



City of Austin, Texas  
Austin Water Utility

Financial Status Report  
For the Period Ending September 30, 2011

Status Report Based on Unaudited Financial Information



## MEMORANDUM

**TO:** Greg Meszaros, Director  
Austin Water Utility

**FROM:** David Anders, Assistant Director, Finance and Business Services  
Austin Water Utility

**DATE:** November 4, 2011

**SUBJECT:** AWU Unaudited Financial Status Report for the Period Ended September 30, 2011

Attached is Austin Water Utility's Financial Status Report. The Utility's fund balance at the end of September was \$35.94 million more than projected, as detailed in the Executive Summary. In general, the combined beginning balances were \$9.25 million above the projected combined beginning balances, while fiscal year revenues and transfers in were \$16.00 million above projections and fiscal year total requirements were \$10.63 million below projections at the end of September.

Because of record level rainfall in September that lowered consumption recognized in October's revenues, Stage I water restrictions and a slowed economy, revenues were below allotments during the first half of this fiscal year. The drought during the second half of this fiscal year has pushed revenues above allotments. The Executive Summary includes more discussion of revenue highlights.

Actual spending was below budget in seven of eight program areas by a net total of \$12.12 million, spending for other requirements were below allotment by \$0.30 million, payments for debt service requirements were above allotment by \$1.79 million, and transfers out were as budgeted, resulting in total revenue requirements being below allotments by \$10.63 million. The extent of these variances by program is discussed in the Executive Summary and detail pages.

In addition to the Executive Summary and Fund Summary, this report provides detailed analysis of Revenues, Customer Demand Characteristics, Operating Requirements, Outstanding Debt and Debt Service Requirements, Other Requirements, CIP Expenditures, and Cash Balances.

Please feel free to contact me should you have any questions.

David Anders  
Assistant Director  
Austin Water Utility

Attachments

cc: Rudy Garza, Assistant City Manager  
Leslie Browder, CPA, CFO, Financial and Administrative Services  
Assistant Directors, Austin Water Utility  
Division Managers, Austin Water Utility

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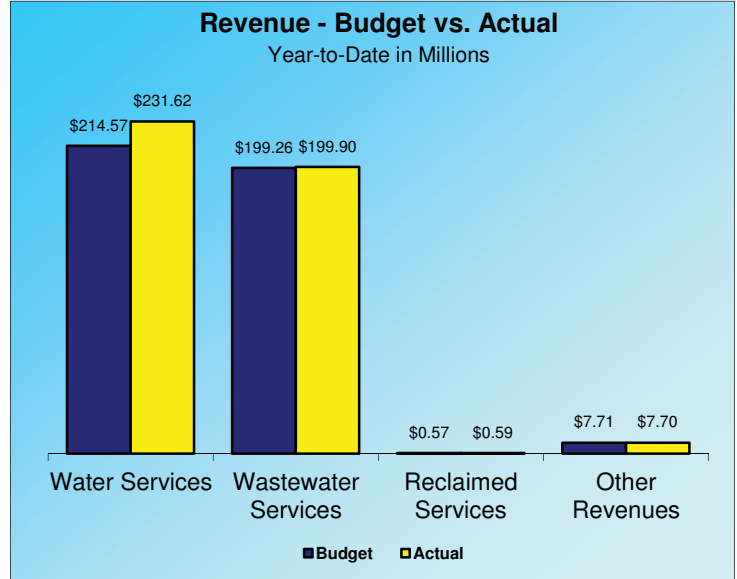
# City of Austin, Texas Austin Water Utility Executive Summary



## Financial Status Report Period Ending September 30, 2011

The Combined Water and Wastewater Operating Fund balance as of September 30, 2011, was \$74.11 million. This was \$35.88 million more than projected for this date, as shown below:

	Budget	Actual	Difference
Beginning Balance	\$ 48.99	\$ 58.24	\$ 9.25
Water Services	\$ 214.57	\$ 231.62	\$ 17.05
Wastewater Services	199.26	199.90	0.64
Reclaimed Services	0.57	0.59	0.02
Other Revenues	7.71	7.70	(0.01)
Transfers In	6.80	5.10	(1.70)
<b>Total Revenues &amp; Transfers</b>	<b>\$ 428.91</b>	<b>\$ 444.91</b>	<b>\$ 16.00</b>
Total Operating Requirements	\$ 150.49	\$ 138.37	12.12
Total Other Requirements	31.35	31.05	0.30
Total Debt Service	171.55	173.34	(1.79)
Transfers Out	86.28	86.28	0.00
<b>Total Revenue Requirements</b>	<b>\$ 439.67</b>	<b>\$ 429.04</b>	<b>\$ 10.63</b>
<b>Ending balance</b>	<b>\$ 38.23</b>	<b>\$ 74.11</b>	<b>\$ 35.88</b>
Debt Service Coverage	1.51	1.65	
Working Capital (days)	32	62	

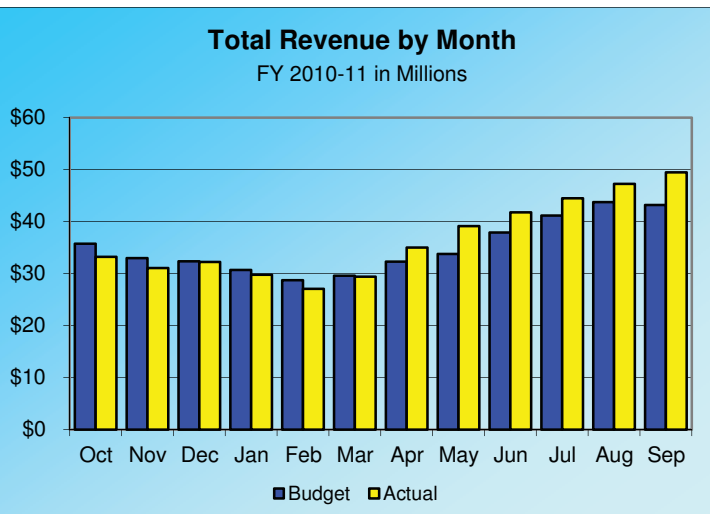
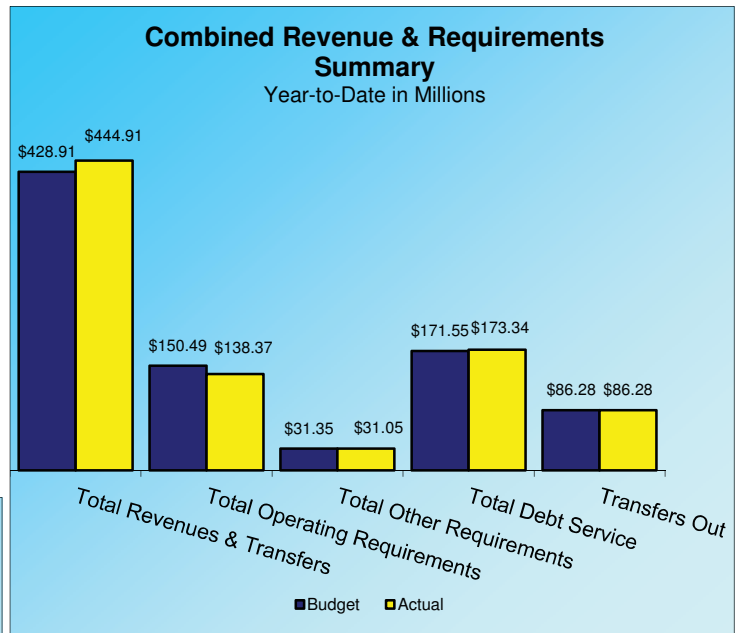


## Revenue Highlights

Total revenues through September were \$439.81 million, or \$17.70 million (4.2%) more than projected.

- Water service revenue was \$231.62 million, or \$17.05 million (7.9%) above budget allotments.
- Wastewater service revenue was \$199.90 million, or \$0.64 million (0.3%) above budget allotments.
- Reclaimed service revenue was \$0.59 million, or \$0.02 million (3.2%) above budget allotments.
- Miscellaneous revenue was \$7.28 million, or \$1.15 million (18.8%) more than projected.
- Interest Income was \$0.42 million, or \$1.16 million (73.6%) lower than projected due to unexpected capital market conditions since two years ago.

Stage I water restrictions, conservation efforts and economic conditions the beginning of this fiscal year caused revenues to fall below monthly projections, but the drought during the second half of this fiscal year caused revenues to rise above monthly



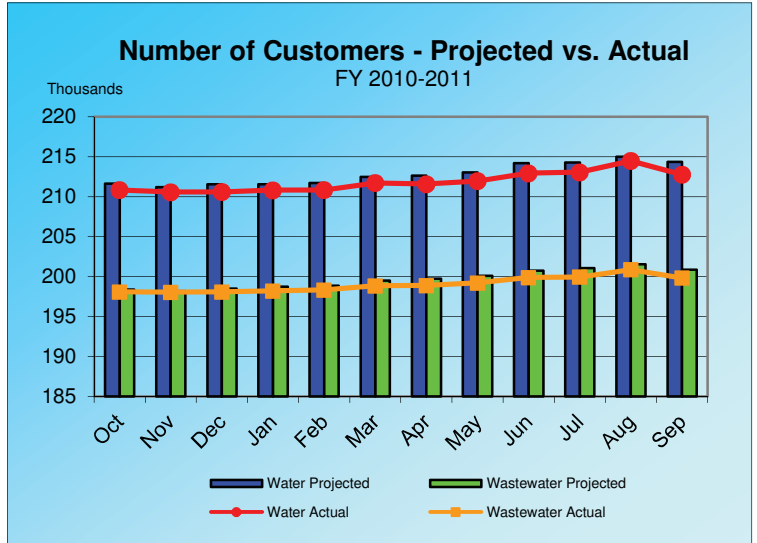
projections based on averages from the previous eight years.

Water and Wastewater service revenues were below projections year-to-date in only the Commercial class.

Total revenues for September were \$49.48 million or \$6.28 million more than projected for the month.

## User Characteristics

	Projected	Actual
Water Customers	214,338	212,754
Wastewater Customers	200,860	199,818
Monthly Pumpage	4.01	5.16
YTD Pumpage	49.34	52.81
Monthly Billed Use	4.92	5.83
YTD Billed Use	46.40	48.62
Monthly Effluent Flow	2.87	2.48
YTD Effluent Flow	35.91	25.58
Monthly Billed Flow	2.30	2.31
YTD Billed Flow	25.67	25.69
(Above in Billions of Gallons)		
September Av. Residential Use (gal)	10,579	13,633
September Av. Residential Flow (gal)	4,302	4,652

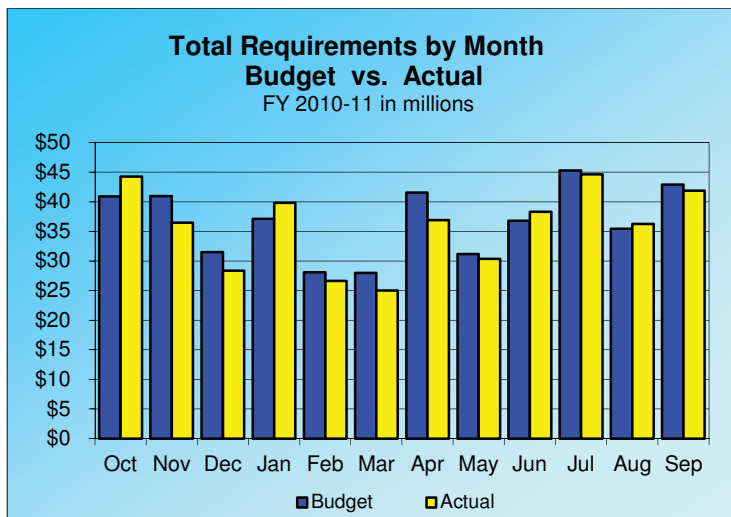
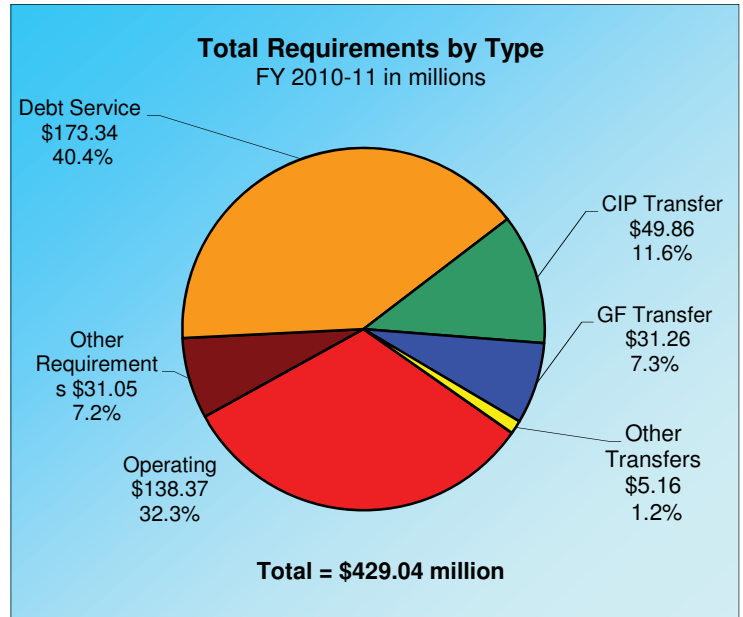


## Requirements Highlights

Total requirements are comprised of operating requirements, other requirements, debt service requirements, and transfers out. The graph at right shows the proportions of these requirements to the whole.

- Operating, debt service, and other requirements totaled \$429.04 million, or \$10.63 million (2.4%) less than budget allotments.
- Total operating requirements were \$138.37 million, or \$12.12 million (8.1%) less than budget allotments.
- Total other requirements were \$31.05 million, or \$0.30 million (1.0%) less than budget allotments.
- Debt service requirements were \$173.34 million, or \$1.79 million (1.0%) more than budget allotments.
- Transfers out were \$86.28 million, as budgeted.

One major factor negatively affecting variances in requirements for the period were higher expenditures than projected for Pipeline Operations. This negative variance was partially offset by lower than projected expenditures for Treatment, Engineering Services, Water Resources Management, Environmental Affairs & Conservation, Support Services, One Stop Shop and Other Operating Expenses. Pages 24 and 25 provide details on variances in spending by program area and object code.



The total requirements for September were \$41.90 million or \$0.99 million (2.3%) less than projected for the month.

City of Austin, Texas  
Austin Water Utility  
FUND SUMMARY - COMBINED  
As of September 30, 2011  
Unaudited - For Management Use Only

	Approved Budget 2010-11	Budget Allotment thru 9-30-2011	Actual (2) thru 9-30-2011	Variance thru 9-30-2011 Favorable (Unfavorable)		Year-End Estimate at 4-30-2011	Year-End Variance Favorable (Unfavorable)	
BEGINNING BALANCE (1)	\$ 48,992,192	\$ 48,992,192	\$ 58,237,765	\$ 9,245,573	18.9%	\$ 58,237,765	\$ 9,245,573	18.9%
<b>REVENUES</b>								
Water Services	\$ 214,575,903	\$ 214,575,903	\$ 231,623,161	\$ 17,047,258	7.9%	\$ 209,161,092	\$ (5,414,811)	-2.5%
Wastewater Services	199,255,431	199,255,431	199,898,274	642,843	0.3%	198,304,857	(950,574)	-0.5%
Reclaimed Services	569,661	569,661	587,920	18,259	3.2%	586,602	16,941	3.0%
Miscellaneous Revenue	6,129,200	6,129,200	7,283,605	1,154,405	18.8%	6,399,741	270,541	4.4%
Interest Income	1,581,053	1,581,053	417,389	(1,163,664)	-73.6%	509,590	(1,071,463)	-67.8%
<b>TOTAL REVENUES</b>	<b>\$ 422,111,248</b>	<b>\$ 422,111,248</b>	<b>\$ 439,810,349</b>	<b>\$ 17,699,101</b>	<b>4.2%</b>	<b>\$ 414,961,882</b>	<b>\$ (7,149,366)</b>	<b>-1.7%</b>
<b>TRANSFERS IN</b>								
Public Works	\$ 300,582	\$ 300,582	\$ 300,582	\$ 0	0.0%	\$ 300,582	\$ 0	0.0%
Watershed Protection	0	0	0	0	--	0	0	--
Capital Recovery Fees	6,500,000	6,500,000	4,800,000	(1,700,000)	-26.2%	4,800,000	(1,700,000)	-26.2%
Capital Improvement Program	0	0	0	0	--	0	0	--
<b>TOTAL TRANSFERS IN</b>	<b>\$ 6,800,582</b>	<b>\$ 6,800,582</b>	<b>\$ 5,100,582</b>	<b>\$ (1,700,000)</b>	<b>-25.0%</b>	<b>\$ 5,100,582</b>	<b>\$ (1,700,000)</b>	<b>-25.0%</b>
<b>TOTAL AVAILABLE FUNDS</b>	<b>\$ 428,911,830</b>	<b>\$ 428,911,830</b>	<b>\$ 444,910,931</b>	<b>\$ 15,999,101</b>	<b>3.7%</b>	<b>\$ 420,062,464</b>	<b>\$ (8,849,366)</b>	<b>-2.1%</b>
<b>OPERATING PROGRAM REQUIREMENTS</b>								
Treatment	\$ 63,205,466	\$ 63,205,466	\$ 61,152,687	\$ 2,052,779	3.2%	\$ 61,088,669	\$ 2,116,797	3.3%
Pipeline Operations	31,775,505	31,775,505	33,448,194	(1,672,689)	-5.3%	34,991,218	(3,215,713)	-19.6%
Engineering Services	12,056,051	12,056,051	10,321,501	1,734,550	14.4%	10,971,729	1,084,322	9.0%
Water Resources Management	4,110,782	4,110,782	3,872,222	238,560	5.8%	3,873,094	237,688	5.8%
Environmental Affairs & Conservation	13,683,541	13,683,541	9,851,837	3,831,704	28.0%	10,384,228	3,299,313	24.1%
Support Services - Utility	16,290,211	16,290,211	15,994,579	295,632	1.8%	16,111,844	178,367	1.1%
One Stop Shop	513,279	513,279	496,730	16,549	3.2%	513,279	0	0.0%
Other Operating Expenses	8,852,449	8,852,449	3,233,545	5,618,904	63.5%	3,997,667	4,854,782	54.8%
<b>TOTAL OPERATING PROGRAM REQUIREMENTS</b>	<b>\$ 150,487,284</b>	<b>\$ 150,487,284</b>	<b>\$ 138,371,295</b>	<b>\$ 12,115,989</b>	<b>8.1%</b>	<b>\$ 141,931,728</b>	<b>\$ 8,555,556</b>	<b>5.7%</b>
<b>OTHER OPERATING REQUIREMENTS</b>								
Accrued Payroll	\$ 366,000	\$ 366,000	\$ 291,644	\$ 74,356	20.3%	\$ 366,000	\$ 0	0.0%
27th Pay Period Expense	2,910,906	2,910,906	2,759,449	151,457	5.2%	2,759,450	151,456.00	5.2%
27th Pay Period Expense Refund	(2,910,906)	(2,910,906)	(2,864,968)	(45,938)	1.6%	(2,864,968)	(45,938.00)	1.6%
Workers' Compensation Fund	1,035,444	1,035,444	1,035,444	0	0.0%	1,035,444	0	0.0%
Liability Reserve Fund	620,000	620,000	620,000	0	0.0%	620,000	0	0.0%
Administrative Support - City	7,088,728	7,088,728	7,088,728	0	0.0%	7,088,728	0	0.0%
AE Billing & Customer Care	13,786,079	13,786,079	13,786,079	0	0.0%	13,786,079	0	0.0%
311 System Support	1,000,000	1,000,000	1,000,000	0	0.0%	1,000,000	0	0.0%
CTM Support	4,238,170	4,238,170	4,238,170	0	0.0%	4,238,170	0	0.0%
CTECC Emergency Operations Center	7,690	7,690	7,690	0	0.0%	7,690	0	0.0%
Additional Contr. to Retirement	3,208,659	3,208,659	3,089,029	119,630	3.7%	3,208,659	0	0.0%
<b>TOTAL OTHER OPERATING REQUIREMENTS</b>	<b>\$ 31,350,770</b>	<b>\$ 31,350,770</b>	<b>\$ 31,051,265</b>	<b>\$ 299,505</b>	<b>1.0%</b>	<b>\$ 31,245,252</b>	<b>\$ 105,518</b>	<b>0.3%</b>
<b>TOTAL OPERATING REQUIREMENTS</b>	<b>\$ 181,838,054</b>	<b>\$ 181,838,054</b>	<b>\$ 169,422,560</b>	<b>\$ 12,415,494</b>	<b>6.8%</b>	<b>\$ 173,176,980</b>	<b>\$ 8,661,074</b>	<b>4.8%</b>
<b>DEBT SERVICE REQUIREMENTS:</b>								
Revenue Bond Debt Service	\$ 163,822,224	\$ 163,822,224	\$ 166,475,688	\$ (2,653,464)	-1.6%	\$ 165,096,582	\$ (1,274,358)	-0.8%
Commercial Paper Debt Service	1,321,510	1,321,510	448,643	872,867	66.1%	694,388	627,122	47.5%
Contract Bond Debt Service	0	0	0	0	--	0	0	--
General Obligation Debt Service	4,762,174	4,762,174	4,909,782	(147,608)	-3.1%	4,909,782	(147,608)	-3.1%
Water District Bonds	1,648,333	1,648,333	1,501,545	146,788	8.9%	1,392,854	255,479	15.5%
<b>TOTAL DEBT SERVICE</b>	<b>\$ 171,554,241</b>	<b>\$ 171,554,241</b>	<b>\$ 173,335,658</b>	<b>\$ (1,781,417)</b>	<b>-1.0%</b>	<b>\$ 172,093,606</b>	<b>\$ (539,365)</b>	<b>-0.3%</b>
<b>TRANSFERS OUT</b>								
Capital Improvement Program Funds	\$ 49,855,000	\$ 49,855,000	\$ 49,855,000	\$ 0	0.0%	\$ 49,855,000	\$ 0	0.0%
General Fund	31,263,325	31,263,325	31,263,325	0	0.0%	31,263,325	0	0.0%
Radio Communications Fund	287,472	287,472	287,472	0	0.0%	287,472	0	0.0%
Economic Incentives Reserve Fund	333,333	333,333	333,333	0	0.0%	333,333	0	0.0%
Sustainability Fund	4,221,113	4,221,113	4,221,113	0	0.0%	4,221,113	0	0.0%
Public Improvement District	75,000	75,000	75,000	0	0.0%	75,000	0	0.0%
Environmental Remediation Fund	241,500	241,500	241,500	0	0.0%	241,500	0	0.0%
<b>TOTAL TRANSFERS OUT</b>	<b>\$ 86,276,743</b>	<b>\$ 86,276,743</b>	<b>\$ 86,276,743</b>	<b>\$ 0</b>	<b>0.0%</b>	<b>\$ 86,276,743</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 439,669,038</b>	<b>\$ 439,669,038</b>	<b>\$ 429,034,961</b>	<b>\$ 10,634,077</b>	<b>2.4%</b>	<b>\$ 431,547,329</b>	<b>\$ 8,121,709</b>	<b>1.8%</b>
<b>EXCESS/(DEFICIT)</b>	<b>\$ (10,757,208)</b>	<b>\$ (10,757,208)</b>	<b>\$ 15,875,970</b>			<b>\$ (11,484,865)</b>		
<b>ADJUSTMENT TO GAAP</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>		<b>\$ 0</b>		
<b>ENDING BALANCE (2)</b>	<b>\$ 38,234,984</b>	<b>\$ 38,234,984</b>	<b>\$ 74,113,735</b>	<b>\$ 35,878,751</b>	<b>93.8%</b>	<b>\$ 46,752,900</b>	<b>\$ 8,517,916</b>	
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.51</b>	<b>1.51</b>	<b>1.65</b>			<b>1.68</b>		

NOTE: (1) Actual beginning balance per the Controllers as of May 2011.  
(2) Actual expenses through 9/30/2011 include outstanding encumbrances.

City of Austin, Texas  
Austin Water Utility  
FUND SUMMARY - WATER UTILITY  
As of September 30, 2011  
Unaudited - For Management Use Only

	Approved Budget 2010-11	Budget Allotment thru 9-30-2011	Actual (2) thru 9-30-2011	Variance thru 9-30-2011 Favorable (Unfavorable)		Year-End Estimate at 4-30-2011	Year-End Variance Favorable (Unfavorable)	
BEGINNING BALANCE (1)	\$ 18,806,882	\$ 18,806,882	\$ 18,702,014	\$ (104,868)	-0.6%	\$ 18,702,014	\$ (104,868)	-0.6%
<b>REVENUES</b>								
Water Services	\$ 214,575,903	\$ 214,575,903	\$ 231,623,161	\$ 17,047,258	7.9%	\$ 209,161,092	\$ (5,414,811)	-2.5%
Wastewater Services	0	0	0	0	--	0	0	--
Reclaimed Services	542,803	542,803	580,368	37,565	6.9%	562,186	19,383	3.6%
Miscellaneous Revenue	2,112,000	2,112,000	3,503,760	1,391,760	65.9%	2,491,576	379,576	18.0%
Interest Income	729,977	729,977	119,429	(610,548)	-83.6%	227,065	(502,912)	-68.9%
<b>TOTAL REVENUES</b>	<b>\$ 217,960,683</b>	<b>\$ 217,960,683</b>	<b>\$ 235,826,718</b>	<b>\$ 17,866,035</b>	<b>8.2%</b>	<b>\$ 212,441,919</b>	<b>\$ (5,518,764)</b>	<b>-2.5%</b>
<b>TRANSFERS IN</b>								
Public Works	\$ 150,291	\$ 150,291	\$ 150,291	\$ 0	0.0%	\$ 150,291	\$ 0	0.0%
Watershed Protection	0	0	0	0	--	0	0	--
Capital Recovery Fees	3,500,000	3,500,000	3,000,000	(500,000)	-14.3%	3,000,000	(500,000)	-14.3%
Capital Improvement Program	0	0	0	0	--	0	0	--
<b>TOTAL TRANSFERS IN</b>	<b>\$ 3,650,291</b>	<b>\$ 3,650,291</b>	<b>\$ 3,150,291</b>	<b>\$ (500,000)</b>	<b>-13.7%</b>	<b>\$ 3,150,291</b>	<b>\$ (500,000)</b>	<b>-13.7%</b>
<b>TOTAL AVAILABLE FUNDS</b>	<b>\$ 221,610,974</b>	<b>\$ 221,610,974</b>	<b>\$ 238,977,009</b>	<b>\$ 17,366,035</b>	<b>7.8%</b>	<b>\$ 215,592,210</b>	<b>\$ (6,018,764)</b>	<b>-2.7%</b>
<b>OPERATING PROGRAM REQUIREMENTS</b>								
Treatment	\$ 33,300,380	\$ 33,300,380	\$ 31,954,415	\$ 1,345,965	4.0%	\$ 31,752,144	\$ 1,548,236	4.6%
Pipeline Operations	18,072,621	18,072,621	20,257,260	(2,184,639)	-12.1%	20,279,677	(2,207,056)	-12.2%
Engineering Services	5,698,570	5,698,570	4,491,458	1,207,112	21.2%	5,015,723	682,847	12.0%
Water Resources Management	1,981,244	1,981,244	1,892,783	88,461	4.5%	1,844,500	136,744	6.9%
Environmental Affairs & Conservation	11,699,079	11,699,079	7,882,052	3,817,027	32.6%	8,429,698	3,269,381	27.9%
Support Services - Utility	8,166,151	8,166,151	8,060,318	105,833	1.3%	8,013,594	152,557	1.9%
One Stop Shop	179,427	179,427	161,050	18,377	10.2%	179,427	0	0.0%
Other Operating Expenses	4,799,212	4,799,212	1,579,432	3,219,780	67.1%	2,389,701	2,409,511	50.2%
<b>TOTAL OPERATING PROGRAM REQUIREMENTS</b>	<b>\$ 83,896,684</b>	<b>\$ 83,896,684</b>	<b>\$ 76,278,768</b>	<b>\$ 7,617,916</b>	<b>9.1%</b>	<b>\$ 77,904,464</b>	<b>\$ 5,992,220</b>	<b>7.1%</b>
<b>OTHER OPERATING REQUIREMENTS</b>								
Accrued Payroll	\$ 182,000	\$ 182,000	\$ 171,561	\$ 10,439	5.7%	\$ 182,000	\$ 0	0.0%
27th Pay Period Expense	1,446,160	1,446,160	1,373,881	72,279	5.0%	\$ 1,373,881	72,279.00	5.0%
27th Pay Period Expense Refund	(1,446,160)	(1,446,160)	(1,421,970)	(24,190)	1.7%	(1,421,970)	(24,190.00)	1.7%
Workers' Compensation Fund	509,108	509,108	509,108	0	0.0%	509,108	0	0.0%
Liability Reserve Fund	310,000	310,000	310,000	0	0.0%	310,000	0	0.0%
Administrative Support - City	3,937,596	3,937,596	3,937,596	0	0.0%	3,937,596	0	0.0%
AE Billing & Customer Care	8,446,149	8,446,149	8,446,149	0	0.0%	8,446,149	0	0.0%
311 System Support	500,000	500,000	500,000	0	0.0%	500,000	0	0.0%
CTM Support	2,119,085	2,119,085	2,119,085	0	0.0%	2,119,085	0	0.0%
CTECC Emergency Operations Center	3,845	3,845	3,845	0	0.0%	3,845	0	0.0%
Additional Contr. to Retirement	1,583,494	1,583,494	1,545,427	38,067.00	2.4%	1,583,494	0	0.0%
<b>TOTAL OTHER OPERATING REQUIREMENTS</b>	<b>\$ 17,591,277</b>	<b>\$ 17,591,277</b>	<b>\$ 17,494,682</b>	<b>\$ 96,595</b>	<b>0.5%</b>	<b>\$ 17,543,188</b>	<b>\$ 48,089</b>	<b>0.3%</b>
<b>TOTAL OPERATING REQUIREMENTS</b>	<b>\$ 101,487,961</b>	<b>\$ 101,487,961</b>	<b>\$ 93,773,450</b>	<b>\$ 7,714,511</b>	<b>7.6%</b>	<b>\$ 95,447,652</b>	<b>\$ 6,040,309</b>	<b>6.0%</b>
<b>DEBT SERVICE REQUIREMENTS:</b>								
Revenue Bond Debt Service	\$ 79,386,005	\$ 79,386,005	\$ 82,327,619	\$ (2,941,614)	-3.7%	\$ 80,200,472	\$ (814,467)	-1.0%
Commercial Paper Debt Service	807,457	807,457	239,792	567,665	70.3%	386,813	420,644	52.1%
Contract Bond Debt Service	0	0	0	0	--	0	0	--
General Obligation Debt Service	1,841,484	1,841,484	1,944,277	(102,793)	-5.6%	1,943,800	(102,316)	-5.6%
Water District Bonds	811,568	811,568	714,321	97,247	12.0%	642,097	169,471	20.9%
<b>TOTAL DEBT SERVICE</b>	<b>\$ 82,846,514</b>	<b>\$ 82,846,514</b>	<b>\$ 85,226,009</b>	<b>\$ (2,379,495)</b>	<b>-2.9%</b>	<b>\$ 83,173,182</b>	<b>\$ (326,668)</b>	<b>-0.4%</b>
<b>TRANSFERS OUT</b>								
Capital Improvement Program Funds	\$ 15,665,000	\$ 15,665,000	\$ 15,665,000	\$ 0	0.0%	\$ 15,665,000	\$ 0	0.0%
General Fund	15,485,864	15,485,864	15,485,864	0	0.0%	15,485,864	0	0.0%
Radio Communications Fund	143,736	143,736	143,736	0	0.0%	143,736	0	0.0%
Economic Incentives Reserve Fund	166,666	166,666	166,666	0	0.0%	166,666	0	0.0%
Sustainability Fund	2,179,607	2,179,607	2,179,607	0	0.0%	2,179,607	0	0.0%
Public Improvement District	37,500	37,500	37,500	0	0.0%	37,500	0	0.0%
Environmental Remediation Fund	120,750	120,750	120,750	0	0.0%	120,750	0	0.0%
<b>TOTAL TRANSFERS OUT</b>	<b>\$ 33,799,123</b>	<b>\$ 33,799,123</b>	<b>\$ 33,799,123</b>	<b>\$ 0</b>	<b>0.0%</b>	<b>\$ 33,799,123</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 218,133,598</b>	<b>\$ 218,133,598</b>	<b>\$ 212,798,582</b>	<b>\$ 5,335,016</b>	<b>2.4%</b>	<b>\$ 212,419,957</b>	<b>\$ 5,713,641</b>	<b>2.6%</b>
<b>EXCESS/(DEFICIT)</b>	<b>\$ 3,477,376</b>	<b>\$ 3,477,376</b>	<b>\$ 26,178,427</b>			<b>\$ 3,172,253</b>		
<b>ADJUSTMENT TO GAAP</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>		<b>\$ 0</b>		
<b>ENDING BALANCE (2)</b>	<b>\$ 22,284,258</b>	<b>\$ 22,284,258</b>	<b>\$ 44,880,441</b>	<b>\$ 22,596,183</b>		<b>\$ 21,874,267</b>	<b>\$ (409,991)</b>	
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.51</b>		<b>1.76</b>			<b>1.72</b>		

NOTE: (1) Actual beginning balance per the Controllers as of May 2011.  
(2) Actual expenses through 9/30/2011 include outstanding encumbrances.



City of Austin, Texas  
Austin Water Utility  
FUND SUMMARY - WASTEWATER UTILITY  
As of September 30, 2011  
Unaudited - For Management Use Only

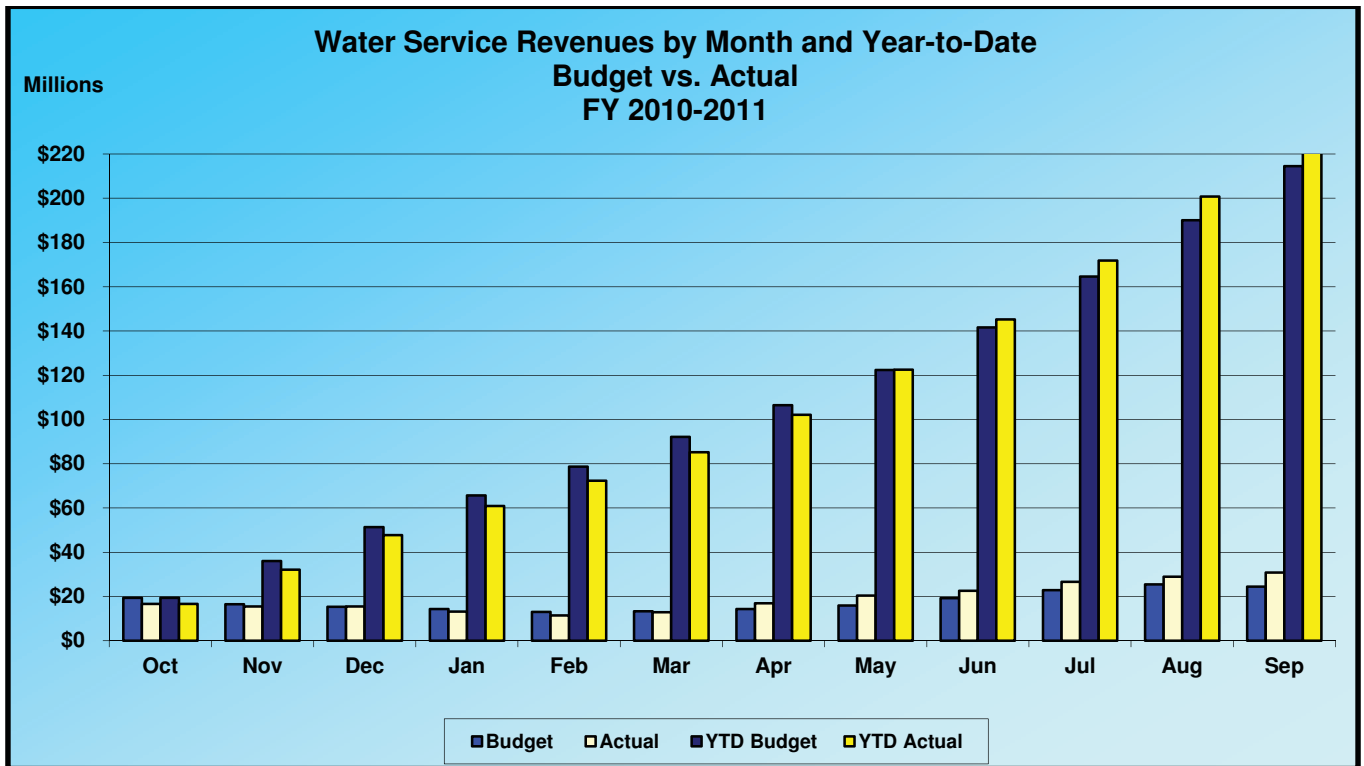
	Approved Budget 2010-11	Budget Allotment thru 9-30-2011	Actual (2) thru 9-30-2011	Variance thru 9-30-2011 (Favorable (Unfavorable))		Year-End Estimate at 4-30-2011	Year-End Variance (Favorable (Unfavorable))	
BEGINNING BALANCE (1)	\$ 30,185,310	\$ 30,185,310	\$ 39,535,751	\$ 9,350,441	31.0%	\$ 39,535,751	\$ 9,350,441	31.0%
<b>REVENUES</b>								
Water Services	\$ 0	\$ 0	\$ 0	\$ 0	--	\$ 0	\$ 0	--
Wastewater Services	199,255,431	199,255,431	199,898,274	642,843	0.3%	198,304,857	(950,574)	-0.5%
Reclaimed Services	26,858	26,858	7,552	(19,306)	-71.9%	24,416	(2,442)	-9.1%
Miscellaneous Revenue	4,017,200	4,017,200	3,779,845	(237,355)	-5.9%	3,908,165	(109,035)	-2.7%
Interest Income	851,076	851,076	297,960	(553,116)	-65.0%	282,525	(568,551)	-66.8%
<b>TOTAL REVENUES</b>	<b>\$ 204,150,565</b>	<b>\$ 204,150,565</b>	<b>\$ 203,983,631</b>	<b>\$ (166,934)</b>	<b>-0.1%</b>	<b>\$ 202,519,963</b>	<b>\$ (1,630,602)</b>	<b>-0.8%</b>
<b>TRANSFERS IN</b>								
Public Works	\$ 150,291	\$ 150,291	\$ 150,291	\$ 0	0.0%	\$ 150,291	\$ 0	0.0%
Watershed Protection	0	0	0	0	--	0	0	--
Capital Recovery Fees	3,000,000	3,000,000	1,800,000	(1,200,000)	-40.0%	1,800,000	(1,200,000)	-40.0%
Capital Improvement Program	0	0	0	0	--	0	0	--
<b>TOTAL TRANSFERS IN</b>	<b>\$ 3,150,291</b>	<b>\$ 3,150,291</b>	<b>\$ 1,950,291</b>	<b>\$ (1,200,000)</b>	<b>-38.1%</b>	<b>\$ 1,950,291</b>	<b>\$ (1,200,000)</b>	<b>-38.1%</b>
<b>TOTAL AVAILABLE FUNDS</b>	<b>\$ 207,300,856</b>	<b>\$ 207,300,856</b>	<b>\$ 205,933,922</b>	<b>\$ (1,366,934)</b>	<b>-0.7%</b>	<b>\$ 204,470,254</b>	<b>\$ (2,830,602)</b>	<b>-1.4%</b>
<b>OPERATING PROGRAM REQUIREMENTS</b>								
Treatment	\$ 29,905,086.0	\$ 29,905,086	\$ 29,198,272	\$ 706,814	2.4%	\$ 29,336,525	\$ 568,561	1.9%
Pipeline Operations	13,702,884	13,702,884	13,190,934	511,950	3.7%	14,711,541	(1,008,657)	-7.4%
Engineering Services	6,357,481	6,357,481	5,830,043	527,438	8.3%	5,956,006	401,475	6.3%
Water Resources Management	2,129,538	2,129,538	1,979,439	150,099	7.0%	2,028,594	100,944	4.7%
Environmental Affairs & Conservation	1,984,462	1,984,462	1,969,785	14,677	0.7%	1,954,530	29,932	1.5%
Support Services - Utility	8,124,060	8,124,060	7,934,261	189,799	2.3%	8,098,250	25,810	0.3%
One Stop Shop	333,852	333,852	335,680	(1,828)	-0.5%	333,852	0	0.0%
Other Operating Expenses	4,053,237	4,053,237	1,654,113	2,399,124	59.2%	1,607,966	2,445,271	60.3%
<b>TOTAL OPERATING PROGRAM REQUIREMENTS</b>	<b>\$ 66,590,600</b>	<b>\$ 66,590,600</b>	<b>\$ 62,092,527</b>	<b>\$ 4,498,073</b>	<b>6.8%</b>	<b>\$ 64,027,264</b>	<b>\$ (2,563,336)</b>	<b>-3.8%</b>
<b>OTHER OPERATING REQUIREMENTS</b>								
Accrued Payroll	\$ 184,000	\$ 184,000	\$ 120,083	\$ 63,917	34.7%	\$ 184,000	\$ 0	0.0%
27th Pay Period Expense	1,464,746	1,464,746	1,385,569	79,177	5.4%	\$ 1,385,569	79,177	5.4%
27th Pay Period Expense Refund	(1,464,746)	(1,464,746)	(1,442,998)	(21,748)	1.5%	(1,442,998)	(21,748)	1.5%
Workers' Compensation Fund	526,336	526,336	526,336	0	0.0%	526,336	0	0.0%
Liability Reserve Fund	310,000	310,000	310,000	0	0.0%	310,000	0	0.0%
Administrative Support - City	3,151,132	3,151,132	3,151,132	0	0.0%	3,151,132	0	0.0%
AE Billing & Customer Care	5,339,930	5,339,930	5,339,930	0	0.0%	5,339,930	0	0.0%
311 System Support	500,000	500,000	500,000	0	0.0%	500,000	0	0.0%
CTM Support	2,119,085	2,119,085	2,119,085	0	0.0%	2,119,085	0	0.0%
CTECC Emergency Operations Center	3,845	3,845	3,845	0	0.0%	3,845	0	0.0%
Additional Contr. to Retirement	1,625,165	1,625,165	1,543,602	81,563.00	5.0%	1,625,165	0	0.0%
<b>TOTAL OTHER OPERATING REQUIREMENTS</b>	<b>\$ 13,759,493</b>	<b>\$ 13,759,493</b>	<b>\$ 13,556,584</b>	<b>\$ 202,909</b>	<b>1.5%</b>	<b>\$ 13,702,064</b>	<b>\$ 57,429</b>	<b>0.4%</b>
<b>TOTAL OPERATING REQUIREMENTS</b>	<b>\$ 80,350,093</b>	<b>\$ 80,350,093</b>	<b>\$ 75,649,111</b>	<b>\$ 4,700,982</b>	<b>5.9%</b>	<b>\$ 77,729,328</b>	<b>\$ (2,505,907)</b>	<b>-3.1%</b>
<b>DEBT SERVICE REQUIREMENTS:</b>								
Revenue Bond Debt Service	\$ 84,436,219	\$ 84,436,219	\$ 84,148,069	\$ 288,150	0.3%	\$ 84,896,110	\$ (459,891)	-0.5%
Commercial Paper Debt Service	514,053	514,053	208,851	305,202	59.4%	307,575	206,478	40.2%
Contract Bond Debt Service	0	0	0	0	--	0	0	--
General Obligation Debt Service	2,920,690	2,920,690	2,965,505	(44,815)	-1.5%	2,965,982	(45,292)	-1.6%
Water District Bonds	836,765	836,765	787,224	49,541	5.9%	750,757	86,008	10.3%
<b>TOTAL DEBT SERVICE</b>	<b>\$ 88,707,727</b>	<b>\$ 88,707,727</b>	<b>\$ 88,109,648</b>	<b>\$ 598,079</b>	<b>0.7%</b>	<b>\$ 88,920,424</b>	<b>\$ (212,697)</b>	<b>-0.2%</b>
<b>TRANSFERS OUT</b>								
Capital Improvement Program Funds	\$ 34,190,000	\$ 34,190,000	\$ 34,190,000	\$ 0	0.0%	\$ 34,190,000	\$ 0	0.0%
General Fund	15,777,461	15,777,461	15,777,461	0	0.0%	15,777,461	0	0.0%
Radio Communications Fund	143,736	143,736.00	143,736.00	0	0.0%	143,736	0	0.0%
Economic Incentives Reserve Fund	166,667	166,667	166,667	0	0.0%	166,667	0	0.0%
Sustainability Fund	2,041,506	2,041,506	2,041,506	0	0.0%	2,041,506	0	0.0%
Public Improvement District	37,500	37,500	37,500	0	0.0%	37,500	0	0.0%
Environmental Remediation Fund	120,750	120,750	120,750	0	0.0%	120,750	0	0.0%
<b>TOTAL TRANSFERS OUT</b>	<b>\$ 52,477,620</b>	<b>\$ 52,477,620</b>	<b>\$ 52,477,620</b>	<b>\$ 0</b>	<b>0.0%</b>	<b>\$ 52,477,620</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 221,535,440</b>	<b>\$ 221,535,440</b>	<b>\$ 216,236,379</b>	<b>\$ 5,299,061</b>	<b>2.4%</b>	<b>\$ 219,127,372</b>	<b>\$ (2,718,604)</b>	<b>-1.2%</b>
<b>EXCESS/(DEFICIT)</b>	<b>\$ (14,234,584)</b>	<b>\$ (14,234,584)</b>	<b>\$ (10,302,457)</b>			<b>\$ (14,657,118)</b>		
<b>ADJUSTMENT TO GAAP</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>		<b>\$ 0</b>		
<b>ENDING BALANCE (2)</b>	<b>\$ 15,950,726</b>	<b>\$ 15,950,726</b>	<b>\$ 29,233,294</b>	<b>\$ 13,282,568</b>		<b>\$ 24,878,633</b>	<b>\$ 8,927,907</b>	
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.50</b>		<b>1.55</b>			<b>1.65</b>		

NOTE: (1) Actual beginning balance per the Controllers as of May 2011.  
(2) Actual expenses through 9/30/2011 include outstanding encumbrances.



# **REVENUES**

## **Water Service Revenues**



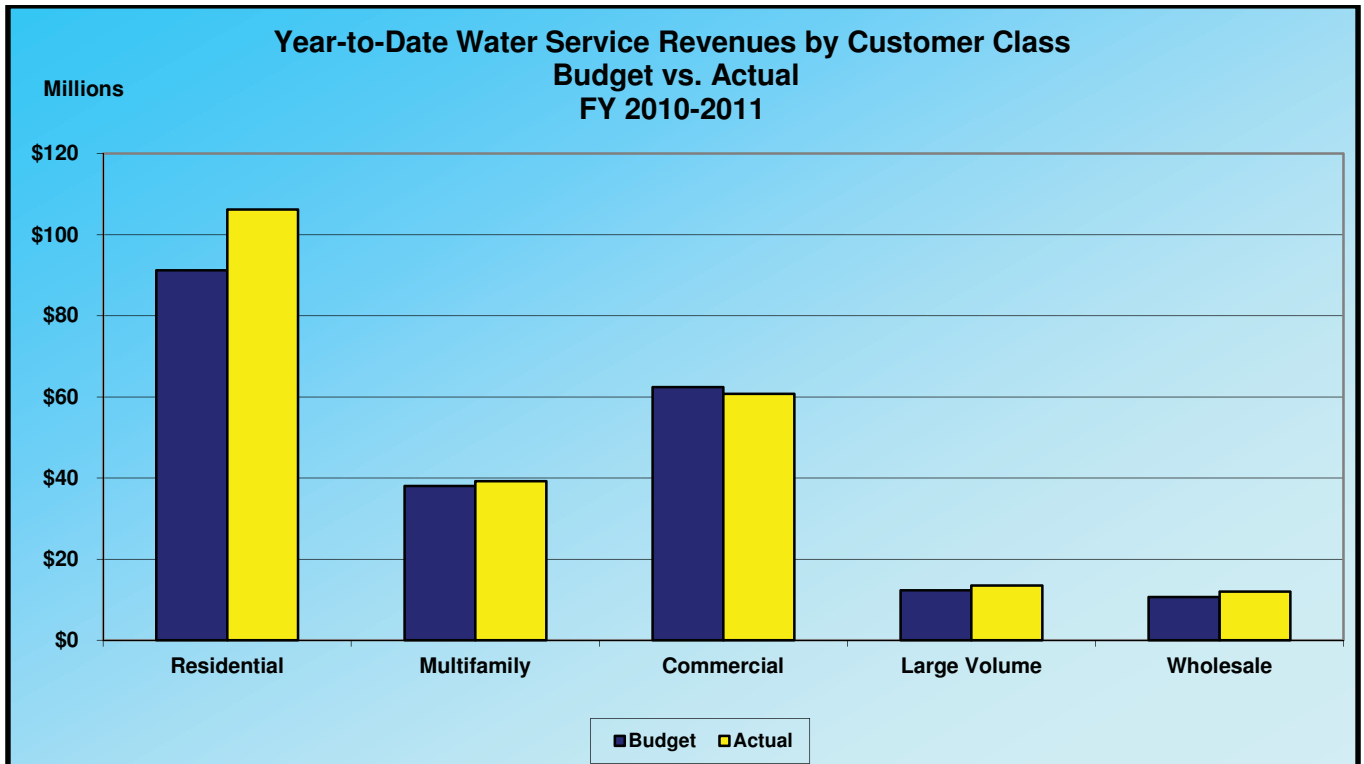
**FY 2010-2011 Water Service Revenues by Month and Year-to-Date  
With Variances  
(Millions)**

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Budget</b>	\$19.44	\$16.55	\$15.43	\$14.33	\$12.99	\$13.42	\$14.37	\$15.90	\$19.23	\$22.93	\$25.50	\$24.49
<b>Actual</b>	16.67	15.46	15.58	13.27	11.41	12.85	16.90	20.47	22.65	26.62	28.93	30.82
<b>Variance \$</b>	(\$2.77)	(\$1.09)	\$0.15	(\$1.06)	(\$1.58)	(\$0.57)	\$2.53	\$4.57	\$3.42	\$3.69	\$3.43	\$6.33
<b>Variance %</b>	-14.2%	-6.6%	1.0%	-7.4%	-12.2%	-4.3%	17.6%	28.7%	17.8%	16.1%	13.5%	25.9%
<b>YTD</b>												
<b>Budget</b>	\$19.44	\$35.99	\$51.42	\$65.75	\$78.74	\$92.16	\$106.53	\$122.43	\$141.66	\$164.59	\$190.09	\$214.58
<b>Actual</b>	16.67	32.13	47.71	60.98	72.39	85.23	102.13	122.60	145.25	171.87	200.80	231.62
<b>Variance \$</b>	(\$2.77)	(\$3.86)	(\$3.71)	(\$4.77)	(\$6.35)	(\$6.93)	(\$4.40)	\$0.17	\$3.59	\$7.28	\$10.71	\$17.04
<b>Variance %</b>	-14.2%	-10.7%	-7.2%	-7.3%	-8.1%	-7.5%	-4.1%	0.1%	2.5%	4.4%	5.6%	7.9%

Water service revenues for September 2011 totaled \$30.82 million. This is \$6.33 million or 25.9% more than the budget allotment for the month. For the fiscal year water service revenues totaled \$231.62 million. This is \$17.04 million or 7.9% more than the budget. Water service revenues were overall above projections due to the drought during the second half of this fiscal year.

Billed water consumption through September totaled 48.62 billion gallons (BG). This was 2.21 BG or 4.8% more than projected for the period, as shown on page 17.

## Water Service Revenues (Continued)

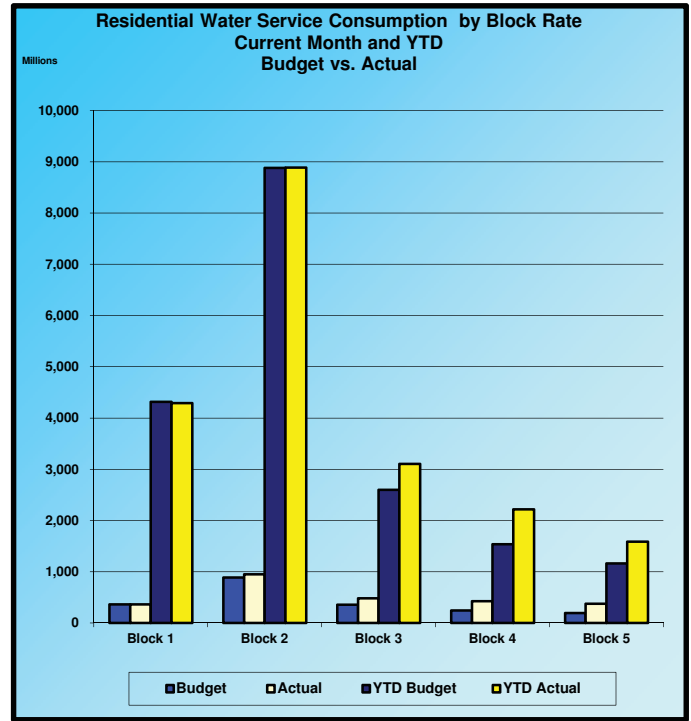
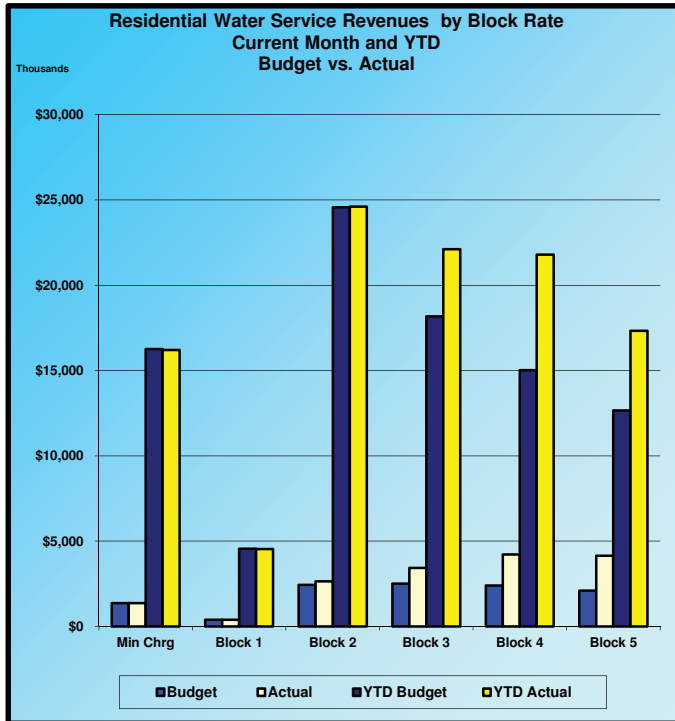


**FY 2010-2011 Year-to-Date Water Service Revenues by Customer Class With Variances  
(Millions)**

	Residential	Multifamily	Commercial	Large Volume	Wholesale
<b>Budget</b>	\$91.23	\$38.02	\$62.39	\$12.30	\$10.64
<b>Actual</b>	106.20	39.27	60.79	13.49	12.02
<b>Variance \$</b>	\$14.97	\$1.25	(\$1.60)	\$1.19	\$1.38
<b>Variance %</b>	16.4%	3.3%	-2.6%	9.7%	13.0%

Water service revenues are collected from a variety of customer classes including Residential, Multifamily, Commercial, Large Volume and Wholesale. The graph above compares the budgeted and actual water service revenues by those classes through September, before any accounts receivable adjustments. The Commercial class was the only class with a negative variance at \$1.60 million or 2.6% below projections.

## Residential Customers Water Service Revenues & Consumption



### FY 2010-2011 Residential Water Service Revenues and Consumption by Block Rate For Current Month and Year-to-Date with Variances

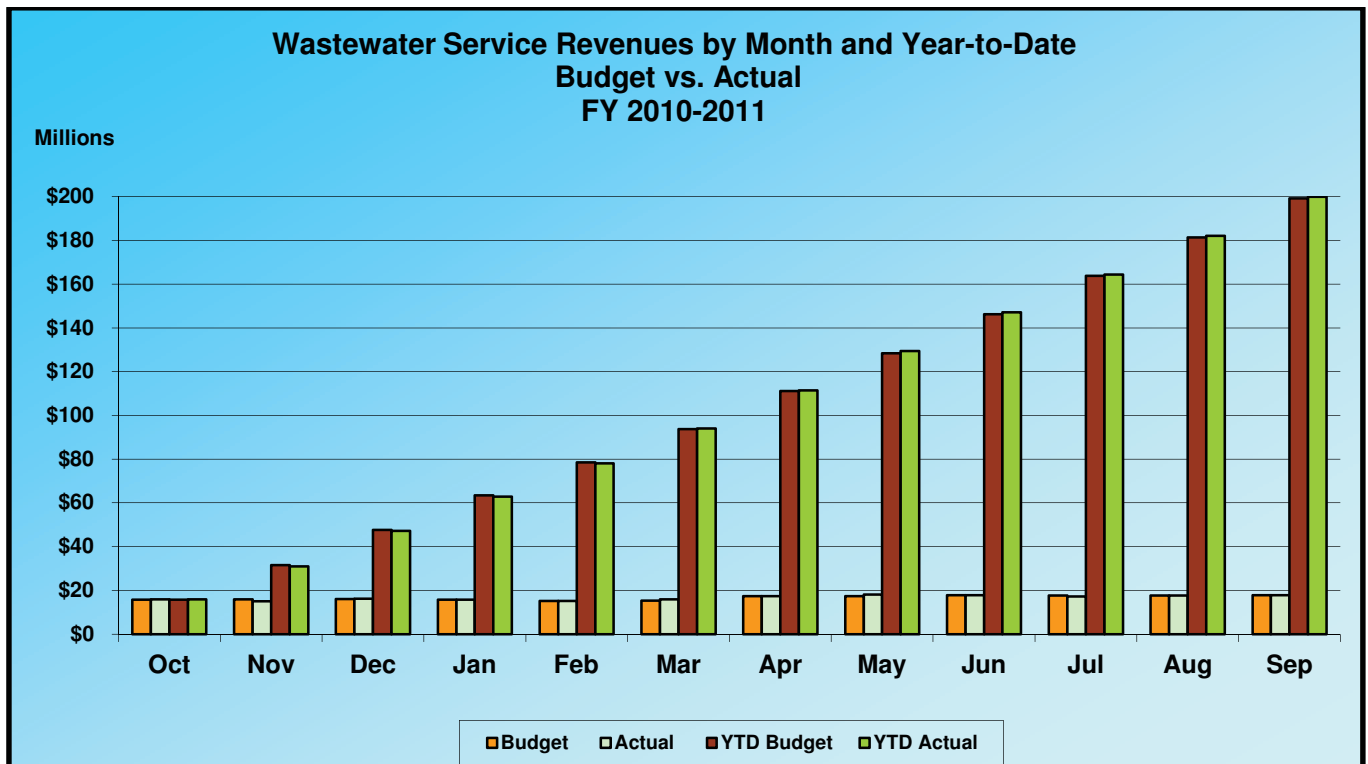
Dollars (in thousands)

Gallons (in millions)

	Min Chrg	Block 1	Block 2	Block 3	Block 4	Block 5		Block 1	Block 2	Block 3	Block 4	Block 5
<b>Budget</b>	\$1,372	\$386	\$2,426	\$2,515	\$2,392	\$2,099	<b>Budget</b>	364.15	885.36	357.43	242.09	191.03
<b>Actual</b>	1,363	388	2,641	3,432	4,212	4,138	<b>Actual</b>	364.90	950.17	480.10	426.37	377.34
<b>Variance \$</b>	(\$9)	\$2	\$215	\$917	\$1,820	\$2,039	<b>Variance</b>	0.75	64.81	122.67	184.28	186.31
<b>Variance %</b>	-0.7%	0.5%	8.9%	36.5%	76.1%	97.1%	<b>Variance%</b>	0.2%	7.3%	34.3%	76.1%	97.5%
<b><u>YTD</u></b>							<b><u>YTD</u></b>					
<b>Budget</b>	\$16,258	\$4,554	\$24,559	\$18,180	\$15,026	\$12,650	<b>Budget</b>	4,316.22	8,880.55	2,596.59	1,534.99	1,161.54
<b>Actual</b>	16,196	4,529	24,602	22,110	21,797	17,333	<b>Actual</b>	4,290.65	8,887.77	3,103.10	2,215.15	1,583.73
<b>Variance \$</b>	(\$62)	(\$25)	\$43	\$3,930	\$6,771	\$4,683	<b>Variance</b>	(25.57)	7.22	506.51	680.16	422.19
<b>Variance %</b>	-0.4%	-0.6%	0.2%	21.6%	45.1%	37.0%	<b>Variance%</b>	-0.6%	0.1%	19.5%	44.3%	36.3%

Water service revenues are determined through block rates for residential customers. The graphs above compare the budgeted and actual water service revenues and consumption by those blocks in September and year-to-date. All five rate classes are above projections or near projections for the month and four of the five rate classes are above projections for year-to-date revenue. All five block rate classes are above projections or near projections for the monthly consumption and four of the five classes are above projections for year-to-date consumption.

## Wastewater Service Revenues



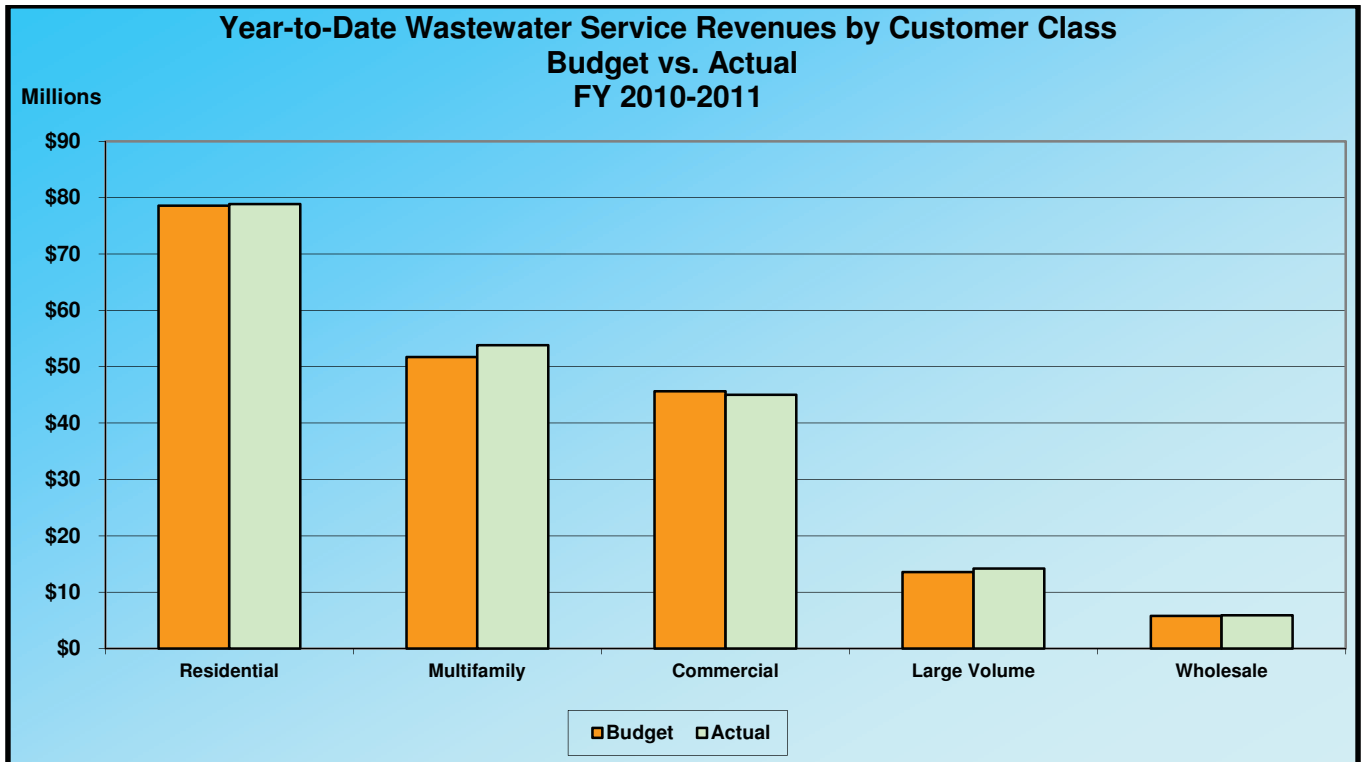
**FY 2010-2011 Wastewater Service Revenues by Month and Year-to-Date  
With Variances  
(Millions)**

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Budget</b>	\$15.72	\$15.82	\$16.04	\$15.79	\$15.11	\$15.30	\$17.33	\$17.29	\$17.77	\$17.61	\$17.63	\$17.85
<b>Actual</b>	15.93	15.06	16.15	15.78	15.18	15.84	17.41	18.08	17.73	17.24	17.64	17.86
<b>Variance \$</b>	\$0.21	(\$0.76)	\$0.11	(\$0.01)	\$0.07	\$0.54	\$0.08	\$0.79	(\$0.04)	(\$0.37)	\$0.01	\$0.01
<b>Variance %</b>	1.3%	-4.8%	0.7%	-0.1%	0.5%	3.5%	0.5%	4.6%	-0.2%	-2.1%	0.1%	0.1%
<b>YTD</b>												
<b>Budget</b>	\$15.72	\$31.54	\$47.58	\$63.37	\$78.48	\$93.78	\$111.11	\$128.40	\$146.17	\$163.78	\$181.41	\$199.26
<b>Actual</b>	15.93	30.99	47.14	62.92	78.10	93.94	111.35	129.43	147.16	164.40	182.04	199.90
<b>Variance \$</b>	\$0.21	(\$0.55)	(\$0.44)	(\$0.45)	(\$0.38)	\$0.16	\$0.24	\$1.03	\$0.99	\$0.62	\$0.63	\$0.64
<b>Variance %</b>	1.3%	-1.7%	-0.9%	-0.7%	-0.5%	0.2%	0.2%	0.8%	0.7%	0.4%	0.3%	0.3%

Wastewater service revenues for September totaled \$17.86 million. This is \$0.01 million or 0.1% more than the budget allotment for the month. Wastewater service revenues are \$0.64 million or 0.3% above projections for the fiscal year to date.

Wastewater bills are determined by each customer's actual water consumption for the month or wastewater winter average, whichever is lower, except for customers who have installed wastewater measuring devices.

## Wastewater Service Revenues (Continued)

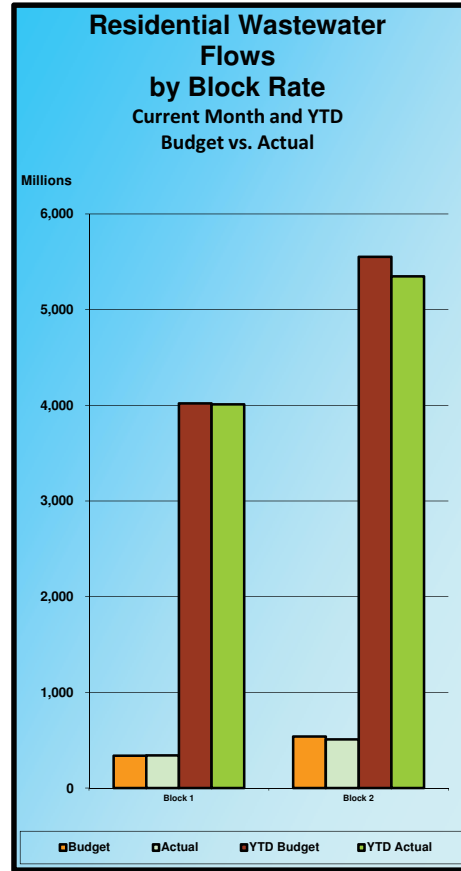
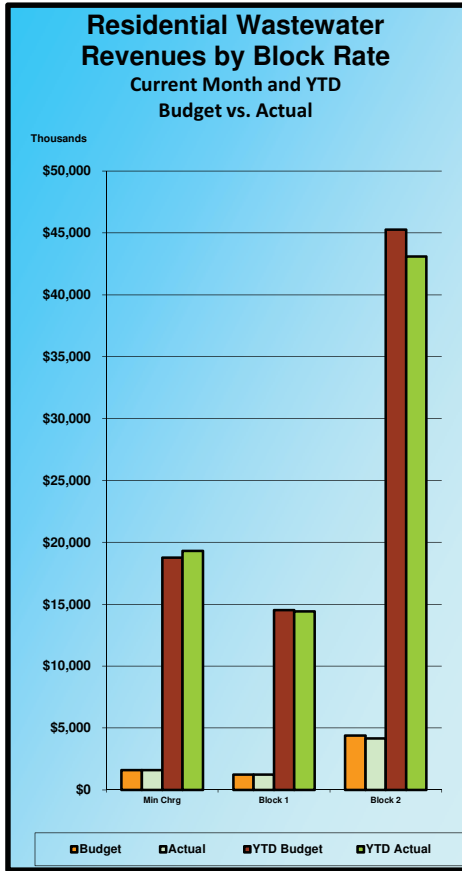


**FY 2010-2011 Year-to-Date Wastewater Service Revenues by Customer Class With Variances (Millions)**

	Residential	Multifamily	Commercial	Large Volume	Wholesale
<b>Budget</b>	\$78.55	\$51.70	\$45.63	\$13.57	\$5.82
<b>Actual</b>	78.83	53.80	45.04	14.20	5.92
<b>Variance \$</b>	\$0.28	\$2.10	(\$0.59)	\$0.63	\$0.10
<b>Variance %</b>	0.4%	4.1%	-1.3%	4.6%	1.7%

Wastewater service revenues are collected from a variety of customer classes including Residential, Multifamily, Commercial, Large Volume, and Wholesale. This graph compares the budgeted and actual wastewater service revenues by those classes for the fiscal year to date, before any accounts receivable adjustments. Overall, wastewater revenues are 0.4 % above projections. Commercial has the largest negative dollar variance, with actual revenues being \$0.59 million or 1.3% less than projected.

## Residential Wastewater Service Revenues & Flows



### FY 2010-2011 Residential Wastewater Revenues and Flows by Block Rate For Current Month and Year-to-Date with Variances

Dollars (in thousands)

	Min Chrg	Block 1	Block 2
<b>Budget</b>	\$1,601	\$1,223	\$4,386
<b>Actual</b>	1,602	1,229	4,157
<b>Variance</b>	\$1	\$6	(\$229)
<b>Variance%</b>	0.1%	0.5%	-5.2%
<b>YTD</b>			
<b>Budget</b>	\$18,775	\$14,515	\$45,264
<b>Actual</b>	19,315	14,420	43,101
<b>Variance</b>	\$540	(\$95)	(\$2,163)
<b>Variance%</b>	2.9%	-0.7%	-4.8%

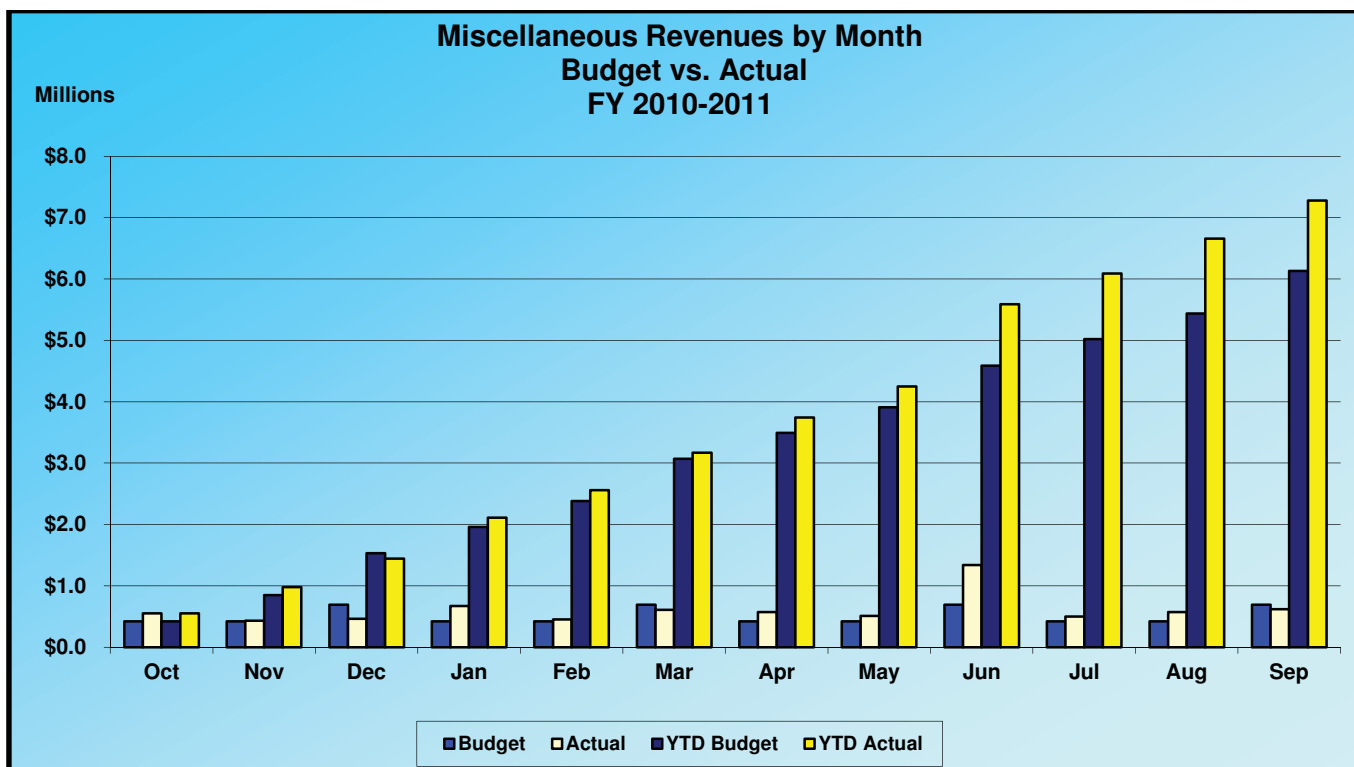
Gallons (in millions)

	Block 1	Block 2
<b>Budget</b>	338.75	538.16
<b>Actual</b>	340.47	510.22
<b>Variance</b>	1.72	(27.94)
<b>Variance%</b>	0.5%	-5.2%
<b>YTD</b>		
<b>Budget</b>	4,020.87	5,553.92
<b>Actual</b>	4,010.88	5,348.60
<b>Variance</b>	(9.99)	(205.32)
<b>Variance%</b>	-0.2%	-3.7%

Wastewater service revenues are determined through a minimum charge and two rate blocks for residential customers. The graphs above compare the budgeted and actual service revenues and flows by block in September and year-to-date. Block 2 revenues and flows were below projections for the month of September and are below flow projections for the year-to-date totals. Minimum charge revenues were significantly higher in June and pushed year-to-date totals higher than projections. Block 1 revenues and flows remain generally consistent with projections.



## Miscellaneous Revenues

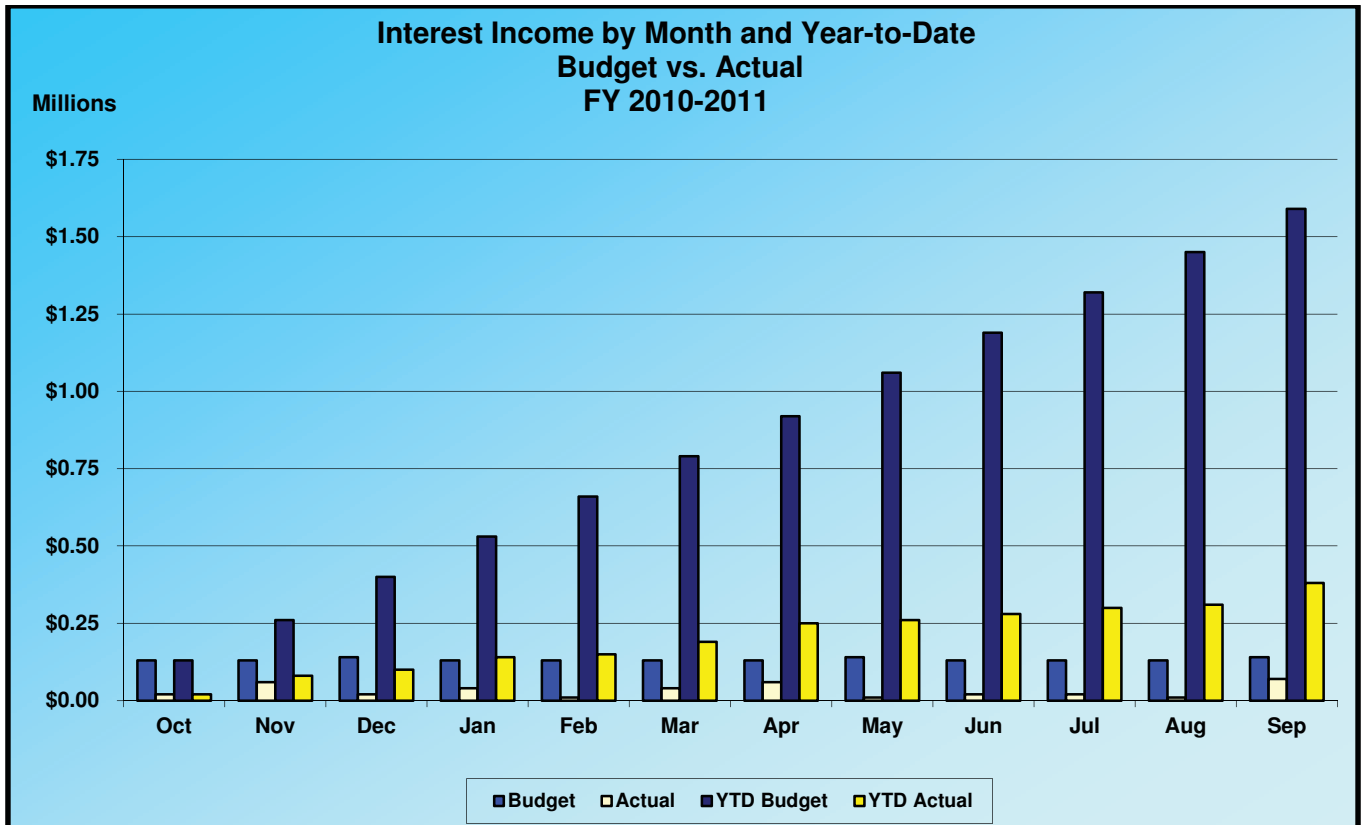


**FY 2010-2011 Miscellaneous Revenues by Month and Year-to-Date With Variances (Millions)**

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Budget</b>	\$0.42	\$0.42	\$0.69	\$0.42	\$0.42	\$0.69	\$0.42	\$0.42	\$0.69	\$0.42	\$0.42	\$0.69
<b>Actual</b>	0.55	0.43	0.46	0.67	0.45	0.61	0.57	0.51	1.34	0.50	0.57	0.62
<b>Variance \$</b>	\$0.13	\$0.01	(\$0.23)	\$0.25	\$0.03	(\$0.08)	\$0.15	\$0.09	\$0.65	\$0.08	\$0.15	(\$0.07)
<b>Variance %</b>	31.0%	2.4%	-33.3%	59.5%	7.1%	-11.6%	35.7%	21.4%	94.2%	19.0%	35.7%	-10.1%
<b><u>YTD</u></b>												
<b>Budget</b>	\$0.42	\$0.85	\$1.53	\$1.96	\$2.38	\$3.07	\$3.49	\$3.91	\$4.59	\$5.02	\$5.44	\$6.13
<b>Actual</b>	0.55	0.98	1.44	2.11	2.56	3.17	3.74	4.25	5.59	6.09	6.66	7.28
<b>Variance \$</b>	\$0.13	\$0.13	(\$0.09)	\$0.15	\$0.18	\$0.10	\$0.25	\$0.34	\$1.00	\$1.07	\$1.22	\$1.15
<b>Variance %</b>	31.0%	15.3%	-5.9%	7.7%	7.6%	3.3%	7.2%	8.7%	21.8%	21.3%	22.4%	18.8%

Miscellaneous revenues include revenues from sources other than water and wastewater services, such as new service connection fees, late payment penalties, industrial waste permits, MUD surcharges, damage charges, etc. Miscellaneous revenues for September totaled \$0.35 million for water and \$0.27 million for wastewater for a combined total of \$0.62 million. The combined miscellaneous revenues through September totaled \$7.28 million. This is \$1.15 million or 18.8% more than the budget allotment for the period. There was \$788,604.69 subsidy received for from the feds for Build America Bonds issued last year. For the year to date, revenues from Compost Sludge Sales, Septic Tank Haulers' Fees, Late Fees, and Service Installations are higher than projected.

## Interest Income



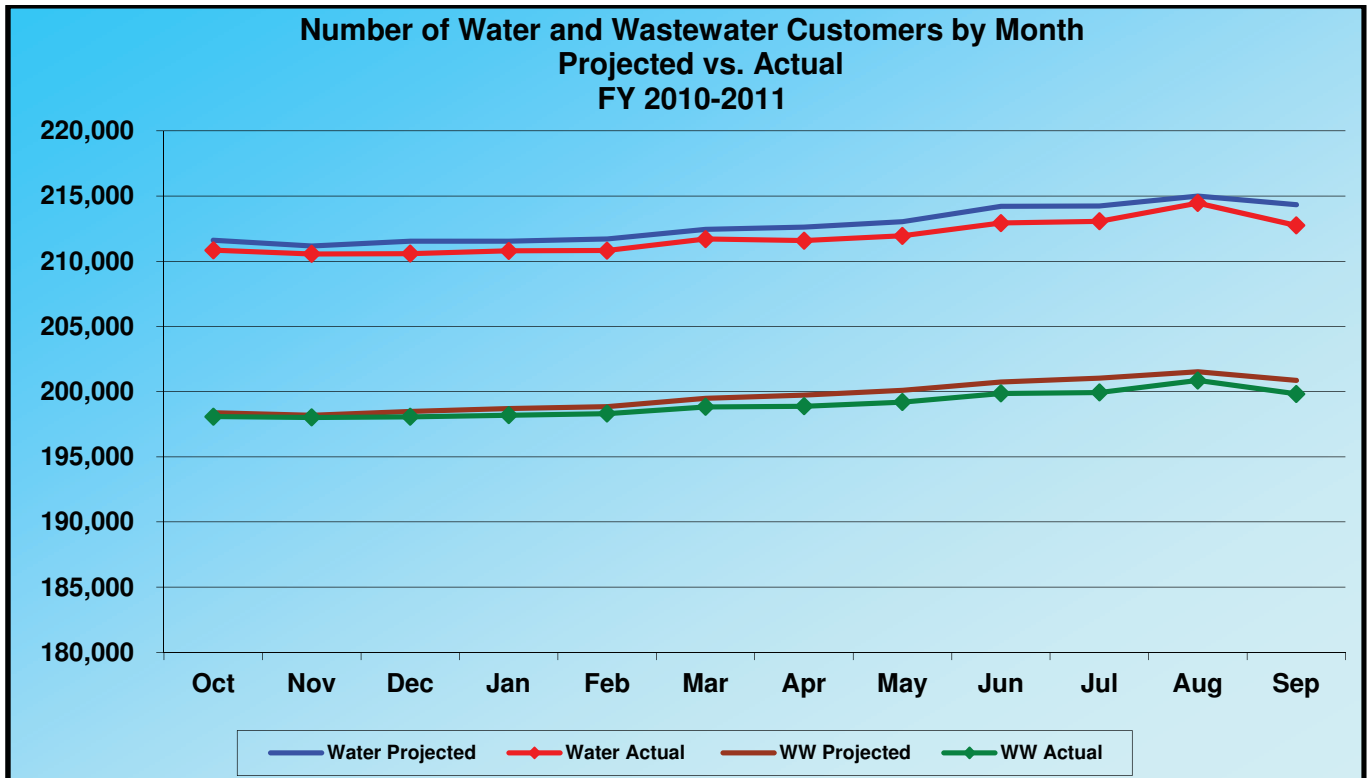
### FY 2010-2011 Interest Income by Month and Year-to-Date With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Budget</b>	\$0.13	\$0.13	\$0.14	\$0.13	\$0.13	\$0.13	\$0.13	\$0.14	\$0.13	\$0.13	\$0.13	\$0.14
<b>Actual</b>	0.02	0.06	0.02	0.04	0.01	0.04	0.06	0.01	0.02	0.02	0.01	0.07
<b>Variance \$</b>	(\$0.11)	(\$0.07)	(\$0.12)	(\$0.09)	(\$0.12)	(\$0.09)	(\$0.07)	(\$0.13)	(\$0.11)	(\$0.11)	(\$0.12)	(\$0.07)
<b>Variance %</b>	-84.6%	-53.8%	-85.7%	-69.2%	-92.3%	-69.2%	-53.8%	-92.9%	-84.6%	-84.6%	-92.3%	-50.0%
<b>YTD</b>												
<b>Budget</b>	\$0.13	\$0.26	\$0.40	\$0.53	\$0.66	\$0.79	\$0.92	\$1.06	\$1.19	\$1.32	\$1.45	\$1.59
<b>Actual</b>	0.02	0.08	0.10	0.14	0.15	0.19	0.25	0.26	0.28	0.30	0.31	0.38
<b>Variance \$</b>	(\$0.11)	(\$0.18)	(\$0.30)	(\$0.39)	(\$0.51)	(\$0.60)	(\$0.67)	(\$0.80)	(\$0.91)	(\$1.02)	(\$1.14)	(\$1.21)
<b>Variance %</b>	-84.6%	-69.2%	-75.0%	-73.6%	-77.3%	-75.9%	-72.8%	-75.5%	-76.5%	-77.3%	-78.6%	-76.1%

Interest income includes interest allocated from the City's Investment Pool and interest from the Utility Debt Service Fund and Utility CIP funds. Combined interest income for September totaled \$0.07 million. Year-to-date interest income totaled \$0.38 million. This total is \$1.21 million or 76.1% less than the budget allotment for the fiscal year through September due to market conditions causing interest rates to be lower than expected.

## **CUSTOMER DEMAND CHARACTERISTICS**

## Number of Customers



### FY 2010-2011 Number of Water and Wastewater Customers Compared to Projections

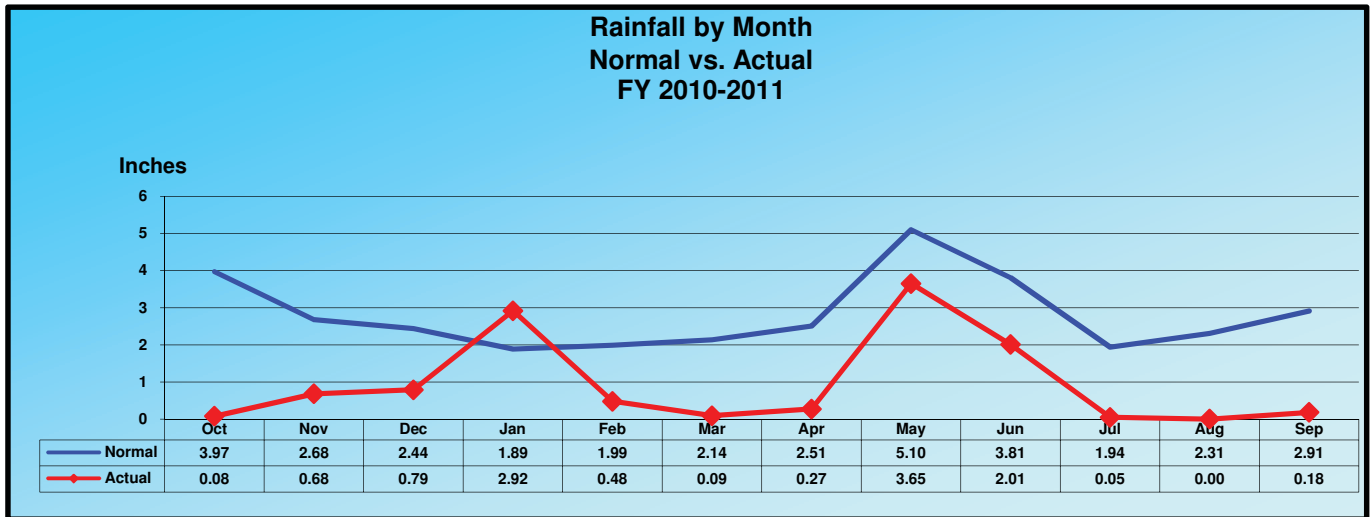
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Water</b>												
<b>Projected</b>	211,623	211,180	211,550	211,543	211,704	212,456	212,608	213,031	214,204	214,251	215,001	214,338
<b>Actual</b>	210,841	210,568	210,594	210,802	210,823	211,704	211,582	211,945	212,932	213,062	214,470	212,754
<b>Variance</b>	(782)	(612)	(956)	(741)	(881)	(752)	(1,026)	(1,086)	(1,272)	(1,189)	(531)	(1,584)
<b>Monthly Change</b>	847	(273)	26	208	21	881	(122)	363	987	130	1,408	(1,716)
<b>Wastewater</b>												
<b>Projected</b>	198,374	198,177	198,492	198,706	198,851	199,481	199,723	200,103	200,743	201,029	201,512	200,860
<b>Actual</b>	198,083	198,024	198,068	198,196	198,311	198,825	198,878	199,197	199,867	199,936	200,851	199,818
<b>Variance</b>	(291)	(153)	(424)	(510)	(540)	(656)	(845)	(906)	(876)	(1,093)	(661)	(1,042)
<b>Monthly Change</b>	1,241	(59)	43	128	115	514	53	319	670	69	915	(1,033)

The actual number of water customers at September 30, 2011, was 212,754. This was 1,716 less customers than last month and 1,584 fewer customers than projected for this date. There were 210,901 water customers at September 30, 2010.

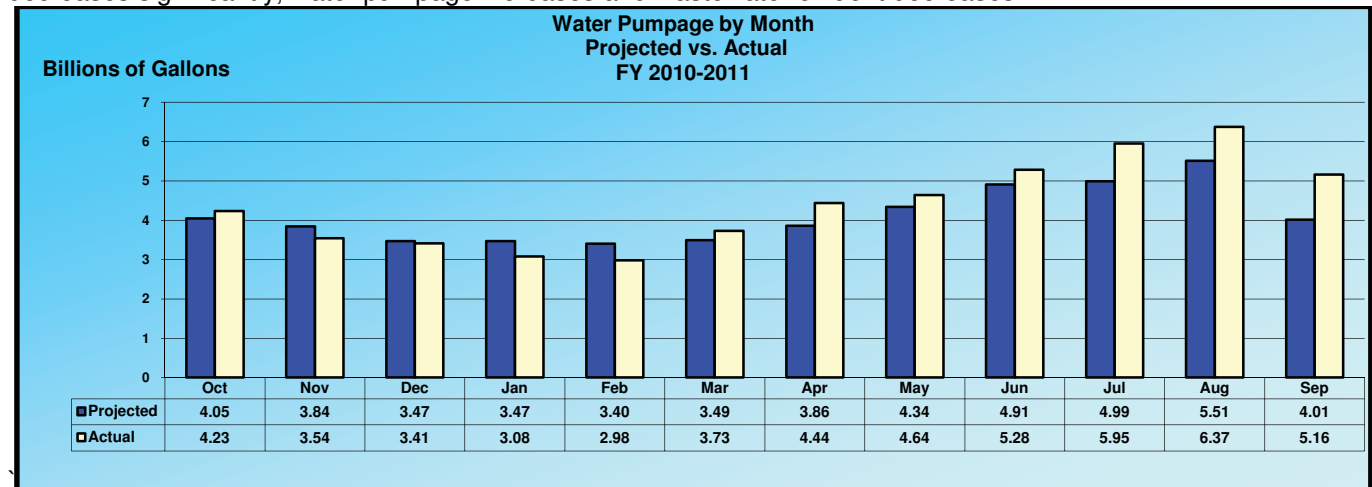
The actual number of wastewater customers for September 30, 2011 was 199,818. This was 1,033 less customers than last month and 1,042 fewer customers than projected for this date. There were 198,116 wastewater customers at September 30, 2010.

The projected number of customers for FY 2010-11 was determined in April 2010 using an historical eight-year average monthly growth rate in accounts. Monthly negative or positive trend fluctuations are due to factors such as housing starts, the rental home market, unanticipated utility system acquisitions, and other factors.

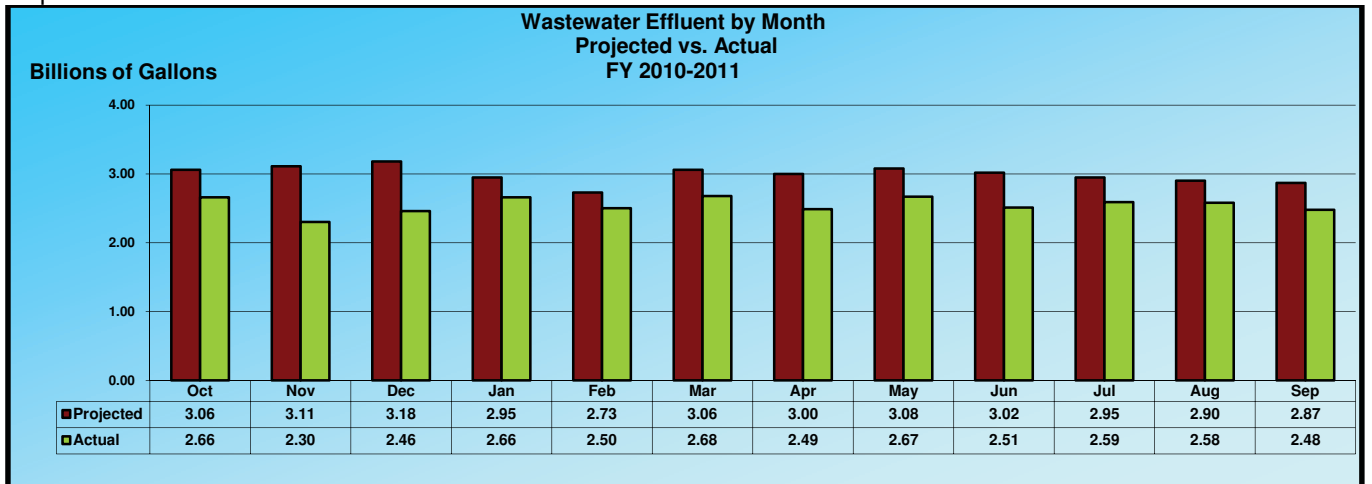
## Rainfall, Water Pumpage, and Effluent Flows by Month



Monthly normal rainfall is based on a 30-year history as reported by the National Weather Service for Austin-Mabry. Rainfall has been below normal every month of the fiscal year except January. The total through September was 11.20 inches, 66.8% below the normal amount of 33.69 inches. Generally, as rainfall increases significantly, water pumpage decreases and wastewater effluent increases due to inflow and infiltration. Conversely, as rainfall decreases significantly, water pumpage increases and wastewater effluent decreases.

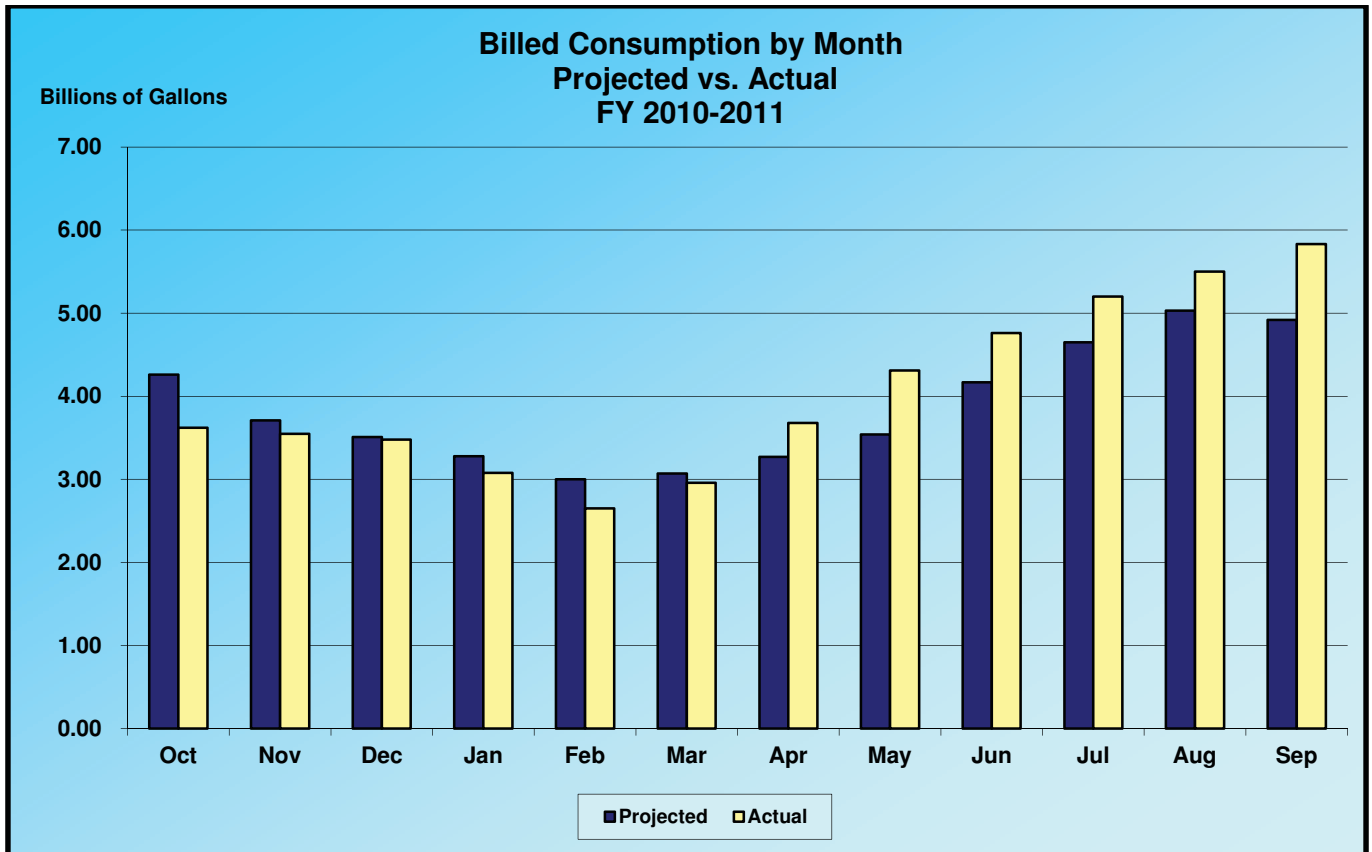


Pumpage during September averaged 171.99 MGD for a total of 5.16 BG for the month. This compares to an average of 144.72 MGD for FY 2010-11 to date and an average of 120.08 MGD for FY 2009-10 through September.



Effluent during September averaged 82.79 MGD for a total of 2.48 BG. This compares to an average of 84.14 MGD for FY 2010-11 to date and an average of 98.83 MGD for FY 2009-10 through September.

## Billed Water Consumption

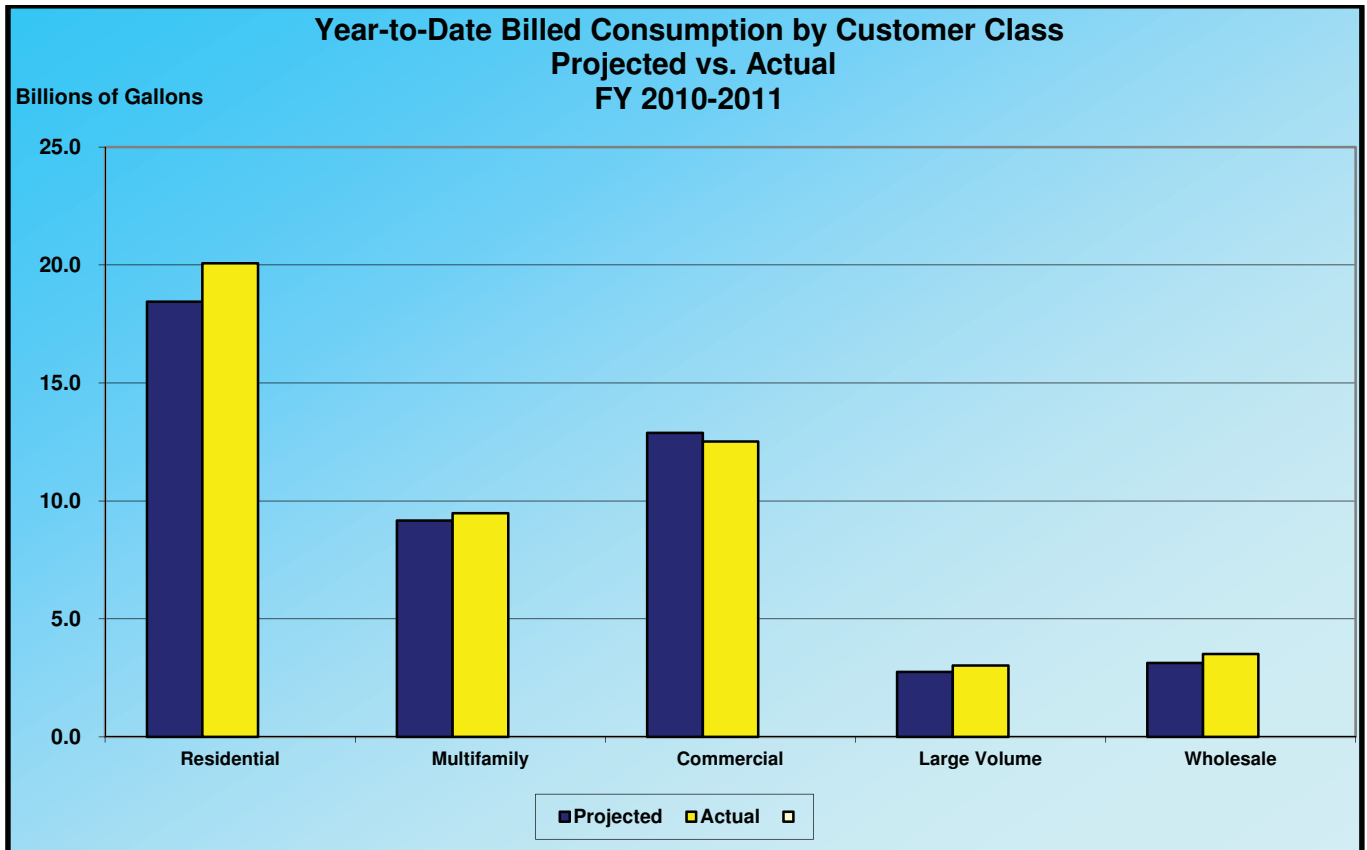


### FY 2010-2011 Billed Consumption by Month and Year-to-Date (Billions of Gallons)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Month</b>												
<b>Projected</b>	4.26	3.71	3.51	3.28	3.00	3.07	3.27	3.54	4.17	4.65	5.03	4.92
<b>Actual</b>	3.62	3.55	3.48	3.08	2.65	2.96	3.68	4.31	4.76	5.20	5.50	5.83
<b>Variance</b>	(0.64)	(0.16)	(0.03)	(0.20)	(0.35)	(0.11)	0.41	0.77	0.59	0.55	0.47	0.91
<b>Variance %</b>	-15.0%	-4.3%	-0.9%	-6.1%	-11.7%	-3.6%	12.5%	21.8%	14.1%	11.8%	9.3%	18.5%
<b>YTD</b>												
<b>Projected</b>	4.26	7.97	11.48	14.75	17.75	20.82	24.09	27.64	31.80	36.45	41.48	46.40
<b>Actual</b>	3.62	7.17	10.65	13.73	16.38	19.34	23.02	27.33	32.09	37.29	42.79	48.62
<b>Variance</b>	(0.64)	(0.80)	(0.83)	(1.02)	(1.37)	(1.48)	(1.07)	(0.31)	0.29	0.84	1.31	2.22
<b>Variance %</b>	-15.0%	-10.0%	-7.2%	-6.9%	-7.7%	-7.1%	-4.4%	-1.1%	0.9%	2.3%	3.2%	4.8%

Actual billed water consumption for September 2011 was 5.83 BG. This was 0.91 BG or 18.5% more than the projected consumption of 4.92 BG for the month. Billed consumption through September was 48.62 BG. This was 2.22 BG or 4.8% more than projections for the year to date. Consumption has remained below projections most of this fiscal except for April through September due to weather, economic conditions, and conservation measures.

## Billed Water Consumption (continued)



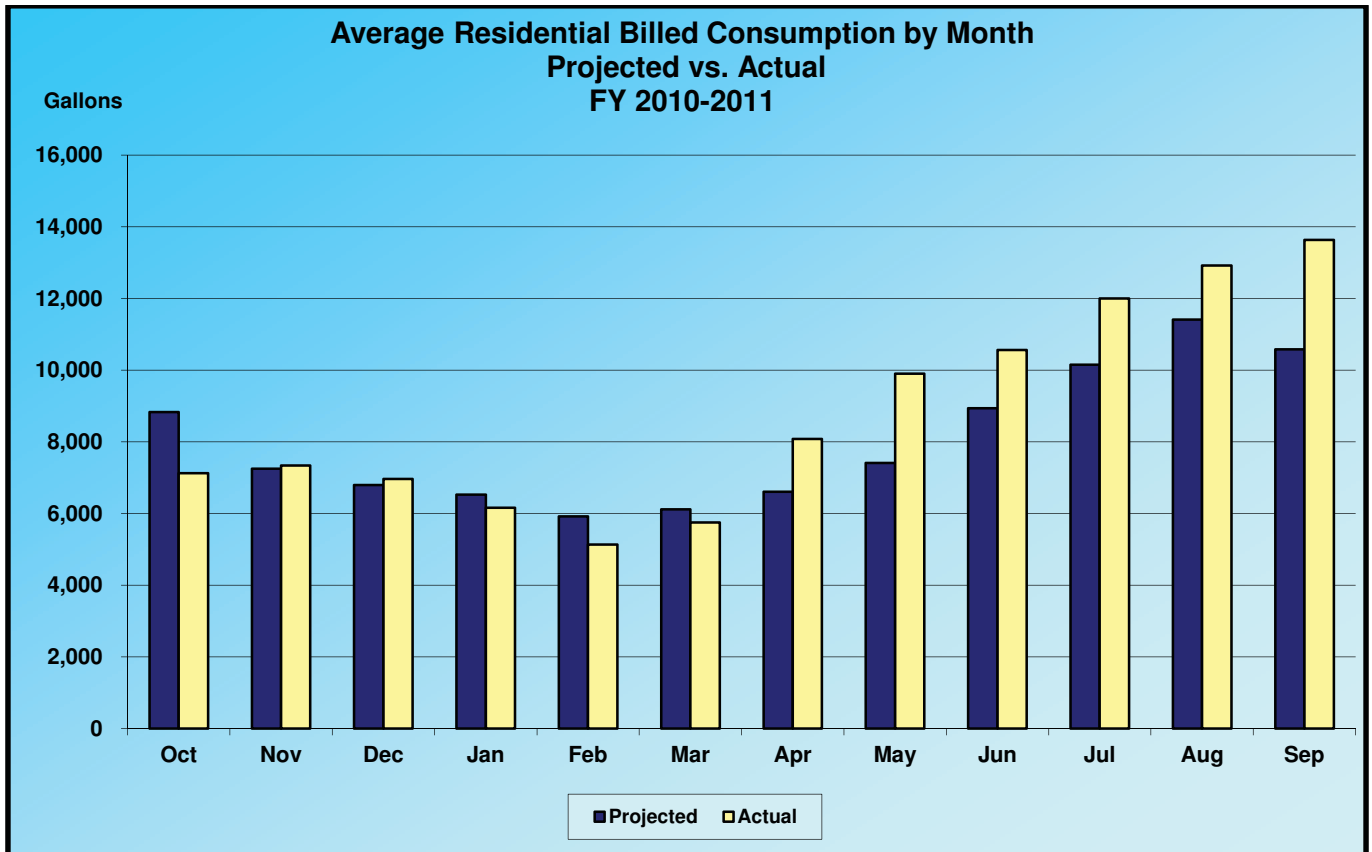
### FY 2010-2011 Year-to-Date Billed Consumption by Customer Class With Variances (Billions of Gallons)

	Residential	Multifamily	Commercial	Large Volume	Wholesale
<u>YTD</u>					
<b>Projected</b>	18.44	9.17	12.88	2.76	3.14
<b>Actual</b>	20.07	9.48	12.52	3.02	3.51
<b>Variance</b>	1.63	0.31	(0.36)	0.26	0.37
<b>Variance %</b>	8.8%	3.4%	-2.8%	9.4%	11.8%

Billed water consumption through September was 48.62 BG. This was 2.21 BG or 4.8% more than projected for all customer classes for the year to date. The Commercial class was the only class with a negative variance at 0.36 BG or 2.8% below projections.



## Billed Water Consumption (continued)

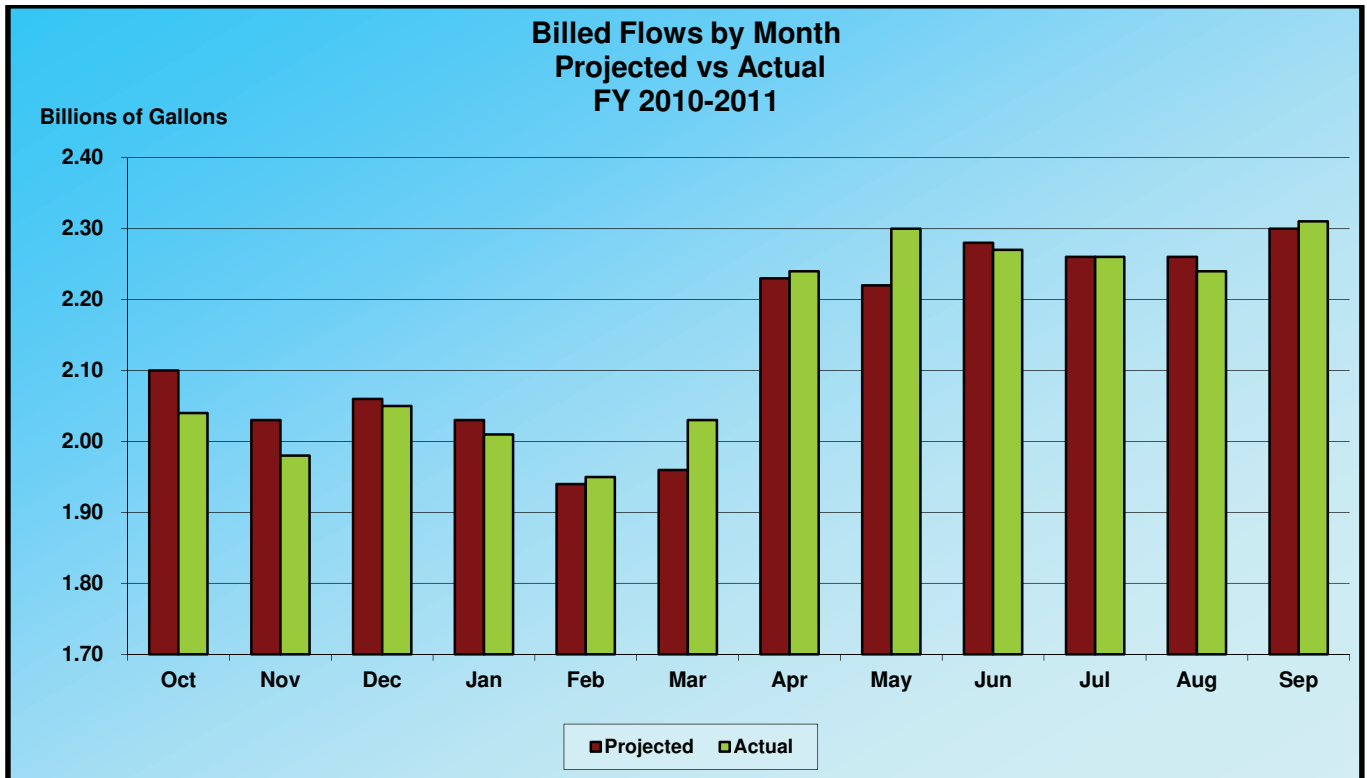


**FY 2010-2011 Average Residential Billed Consumption by Month**

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Projected</b>	8,829	7,255	6,794	6,530	5,925	6,120	6,612	7,416	8,936	10,154	11,410	10,579
<b>Actual</b>	7,131	7,340	6,965	6,162	5,137	5,752	8,087	9,901	10,569	12,005	12,926	13,633
<b>Variance</b>	(1,698)	85	171	(368)	(788)	(368)	1,475	2,485	1,633	1,851	1,516	3,054
<b>Variance %</b>	-19.2%	1.2%	2.5%	-5.6%	-13.3%	-6.0%	22.3%	33.5%	18.3%	18.2%	13.3%	28.9%

Average Residential billed consumption for September 2011 was 13,633 gallons. This was 3,054 gallons or 28.9% more than projected. Residential consumption was below projections during October, January, February and March this fiscal year. During the first half of this fiscal year consumption has remained below projections due to weather, economic conditions, and conservation measures, but drought conditions have pushed consumption above projections during the second half of this fiscal year.

## Billed Wastewater Flows



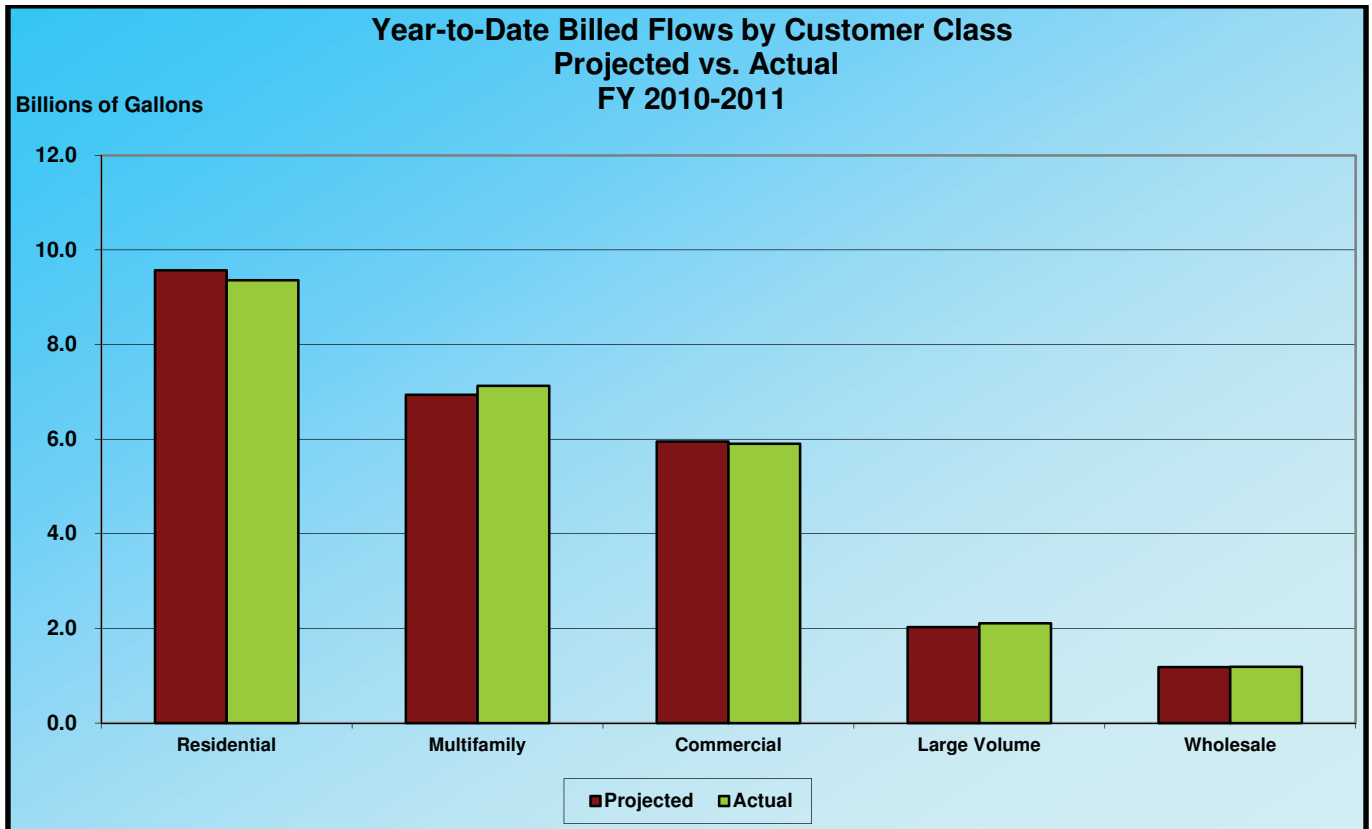
**FY 2010-2011 Billed Flows by Month and Year-to-Date (Billions of Gallons)**

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Month</b>												
<b>Projected</b>	2.10	2.03	2.06	2.03	1.94	1.96	2.23	2.22	2.28	2.26	2.26	2.30
<b>Actual</b>	2.04	1.98	2.05	2.01	1.95	2.03	2.24	2.30	2.27	2.26	2.24	2.31
<b>Variance</b>	(0.06)	(0.05)	(0.01)	(0.02)	0.01	0.07	0.01	0.08	(0.01)	0.00	(0.02)	0.01
<b>Variance %</b>	-2.9%	-2.5%	-0.5%	-1.0%	0.5%	3.6%	0.4%	3.6%	-0.4%	0.0%	-0.9%	0.4%
<b>YTD</b>												
<b>Projected</b>	2.10	4.13	6.19	8.22	10.14	12.12	14.34	16.56	18.85	21.11	23.37	25.67
<b>Actual</b>	2.04	4.02	6.07	8.09	10.04	12.07	14.31	16.61	18.88	21.14	23.38	25.69
<b>Variance</b>	(0.06)	(0.11)	(0.12)	(0.13)	(0.10)	(0.05)	(0.03)	0.05	0.03	0.03	0.01	0.02
<b>Variance %</b>	-2.9%	-2.7%	-1.9%	-1.6%	-1.0%	-0.4%	-0.2%	0.3%	0.2%	0.1%	0.0%	0.1%

Actual billed flows for September 2011 were 2.31 BG. This was 0.01 BG or 0.4% more than projected for the month. Billed flows for the fiscal year through September were 25.69 BG. This was 0.02 BG or 0.1% more than projected for the year to date.

Wastewater bills are determined by each customer's actual water consumption for the month or wastewater winter average, whichever is lower, except for customers who have wastewater measuring devices installed.

## Billed Wastewater Flows (continued)

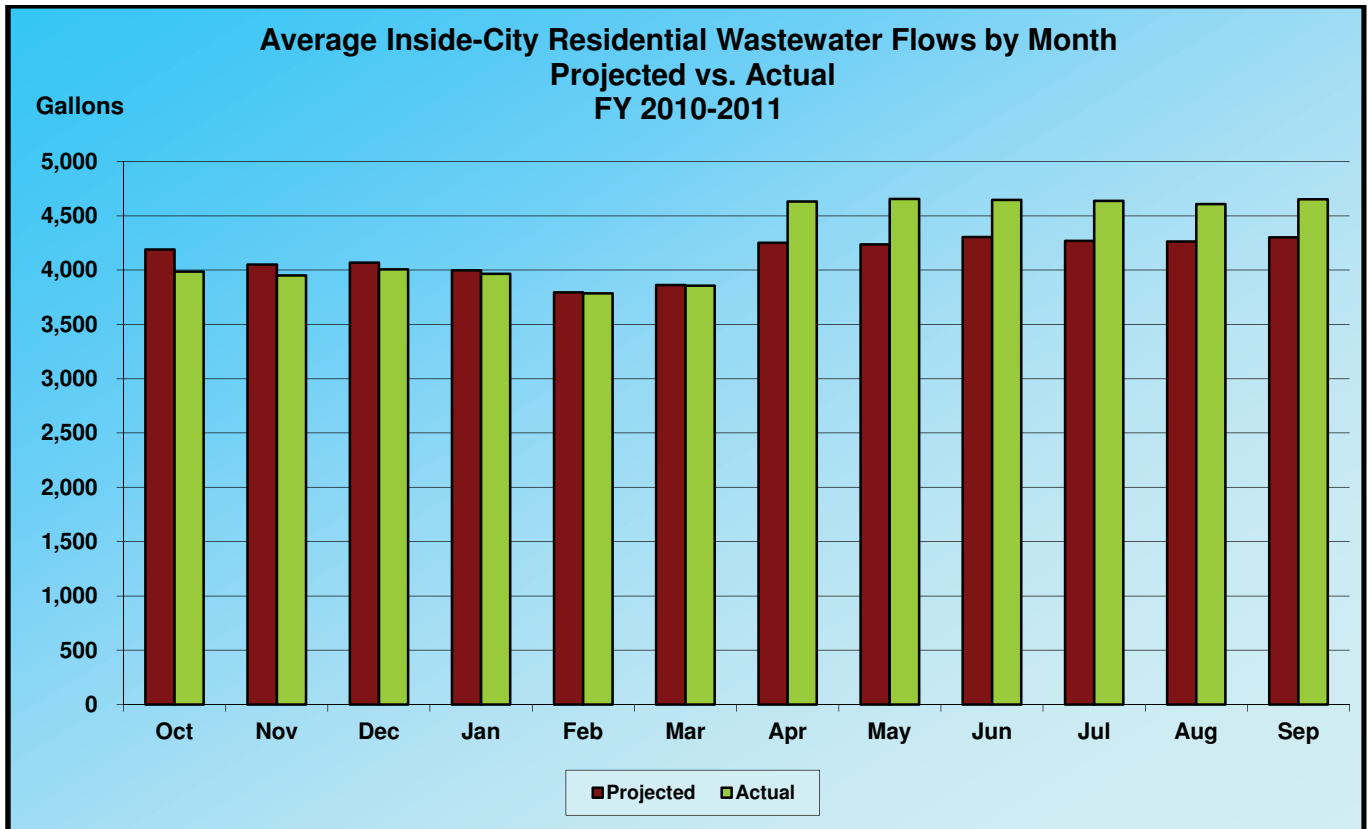


**FY 2010-2011 Year-to-Date Billed Flows by Customer Class With Variances (Billions of Gallons)**

	Residential	Multifamily	Commercial	Large Volume	Wholesale
<b>YTD</b>					
<b>Projected</b>	9.57	6.94	5.95	2.03	1.18
<b>Actual</b>	9.36	7.13	5.90	2.11	1.19
<b>Variance</b>	(0.21)	0.19	(0.05)	0.08	0.01
<b>Variance %</b>	-2.2%	2.7%	-0.8%	3.9%	0.8%

Overall, billed wastewater flows were 0.02 BG or 0.1% above projections for the year to date. As shown in the table above, two of five customer classes showed negative volume variances at 0.21 BG for Residential and at 0.05 BG for Commercial.

## Billed Wastewater Flows (continued)



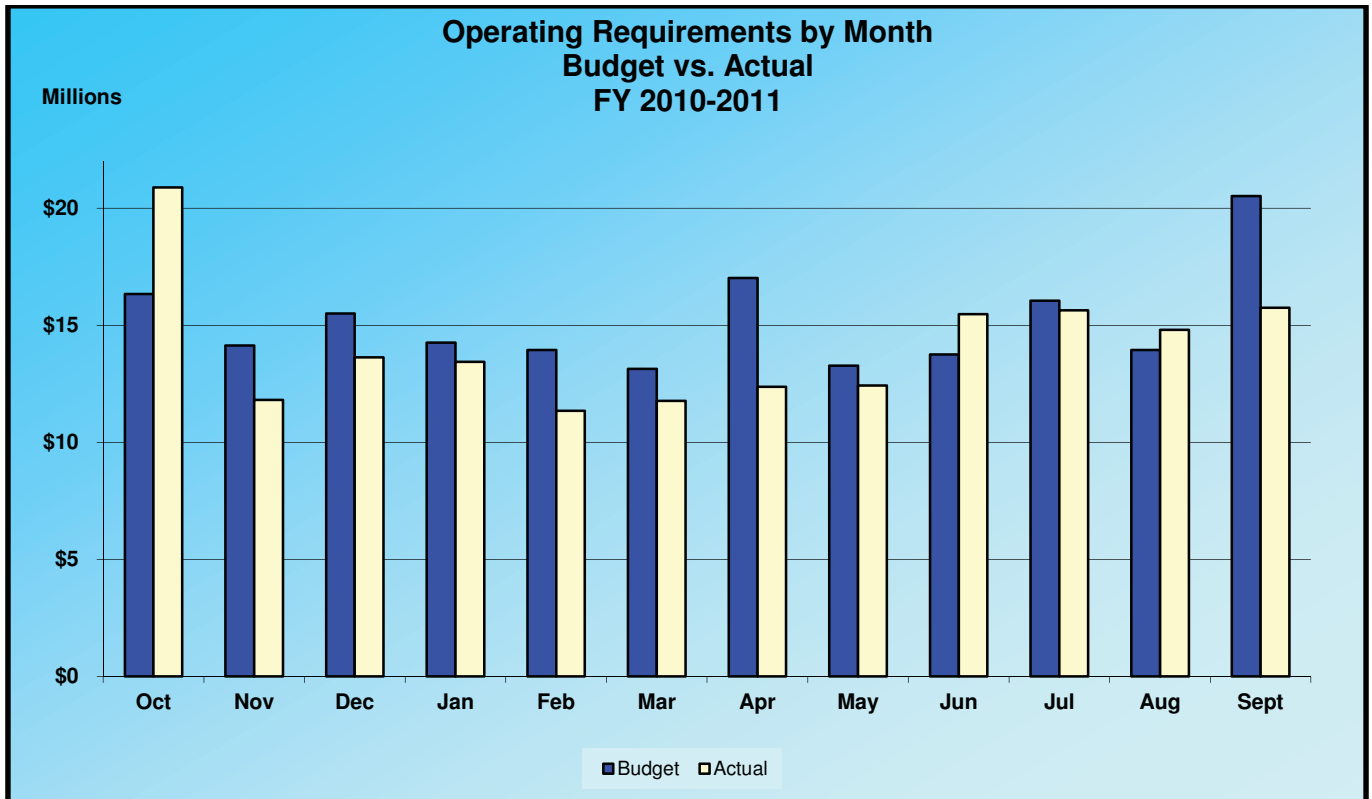
### FY 2010-2011 Average Inside City Residential Flows by Month

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Projected</b>	4,188	4,051	4,069	3,998	3,796	3,861	4,250	4,237	4,304	4,269	4,262	4,302
<b>Actual</b>	3,985	3,950	4,008	3,965	3,787	3,856	4,631	4,655	4,647	4,637	4,608	4,652
<b>Variance</b>	(203)	(101)	(61)	(33)	(9)	(5)	381	418	343	368	346	350
<b>Variance %</b>	-4.8%	-2.5%	-1.5%	-0.8%	-0.2%	-0.1%	9.0%	9.9%	8.0%	8.6%	8.1%	8.1%

The average City Residential flow for September 2011 was 4,652 gallons. This was 350 gallons or 8.1% above projections for the month.

**OPERATING REQUIREMENTS**

## Operating Requirements by Month and Year-to-Date



### FY 2010-2011 Operating Requirements by Month and Year-to-Date With Variances (Millions)

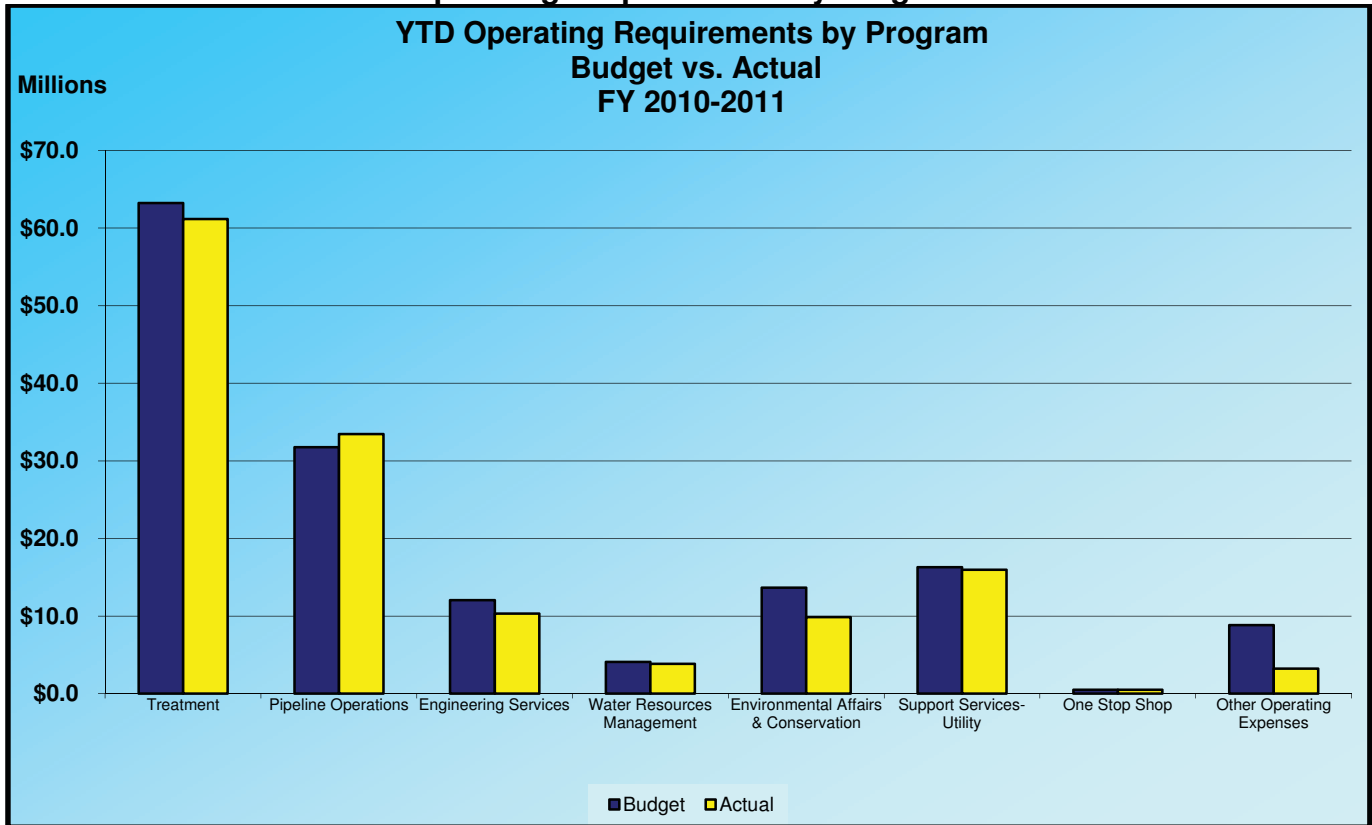
Month	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Allotment</b>	\$16.34	\$14.14	\$15.51	\$14.27	\$13.95	\$13.14	\$17.03	\$13.28	\$13.76	\$16.06	\$13.95	\$20.52
<b>Actual*</b>	20.89	11.82	13.64	13.45	11.35	11.77	12.38	12.43	15.48	15.65	14.81	15.75
<b>Variance \$</b>	(\$4.55)	\$2.32	\$1.86	\$0.82	\$2.60	\$1.37	\$4.65	\$0.85	(\$1.72)	\$0.41	(\$0.87)	\$4.77
<b>Variance %</b>	-27.8%	16.4%	12.0%	5.7%	18.6%	10.4%	27.3%	6.4%	-12.5%	2.5%	-6.2%	23.3%
<b>YTD</b>												
<b>Allotment</b>	\$16.34	\$30.48	\$45.99	\$60.26	\$74.21	\$87.35	\$104.27	\$117.55	\$131.31	\$147.36	\$161.31	\$181.83
<b>Actual*</b>	20.89	32.71	46.35	59.80	71.15	82.92	95.30	107.73	123.21	138.86	153.67	169.42
<b>Variance \$</b>	(\$4.55)	(\$2.23)	(\$0.36)	\$0.46	\$3.06	\$4.43	\$8.97	\$9.83	\$8.10	\$8.51	\$7.64	\$12.41
<b>Variance %</b>	-27.8%	-7.3%	-0.8%	0.8%	4.1%	5.1%	8.6%	8.4%	6.2%	5.8%	4.7%	6.8%

\*Figures Include Encumbrances

Total Operating Requirements as of September 30, 2011 are \$93.77 million for Water and \$75.65 million for Wastewater. The combined Operating Requirements of \$169.42 million are \$12.41 million or 6.8% below the allotment.

Operating Requirements for October 2010 were \$20.89 million, \$4.55 million or 27.8% above the allotment due to annual service contracts in the Collection Engineering Division for cleaning and TV inspection of sewer mains, and in the Wastewater Treatment Division for bio-solids hauling and land application services encumbered at the beginning of the fiscal year.

## Operating Requirements by Program



### FY 2010-2011 YTD Operating Requirements by Program through September 30, 2011 (Millions)

	Treatment	Pipeline Operations	Engineering Services	Water Resources Management	Environmental Affairs & Conservation	Support Services-Utility	One Stop Shop	Other Operating Expenses
<b>Allotment</b>	\$63.21	\$31.78	\$12.06	\$4.11	\$13.68	\$16.29	\$0.51	\$8.85
<b>Actual*</b>	61.15	33.45	10.32	3.87	9.85	15.99	0.50	3.23
<b>Variance \$</b>	\$2.05	(\$1.67)	\$1.74	\$0.24	\$3.83	\$0.30	\$0.01	\$5.62
<b>Variance %</b>	3.2%	-5.3%	14.4%	5.8%	28.0%	1.8%	3.3%	63.5%

\*Figures Include Encumbrances

Total Operating Program Requirements as of September 30, 2011 were \$76.28 million for Water and \$62.09 million for Wastewater. The combined Operating Program Requirements of \$138.37 million were \$12.12 million or 8.1% below budget.

Treatment was \$2.05 million or 3.2% below budget due to lower than estimated spending on electric service and chemicals resulting from reduced water pumpage during the first half of the fiscal year. In addition, personnel expenses were lower than estimated in the Water Treatment, Wastewater Treatment, and Laboratory Services Divisions due to greater than estimated vacancy savings.

Pipeline Operations was \$1.67 million or 5.3% above budget due to greater than estimated intradepartmental charges for street cut repairs.

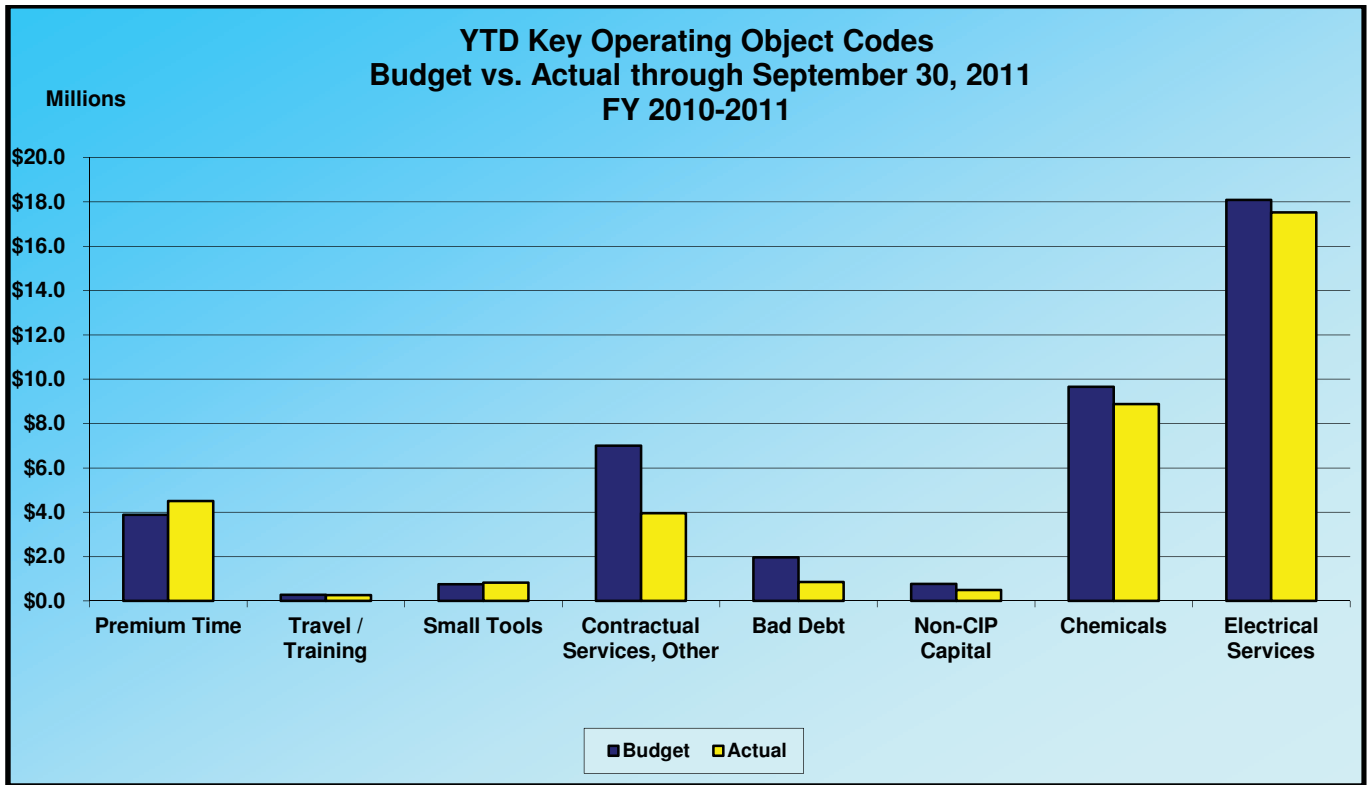
Engineering Services was \$1.74 million or 14.4% below budget due to a delay in executing a leak detection and condition assessment of transmission mains contracts in the Distribution Engineering Division, as well as greater than estimated vacancy savings in the Facility Engineering Division.

Environmental Affairs & Conservation was \$3.83 million or 28.0% below budget due to lower than estimated spending on the Water Conservation Rebate Programs.

Other Operating Expenses was \$5.62 million or 63.5% below budget due to lower than estimated spending for legal services as well as emergency/contingency funds.



## Operating Object Codes



### FY 2010-2011 YTD Operating Requirements Key Object Codes With Variances through September 30, 2011

YTD	Premium Time	Travel/ Training	Small Tools	Contractual Services, Other	Bad Debt	Non-CIP Capital	Chemicals	Electrical Services
Allotment	\$3,892,920	\$268,370	\$749,831	\$6,996,865	\$1,972,500	\$765,212	\$9,658,443	\$18,090,831
Actual*	4,506,547	264,871	832,089	3,958,208	853,955	486,243	8,883,393	17,522,924
Variance \$	(\$613,627)	\$3,499	(\$82,258)	\$3,038,657	\$1,118,545	\$278,969	\$775,050	\$567,907
Variance%	-15.8%	1.3%	-11.0%	43.4%	56.7%	36.5%	8.0%	3.1%

\*Figures Include Encumbrances

Operating requirements for Premium Time (Overtime, Call Back and On Call) was \$613,627 or 15.8% above budget due to greater than estimated Overtime and Call Back expenses in the Maintenance Services Division to repair damage at the Davis WTP substation, Ullrich WTP, and the Jollyville Pump Station caused by tropical storm Hermine during the first half of the fiscal year. Overtime expenses were greater than estimated in the Wastewater Treatment Division due to staff shortages and equipment problems during the inclement weather, while greater demand on staff during the rolling power outages and an increase in the number of sanitary sewer overflows contributed to greater than estimated overtime expenses in the Lift Station and Remote Facilities Division. Premium Time expenses were also greater than estimated in the Distribution System Maintenance Division due to more leaks need to be fixed in the summer season.

Small Tools was \$82,258 or 11.0% above budget due to greater than estimated spending in the Wastewater Treatment, Water Meter Operations, and Collection System Services Divisions.

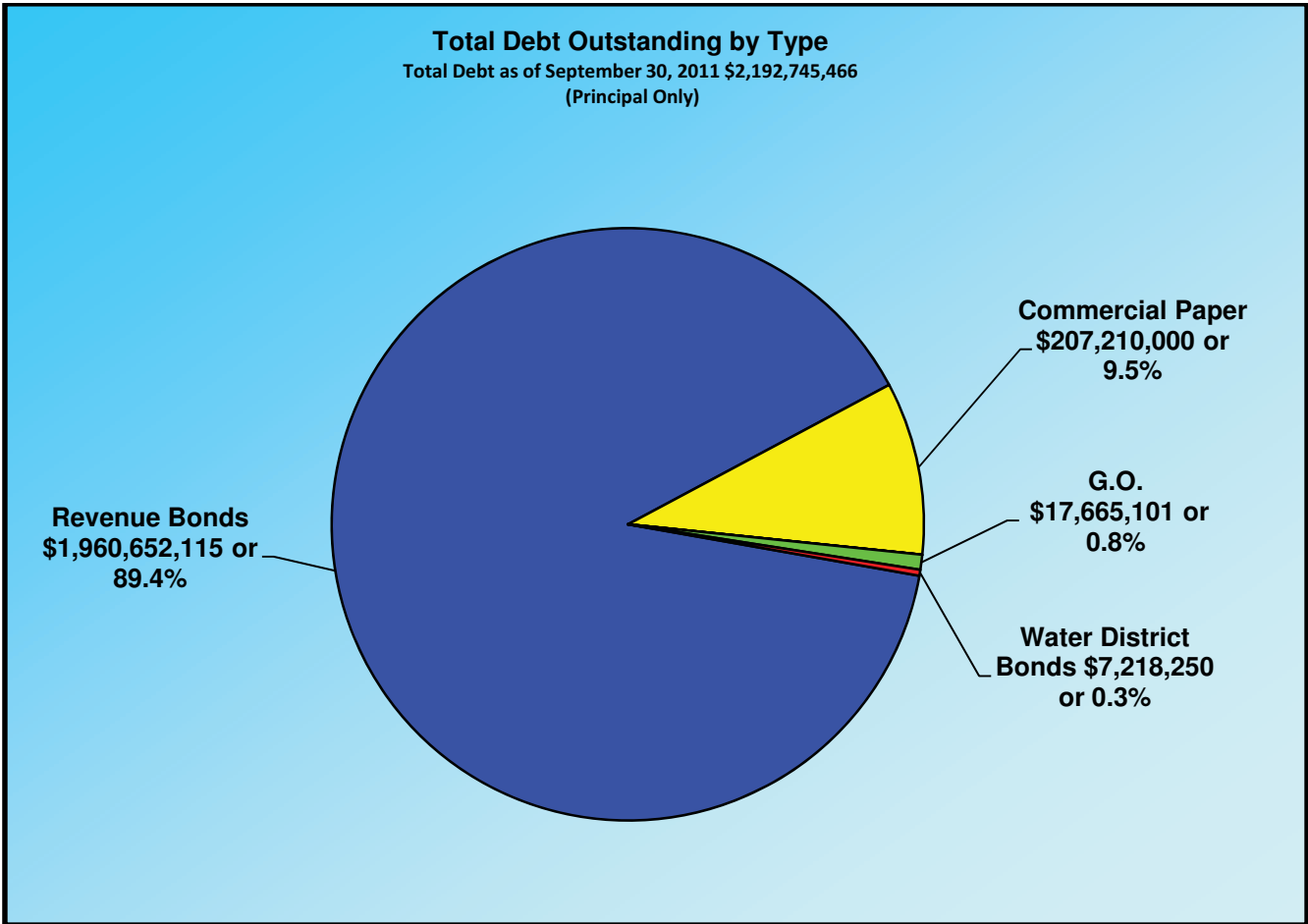
Contractual Services, Other was \$3,038,657 or 43.4% below budget due to lower than estimated emergency/contingency fund spending.

Bad Debt was \$1,118,545 or 56.7% below budget. The total Bad Debt expense at the year-end was calculated based on total utility A/R for inactive accounts over 30 days. The actual inactive accounts greater than 30 days A/R balance was much lower than anticipated.

Non-CIP Capital was \$278,969 or 36.5% below budget due to an executive decision to delay the bulk purchase for computer hardware and software, as well as other Non-CIP Capital related purchases, as cost containment effort.

# **DEBT OUTSTANDING & DEBT SERVICE**

# Total Debt Outstanding

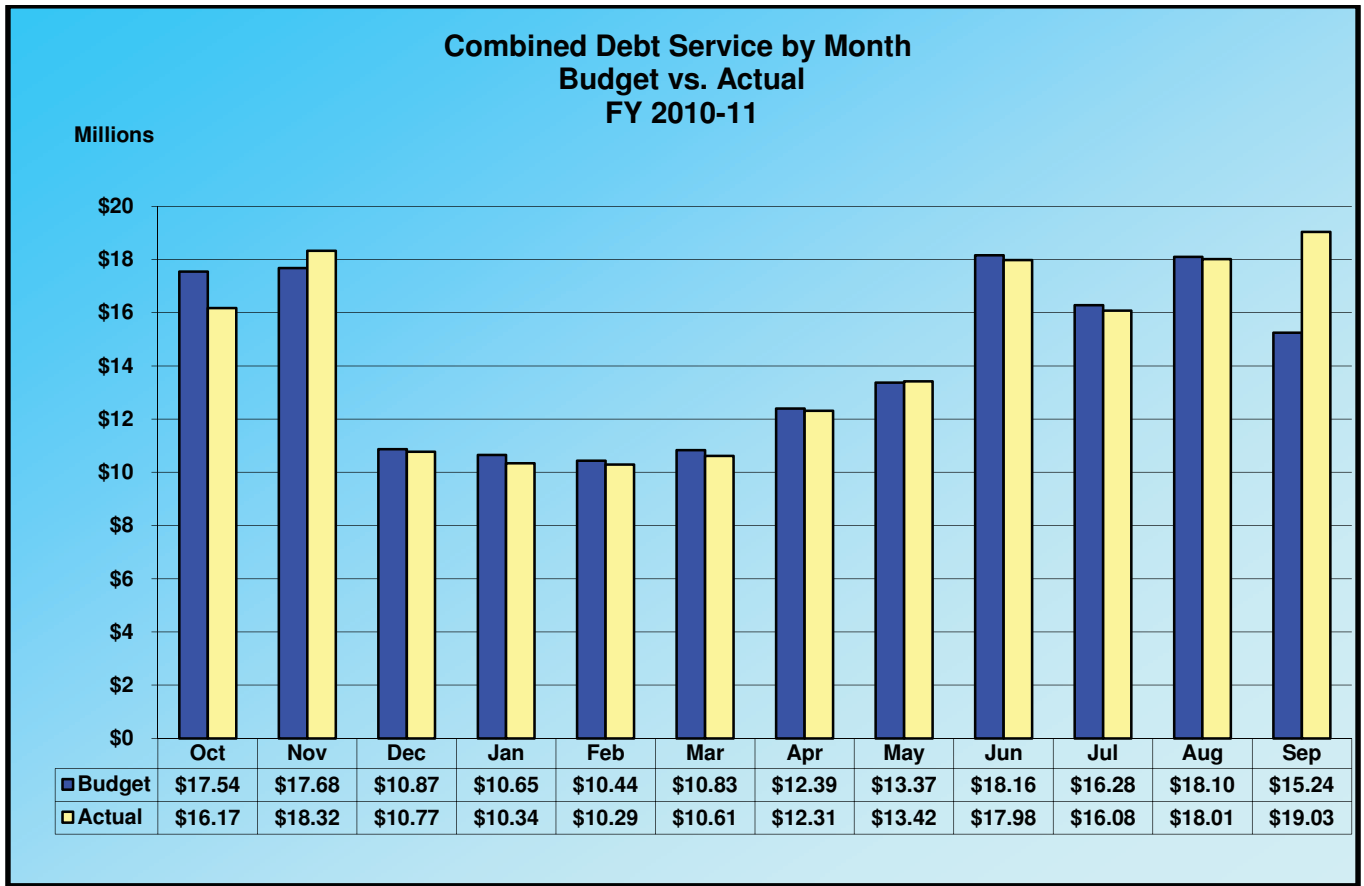


As the graph indicates, the Utility's total debt includes Revenue Bonds, Non-taxable Commercial Paper, Contract Bonds, Water District Bonds, and General Obligation Bonds.

The average total debt per customer account for each of the prior eight years and FY 2010-11 to date is:

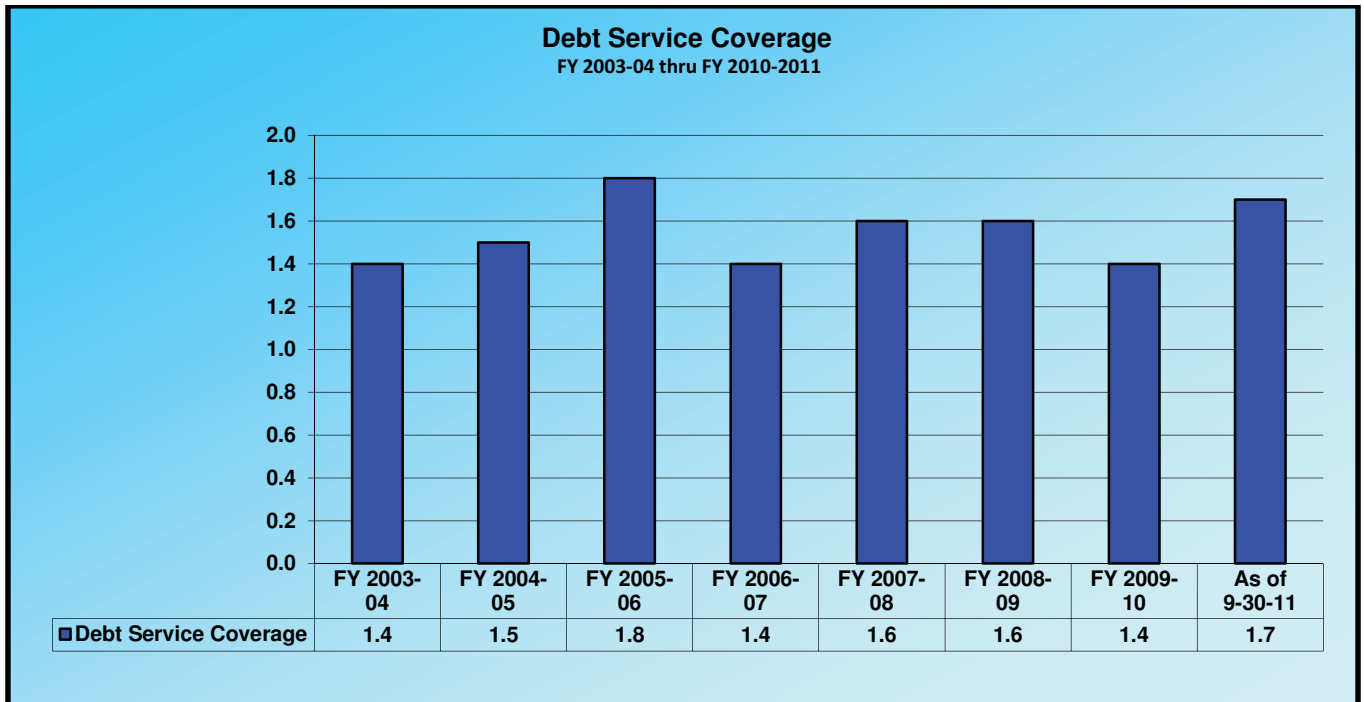
FY 2002-03	\$7,421
FY 2003-04	\$7,664
FY 2004-05	\$7,990
FY 2005-06	\$8,129
FY 2006-07	\$8,411
FY 2007-08	\$8,167
FY 2008-09	\$9,158
FY 2009-10	\$9,895
FY 2010-11	\$10,306

## Combined Debt Service

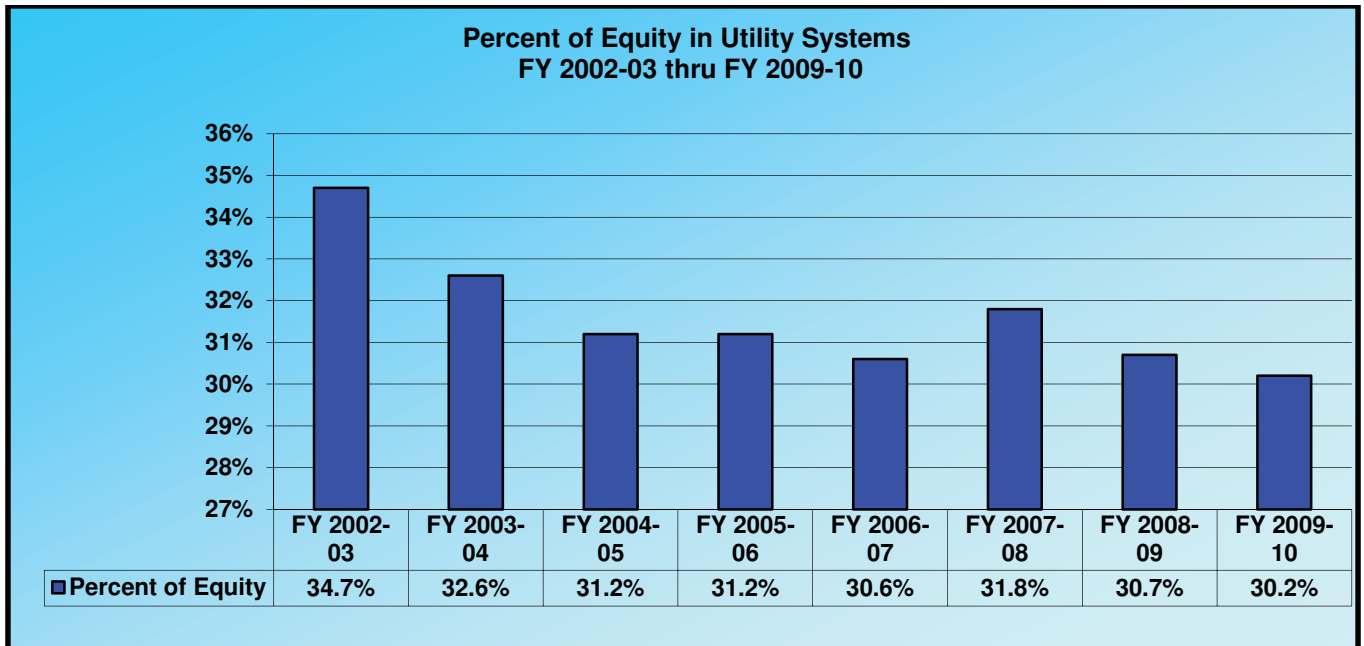


Combined debt service requirements include requirements for revenue bonds, commercial paper, contract bonds, general obligation bonds, and water district bonds. Actual combined debt service for the month of September was \$19.03 million, \$3.79 million more than projected for the month. Combined debt service through September 30, 2011, was \$173.34 million or \$1.79 million more than projected.

## Debt Service Coverage and Percent of Equity in Utility Systems



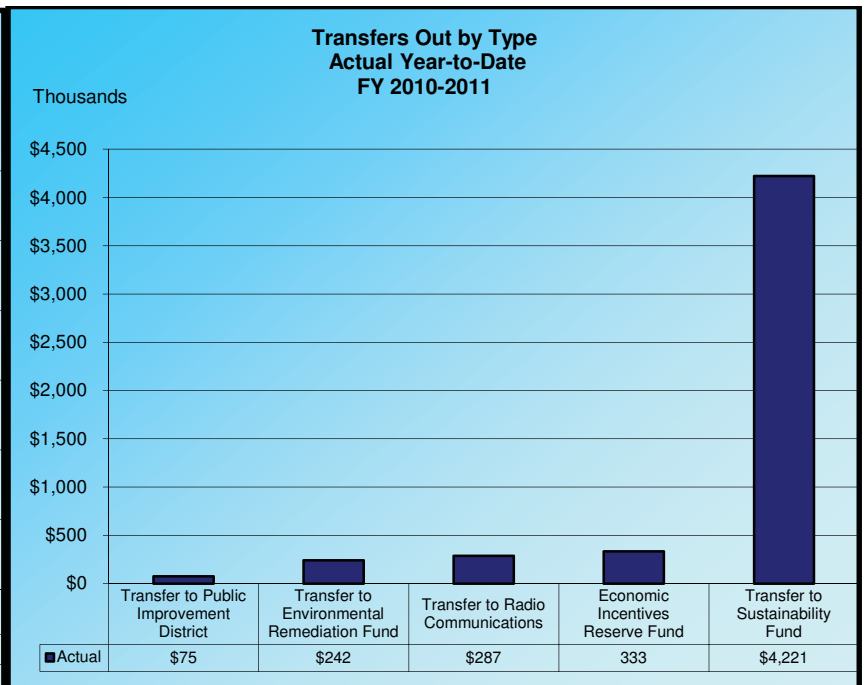
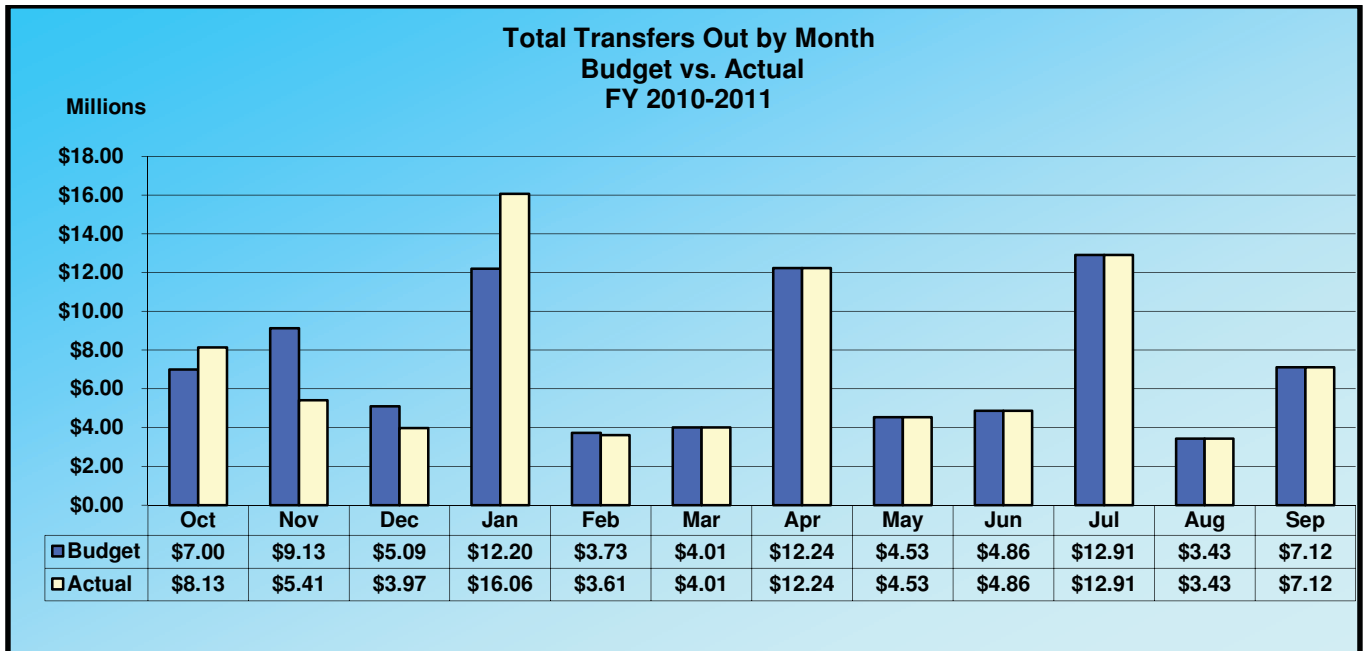
The Debt Service Coverage graph above indicates how much of revenues, after deducting operating costs, could go towards paying long-term debt service. The utility's bond covenants require debt service coverage of 1.25 times long-term debt service requirements. City of Austin financial policies target minimum debt service coverage of 1.5 times.



The Percent of Equity in Utility Systems is computed by dividing the combined utility system equity by the combined utility system costs net of depreciation. The Percent of Equity is calculated once financials from the Controller's Office are available.

## **OTHER REQUIREMENTS**

## Other Requirements by Month and by Type

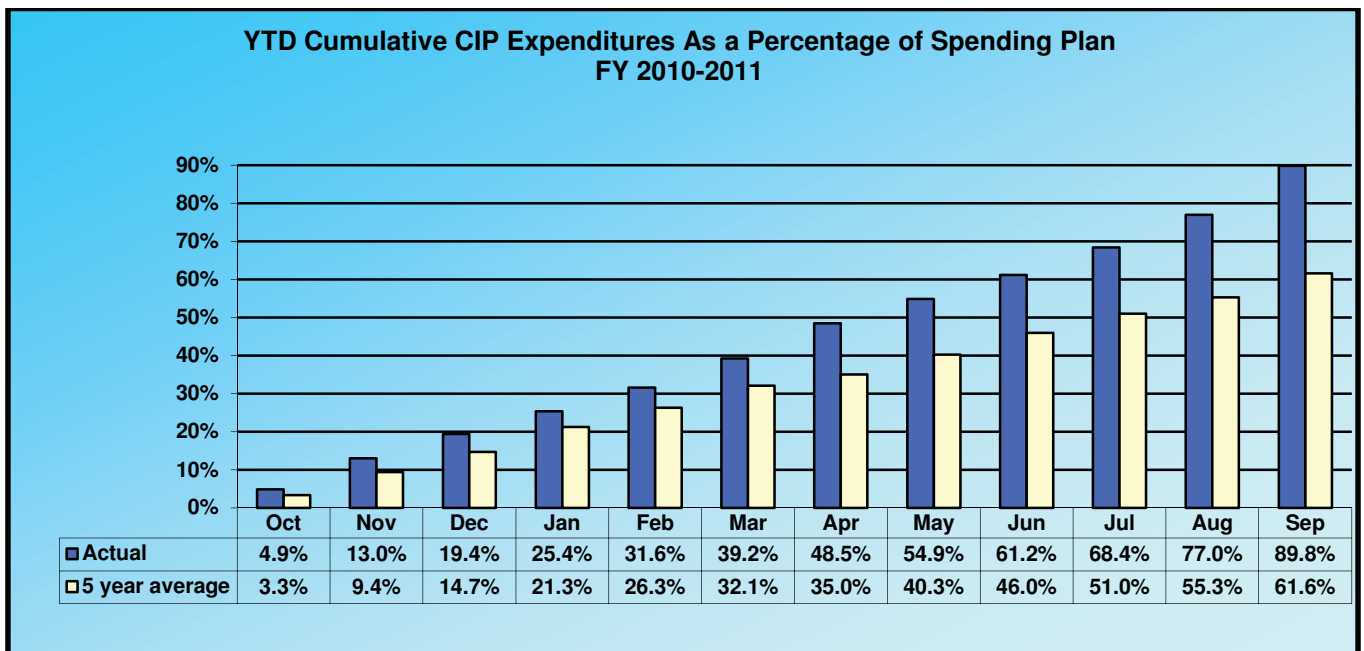
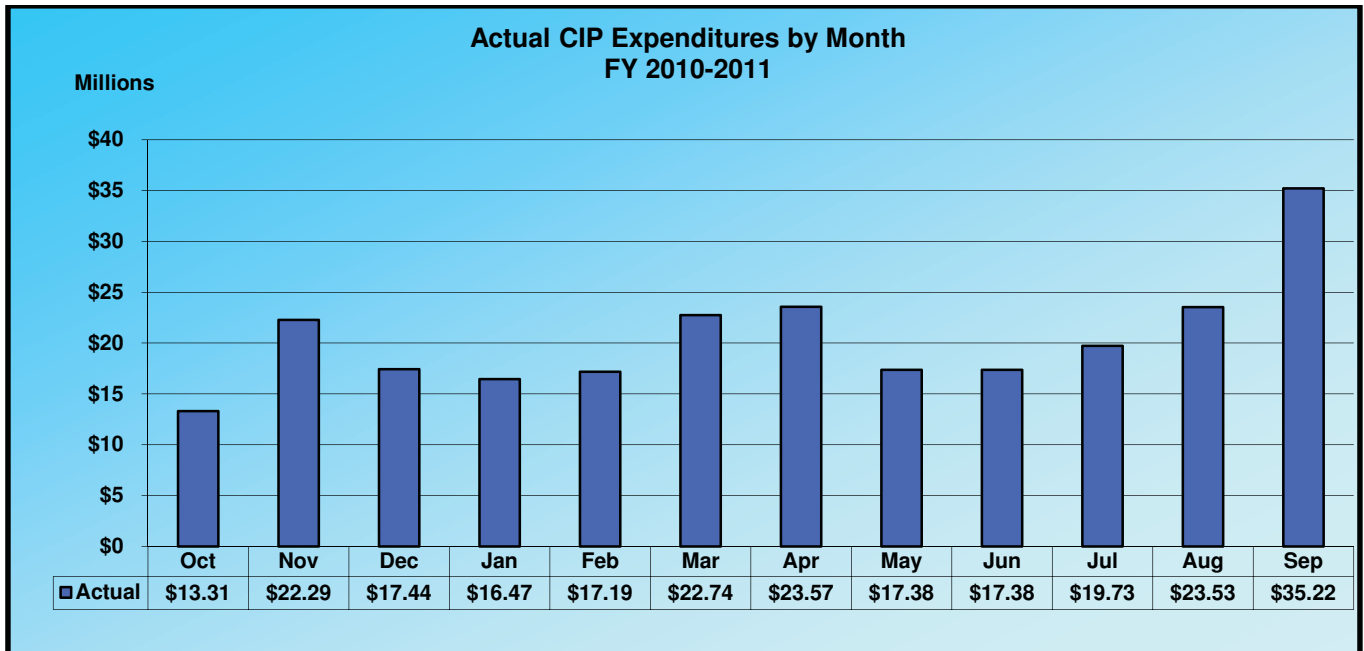


Transfers Out through September 30, 2011, totaled \$86.28 million. This was as budgeted for the fiscal year through.

Transfers Out includes transfers to the Public Improvement District, General Fund, Environmental Remediation Fund, Radio Communications Fund, Economic Incentives Reserve Fund, Sustainability Fund and CIP.



## CIP Expenditures

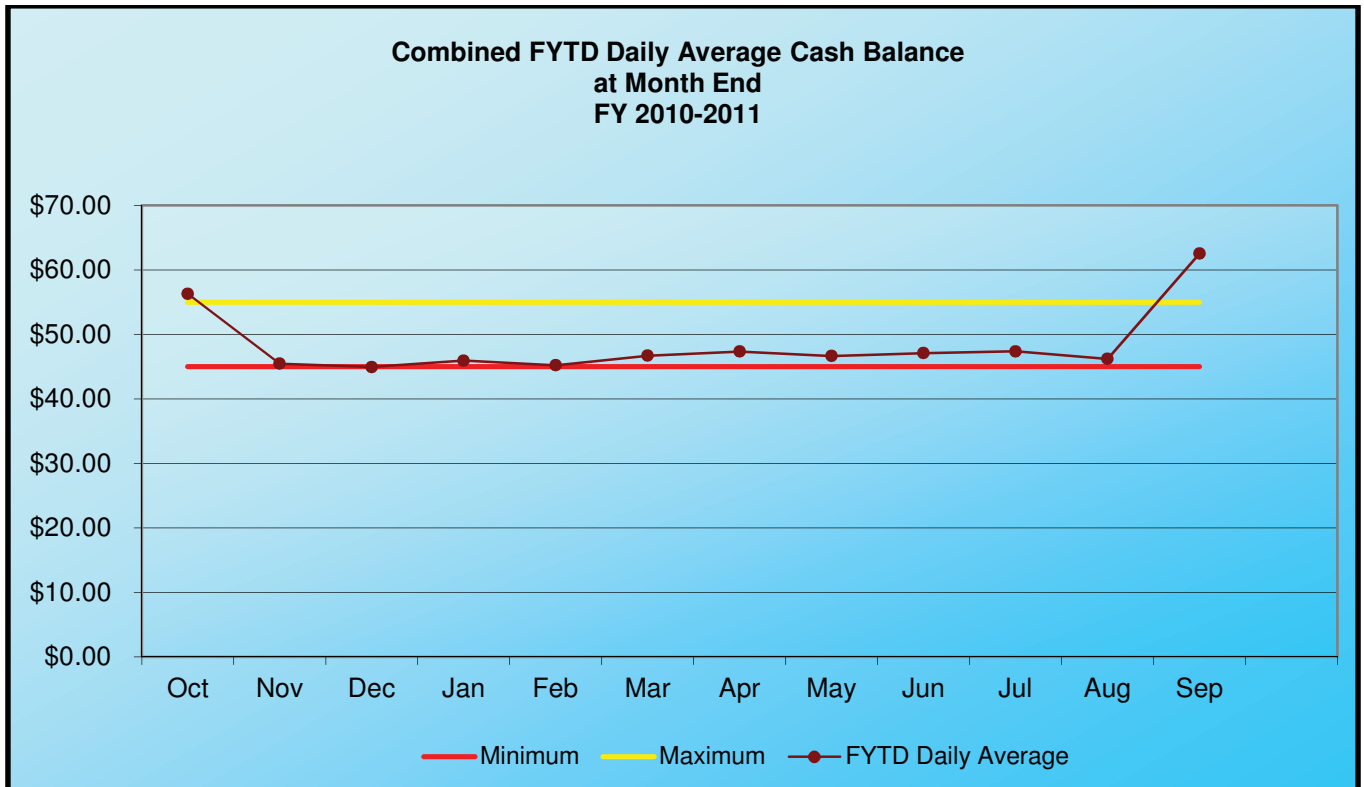


CIP expenditures through September 30, 2011, totaled \$149.75 million for water and \$96.52 million for wastewater, for a combined total of \$246.27 million, or 89.83% of the FY 2010-11 CIP spending plan.

The approved CIP spending plan for FY 2010-11 was \$168.53 million for water and \$105.61 million for wastewater for a total of \$274.14 million. Last fiscal year the approved CIP spending plan was \$157.08 million for water and \$122.97 million for wastewater for a total of \$280.05 million.

## **CASH BALANCES**

## Cash Balances



**FY 2010-2011 Cash Balances, Operating, CIP, Capital Recovery Fee (CRF) and Total in Millions**

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Water</b>	\$(19.64)	\$(16.80)	\$(25.17)	\$(18.58)	\$(25.47)	\$(29.15)	\$(39.42)	\$(33.19)	\$(27.34)	\$(36.20)	\$(20.19)	\$(8.89)
<b>Wastewater</b>	51.86	58.68	61.26	59.52	57.78	72.89	73.65	78.86	76.26	67.54	71.91	73.25
<b>Total</b>	\$32.22	\$41.88	\$36.09	\$40.94	\$32.31	\$43.74	\$34.23	\$45.67	\$48.92	\$31.34	\$51.72	\$64.36

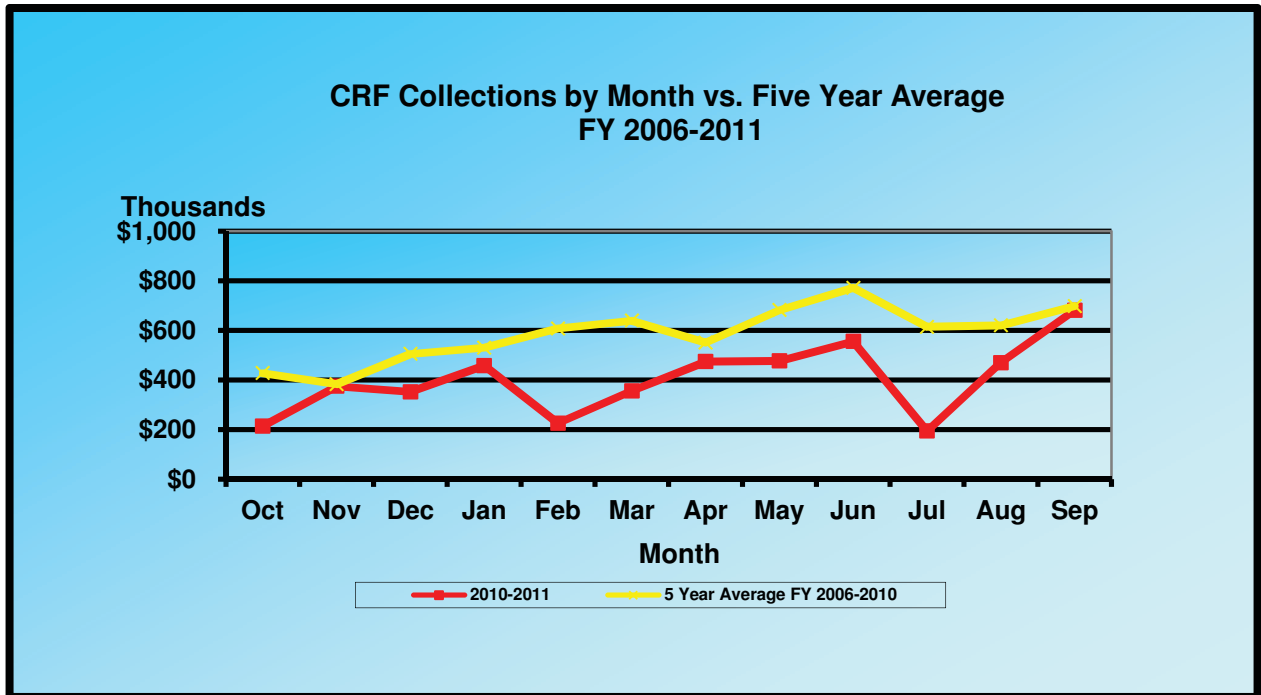
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Operating</b>	\$33.18	\$29.12	\$29.91	\$20.80	\$22.75	\$30.70	\$21.64	\$28.44	\$28.84	\$25.05	\$40.62	\$48.34
<b>CIP</b>	(2.39)	10.96	4.02	17.53	6.72	12.64	11.72	15.89	18.18	4.20	10.54	14.78
<b>CRF</b>	1.43	1.80	2.16	2.61	2.84	0.40	0.87	1.34	1.90	2.09	0.56	1.24
<b>Total</b>	\$32.22	\$41.88	\$36.09	\$40.94	\$32.31	\$43.74	\$34.23	\$45.67	\$48.92	\$31.34	\$51.72	\$64.36
<b>FYTD Daily Average</b>	\$56.30	\$45.46	\$44.95	\$45.93	\$45.21	\$46.72	\$47.36	\$46.65	\$47.10	\$47.37	\$46.22	\$62.53

Combined cash balances for water and wastewater as of September 30, 2011, totaled \$64.36 million. The combined cash balance is made up of Operating, CIP, and Capital Recovery Fee cash balances. The average daily cash balance for the fiscal year was \$62.53 million at September 30. The utility tries to maintain a combined daily average balance of \$45 to \$55 million in cash to meet current needs. This balance fluctuates from month to month depending on the utility's current cash needs and market conditions.

At September 30, combined water and wastewater Operating Cash Balances totaled \$48.34 million. Combined water and wastewater CIP Cash Balances totaled \$14.78 million. Water and wastewater CIP cash balances may be kept negative to offset high operating balances as a cash management strategy to limit the amount of cash in all funds to \$45 to \$55 million. This delays the need to issue additional commercial paper to fund CIP projects.

Capital Recovery Fee Cash Balances totaled \$1.24 million at September 30. During March 2011, \$2.80 million, \$1.80 million from water and \$1.00 million from wastewater, was transferred from the CRF funds to the Debt Service funds via the Operating funds. Another transfer was made in August of 2011, \$2.00 million, \$1.20 million from water and \$0.80 million from wastewater, was transferred to the Debt Service funds. Prior to FY 2001-02, CRFs were used solely for debt defeasance, providing only short-term debt service savings. The Utility now transfers CRFs to the operating funds, from which transfers are made to debt service funds.

## CRF Collections

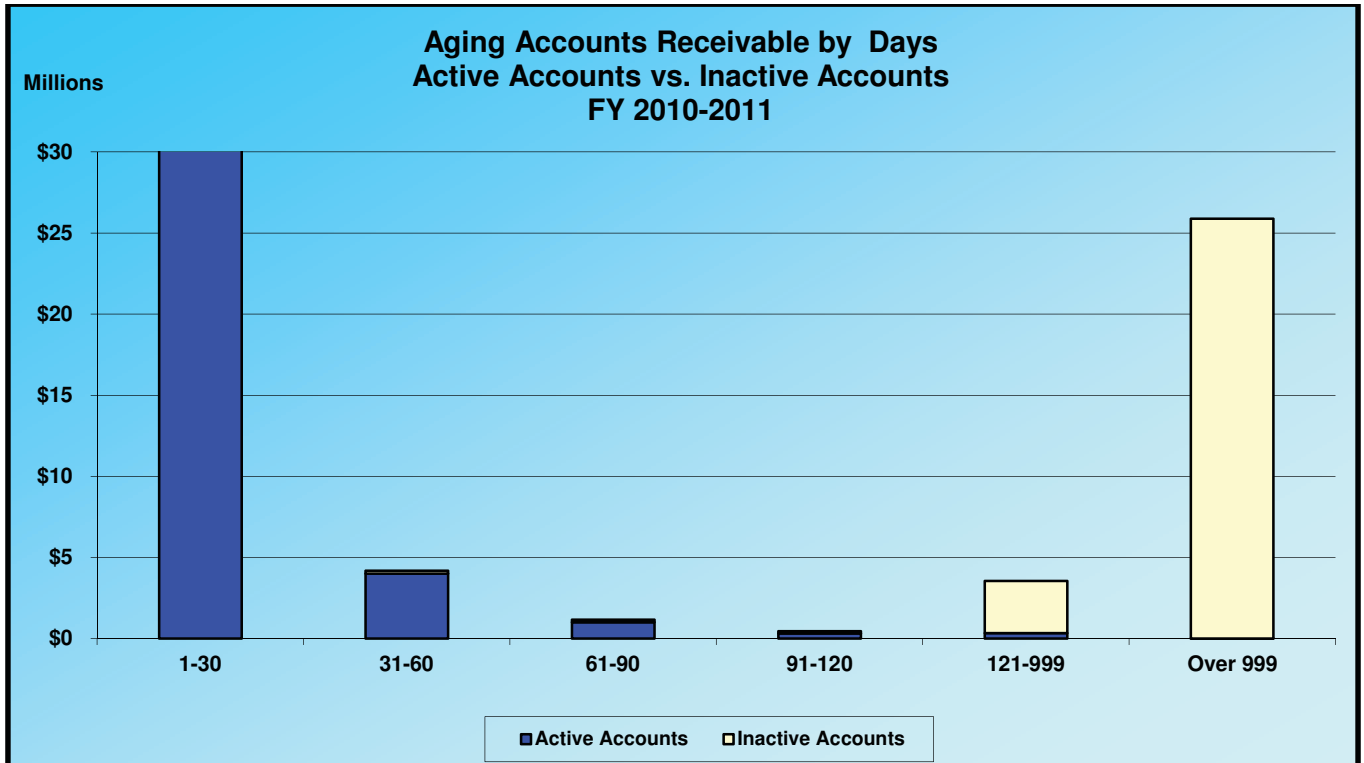


**FY 2010-2011 CRF Collections by Month, Water, Wastewater, and Total (in Thousands)**

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Water</b>	\$ 130	\$ 227	\$233	\$278	\$120	\$201	\$258	\$280	\$331	\$127	\$275	\$410
<b>Wastewater</b>	84	147	119	179	106	154	216	197	224	67	195	271
<b>Total</b>	\$ 214	\$374	\$352	\$457	\$226	\$355	\$474	\$477	\$555	\$194	\$470	\$681

CRF collections and interest for the month of September totaled \$0.68 million. A total of \$4.83 million in CRFs and interest was collected through September of this fiscal year. CRF collections in September were close to the five year average.

## Accounts Receivable



### FY 2010-2011 Aging Accounts Receivable by Days as of September 30, 2011

**(Active)**

	1-30	31-60	61-90	91-120	121-999	Over 999	Total
Water	\$20,058,777	\$2,326,051	\$578,533	\$164,064	\$156,498	\$2,105	\$23,286,027
WW	12,548,672	1,680,832	445,047	161,134	191,224	2,379	15,029,288
<b>Total</b>	<b>\$32,607,449</b>	<b>\$4,006,883</b>	<b>\$1,023,580</b>	<b>\$325,198</b>	<b>\$347,722</b>	<b>\$4,484</b>	<b>\$38,315,315</b>

**(Inactive)**

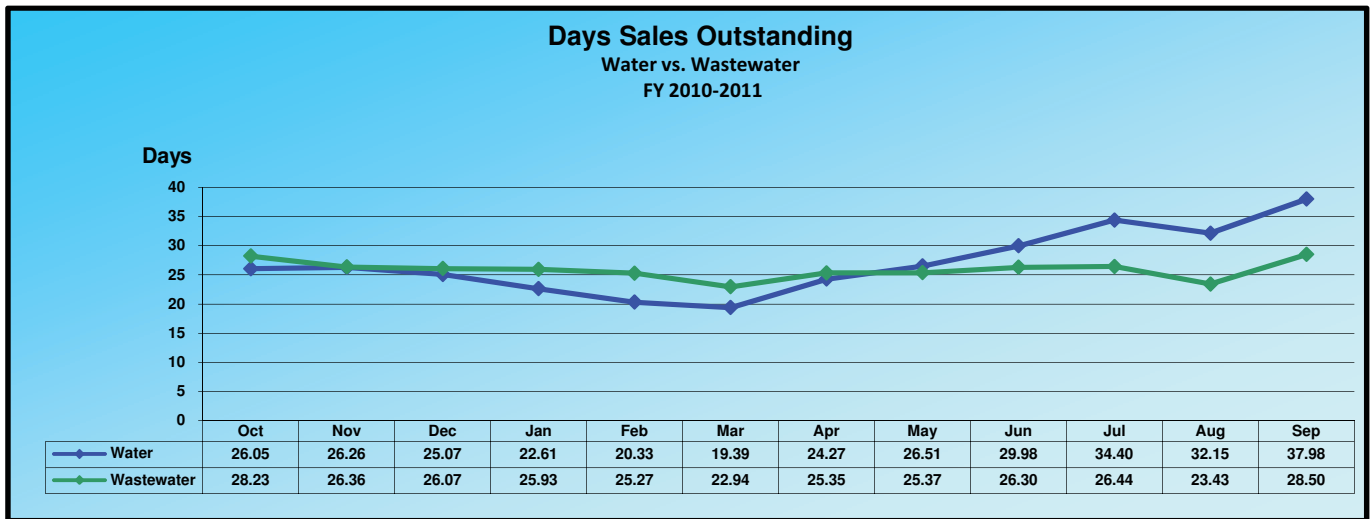
	1-30	31-60	61-90	91-120	121-999	Over 999	Total
Water	\$139,417	\$96,457	\$79,572	\$59,495	\$1,548,899	\$13,774,958	\$15,698,797
WW	78,434	74,433	69,902	61,341	1,662,177	12,108,546	14,054,833
<b>Total</b>	<b>\$217,851</b>	<b>\$170,890</b>	<b>\$149,474</b>	<b>\$120,835</b>	<b>\$3,211,076</b>	<b>\$25,883,504</b>	<b>\$29,753,630</b>

**(Combined)**

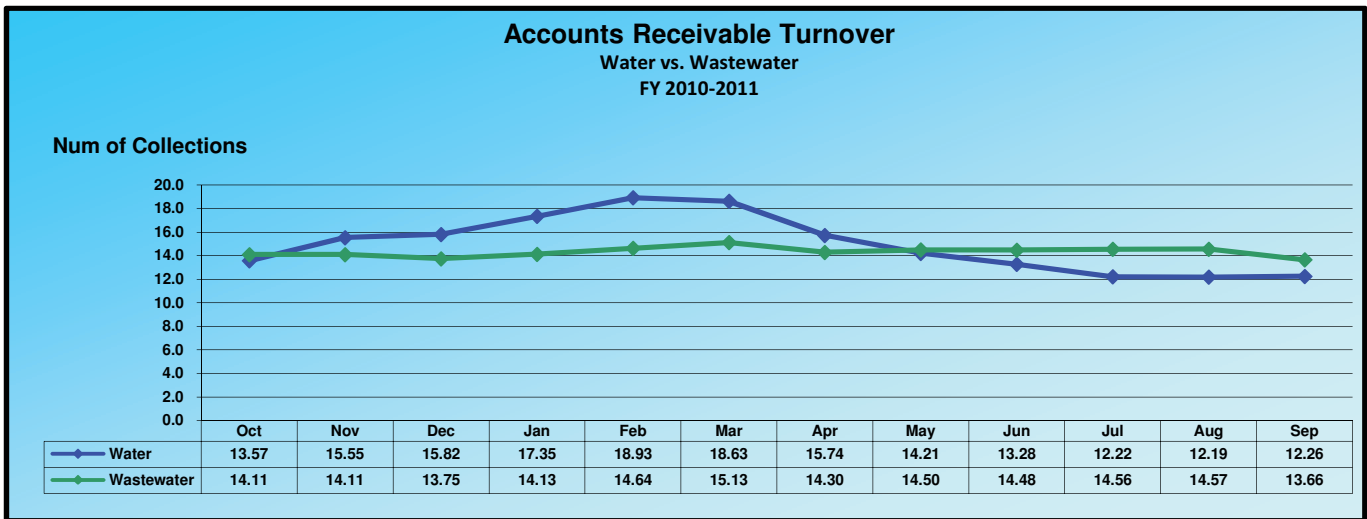
	1-30	31-60	61-90	91-120	121-999	Over 999	Total
Water	\$20,198,194	\$2,422,507	\$658,105	\$223,558	\$1,705,397	\$13,777,063	\$38,984,824
WW	12,627,107	1,755,265	514,949	222,475	1,853,401	12,110,925	29,084,121
<b>Total</b>	<b>\$32,825,300</b>	<b>\$4,177,773</b>	<b>\$1,173,054</b>	<b>\$446,033</b>	<b>\$3,558,798</b>	<b>\$25,887,988</b>	<b>\$68,068,946</b>

Gross accounts receivable in CIS totaled \$68.07 million as of September 30, 2011. The allowance for uncollectable utility accounts in AIMS was \$5.81 million for water and \$5.56 million for wastewater. The net accounts receivable balance at September 30, 2011, totaled \$56.70 million. This is \$33.06 million or 139.85 % more than net accounts receivable at September 30, 2010. On September 30, 2010, net accounts receivable balance was \$23.64 million. Water and Wastewater receivables are amounts from CC&B and may not agree to AIMS due to the Controller's Office adjustments for allowances and unbilled revenues.

## Accounts Receivable (Continued)

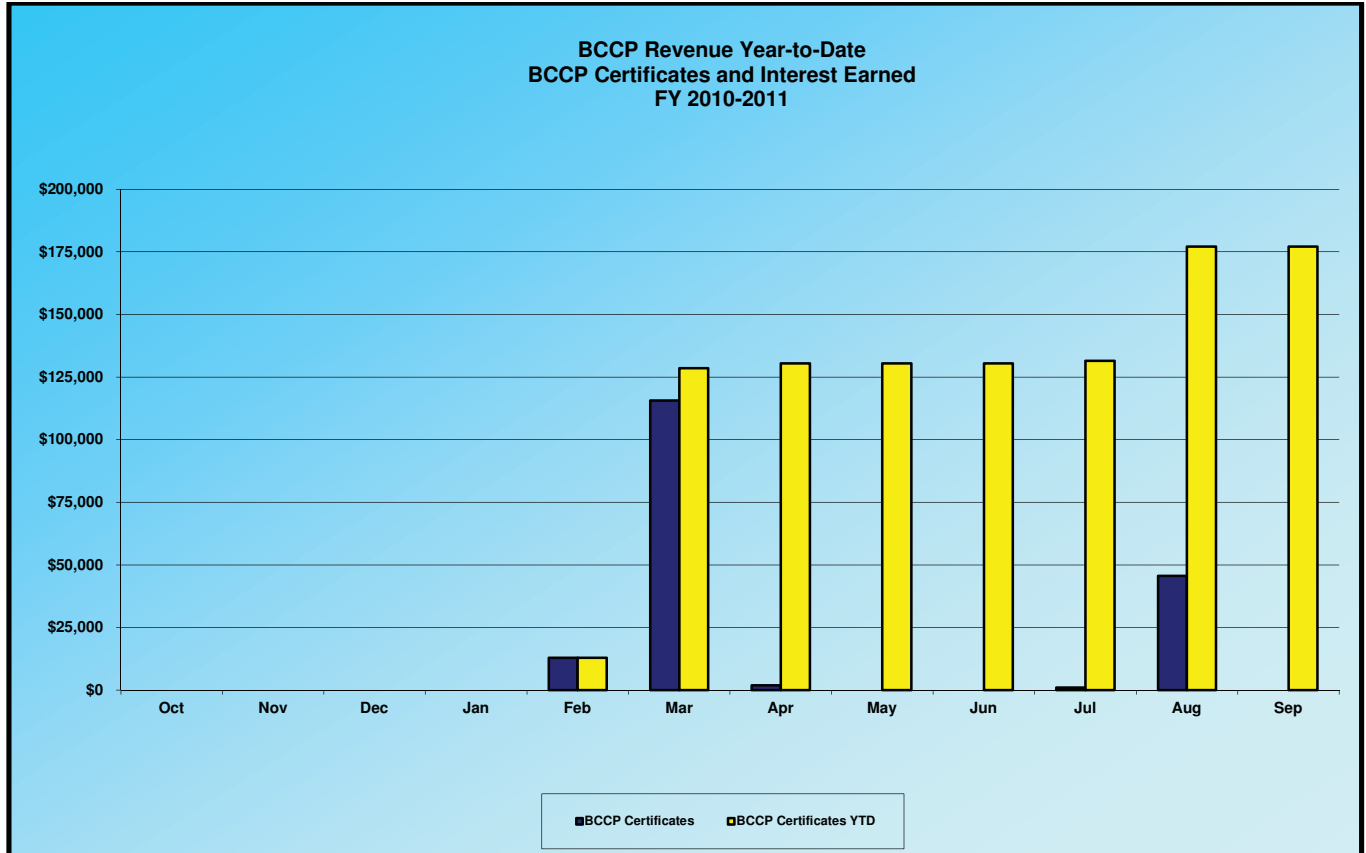


Days Sales Outstanding (DSO) is a company's average collection period or how long it takes to convert a receivable to cash. DSO in September for Water was 37.98 days and Wastewater was 28.50 days. If DSO is a low number this indicates that outstanding receivables are collected quickly. If DSO is higher this can indicate poor follow up on delinquencies or inadequate analysis of customers' credit worthiness. Days Sales Outstanding is calculated as: Total Outstanding Receivables at the end of the month divided by Total CIS Revenue for the year, times the 360 days in the year. The AWWA does not have industry standards for DSO.



Accounts Receivable Turnover measures the number of times accounts receivable are collected during the year. Accounts Receivable Turnover in September for Water was 12.26 times and Wastewater was 13.66 times. Receivables Turnover Ratio is calculated as: Total CIS Revenue for the year divided by Average Account Receivables (beginning A/R balance of the period plus the ending A/R balance divided by 2).

## BCCP Revenues



### FY 2010-2011 BCCP Revenues by Month with Ending Balances

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Beginning Balance</b>	\$8,515	\$0	\$0	\$0	\$0	\$12,925	\$128,600	\$130,476	\$130,477	\$130,477	\$131,477	\$177,052
<b>Interest</b>	0	0	0	0	0	0	1	1	0	0	0	0
<b>BCCP Cert</b>	0	0	0	0	12,925	115,675	1,875	0	0	1,000	45,575	0
<b>Payments</b>	(8,515)	0	0	0	0	0	0	0	0	0	0	0
<b>Ending Balance</b>	\$0	\$0	\$0	\$0	\$12,925	\$128,600	\$130,476	\$130,477	\$130,477	\$131,477	\$177,052	\$177,052

The Balcones Canyonlands Conservation Plan (BCCP) fund was transferred to AWU in 2002. The BCCP fund was established to abide by the Interlocal Agreement established between the City of Austin and Travis County. The BCCP Plan is the habitat conservation plan that established the Balcones Canyonlands Preserve system, and how it would be funded and organized. Travis County works with developers and landowners who want to develop in endangered species habitat. Travis County charges Participation Certificate fees that are collected by Travis County and split between Travis County and AWU. The policy changed in 2011 and the Participation Certificate fees are split and paid directly to COA and Travis County. For FY 2010-2011 \$177,050 has been collected in Participation Certificate fees. \$8,515 in fees and interest has been paid to the county and the COA relating to FY 2009-2010. One half of \$3.63 in interest from October is still owed to the county and the COA.