

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

	FY2010 Actual	FY2011				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
Operating Revenues						
Water Sales	\$ 356,087	\$ 451,958	\$ 451,958	\$ 225,295	\$ 438,920	\$ 438,920
Sewer Sales	320,722	406,529	406,529	202,516	393,678	393,678
Penalties	8,391	8,000	8,000	5,558	9,558	9,558
Other	6,883	6,661	6,661	1,919	5,165	5,165
Total Operating Revenues	<u>692,083</u>	<u>873,148</u>	<u>873,148</u>	<u>435,288</u>	<u>847,321</u>	<u>847,321</u>
Operating Expenses						
Personnel	147,600	155,513	155,513	72,132	149,680	149,680
Supplies	35,694	47,841	47,565	18,947	45,811	45,811
Electricity and Gas	63,786	63,219	63,219	29,091	62,925	62,925
Contracts & Other Payments	107,012	126,443	126,843	34,546	118,918	118,918
Non-Capital Equipment	1,871	3,189	3,229	839	3,229	3,229
Total Operating Expenses	<u>355,963</u>	<u>396,205</u>	<u>396,369</u>	<u>155,555</u>	<u>380,563</u>	<u>380,563</u>
Operating Income (Loss)	<u>336,120</u>	<u>476,943</u>	<u>476,779</u>	<u>279,733</u>	<u>466,758</u>	<u>466,758</u>
Nonoperating Revenues (Expenses)						
Interest Income	12,574	12,500	12,500	5,362	11,612	11,612
Sale of Property, Mains and Scrap	4,939	363	363	274	363	363
Other	9,530	8,553	8,553	4,247	8,420	8,420
Impact Fees	9,825	9,298	9,298	5,100	9,248	9,248
CWA & TRA Contracts (P & I)	<u>(23,117)</u>	<u>(21,368)</u>	<u>(21,368)</u>	<u>(17,526)</u>	<u>(21,368)</u>	<u>(21,368)</u>
Total Nonoperating Rev (Exp)	<u>13,751</u>	<u>9,346</u>	<u>9,346</u>	<u>(2,543)</u>	<u>8,275</u>	<u>8,275</u>
Income (Loss) Before Operating Transfers	<u>349,871</u>	<u>486,289</u>	<u>486,125</u>	<u>277,190</u>	<u>475,033</u>	<u>475,033</u>
Operating Transfers						
Debt Service Transfer	342,317	427,523	427,523	165,622	390,696	390,696
Transfer to PIB - Water & Sewer	26,828	21,744	21,744	2,709	21,744	21,744
Pension Liability Interest	3,812	3,814	3,814	481	3,814	3,814
Equipment Acquisition	8,171	19,514	20,350	4,610	19,350	19,350
Transfer to Stormwater	<u>28,845</u>	<u>36,637</u>	<u>35,637</u>	<u>15,513</u>	<u>35,837</u>	<u>35,837</u>
Total Operating Transfers	<u>409,973</u>	<u>509,232</u>	<u>509,068</u>	<u>188,935</u>	<u>471,441</u>	<u>471,441</u>
Net Current Activity						
Operating Fund Only	<u>\$ (60,102)</u>	<u>\$ (22,943)</u>	<u>\$ (22,943)</u>	<u>\$ 88,255</u>	<u>\$ 3,592</u>	<u>\$ 3,592</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.