132.9 million in 2006. The \$7.3 million increase in operating expenses in 2007 was primarily due to increases in utilities, health care and indirect costs.

	2007	2006	2005	2004	2003
<b>Summary Of Historical Revenues, Expenses And Debt Service</b>					
Operating Revenues	<b>\$240,628</b>	\$209,978	\$222,635	\$209,598	\$203,822
Non-operating Revenues	<b>17,364</b>	13,925	7,719	5,420	6,530
Total Revenues	<b>257,992</b>	223,903	230,354	215,018	210,352
Operating Expenses <i>(exclusive of depreciation)</i> :					
Operations	<b>90,221</b>	84,371	78,314	78,650	86,593
Maintenance	<b>49,989</b>	48,508	45,617	48,371	37,047
Total Operating Expenses <i>(exclusive of depreciation)</i>	<b>140,210</b>	132,879	123,931	127,021	123,640
Net Revenues	<b>117,782</b>	91,024	106,423	87,997	86,712
Debt Service on Outstanding Bonds	<b>50,320</b>	52,995	52,249	50,942	58,348
Balance Available after Payment of Debt Service	<b>67,462</b>	38,029	54,174	37,055	28,364
Coverage of Debt Service on Outstanding Bonds by Net Revenues	<b>2.34</b>	1.72	2.04	1.73	1.49

### Breakdown of Revenues and Expenses for 2007

Revenue:	%	Expenses:	%
Metered Sales-Direct Service Suburbs	54.7	Personnel	38.1
Metered Sales-Cleveland	16.9	Utilities	10.7
Metered Sales-Master Meters	7.9	Chemicals	3.1
Interest	6.7	Maintenance	6.9
Service Fees	1.4	Interest	12.5
Miscellaneous	12.4	Depreciation	19.0
		Supplies & Services	9.7
Total	100.0	Total	100.0