

Combined Utility System Fund  
For the period ended February 28, 2011  
(amounts expressed in thousands)

	FY2010 Actual	FY2011				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
<b>Operating Revenues</b>						
Water Sales	\$ 356,087	\$ 451,958	\$ 451,958	\$ 289,149	\$ 429,550	\$ 429,550
Sewer Sales	320,722	406,529	406,529	263,399	391,959	391,959
Penalties	8,391	8,000	8,000	7,020	9,960	9,960
Other	6,883	6,661	6,661	2,524	3,583	3,583
Total Operating Revenues	<u>692,083</u>	<u>873,148</u>	<u>873,148</u>	<u>562,092</u>	<u>835,052</u>	<u>835,052</u>
<b>Operating Expenses</b>						
Personnel	147,600	155,513	155,513	94,782	148,371	148,371
Supplies	35,694	47,841	47,815	25,566	45,806	45,806
Electricity and Gas	63,786	63,219	62,919	37,456	62,119	62,119
Contracts & Other Payments	107,012	126,443	126,768	48,508	122,079	122,079
Non-Capital Equipment	1,871	3,189	3,229	1,220	3,363	3,363
Total Operating Expenses	<u>355,963</u>	<u>396,205</u>	<u>396,244</u>	<u>207,532</u>	<u>381,738</u>	<u>381,738</u>
Operating Income (Loss)	<u>336,120</u>	<u>476,943</u>	<u>476,904</u>	<u>354,560</u>	<u>453,314</u>	<u>453,314</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	12,574	12,500	12,500	6,977	11,000	11,000
Sale of Property, Mains and Scrap	4,939	363	363	639	734	734
Other	9,530	8,553	8,553	5,638	9,053	9,053
Impact Fees	9,825	9,298	9,298	9,248	9,248	9,248
CWA & TRA Contracts (P & I)	(23,117)	(21,368)	(21,368)	(18,770)	(21,368)	(21,368)
Total Nonoperating Rev (Exp)	<u>13,751</u>	<u>9,346</u>	<u>9,346</u>	<u>3,732</u>	<u>8,667</u>	<u>8,667</u>
Income (Loss) Before Operating Transfers	<u>349,871</u>	<u>486,289</u>	<u>486,250</u>	<u>358,292</u>	<u>461,981</u>	<u>461,981</u>
<b>Operating Transfers</b>						
Debt Service Transfer	342,317	427,523	427,523	176,125	372,923	372,923
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	20,475	6,787	12,187	12,187
Transfer to Stormwater	28,845	36,637	35,637	17,617	47,737	47,737
Total Operating Transfers	<u>409,973</u>	<u>509,232</u>	<u>509,193</u>	<u>203,719</u>	<u>458,405</u>	<u>458,405</u>
Net Current Activity						
Operating Fund Only	<u>\$ (60,102)</u>	<u>\$ (22,943)</u>	<u>\$ (22,943)</u>	<u>\$ 154,573</u>	<u>\$ 3,576</u>	<u>\$ 3,576</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.