

Combined Utility System Fund  
For the period ended July 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	\$ 364,995	\$ 451,958	\$ 451,958	\$ 35,906	\$ 451,958	\$ 451,958
Sewer Sales	323,478	406,529	406,529	32,341	406,529	406,529
Penalties	8,391	8,000	8,000	842	8,000	8,000
Other	6,883	6,661	6,661	343	6,661	6,661
Total Operating Revenues	<u>703,747</u>	<u>873,148</u>	<u>873,148</u>	<u>69,432</u>	<u>873,148</u>	<u>873,148</u>
<b>Operating Expenses</b>						
Personnel	145,188	155,513	155,513	11,929	155,513	155,513
Supplies	37,874	47,841	47,841	3,240	47,841	47,841
Electricity and Gas	65,747	63,219	63,219	4,930	63,219	63,219
Contracts & Other Payments	102,253	126,442	126,571	513	126,571	126,571
Non-Capital Equipment	1,891	3,189	3,224	0	3,224	3,224
Total Operating Expenses	<u>352,953</u>	<u>396,204</u>	<u>396,368</u>	<u>20,612</u>	<u>396,368</u>	<u>396,368</u>
Operating Income (Loss)	<u>350,794</u>	<u>476,944</u>	<u>476,780</u>	<u>48,820</u>	<u>476,780</u>	<u>476,780</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	12,574	12,500	12,500	813	12,500	12,500
Sale of Property, Mains and Scrap	4,883	363	363	4	363	363
Other	8,920	8,553	8,553	615	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>(2,922)</u>	<u>(21,368)</u>	<u>(21,368)</u>
Total Nonoperating Rev (Exp)	<u>13,085</u>	<u>9,346</u>	<u>9,346</u>	<u>(1,490)</u>	<u>9,346</u>	<u>9,346</u>
Income (Loss) Before Operating Transfers	<u>363,879</u>	<u>486,290</u>	<u>486,126</u>	<u>47,330</u>	<u>486,126</u>	<u>486,126</u>
<b>Operating Transfers</b>						
Debt Service Transfer	342,481	427,523	427,523	13,210	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	0	3,814	3,814
Equipment Acquisition	7,634	19,514	19,350	(1,175)	19,350	19,350
Transfer to Stormwater	<u>28,625</u>	<u>36,637</u>	<u>36,637</u>	<u>1,635</u>	<u>36,637</u>	<u>36,637</u>
Total Operating Transfers	<u>409,380</u>	<u>509,232</u>	<u>509,068</u>	<u>13,670</u>	<u>509,068</u>	<u>509,068</u>
Net Current Activity						
Operating Fund Only	<u>\$ (45,501)</u>	<u>\$ (22,942)</u>	<u>\$ (22,942)</u>	<u>\$ 33,660</u>	<u>\$ (22,942)</u>	<u>\$ (22,942)</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.