

Combined Utility System Fund
For the period ended June 30, 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	\$ 364,995	\$ 362,995	\$ 362,995
Sewer Sales	323,301	334,500	334,500	323,476	322,976	322,976
Penalties	6,651	7,600	7,600	8,391	8,391	8,391
Other	5,855	5,794	5,794	6,883	6,883	6,883
Total Operating Revenues	<u>687,463</u>	<u>743,673</u>	<u>743,673</u>	<u>703,745</u>	<u>701,245</u>	<u>701,245</u>
Operating Expenses						
Personnel	133,721	150,906	150,471	145,140	145,428	145,428
Supplies	39,084	46,475	44,245	37,268	38,260	38,260
Electricity and Gas	67,997	74,370	73,732	65,291	67,166	67,166
Contracts & Other Payments	104,199	117,965	121,673	95,618	111,982	111,982
Non-Capital Equipment	1,150	2,829	2,840	1,886	2,320	2,320
Total Operating Expenses	<u>346,151</u>	<u>392,545</u>	<u>392,961</u>	<u>345,203</u>	<u>365,156</u>	<u>365,156</u>
Operating Income (Loss)	<u>341,312</u>	<u>351,128</u>	<u>350,712</u>	<u>358,542</u>	<u>336,089</u>	<u>336,089</u>
Nonoperating Revenues (Expenses)						
Interest Income	15,738	9,950	9,950	12,602	12,602	12,602
Sale of Property, Mains and Scrap	392	6,189	6,189	4,883	4,883	4,883
Other	9,908	9,291	9,291	9,251	9,387	9,387
Impact Fees	16,303	12,000	12,000	9,825	9,825	9,825
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	(28,103)	(23,817)	(23,817)	0	(23,117)	(23,117)
Total Nonoperating Rev (Exp)	<u>14,238</u>	<u>13,613</u>	<u>13,613</u>	<u>36,561</u>	<u>13,580</u>	<u>13,580</u>
Income (Loss) Before Operating Transfers	<u>355,550</u>	<u>364,741</u>	<u>364,325</u>	<u>395,103</u>	<u>349,669</u>	<u>349,669</u>
Operating Transfers						
Debt Service Transfer	305,016	378,103	366,973	343,314	344,179	344,179
Transfer to PIB - Water & Sewer	28,419	26,878	26,878	26,828	26,828	26,828
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,303	3,814	3,814	2,386	3,814	3,814
Equipment Acquisition	14,073	17,209	13,589	7,252	7,690	7,690
Transfer to Stormwater	39,129	40,591	29,863	28,068	28,978	28,978
Total Operating Transfers	<u>390,940</u>	<u>466,595</u>	<u>441,117</u>	<u>407,848</u>	<u>411,489</u>	<u>411,489</u>
Net Current Activity						
Operating Fund Only	\$ <u>(35,390)</u>	\$ <u>(101,854)</u>	\$ <u>(76,792)</u>	\$ <u>(12,745)</u>	\$ <u>(61,820)</u>	\$ <u>(61,820)</u>

About the Fund:

The Combined Utility System Fund, which includes Fund 8300, Fund 8301, and Fund 8305, 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.