

Combined Utility System Fund  
For the period ended August 31, 2010  
(amounts expressed in thousands)

	Unaudited Preliminary FY2010	FY2011				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
<b>Operating Revenues</b>						
Water Sales	\$ 361,664	\$ 451,958	\$ 451,958	\$ 75,441	\$ 451,958	\$ 451,958
Sewer Sales	320,722	406,529	406,529	68,583	406,529	406,529
Penalties	8,391	8,000	8,000	1,743	8,000	8,000
Other	6,883	6,661	6,661	676	6,661	6,661
Total Operating Revenues	<u>697,660</u>	<u>873,148</u>	<u>873,148</u>	<u>146,443</u>	<u>873,148</u>	<u>873,148</u>
<b>Operating Expenses</b>						
Personnel	147,600	155,513	155,513	23,698	155,513	155,513
Supplies	35,638	47,841	47,836	6,427	47,840	47,840
Electricity and Gas	63,786	63,219	63,219	9,905	63,219	63,219
Contracts & Other Payments	110,825	126,443	126,572	4,090	126,568	126,568
Non-Capital Equipment	1,871	3,189	3,229	33	3,229	3,229
Total Operating Expenses	<u>359,720</u>	<u>396,205</u>	<u>396,369</u>	<u>44,153</u>	<u>396,369</u>	<u>396,369</u>
Operating Income (Loss)	<u>337,940</u>	<u>476,943</u>	<u>476,779</u>	<u>102,290</u>	<u>476,779</u>	<u>476,779</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	12,574	12,500	12,500	1,676	12,500	12,500
Sale of Property, Mains and Scrap	4,939	363	363	4	363	363
Other	9,124	8,553	8,553	1,286	8,553	8,553
Impact Fees	9,825	9,298	9,298	0	9,298	9,298
CWA & TRA Contracts (P & I)	<u>(23,117)</u>	<u>(21,368)</u>	<u>(21,368)</u>	<u>(5,842)</u>	<u>(21,368)</u>	<u>(21,368)</u>
Total Nonoperating Rev (Exp)	<u>13,345</u>	<u>9,346</u>	<u>9,346</u>	<u>(2,876)</u>	<u>9,346</u>	<u>9,346</u>
Income (Loss) Before Operating Transfers	<u>351,285</u>	<u>486,289</u>	<u>486,125</u>	<u>99,414</u>	<u>486,125</u>	<u>486,125</u>
<b>Operating Transfers</b>						
Debt Service Transfer	342,317	427,523	427,523	23,960	427,523	427,523
Transfer to PIB - Water & Sewer	26,828	21,744	21,744	0	21,744	21,744
Pension Liability Interest	3,812	3,814	3,814	(1,426)	3,814	3,814
Equipment Acquisition	7,599	19,514	20,350	82	19,350	19,350
Transfer to Stormwater	<u>28,845</u>	<u>36,637</u>	<u>35,637</u>	<u>4,924</u>	<u>36,637</u>	<u>36,637</u>
Total Operating Transfers	<u>409,401</u>	<u>509,232</u>	<u>509,068</u>	<u>27,540</u>	<u>509,068</u>	<u>509,068</u>
Net Current Activity						
Operating Fund Only	\$ <u>(58,116)</u>	\$ <u>(22,943)</u>	\$ <u>(22,943)</u>	\$ <u>71,874</u>	\$ <u>(22,943)</u>	\$ <u>(22,943)</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.