

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

	FY2009 Actual	FY2010				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
Operating Revenues						
Water Sales	\$ 351,656	\$ 395,779	\$ 395,779	\$ 329,989	\$ 366,230	\$ 366,230
Sewer Sales	323,301	334,500	334,500	293,938	325,359	325,359
Penalties	6,651	7,600	7,600	7,597	8,230	8,230
Other	5,855	5,794	5,794	6,075	6,620	6,620
Total Operating Revenues	<u>687,463</u>	<u>743,673</u>	<u>743,673</u>	<u>637,599</u>	<u>706,439</u>	<u>706,439</u>
Operating Expenses						
Personnel	133,721	150,906	150,558	133,605	146,296	146,296
Supplies	39,084	46,475	43,987	35,412	41,401	41,401
Electricity and Gas	67,997	74,370	74,247	60,497	67,296	67,296
Contracts & Other Payments	104,199	117,965	121,278	83,823	114,037	114,037
Non-Capital Equipment	1,150	2,829	2,829	1,626	2,630	2,630
Total Operating Expenses	<u>346,151</u>	<u>392,545</u>	<u>392,899</u>	<u>314,963</u>	<u>371,660</u>	<u>371,660</u>
Operating Income (Loss)	<u>341,312</u>	<u>351,128</u>	<u>350,774</u>	<u>322,636</u>	<u>334,779</u>	<u>334,779</u>
Nonoperating Revenues (Expenses)						
Interest Income	15,738	9,950	9,950	11,854	12,640	12,640
Sale of Property, Mains and Scrap	392	6,189	6,189	4,817	4,817	4,817
Other	9,908	9,291	9,291	8,288	9,643	9,643
Impact Fees	16,303	12,000	12,000	9,825	9,825	9,825
HAWC	0	0	0	0	0	0
CWA & TRA Contracts (P & I)	<u>(28,103)</u>	<u>(23,817)</u>	<u>(23,817)</u>	<u>(23,104)</u>	<u>(23,217)</u>	<u>(23,217)</u>
Total Nonoperating Rev (Exp)	<u>14,238</u>	<u>13,613</u>	<u>13,613</u>	<u>11,680</u>	<u>13,708</u>	<u>13,708</u>
Income (Loss) Before Operating Transfers	<u>355,550</u>	<u>364,741</u>	<u>364,387</u>	<u>334,316</u>	<u>348,487</u>	<u>348,487</u>
Operating Transfers						
Debt Service Transfer	305,016	378,103	366,973	333,753	362,296	362,296
Transfer to PIB - Water & Sewer	28,419	26,878	26,878	26,828	26,828	26,828
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,303	3,814	3,814	2,386	3,814	3,814
Equipment Acquisition	14,073	17,209	14,766	5,465	11,230	11,230
Transfer to Stormwater	39,129	40,591	29,863	27,862	29,362	29,362
Total Operating Transfers	<u>390,940</u>	<u>466,595</u>	<u>442,294</u>	<u>396,294</u>	<u>433,530</u>	<u>433,530</u>
Net Current Activity						
Operating Fund Only	\$ <u>(35,390)</u>	\$ <u>(101,854)</u>	\$ <u>(77,907)</u>	\$ <u>(61,978)</u>	\$ <u>(85,043)</u>	\$ <u>(85,043)</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.