

Combined Utility System Fund
For the period ending June 30, 2011
(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	\$ 449,138	\$ 454,638	\$ 454,638
Sewer Sales	320,722	406,529	406,529	404,945	409,445	409,445
Penalties	8,391	8,000	8,000	9,871	9,871	9,871
Other	6,883	6,661	6,661	3,948	3,948	3,948
Total Operating Revenues	<u>692,083</u>	<u>873,148</u>	<u>873,148</u>	<u>867,902</u>	<u>877,902</u>	<u>877,902</u>
Operating Expenses						
Personnel	147,600	155,513	154,390	142,317	142,513	142,513
Supplies	35,694	47,841	47,492	40,970	40,929	40,929
Electricity and Gas	63,786	63,219	62,757	57,861	58,347	58,347
Contracts & Other Payments	107,012	126,443	116,306	90,253	106,956	106,956
Non-Capital Equipment	1,871	3,189	2,695	1,598	1,712	1,712
Total Operating Expenses	<u>355,963</u>	<u>396,205</u>	<u>383,640</u>	<u>332,999</u>	<u>350,457</u>	<u>350,457</u>
Operating Income (Loss)	<u>336,120</u>	<u>476,943</u>	<u>489,508</u>	<u>534,903</u>	<u>527,445</u>	<u>527,445</u>
Non-Operating Revenues (Expenses)						
Interest Income	12,574	12,500	12,500	10,114	10,114	10,114
Sale of Property, Mains and Scrap	4,939	363	363	801	801	801
Other	9,530	8,553	8,553	10,346	10,346	10,346
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)	0	(21,285)	(21,285)
Total Non-Operating Rev (Exp)	<u>13,751</u>	<u>9,346</u>	<u>9,346</u>	<u>30,509</u>	<u>9,224</u>	<u>9,224</u>
Income (Loss) Before Operating Transfers	<u>349,871</u>	<u>486,289</u>	<u>498,854</u>	<u>565,412</u>	<u>536,669</u>	<u>536,669</u>
Operating Transfers						
Debt Service Transfer	342,317	427,523	423,969	358,774	358,774	358,774
Transfer to PIB - Water & Sewer	26,828	21,744	21,744	21,744	21,744	21,744
Pension Liability Interest	3,812	3,814	3,814	2,388	3,812	3,812
Equipment Acquisition	8,171	19,514	21,079	11,812	12,234	12,234
Transfer to Stormwater	28,845	36,637	51,191	51,351	54,206	54,206
Total Operating Transfers	<u>409,973</u>	<u>509,232</u>	<u>521,797</u>	<u>446,069</u>	<u>450,770</u>	<u>450,770</u>
Net Current Activity						
Operating Fund Only	<u>\$ (60,102)</u>	<u>\$ (22,943)</u>	<u>\$ (22,943)</u>	<u>\$ 119,343</u>	<u>\$ 85,899</u>	<u>\$ 85,899</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.