

Combined Utility System Fund
For the period ending March 31, 2017
(amounts expressed in thousands)

	FY2016 Actual	FY2017				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
Water Sales	\$ 529,859	\$ 542,300	\$ 542,300	\$ 403,446	\$ 542,301	\$ 542,301
Sewer Sales	462,786	476,474	476,474	349,071	476,474	476,474
Penalties	10,403	9,600	9,600	10,921	9,600	9,600
Other	9,461	9,222	9,222	7,349	9,222	9,222
Total Operating Revenues	<u>1,012,509</u>	<u>1,037,597</u>	<u>1,037,597</u>	<u>770,787</u>	<u>1,037,597</u>	<u>1,037,597</u>
Operating Expenses						
Personnel	169,512	187,465	187,232	133,752	180,087	180,087
Supplies	43,730	44,096	44,096	30,069	43,399	43,399
Electricity and Gas	48,099	45,976	44,376	27,595	43,833	43,833
Contracts & Other Payments	148,026	177,098	179,053	95,881	162,419	162,419
Non-Capital Equipment	3,402	2,559	2,567	1,010	2,364	2,364
Total Operating Expenses	<u>412,769</u>	<u>457,194</u>	<u>457,324</u>	<u>288,307</u>	<u>432,102</u>	<u>432,102</u>
Operating Income (Loss)	<u>599,740</u>	<u>580,403</u>	<u>580,273</u>	<u>482,480</u>	<u>605,495</u>	<u>605,495</u>
Non-Operating Revenues (Expenses)						
Interest Income	6,542	7,503	7,503	6,223	7,503	7,503
Sale of Property, Mains and Scrap	2,032	1,280	1,280	2,346	1,280	1,280
Other	17,370	15,622	15,622	11,755	15,622	15,622
Impact Fees	27,279	23,000	23,000	19,566	19,566	19,566
CWA & TRA Contracts (P & I)	(17,684)	(7,204)	(7,204)	(6,451)	(7,204)	(7,204)
Total Non-Operating Rev (Exp)	<u>35,539</u>	<u>40,201</u>	<u>40,201</u>	<u>33,439</u>	<u>36,767</u>	<u>36,767</u>
Income (Loss) Before Operating Transfers	<u>635,279</u>	<u>620,604</u>	<u>620,474</u>	<u>515,919</u>	<u>642,262</u>	<u>642,262</u>
Operating Transfers						
Debt Service Transfer	427,568	472,938	472,938	296,596	468,838	468,838
CWA & TRA Contracts (P & I) Luce Bayou	(10)	143	143	42	143	143
Transfer to PIB - Water & Sewer	9,891	9,149	9,149	9,149	9,149	9,149
Transfer to Capital Project Fund	65,000	70,000	70,000	70,000	70,000	70,000
Pension Liability Interest	2,763	4,745	4,745	3,535	4,745	4,745
Equipment Acquisition	13,912	41,741	42,950	7,581	16,474	16,474
Transfer to Stormwater	39,868	52,821	51,482	32,927	52,821	52,821
Total Operating Transfers	<u>558,992</u>	<u>651,537</u>	<u>651,407</u>	<u>419,830</u>	<u>622,170</u>	<u>622,170</u>
Net Current Activity						
Operating Fund Only	<u>\$ 76,287</u>	<u>\$ (30,933)</u>	<u>\$ (30,933)</u>	<u>\$ 96,089</u>	<u>\$ 20,092</u>	<u>\$ 20,092</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, receives 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.