

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL CORRESPONDENCE
CITY MANAGER'S OFFICE**

TO: Sheryl Sculley, City Manager
FROM: Ben Gorzell Jr., Chief Financial Officer 
COPIES: Mayor and City Council; Michael Bernard, City Attorney
SUBJECT: Report on Proposed Adjustments to SAWS Rates and Rate Structure
DATE: January 16, 2013

BACKGROUND:

The San Antonio Water System (SAWS) has proposed adjustments to its water supply fee and wastewater rates which are equivalent to an overall 11.3% system-wide increase. Of this overall 11.3% system-wide increase, the majority, or 20.2% was to be applied to the Wastewater Core with the remaining 8.4% applied to the Water Supply Core Business. The proposed rate increase is scheduled to become effective March 1, 2013. Briefings on the proposed rate adjustments were held on November 14th, December 6th, and December 12th and covered topics such as revenue requirements, operations and maintenance budget, capital improvements program, wastewater sanitary sewer overflow (SSO) program, customer bill impacts, financial projections and proposed updates to the Drought Management Plan.

The Public Utilities Staff ("Staff") of the Finance Department and SAWS staff have been reviewing potential adjustments to the original rate request of 11.3%. Based on these reviews, the adjustments recommended are summarized below which would lower the overall system-wide increase from 11.3% to 8.4%:

Original Rate Request	<u>11.3%</u>
Proposed Adjustments:	
Updated Revenue Projections	(0.6%)
Inclusion of LCRA Payment	(0.3%)
Debt Program	(1.2%)
Capital Outlay – Fleet	(0.4%)
Reduce Operations & Maintenance	(0.3%)
Reserve Fund Adjustment	<u>(0.1%)</u>
Proposed Revised Request	<u>8.4%</u>

Additional information related to each of these proposed adjustments follows. The revenue projections and assumptions for calendar year 2013 and forward were updated based upon additional information now available on actual system revenues and customer growth for the second half of calendar year 2012. These revised projections reduce the revenue requirement for

2013 and, as such, result in the ability to lower the rate request by 0.6%. Additionally, the rate model was revised to recognize the annual payment from the settlement with the Lower Colorado River Authority (LCRA) as recurring revenue within the rate model. The inclusion of this annual payment resulted in a reduction in the rate request of 0.3%.

With respect to the debt management program, the issuance of \$100 million of variable rate debt instead of fixed rate debt and potential advanced refunding of existing debt was included in the debt program. With the addition of the variable rate debt and projected savings from the refinancing of debt, the rate request can be reduced by 1.2%. SAWS has also identified capital outlay associated with its fleet that has met the criteria for replacement, however, SAWS believes the equipment can continue to be utilized and replaced at a later date.

Various line items within the Operations & Maintenance Budget were reduced and/or adjusted resulting in a reduction of \$1.85 million of which a portion reduces the rate request by 0.3%. The last item noted is related to the removal of a \$2.7 million reservation payment included in 2014 for the Request for Competitive Sealed Proposal for a Water Supply Project which would deliver 50,000 acre feet of water. The result in 2013 is to remove the impact on the SAWS operating reserve requirement resulting in a reduction of 0.1%. Based upon all of the aforementioned adjustments, SAWS is expected to lower the rate request for 2013 to 8.4%.

In summary, after all adjustments outlined above, the rate adjustment would be an 8.4% system wide increase allocated as follows: 16.5% to the Wastewater Core Business and 2.5% to the Water Supply Core Business. The proposed effective date remains March 1, 2013.

SUMMARY & RECOMMENDATIONS:

After discussions with SAWS personnel and a comprehensive review of SAWS rate proposals, Staff makes the following recommendations for City Council consideration:

- ⇒ Approval of an 8.40% system-wide increase;
- ⇒ Concur with the proposed updates to the Drought Management Plan incorporating such changes as the revisions to irrigation times for Stages Two – Four, allowing home car washing on Saturday and Sunday, revising restrictions on fountains and other revisions;
- ⇒ Redirect a position(s) to a formal efficiency function, similar to the City’s Innovation and Reform Group that would focus on identifying efficiencies and making recommendations;
- ⇒ Develop and plan and begin to review level of resources and service delivery in areas such as the following to identify potential efficiencies and improvements; results of reviews undertaken must be presented to the City in conjunction with the submission of a rate request for 2014;
 - Public Affairs Department
 - Engineering Department
 - Customer Service Department
 - Fleet Replacement and Maintenance
- ⇒ Continue to comprehensively evaluate pension, health, and other benefits programs: include a potential audit of the eligibility of health plan dependents; provide recommendations with 2014 budget to address long-term strategy for managing these costs;
- ⇒ Implement accountability procedures for the SSO Program to include the following:

- Establish a cost center to track all costs including operations and maintenance expenses and capital improvements
 - Provide quarterly written progress reports which outline performance on the program to include operational statistics such as miles of lines cleaned and televised and financial information
- ⇒ Resume briefings to City Council every other month; agenda to be managed by the City and should be focused on financial performance and key policy issues; key policy issues include items such as water supply projects (Request for Competitive Sealed Proposal process), drought management plan, conservation initiatives, and rate structure; these key issues should be aligned from a policy perspective;
- ⇒ As part of rate structure review for future rate proposals, SAWS anticipates to begin a rate review with the Rates Advisory Committee in calendar year 2013; recommend inclusion of a policy discussion with City Council at the beginning of the process to provide input on various options; periodic updates to City Council on the rate structure review

REVIEW PROCESS:

The Public Utilities Staff (“Staff”) of the Finance Department conducted a comprehensive review of the proposed rate adjustments. Staff was involved in the process as SAWS was developing its revenue requirements and rate models. The review included areas such as the Economic/Rate Model; Key Financial Targets; Revenue Requirements; Proposed Capital Plan; Operations and Maintenance Budget; Financing Plan; Affordability Programs; and Credit Considerations. The following sections offer a more detailed description of the areas included in the analysis.

Sales Forecast

The projections for water consumption and the average winter consumption were reviewed taking into consideration factors such as use per bill, customer growth, historical trend patterns, and correlations to other factors such as annual rainfall. Water consumption is the estimated volume of water to be sold to SAWS customers and is utilized to project revenues for the Water Delivery and Water Supply Core Businesses. Average winter consumption is the average water usage between November 15th and March 15th. This calculation is meant to determine the volume of water utilized excluding irrigation which is then used as a basis for volumes entering the wastewater system. The average winter consumption is utilized to project revenues for the Wastewater Core Business.

For 2013, SAWS has projected 55,207,717,153 gallons of water to be sold and average winter consumption of 5,611 gallons. Public Utilities Staff reviewed these projections and conducted regression analysis. Based on this analysis, Staff believes the projections for water consumption and average winter consumption are reasonable. Attachment A provides additional information on historical usage, patterns, and a summary of the regression analysis performed by Staff.

Operations & Maintenance (O&M) Budget

The SAWS planned O&M budget for FY2013 is \$243.9 million (after capitalization). This represents a \$13.6 million or 5.9% increase from last fiscal year's budget of \$230.3 million. Approximately \$11.7 million of this increase can be attributed to planned activities to address Sanitary Sewer Overflows (SSOs) which will be discussed in greater detail in a later section entitled, "SSO Initiative". The following Table I summarizes historical and projected O&M expenses. Attachment B provides O&M actual expenses by line item for 2009 through 2012 as well as the budget for 2012 and the proposed budget for 2013.

Table I – O&M History and Projections

	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Actual	Projected
O&M Before Capitalization	\$226,651,632	\$234,529,450	\$227,951,115	\$223,616,374	\$264,571,929
Capitalization	(\$29,326,109)	(\$32,872,914)	(\$32,035,170)	(\$30,362,079)	(\$34,236,184)
O&M After Capitalization	\$197,325,523	\$201,656,536	\$195,915,945	\$193,254,295	\$230,335,745
	2013	2014	2015	2016	2017
	Forecast	Forecast	Forecast	Forecast	Forecast
O&M Before Capitalization	\$278,273,567	\$308,864,031	\$318,493,945	\$329,503,963	\$346,304,898
Capitalization*	(\$34,336,580)	(\$35,366,678)	(\$36,427,678)	(\$37,520,508)	(\$38,646,124)
O&M After Capitalization	\$243,936,987	\$273,497,353	\$282,066,267	\$291,983,455	\$307,658,774

* Assumed capitalization for out-years same as 2013

** Intercenter transfers to DSP (BexarMet)

Excluding rate increases, growth in the system is expected to produce increased revenues of approximately 1.6%. The growth in projected O&M expenses from 2013 to 2017 averages 6% annually; however, a significant portion of the increases in 2013 and 2014 result from the implementation of additional planned activities to address SSOs. The average annual growth in revenues and expenses inclusive of the SSO planned activities from FY 2013 – FY 2017 is \$7 million and \$15.9 million; respectively. As such, it is projected that future rate increases, cost reductions, or a combination of these will be necessary to cover the expected growth in operations and maintenance expenses. Following is a brief discussion on some of the key areas of the O&M budget and some high level benchmarking analysis.

Personnel Positions

With respect to personnel positions, the following table summarizes authorized and filled positions from 2007 to 2012 and the projected number of positions for fiscal year 2013. As noted in Table II, the total number of authorized positions decreased slightly in 2012, however, employees from the District Special Project (formerly Bexar Metropolitan Water District) were absorbed by SAWS during 2012. These employees performed both SAWS and DSP tasks thus resulting in increased efficiencies for both organizations.

Table II – Authorized and Filled Positions

	2007	2008	2009	2010	2011	2012	2013
Authorized Positions	1,685	1,730	1,746	1,748	1,755	1,748	1,797
Filled - Employed at Year End	1,607	1,595	1,696	1,647	1,669	1,674	

Since the creation of the District Special Project (DSP), 77 employees from the DSP have been transitioned into SAWS. In addition to the transfer of these employees, efficiencies have been achieved as some management positions within the DSP have been eliminated and these responsibilities have been assumed by the management of SAWS. Table III below summarizes the savings realized by both SAWS and the DSP related to these positions since the creation of the DSP.

Table III – SAWS / DSP Transition Benefits

SAWS			
Salaries Allocated From SAWS to DSP		\$	2,224,717
Direct labor charges - work crews			1,160,464
Other Shared Costs Allocated to DSP			2,905,337
Total Benefit to SAWS Ratepayers			\$ 6,290,518
District Special Project			
Employees Transferred to SAWS		\$	2,732,976
Salaries Allocated From SAWS to DSP			(2,224,717)
Direct labor charges - work crews			(1,160,464)
Net Benefit to DSP - Salaries			\$ (652,205)
Reduction in O&M expenses - 2012		\$	4,626,248
Shared Costs Allocated from SAWS			(2,905,337)
Net Benefit -Other O&M			\$ 1,720,911
Total Benefit to DSP Ratepayers			\$ 1,068,706

Performance Pay

The proposed budget includes a performance pay pool based on 2.5% of base salaries to become effective April 1, 2013 at an estimated cost of approximately \$1.6 million. Approximately 0.5% of the 2.5% will be utilized to give a one-time increase in salary to employees making less than \$50,000 in an effort to help offset the impact of accelerating the phase-in of increased employee contributions towards insurance premiums as described below. This amount represents funding for three-fourths of a year and the full cost will be realized in fiscal year 2014. For comparison purposes, CPI for calendar year 2012 was 1.6% through November, as reported by the Bureau of Labor Statistics.

Health/Pension Benefits

SAWS offers its employees a comprehensive benefits program which includes health, dental, vision, long-term disability and life insurance. SAWS medical insurance includes several plan options (PPO Choice, PPO Economy, & HMO) for medical coverage. The plans differ in cost with the PPO Choice being the most expensive and offering the highest level of benefits to the employee and his or her family. A dental plan is also available to full-time employees and their dependents and it includes coverage for preventive, basic and major services as well as orthodontia for children. The vision insurance plan includes coverage for eye exams, lenses or contacts, frames and a variety of discounts on other eye care products.

The disability insurance program provides full-time employees with a percentage of their base salary if they are unable to work as a result of a non-work related injury or illness. Life and Accidental Death & Dismemberment insurance is offered to full-time employees in an amount that is equal to one times their annual salary. In addition to the basic life insurance, employees are eligible to buy additional voluntary life insurance for themselves in an amount equal to five times their annual salary. The cost of voluntary insurance coverage varies, based on age and amount of coverage.

In 2011, SAWS announced changes to its medical insurance and retirement plans that cover active employees in order to address escalating employee benefit costs. Current employees hired prior to January 1, 2011 were to pay 20% of the cost of medical insurance. This increase was to be phased in over eight years. Employees hired after January 1, 2011 were to pay 30% of the medical insurance cost beginning on January 1, 2012. SAWS also announced changes to health care insurance benefits offered to future retirees. Depending on the employee's hire date and the type of plan selected (HMO or PPO), the employee contribution rate was to range from 20% to 100%. During the SAWS 2012 rate discussion, Staff expressed concern that SAWS was lagging in managing the level of benefits being provided even with the proposed eight year phase-in. For their 2013 budget, SAWS has reduced the phase-in for the aforementioned benefit changes from eight years to four years and implemented additional changes to their health benefits plan designs for employees and retirees. These combined strategies resulted in projected savings to SAWS of \$1,011,452 in 2013.

SAWS provides pension benefits to its full-time employees through participation in the following two plans: Principal Retirement Plan and the Texas Municipal Retirement System (TMRS). Under the Principal Plan, SAWS contributes a targeted 6% of salary with no employee contributions. Under TMRS, SAWS targets a contribution of 3% of salary with employees matching the contribution at 3% of salary. Based on funding projections provided by Principal Financial Group, SAWS contribution to the Principal Plan will increase by approximately \$1.8 million as compared to the 2012 budget. Funding for the TMRS Plan will increase by approximately \$105,370 as compared to the prior year budget.

SAWS contributed \$8 million to an external trust prior to December 31, 2011 to address post-employment, or retirement medical benefits based on funds allocated in prior year budgets. SAWS contributed \$4 million to the trust in FY 2012 and plans to maintain the same level of contribution at \$4 million in 2013. The current Actuarially Required Contribution (ARC) is approximately \$20.7 million and would be equivalent to a 5.9% increase in rates to generate revenue to fully fund this requirement.

While SAWS has made progress in the area of health and pension benefits, Staff recommends that SAWS continue to comprehensively evaluate its pension and health benefits. Recommendations addressing the long-term strategy for managing these costs should be provided with the 2014 budget.

Other O&M Line Items

City & SAWS staff continued to review other areas of the O&M budget. As a result of the review, SAWS reduced portions of its O&M budget by approximately \$1.850 million. The reductions were made to several different line items and were largely a result of the re-projections of certain line items contained in the O&M budget.

Benchmarking

Staff used some common high level metrics taken from the CAFR's of six similar water and wastewater utilities to gauge SAWS' operational performance and efficiency, in relation to the other utilities. Since the service areas of each utility are different, it is difficult to make meaningful comparisons. For example, maintaining a mile of sewer mains in one city may be more expensive due to the type of terrain. However, the information is provided to show some context in relation to SAWS costs. See Table IV below.

Table IV – Benchmarking

	SAWS	Ft. Worth	Dallas	El Paso	Austin	Houston	Phoenix
Miles - W Main	4,988	3,480	5,166	2,530	3,657	7,500	6,962
Miles - WW Main	5,163	3,527	4,364	2,185	2,650	6,403	4,980
Total Miles of Main	10,151	7,007	9,530	4,715	6,307	13,903	11,942
Total W & WW Customers	765,400	436,275	589,766	408,669	387,000	854,549	795,914
O&M \$ (excl. depr.)	\$ 209,058,000	\$ 196,478,000	\$ 251,295,000	\$ 103,434,000	\$ 177,474,000	\$ 362,851,000	\$ 238,699,000
O&M per mile maintained	\$ 20,595	\$ 28,040	\$ 26,369	\$ 21,937	\$ 28,139	\$ 26,099	\$ 19,988
O&M Cost / Customer	\$ 273	\$ 450	\$ 426	\$ 253	\$ 459	\$ 425	\$ 300
Number of Employees	1,669	892	1,369	831	1,070	2,213	1,380
Number of FTE's per 1,000 cust.	2.18	2.04	2.32	2.03	2.76	2.59	1.73
Population	1,326,539	746,290	1,306,350	773,894	805,662	2,107,208	1,502,757
Number of FTE's per pop (000's)	1.26	1.20	1.05	1.07	1.33	1.05	0.92
Total Debt Coverage	1.57	1.77	1.58	1.88	1.83	1.56	1.8
* W - Water; WW - Wastewater							
** SAWS Includes GAAP adjustments, SAWS 2011 CAFR, Pg. 75, 76							
Source: Most recent Comprehensive Annual Financial Reports							

Capital Outlay

For 2013, SAWS is proposing to purchase \$8.5 million in capital outlay. The majority of the capital outlay is for the replacement of heavy equipment such as trucks, backhoes, trailers, and a crane. Attachment C includes a listing of the capital outlay proposed to be purchased in 2013.

SAWS originally proposed a capital outlay of \$10.5 million. SAWS has since indicated that this amount can be reduced by \$2 million based on their re-assessment of the condition of some of the equipment scheduled to be replaced for 2013. As such, Staff recommends that the fleet function be reviewed for potential efficiencies related to the size of the fleet, and criteria for replacement and/or maintenance of the fleet.

Capital Improvement Plan

Capital requirements are a significant driver in the development of rates as funding is derived from the issuance of additional debt and equity contributions, both of which impact cash flows on an annual basis. Equity contributions include both cash funding from the Repair and Replacement Account and impact fees. Staff's review of the capital plan focused on the first 5 years (FY 2013 through FY 2017). Individual meetings with SAWS department heads and staff of each of the core business areas were conducted in order to obtain a greater understanding of the proposed capital plan, its development, as well as the prioritization of proposed projects.

All non-corporate SAWS capital projects are analyzed through an extensive prioritization process. These projects are reviewed by a CIP review team which consists of managers and directors from the submitting departments. The SAWS evaluation methodology is known as FMEA, which stands for Failure Modes and Effects Analysis. This evaluation methodology consists of reviewing the probability, impact, and cost of mitigation to ascertain the risk associated with each capital project. The team also examines whether a project can be executed efficiently and how the project can be funded, using impact fees, cash, bonds and low cost loans. The review team selects a final list of projects to be sent to the SAWS Executive Management Team (EMT) for consideration. The EMT then reviews and prioritizes all known requirements for the budget year to ensure the highest priority requirements are addressed in a timely and fiscally responsible manner. Corporate projects (i.e., I.T. equipment replacement, Customer Information Systems) are not scored but are reviewed by the EMT for funding consideration.

SAWS' five year \$1.8 billion capital plan includes \$490 million for water resource development (includes recycled), \$620 million for replacing aging infrastructure and \$274 million to develop additional capacity (collection and distribution). Table V below summarizes the five year plan. The proposed rates will provide sufficient funding for the 2013 capital plan which consists of \$350.2 million of capital improvement projects comprised of the following:

- ⇒ \$225.1 million in Water Delivery and Wastewater projects which consist of replacement, growth and governmental related projects at 77% and SSO related projects at 16%.
- ⇒ \$118.9 million in Water Supply & Recycled Water projects including funding for the purchase of additional Edwards Aquifer Groundwater Rights and the Brackish Water Desalination Project.
- ⇒ \$6.2 million in Chilled Water and Steam projects which include the replacement or adjustment of infrastructure to accommodate the Market Street realignment, the Hemisphere Park redesign, and the Convention Center expansion.

Table V – 5-Year Capital Improvement Program

	2013	2014	2015	2016	2017	Total
Wastewater	\$ 159,873,590	\$ 214,220,117	\$ 225,832,399	\$ 190,747,183	\$ 181,980,811	\$ 972,654,100
Water Delivery	\$ 65,206,249	\$ 66,313,981	\$ 80,435,266	\$ 60,173,552	\$ 90,512,610	\$ 362,641,658
Water Resources	\$ 118,901,425	\$ 142,822,430	\$ 116,518,683	\$ 51,871,122	\$ 60,121,078	\$ 490,234,738
Chilled Water & Steam	\$ 6,170,296	\$ 2,930,500	\$ 527,375	\$ 2,275,625	\$ 6,616,375	\$ 18,520,171
Total	\$ 350,151,560	\$ 426,287,028	\$ 423,313,723	\$ 305,067,482	\$ 339,230,874	\$ 1,844,050,667

Attachment D provides various documents relating to SAWS capital improvements program including the following: 5-Year Summary; 2013 CIP Detail; CIP 2013 through 2017; Pipe Diameter and Age of Pipe; and CIP Committed vs. Spent for a 5-Year Period.

With respect to the percentage of capital projects committed and/or spent, a review of the results of the prior five years indicate that system-wide actual expenditures on CIP projects, on a five year average basis, are equal to 67.5% of the total budgeted CIP dollars. An examination of the Water Supply Business reveals that the percentage of Actual expense to the Budgeted amount is 49.5%, which is much lower than the other business units. However, the unique operating characteristics of this business unit make attaining a high actual expenditure to budget ratio difficult to achieve. Water supply projects take several years to complete and these projects may face legal and regulatory hurdles.

SSO Initiative

SAWS intends to take a comprehensive approach to address sanitary sewer overflows that occur within its 5,200 mile collection system. According to SAWS personnel, the most common cause of SSOs for San Antonio is grease and debris accumulation within the collection system which accounts for approximately 70% of all SSOs. The remaining 30% of SSOs are caused by collection system structural defects, capacity constraints or other issues.

Approximately 80% of SAWS SSOs occur on small diameter (<24”) mains. SAWS’ Sewer Management Program to address SSOs includes increasing the amount of small pipeline cleaning from an estimated 1,100 miles in FY 2012 to 1,500 miles in FY 2013. This increase in the volume of cleaning is expected to result in additional cost of \$2.2 million. SAWS will also increase the amount of large pipeline cleaning from an estimated 27 miles in FY 2012 to 38 miles in FY 2013 with an expected increase in cost of \$1.6 million. In addition, SAWS anticipates spending an additional \$1.5 million to increase siphon cleaning from 14 in FY 2012 to 30 in FY 2013. SAWS will continue to clean all lift stations at a minimum of every six weeks with the exception of the Acequia station which will be cleaned as needed with specialized tools. SAWS does not expect to incur additional cost in FY 2013 as a result of the cleaning of these lift stations.

During FY 2013, SAWS will continue to perform assessments to document the condition of its sanitary sewer system. These assessments will include increasing the video taping of pipes from an estimated 265 miles in FY 2012 to 550 miles in FY 2013 with an expected additional cost of \$1.9 million. Also, pole cams (photography through a manhole) will be used to assess 50 miles

of pipeline at an estimated additional cost of \$130,000. The physical inspection of manholes will be increased from an expected 2,100 in FY 2012 to 5,400 in FY 2013 resulting in an estimated additional cost of \$171,000. In addition, SAWS anticipates conducting a physical inspection of 5 miles of Force Mains in FY 2013 at estimated additional cost of \$45,000. SAWS will continue to use a process known as proofing during which a device is pushed through pipes to ensure the lines are clean and free of obstructions. This activity is not expected to result in any additional incremental cost.

Since grease in sanitary sewer systems contributes to SSOs, SAWS will continue the inspection of 3,800 food establishments in FY 2013 as part of its Fats, Oils & Grease (FOG) program at no expected incremental cost. SAWS will also enhance its capacity modeling and capacity constraint program. Flow Meters that capture rainfall data used to create computer models to gauge system performance will be increased from 48 in FY 2012 to 200 in FY 2013 at an additional cost of \$960,000. A new program to investigate each SSO associated with rainfall events will be implemented at an expected cost of \$75,000. This program is anticipated to cover 15 rainfall events. The use of smart covers, manhole lids that sound an alarm when water levels exceed set points, will be expanded from 120 in FY 2012 to 188 in FY 2013 at an additional cost of \$300,000.

A new program that assesses the system during rainfall events by physical investigation, flow metering, and high water line chalking will be implemented in FY 2013. This program requires the standby and rapid response of contractors during rainfall events of a defined volume. This program is expected to cover 7 rainfall events at a total cost of \$100,000.

SAWS expects to hire a consultant to serve as a Program Manager for technical support on sewer spill reduction strategies and to provide staffing support to meet program requirements. The Program Manager is expected to cost \$1,866,000 in FY 2013. Additional resources are also expected to be needed (see Table VI) in the form of SAWS employees or as contract employees. The annual cost of these positions is estimated at \$1,274,000.

Table VI – SSO Staffing

Hiring of Additional SAWS or Project Manager Positions Needed:	
Engineering Construction Inspectors	2
Data Analysts / Reporting	1
Engineer for Contract Cleaning and CCTV Programs	1
Additional Utility Workers for Cleaning and CCTV	6
Engineer for Lift Stations	1
Flow Meter Modeler	1
Smart Cover Program Utility Workers	2
Additional GIS Staff	2
Additional IT Staff Support	5
Total Additional Proposed	21
Total Additional Costs	\$ 1,274,000

Table VII identifies the historical O&M expenditures that SAWS has incurred to reduce SSOs since 2007 in addition to the amount budgeted for FY 2013. The bulk of the historical expenditures pertained to main repairs, lift station maintenance/repairs, and system televising. These expenditures along with additional consulting support for program management, sewer assessment, and system cleaning comprise the bulk of the FY 2013 budget.

Table VII – SSO O&M Cost

SSO Initiative '07-'13	Actuals-2007	Actuals-2008	Actuals-2009	Actuals-2010	Actuals-2011	2012-Projected	Budget-2013
Main Repairs	4,647,836	4,462,080	6,601,552	5,547,859	5,969,290	6,285,283	6,524,254
Lift Station Maintenance and Operations	1,943,331	2,273,510	1,995,535	2,210,310	2,853,247	3,313,798	2,793,543
Concrete & Asphalt for Site Restorations	384,349	255,981	221,439	249,311	219,747	291,886	267,352
Edwards Aquifer Recharge Zone Televising	343,518	448,331	1,082,434	2,113,200	2,712,144	733,855	769,491
Collection PM Televising	2,615,625	2,749,765	5,022,979	3,618,595	4,626,559	5,323,202	4,837,463
Sewer Lateral Inspections	124,788	157,875	117,027	67,091	192,937	126,542	110,000
Internal Data Management	-	-	449,336	427,465	734,670	852,108	899,596
Fats Oils and Grease (FOG) Program	-	-	-	-	-	88,134	239,110
Program Manager Technical Support	-	-	-	-	-	-	1,314,814
Contractual Service - Sewer Assessments	-	-	-	-	-	-	3,885,253
Contractual Service - System Cleaning	-	-	-	-	-	-	7,064,599
Total	10,059,447	10,347,542	15,490,302	14,233,831	17,308,595	17,014,808	28,705,475

Economic/Rate Model

SAWS uses a comprehensive Cash Flow Model (“Model”) to develop financial forecasts of revenues, operations and maintenance expense, capital expenditures, capital financing including cash and debt financing, and rate requirements. The Model incorporates 20-year financial forecasts and requirements by each core business unit – Water Delivery, Wastewater, Water Supply, and Chilled Water and Steam.

The structure of the Model, which includes the calculation of the flow of funds and rate adjustment requirements, is based on the enabling ordinance of SAWS. In addition to structure under the ordinance, SAWS leadership team has developed key financial targets and policies that are designed to assist SAWS in maintaining a strong financial position, attaining its long-term financial goals, meeting the capital and maintenance requirements of four core business units, and maintaining a strong credit rating. Credit ratings are an important factor due to the level of projected capital funding required and the impact on the overall cost of borrowing.

The financial targets include such items as: Debt Service, Debt Service Coverage, Days Cash on Hand, Debt per customer, etc. Attachment E includes graphs for selected key financial measures. Financial targets were evaluated in terms of SAWS’ cash flow and system requirements. In reviewing the sufficiency of SAWS’ key financial targets, Staff reviewed several documents/items including the most recent rating agency reports for SAWS senior lien and junior lien debt, respectively, and the “2012 Water and Sewer Medians”, a report by Fitch Ratings in December 2011. This report compares the recent financial performance of Water and Sewer Utilities among various categories utilizing different financial ratios.

The analysis indicates that the current rate request will begin to maintain or slightly improve key SAWS financial measures during the next several years. With the large capital program SAWS

has planned over the next several years, strong financial measures will be essential to ensure the lowest possible financing costs along with adequate debt capacity. The proposed rate model also plans for all obligations in the flow of funds (outlined in SAWS bond ordinances) to be met as required. As discussed in the Summary and Recommendations section, it is recommended that further policy discussion occur on topics such as the Drought Management Plan, the Water Management Plan and the SAWS Business Model to ensure that these policies/ models comprehensively align. As policy decisions and direction is taken in these areas, it could have significant impact on this model.

Rate Structure Review

In 2008, SAWS engaged Raftelis Financial Consultants, Inc. (RFC), to work with SAWS staff to conduct a Comprehensive Cost of Service (COS) and Rate Design Study (rate study). SAWS' policy is to perform rate studies once every five years. The purpose of the COS and rate study was to provide SAWS with information concerning the rate structure for Water Delivery, Water Supply, Recycled Water and Wastewater. In addition, the study assisted staff in determining the effectiveness of existing rate structures and identifying opportunities for improvement and developing viable rate structure alternatives. Beginning in August 2008, SAWS staff conducted a series of sixteen public meetings with the Rates Advisory Committee (RAC), an advisory group appointed by the SAWS Board of Trustees, to gather input for RFC to use in the rate design process. In December 2009, this process was concluded with the delivery of the updated Comprehensive Cost of Service and Rate Design Study by RFC.

In June 2010, the Council approved a new SAWS rate structure that reduced rates for lower water usage while increasing rates for higher water usage. A tiered Water Supply Fee was implemented for residential and commercial customers. High discretionary water use was discouraged by implementing higher rates in the third and fourth blocks of the SAWS rate structure. The 2012 rate request does not include any changes to the existing rate structure. As part of the rate structure review for future rate proposals, a policy discussion on options should occur at the beginning of the process with the City Council and periodic updates should be provided to the City Council as the process continues.

Rate Plan and Customer Bill Impact

The proposed rate adjustments as requested by SAWS will have a combined effect of an overall increase of 8.4% in system wide revenues for Wastewater and Water Supply Fee rates. If the proposed rate increase is approved, the average residential customer using 7,788 gallons would pay \$50.33 per month, an increase of \$3.88 per month from the existing rate structure. Specific percentage increases for each of the core businesses include the following: 2.5% for Water Supply and 16.5% for Wastewater. The increases are requested to become effective March 1, 2013. Please see the proposed residential bill impact and associated multi-year rate plan in Attachment F.

The EAA fee which is assessed to cover the operating expenses of the Edwards Aquifer Authority is projected to decrease by \$.37, from \$3.04 to \$2.67. This decrease became effective on January 1, 2013.

Affordability Program Update

The proposed rate adjustments would equate to an estimated \$3.88 increase per month resulting in an average residential customer bill of \$50.33. In addition, SAWS is proposing to increase the funding for the Affordability Discount Program (ADP) by 20.0% from \$1.75 million to \$2.1 million. The ADP is a discount taken off each monthly bill and it is available for those customers who have income at or below 125% of Federal Poverty guidelines and meet one of the following criteria: are elderly; are disabled; or have children under the age of 18 years.

Qualifying water and sewer customers would recognize a discount ranging from \$5.17 to \$12.97 based on a sliding scale. Also, qualifying customers who have only water or only sewer service with SAWS could recognize a discount ranging from \$3.50 to \$6.68 based on a sliding scale. The program currently has approximately 19,200 customers who receive the ADP. SAWS and the City will continue to work together to increase awareness and participation in the program. Please see Attachment G for a summary of the ADP.

This discount is in addition to the following programs which provide assistance to qualifying customers who need help paying their SAWS bill: Project Agua – Payment Assistance, Senior Citizen Billing Program and Disability Billing program. Project Agua offers an annual one-time assistance with bills. During 2011, this program assisted 625 residents at an annual total of \$26,153. The Senior Citizen Billing Program grants residential customers 60 years of age and older additional time to pay their bill without incurring penalties. This program assisted 22,794 customers in 2011. The Disability Billing program grants disabled, residential customers receiving Supplemental Security Income (SSI) for a disability an additional ten (10) days to pay their bill without incurring penalties. This program assisted 4,544 customers in 2011.

FISCAL IMPACT:

The City receives 2.7% of gross revenues from SAWS. If the new rates become effective March 1, 2013, additional revenue of approximately \$447,906 will be generated for the remainder of the City's FY 2012-2013. On an annual basis, City payment would increase by approximately \$767,838 beginning in FY 2013-2014.

The City's utility expenses would also increase for FY 2012-2013 in the amount of approximately \$67,000. On an annual basis, the City's utility expenses will increase by approximately \$115,000 beginning in FY 2013-2014.

CONCLUSION:

Based on the analysis outlined above, Staff's professional recommendation is for approval of the overall 8.4% system wide increase applied to each business unit as follows: 2.5% for Water Supply; and 16.5% for Wastewater. There is no proposed rate increase for the Water Delivery business unit.

Please contact me if you should have any questions or require additional information.

ATTACHMENT A

Consumptions with irrigation

CY	Residential (excl muni)	Commercial (excl Muni)	Apartment	Industrial (Incl Eco-Dev)	Whole (incl Inter-Connect)	Municipal	Total	ACFT	Avg. Winter Consumption	CY Rainfall (in)
1996	29,488,376,249	12,545,375,165	8,403,382,613	1,164,361,429	465,782,770	999,352,377	53,066,630,603	162,856	8,674	17.8
1997	27,814,600,139	12,057,840,639	8,390,419,536	1,855,807,181	461,460,248	838,070,995	51,418,198,739	157,797	7,348	33.93
1998	29,708,211,064	11,439,638,479	8,307,742,516	2,976,092,168	534,068,590	909,191,365	53,874,944,182	165,336	7,037	42.09
1999	30,537,935,366	13,311,919,571	8,141,728,653	2,734,937,645	607,576,148	1,043,407,986	56,377,505,368	173,016	7,888	16.63
2000	30,169,553,929	12,170,211,992	7,926,065,637	2,741,937,616	557,503,571	987,294,502	54,552,567,246	167,416	7,552	35.85
2001	29,002,772,027	12,371,047,344	7,718,029,131	2,670,049,811	531,215,334	946,333,956	53,239,447,603	163,386	6,495	36.72
2002	28,371,735,972	11,942,411,615	7,791,450,454	2,696,447,020	172,894,892	875,838,231	51,850,778,184	159,124	6,910	46.27
2003	27,759,630,049	11,730,580,891	7,793,853,188	2,473,091,827	136,401,076	682,800,721	50,576,357,752	155,213	6,369	28.45
2004	27,172,529,282	11,746,239,495	7,663,299,245	2,088,908,204	98,500,833	595,786,968	49,365,264,027	151,496	6,690	45.33
2005	31,114,072,331	12,990,542,146	8,003,535,603	2,122,448,805	121,426,358	652,489,217	55,004,514,460	168,803	6,178	16.54
2006	33,373,607,625	13,089,268,168	8,102,477,776	2,137,979,365	398,025,861	622,649,020	57,724,007,815	177,148	7,314	21.34
2007	26,781,567,350	12,037,983,072	7,843,487,243	2,178,281,558	90,238,067	579,962,427	49,511,519,717	151,945	6,214	47.25
2008	33,236,747,913	14,212,377,042	8,419,608,011	2,051,427,910	107,526,662	800,007,118	58,827,694,656	180,536	6,581	13.76
2009	32,088,266,197	13,280,098,531	8,124,519,924	2,327,119,488	118,820,729	657,380,302	56,596,205,171	173,687	6,855	30.69
2010	29,467,883,815	12,865,664,820	8,319,478,496	2,135,053,540	101,387,005	568,323,450	53,457,791,126	164,056	5,642	37.29
2011	34,473,336,270	12,904,292,384	8,646,481,282	2,217,316,861	128,297,654	556,712,161	58,926,436,612	180,839	6,042	17.5
2012 Actual	30,844,186,650	12,205,220,882	8,433,516,286	2,114,590,623	240,169,222	520,669,710	54,358,353,373	166,820	5,596	39.23
2013 Re-Est.	31,669,489,003	12,356,886,459	8,550,268,300	2,002,267,871	101,557,970	527,247,550	55,207,717,153	169,426	5,611	

Multi-variables Regression Results for 2013

Model:	Description:		
1.0)	Linear Regression	55,886,366,491	171,509
2.1)	MV Regression: Customer №, Average Annual Rain Fall	55,657,340,883	170,806
2.2)	MV Regression: Customer №, Maximum Annual Rain Fall	52,657,327,759	161,599
3.1)	MV Regression: Customer №, Average Non-Winter (Mar-Nov) Rain Fall	55,115,218,580	169,142
3.2)	MV Regression: Customer №, Maximum Non-Winter (Mar-Nov) Rain Fall	51,429,295,026	157,831
4.1)	MV Regression: Customer №, Average Summer (May-Oct) Rain Fall	55,683,251,052	170,886
4.2)	MV Regression: Customer №, Maximum Summer (May-Oct) Rain Fall	51,594,289,508	158,337
5.1)	MV Regression: By class, Customer №, Average Annual Rain Fall	55,848,104,060	171,392
5.2)	MV Regression: By class, Customer №, Maximum Annual Rain Fall	52,703,220,049	161,740

* El Niño weather pattern considered as Maximum (Annual, Summer, Non-winter) Rain Fall

		Variance
Normal Weather Average:	55,638,056,213	0.78%
Average:	54,063,823,712	-2.07%
El Niño Weather Average:	52,096,033,086	-5.64%

Attachment B

	2009 A	2010 A	2011 A	2012 A*	2012 B	2013 B
Salaries and Fringe Benefits						
511100-0-Salaries	\$ 76,072	\$ 79,363	\$ 79,872	\$ 80,769	\$ 81,152	\$ 82,734
511100-0-Salaries		\$ 79,363	\$ 79,872	\$ 80,769	\$ 85,284	\$ 86,327
511102-0-Salary Adjustments	\$ -	\$ -	\$ -	\$ -	\$ 1,656	\$ 1,682
511103-0-Part Time Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 289
511104-0-Salaries - Internship Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148
511105-0-Temporary Employees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
511135-0-Turnover	\$ -	\$ -	\$ -	\$ -	\$ (5,789)	\$ (5,712)
511140-0-Overtime Pay	\$ 3,476	\$ 2,362	\$ 3,222	\$ 3,070	\$ 2,341	\$ 2,398
511150-0-On-Call Pay	\$ 527	\$ 387	\$ 333	\$ 405	\$ 323	\$ 340
511160-0-Employee Insurance	\$ 11,334	\$ 13,133	\$ 15,450	\$ 14,358	\$ 15,495	\$ 14,677
511162-0-Retirement	\$ 15,219	\$ 17,598	\$ 19,439	\$ 20,074	\$ 20,182	\$ 22,181
511164-0-Unused Sick Leave Bonus	\$ 38	\$ 28	\$ 29	\$ 33	\$ 75	\$ 35
511166-0-Personal Leave Bonus	\$ 846	\$ 823	\$ 851	\$ 874	\$ 850	\$ 887
511168-0-Accrued Vacation leave	\$ 1,088	\$ (193)	\$ 1,176	\$ 876	\$ 1,119	\$ 1,169
511170-0-Incentive Pay	\$ 64	\$ 288	\$ 319	\$ 287	\$ 248	\$ 296
511175-0-Other Post Employment Benefits	\$ -	\$ -	\$ -	\$ 4,033	\$ 4,000	\$ 4,000
511199-0-Unfunded OPEB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and Fringe Benefits Total	\$ 108,664	\$ 113,790	\$ 120,690	\$ 124,779	\$ 125,785	\$ 128,718
Contractual Services						
511210-0-Operating Expense	\$ 2,972	\$ 1,971	\$ 1,951	\$ 2,092	\$ 1,948	\$ 1,808
511211-0-Rental of Facilities	\$ 283	\$ 228	\$ 336	\$ 255	\$ 300	\$ 237
511212-0-Alarm and Security	\$ 1,339	\$ 1,587	\$ 1,838	\$ 1,606	\$ 1,545	\$ 1,576
511213-0-Collection Expense	\$ 245	\$ 210	\$ 189	\$ 160	\$ 217	\$ 82
511214-0-Uniforms and Shoe Allowance	\$ 86	\$ 67	\$ 62	\$ 88	\$ 93	\$ 258
511216-0-Catering Svcs & Luncheons	\$ 169	\$ 88	\$ 113	\$ 89	\$ 126	\$ 92
511219-0-Program Rebates	\$ 918	\$ 842	\$ 400	\$ 404	\$ 1,004	\$ 935
511220-0-Maintenance Expense	\$ 9,562	\$ 8,407	\$ 10,141	\$ 9,395	\$ 8,776	\$ 9,317
511221-0-Street Cut Permit Admin Fee	\$ 1,154	\$ 796	\$ 692	\$ 602	\$ 886	\$ 886
511222-0-St Pave/Repair Fee	\$ 1,061	\$ 821	\$ 4,652	\$ 986	\$ 2,198	\$ 1,002
511223-0-Preventive Maintenance	\$ 49	\$ 53	\$ 61	\$ 65	\$ 67	\$ 67
511224-0-Corrective Maintenance	\$ 1,036	\$ 966	\$ 1,120	\$ 1,283	\$ 1,025	\$ 1,050
511225-0-Damage Repair	\$ 226	\$ 136	\$ 227	\$ 133	\$ 100	\$ 175
511230-0-Equipment Rental Charges	\$ 139	\$ 452	\$ 535	\$ 540	\$ 358	\$ 340
511240-0-Travel	\$ 242	\$ 79	\$ 184	\$ 172	\$ 176	\$ 165
511245-0-Training	\$ 821	\$ 573	\$ 639	\$ 614	\$ 661	\$ 542
511247-0-Conferences	\$ 104	\$ 23	\$ 55	\$ 40	\$ 87	\$ 44
511250-0-Memberships and Subscriptions	\$ 392	\$ 283	\$ 416	\$ 395	\$ 410	\$ 346
511260-0-Utilities	\$ 22,617	\$ 22,456	\$ 24,930	\$ 23,319	\$ 23,192	\$ 24,368
511261-0-Water Options	\$ 14,753	\$ 14,770	\$ 15,069	\$ 15,406	\$ 15,651	\$ 16,789
511265-0-Ground Water District Pay	\$ 7,198	\$ 7,708	\$ 7,261	\$ 19,471	\$ 21,732	\$ 21,351
511270-0-Mail and Parcel Post	\$ 1,850	\$ 1,884	\$ 2,000	\$ 1,990	\$ 1,838	\$ 2,082
511280-0-Telemetry Charges	\$ 43	\$ 47	\$ 46	\$ 45	\$ 50	\$ 50
511309-0-Educational Assist-Books	\$ 20	\$ 15	\$ 18	\$ 8	\$ 15	\$ 15

511310-0-Educational Assistance	\$ 175	\$ 216	\$ 207	\$ 140	\$ 200	\$ 210
511312-0-Contractual Prof Svcs	\$ 13,671	\$ 10,953	\$ (14,644)	\$ 10,886	\$ 12,493	\$ 22,983
511313-0-Inspect & Assessment Fees	\$ 539	\$ 1,489	\$ 1,466	\$ 1,497	\$ 1,605	\$ 1,646
511315-0-Temporary Employees	\$ 1,422	\$ 280	\$ 614	\$ 799	\$ 554	\$ 468
511320-0-Legal Services	\$ 2,697	\$ 1,556	\$ 2,162	\$ 3,310	\$ 3,192	\$ 3,287
511330-0-Revenue Recovery Expense	\$ 33	\$ -	\$ -	\$ -	\$ -	\$ -
511370-0-Communications	\$ 1,071	\$ 1,001	\$ 1,014	\$ 963	\$ 1,231	\$ 1,138
511381-0-Software and Hardware Maintenance	\$ 2,225	\$ 2,755	\$ 3,145	\$ 3,413	\$ 3,235	\$ 3,434
Contractual Services Total	\$ 89,112	\$ 82,713	\$ 66,900	\$ 100,165	\$ 104,965	\$ 116,743
Materials and Supplies						
511410-0-Small Tools	\$ 749	\$ 505	\$ 850	\$ 716	\$ 519	\$ 578
511415-0-Expensed Asset	\$ 463	\$ -	\$ -	\$ -	\$ -	\$ -
511417-0-Copy and Printing Expense	\$ 249	\$ 18	\$ 19	\$ 10	\$ 24	\$ 25
511420-0-Operating Materials	\$ 2,351	\$ 2,245	\$ 3,071	\$ 2,734	\$ 2,307	\$ 2,466
511421-0-Heating Fuel	\$ 49	\$ 85	\$ 80	\$ 44	\$ 77	\$ 77
511422-0-Chemicals	\$ 5,925	\$ 5,666	\$ 6,314	\$ 6,602	\$ 6,329	\$ 6,479
511425-0-Education of School Children	\$ 15	\$ 31	\$ 34	\$ 50	\$ 25	\$ 25
511427-0-Enforcement	\$ 3	\$ 10	\$ 35	\$ 33	\$ 214	\$ 120
511428-0-Program Materials	\$ 2,147	\$ 1,618	\$ 1,620	\$ 1,333	\$ 1,572	\$ 864
511430-0-Maintenance Materials	\$ 7,483	\$ 6,315	\$ 7,834	\$ 7,352	\$ 6,070	\$ 6,344
511440-0-Safety Materials & Supplies	\$ 955	\$ 697	\$ 914	\$ 728	\$ 741	\$ 748
511441-0-Inventory Variances	\$ 46	\$ (21)	\$ (8)	\$ 8	\$ 20	\$ 19
511450-0-Tires and Tubes	\$ 332	\$ 454	\$ 572	\$ 652	\$ 416	\$ 501
511451-0-Motor Fuel & Lubricants	\$ 2,001	\$ 2,694	\$ 3,533	\$ 3,705	\$ 3,045	\$ 3,204
Materials and Supplies Total	\$ 22,768	\$ 20,317	\$ 24,867	\$ 23,967	\$ 21,359	\$ 21,450
Other Charges						
511510-0-Judgements and Claims	\$ 533	\$ 655	\$ 685	\$ 2,439	\$ 474	\$ 621
511511-0-AI & GI Claims Cl Adjust	\$ 23	\$ 677	\$ 492	\$ (292)	\$ 500	\$ 482
511520-0-Bank Charges	\$ 958	\$ 829	\$ 830	\$ 881	\$ 979	\$ 830
511530-0-Employee Relations	\$ 279	\$ 285	\$ 310	\$ 271	\$ 280	\$ 270
511540-0-Retiree Insurance	\$ 5,092	\$ 6,162	\$ 6,840	\$ 14,721	\$ 7,901	\$ 6,824
511570-0-Casualty Insurance	\$ 1,206	\$ 1,155	\$ 1,147	\$ 1,218	\$ 1,250	\$ 1,414
511580-0-Unemployment Compensation	\$ 69	\$ 23	\$ 50	\$ 75	\$ 42	\$ 42
511590-0-Workers Comp Medical	\$ 973	\$ 585	\$ 813	\$ 479	\$ 600	\$ 600
511600-0-WC-Contigent Liab Adjust	\$ 81	\$ 408	\$ (288)	\$ (309)	\$ 120	\$ -
511610-0-Workers Comp Benefits	\$ 288	\$ 305	\$ 253	\$ 62	\$ 276	\$ 250
511620-0-WC-Misc Claims Expense	\$ 84	\$ 48	\$ 27	\$ 35	\$ 40	\$ 30
511650-0-Expensed CIP Projects	\$ 689	\$ -	\$ -	\$ -	\$ -	\$ -
Other Charges Total	\$ 10,275	\$ 11,133	\$ 11,159	\$ 19,580	\$ 12,463	\$ 11,363
Total O&M Before Capitalized Cost	\$ 230,819	\$ 227,953	\$ 223,615	\$ 268,492	\$ 264,572	\$ 278,274
Capitalized Cost and Transfer	\$ (32,873)	\$ (32,035)	\$ (30,362)	\$ (32,350)	\$ (34,236)	\$ (34,337)
GRAND TOTAL	\$ 197,946	\$ 195,918	\$ 193,253	\$ 236,142	\$ 230,336	\$ 243,937

*Preliminary Unaudited

Attachment C

	2013-Budget 8.4%
Automobiles and Trucks	\$ 4,230,000
Communications Equipment	\$ 280,500
Computer Equipment	\$ 1,600,000
Heavy Equipment	\$ -
Lab Equipment	\$ 242,000
Light Equipment	\$ 94,300
Machinery and Equipment	\$ 210,000
Miscellaneous Equipment	\$ 485,650
Pumping Equipment	\$ 739,000
Software Systems	\$ 590,000
Grand Total	\$ 8,471,450

Attachment D

List of CIP Documents

Document 1: 5-Year Summary

Document 2: 2013 CIP Detail

Document 3: CIP 2013 through 2017

Document 4: Pipe Diameter

Document 5: CIP Committed vs. Spent

Attachment D

Document 1

SAN ANTONIO WATER SYSTEM

CAPITAL IMPROVEMENTS PROGRAM (CIP) PROJECTIONS

Row Labels	Values					Sum of Total Years 2013-2017
	Sum of 2013	Sum of 2014	Sum of 2015	Sum of 2016	Sum of 2017	
Water Delivery	65,206,249	66,313,981	80,435,266	60,173,552	90,512,610	362,641,658
Corporate - WD	8,949,700	9,527,100	11,721,220	-	-	30,198,020
Distribution Growth	5,969,628	6,778,116	5,441,071	4,102,542	34,738,463	57,029,820
Governmental	16,548,284	24,250,800	28,870,000	17,322,000	17,322,000	104,313,084
Main Replacements	11,681,957	11,366,991	9,389,141	21,772,006	11,387,907	65,598,002
Production Growth	-	1,890,264	11,029,206	3,050,116	19,685,068	35,654,654
Production R&R	22,056,680	12,500,710	13,984,628	13,926,888	7,379,172	69,848,078
Wastewater	159,873,589	214,220,116	225,832,398	190,747,182	181,980,810	972,654,095
Collection Growth	14,859,330	29,792,390	18,988,182	46,754,133	38,955,265	149,349,300
Collection R&R	22,500,777	26,156,958	46,059,024	33,866,282	46,574,654	175,157,695
Corporate - WW	8,790,825	9,357,975	11,513,145	-	-	29,661,945
Governmental	18,693,264	23,820,300	28,357,500	15,880,200	15,880,200	102,631,464
Main Replacements - Sewer	78,128,322	82,612,958	71,254,893	81,712,552	66,959,091	380,667,816
Treatment Growth	-	-	31,760,400	-	-	31,760,400
Treatment R&R	16,901,071	42,479,535	17,899,254	12,534,015	13,611,600	103,425,475
Water Resources	118,901,425	142,822,430	116,518,683	51,871,122	60,121,078	490,234,738
Edwards	11,046,672	11,046,672	11,046,672	11,046,672	11,046,672	55,233,360
Recycled Water	2,749,583	3,661,505	2,763,400	11,744,450	2,901,570	23,820,508
Regional Carrizo	1,138,354	-	-	-	-	1,138,354
Desalination	98,150,816	-	-	-	15,565,942	113,716,758
Integration	5,816,000	97,526,515	64,781,824	-	-	168,124,339
ASR	-	581,600	-	-	-	581,600
Local Carrizo	-	-	-	-	-	-
LCRA	-	-	-	-	-	-
RFCSP	-	29,080,000	29,080,000	29,080,000	29,080,000	116,320,000
Expanded Carrizo	-	926,138	8,846,787	-	1,526,894	11,299,819
Heating & Cooling	6,170,296	2,930,500	527,375	2,275,625	6,616,375	18,520,171
Heating & Cooling Growth	-	-	-	-	-	-
Heating & Cooling R&R	6,170,296	2,930,500	527,375	2,275,625	6,616,375	18,520,171
Grand Total	350,151,559	426,287,027	423,313,722	305,067,481	339,230,873	1,844,050,662

Attachment D

Document 2

Category	Project Title	Phase	Programmed Amount
Heating & Cooling			
<i>Heating & Cooling Infrastructure</i>			
	Chilled Water Distribution Loop Isolation Valves/Meter Upgrades	Design	\$93,025
	Heating and Cooling Governmental Projects	Construction	\$5,952,271
	Heating and Cooling System Infrastructure 2013	Construction	\$125,000
		Total	\$6,170,296
TOTAL HEATING & COOLING			\$6,170,296

Category	Project Title	Phase	Programmed Amount
<i>Wastewater</i>			
<i>Corporate</i>			
	Service Center Facility Project Plan - WW Share	Acquisition	\$6,238,650
	IBM Mainframe Upgrade - WW Share	Acquisition	\$567,150
	ERSS Customer Information System - WW Share	Acquisition	\$567,150
	CIP Program Management Software	Acquisition	\$1,417,875
		Total	\$8,790,825
<i>Collection Growth</i>			
	W-6: Western Watershed Sewer Relief Line – Project 2	Construction	\$14,745,900
	Sewer Main Oversizing 2013	Construction	\$113,430
		Total	\$14,859,330
<i>Collection R&R</i>			
	C-12 Donaldson Terrace	Design	\$1,459,512
	C-13 Broadway Corridor: N New Braunfels to Commerce	Construction	\$8,507,250
	C-33 Broadway Corridor: Carnahan to Mulberry	Construction	\$9,074,400
	LS 11 and LS 111 Elimination	Construction	\$3,119,325
	Lift Stations 251, 267, 225 & 175 Elimination	Acquisition	\$340,290
		Total	\$22,500,777
<i>Governmental Sewer</i>			
	Governmental Sewer Adjustments	Construction	\$2,245,914
	Governmental Sewer Installations	Construction	\$7,372,950
	Governmental Sewer Replacements	Construction	\$9,074,400
		Total	\$18,693,264
<i>Main Replacement - Sewer</i>			
	Main Replacements - Sewer - SAWS Crews	Construction	\$3,771,548
	Sanitary Sewer Overflow Rehabilitation 2013	Construction	\$20,417,400
	Small Diameter Rehabilitation Program	Construction	\$27,600,308
	Large Diameter Rehabilitation Program	Construction	\$2,552,175
	Capacity Program	Construction	\$2,835,750
	Manhole Rehabilitation Program	Construction	\$1,951,616
	Unspecified Services Engineering Contract Sewer	Design	\$2,268,600
	Open-Cut Sewer Pipe Replacement Contract	Construction	\$2,268,600
	San Antonio River Outfall Pipeline Rehabilitation	Construction	\$11,116,140
	Sewer Laterals 2013	Construction	\$3,346,185
		Total	\$78,128,322
<i>Treatment R&R</i>			
	Dos Rios WRC Feasibility and Design for Sludge Conditioning and Dewatering	Design	\$1,729,808
	Dos Rios WRC Aeration and Secondary Settling Tank Improvements	Design	\$2,041,740
	Medio Creek WRC Process Piping Improvements	Design	\$113,430
	Dos Rios WRC Digester Mixing and System Enhancements - Phase 2	Construction	\$12,477,300
	Dos Rios WRC Instrumentation and Control Upgrade	Design	\$226,860
	Leon Creek WRC Automation	Design	\$311,933
		Total	\$16,901,070

TOTAL WASTEWATER			\$159,873,588
Category	Project Title	Phase	Programmed Amount

Water Delivery			
<i>Corporate</i>			
	Service Center Facility Project Plan - WD Share	Acquisition	\$6,351,400
	IBM Mainframe Upgrade - WD Share	Acquisition	\$577,400
	ERSS Customer Information System - WD Share	Acquisition	\$577,400
	CIP Program Management Software	Acquisition	\$1,443,500
		Total	\$8,949,700
<i>Distribution Growth</i>			
	Hidden Springs Water System Improvement	Construction	\$1,327,332

	Install PRVs With Hidden Springs Project	Construction	\$80,836
	Water Main Oversizing 2013	Construction	\$1,154,800
	Dominion Fire Flow Improvement	Construction	\$3,175,700
	Install PRVs With Dominion Fire Flow Project	Construction	\$230,960
		Total	\$5,969,628
<i>Governmental Water</i>	Governmental Water Adjustments	Construction	\$5,866,384
	Governmental Water Installations	Construction	\$1,385,760
	Governmental Water Replacements	Construction	\$9,296,140
		Total	\$16,548,284
<i>Main Replacement - Water</i>	Meter Replacements	Construction	\$3,933,249
	Open Cut Water Contract	Construction	\$1,732,200
	Unspecified Services Engineering Contract Water	Design	\$1,154,800
	Main Replacements - Water - SAWS Crews	Construction	\$11,548
	Valves, Services and Meters	Construction	\$4,850,160
		Total	\$11,681,957
<i>Production R&R</i>	Chlorine System Upgrades	Design	\$692,880
	Tank Mixing Systems - Shields/Cross Mountain	Construction	\$1,154,800
	Winwood Disinfectant Treatment Process Change (MIOX)	Construction	\$577,400
	Water Production Facility Upgrades Program Phase 8 - Nacogdoches	Construction	\$15,012,400
	Water Production Facility Upgrades Program Phase 4a - Basin	Construction	\$4,619,200
		Total	\$22,056,680
TOTAL WATER DELIVERY			\$65,206,249
Water Supply			
<i>Recycled Water</i>	San Jose and Brooks Recycled Water Pump Station and Ground Storage Tank	Construction	\$1,367,883
	Recycle Customer Lines	Construction	\$1,381,700
		Total	\$2,749,583
<i>Water Resources</i>	Desalination: Construction Manager at Risk (Construction Services)	Construction	\$98,034,496
	Desalination: Legal	Acquisition	\$116,320
	Edwards Aquifer Acquisitions Contract Advisory Services	Acquisition	\$64,922
	Edwards Aquifer Water Rights	Acquisition	\$10,981,750
	Integration: Construction Management & Inspection	Construction	\$5,816,000
	Regional Carrizo: Well Mitigation Program	Construction	\$1,138,354
		Total	\$116,151,842
TOTAL WATER SUPPLY			\$118,901,425
	Heating & Cooling		\$6,170,296
	Water Delivery		\$65,206,249
	Wastewater		\$159,873,588
	Water Supply		\$118,901,425
	TOTAL		\$350,151,557

Attachment D
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SAN ANTONIO WATER SYSTEM
5-YEAR CAPITAL IMPROVEMENT PROGRAM W/ OVERHEAD

Core Business	CIP Category	Project Title	2013	2014	2015	2016	2017	Total 2013-2017
Water Delivery	Governmental	Governmental Water	16,548,284	24,250,800	28,870,000	17,322,000	17,322,000	104,313,084
Water Delivery	Main Replacements	Annual Survey Water	-	115,480	-	115,480	-	230,960
Water Delivery	Main Replacements	Brookhaven Allena Village Area Main Replacement - Phase 1 - Water	-	373,000	-	3,590,546	-	3,963,546
Water Delivery	Main Replacements	Brookhaven Allena Village Area Main Replacement - Phase 2 - Water	-	-	331,659	-	2,974,996	3,306,655
Water Delivery	Main Replacements	Brookhaven Allena Village Area Main Replacement - Phase 3 - Water	-	-	-	274,671	-	274,671
Water Delivery	Main Replacements	Hotwells Water Main Replacement	-	2,968,131	916,142	3,403,816	-	7,288,089
Water Delivery	Main Replacements	Lackland Terrace Estates Water Main Replacement - Phase 2	-	-	-	668,514	-	668,514
Water Delivery	Main Replacements	Lackland Terrace Estates Water Main Replacement - Phase 3	-	-	-	-	669,977	669,977
Water Delivery	Main Replacements	Lincoln Heights 2" Water Main Replacement (unspec design)	-	-	519,660	-	-	519,660
Water Delivery	Main Replacements	Los Angeles Heights Water Main Replacement - Phase 2	-	-	-	3,464,400	-	3,464,400
Water Delivery	Main Replacements	Main Replacements - Water - SAWS Crews	11,548	115,480	115,480	115,480	115,480	473,468
Water Delivery	Main Replacements	Near Northside Water Main Replacement - Phase 1	-	-	-	-	121,254	121,254
Water Delivery	Main Replacements	Replace 12" Water Main on Pleasanton Road at Medina River	-	288,700	-	-	-	288,700
Water Delivery	Main Replacements	Rio Grande St. 24" Water Main Replacement Project	-	-	-	2,632,899	-	2,632,899
Water Delivery	Main Replacements	Unspecified Services Engineering Contract	1,154,800	923,840	923,840	923,840	923,840	4,850,160
Water Delivery	Main Replacements	Meter Replacement	3,933,249	1,270,280	1,270,280	1,270,280	1,270,280	9,014,369
Water Delivery	Main Replacements	Valves, Services and Meters	4,850,160	4,157,280	4,157,280	4,157,280	4,157,280	21,479,280
Water Delivery	Main Replacements	Open Cut Water Contract	1,732,200	1,154,800	1,154,800	1,154,800	1,154,800	6,351,400
Water Delivery	Distribution Growth	Dominion Fire Flow Improvement	3,175,700	-	-	-	-	3,175,700
Water Delivery	Distribution Growth	Hidden Springs Water System Improvement	1,327,332	-	-	-	-	1,327,332
Water Delivery	Distribution Growth	Wurzbach PS to University PS (PZ7 to PZ8)	-	-	1,976,671	-	19,766,712	21,743,383
Water Delivery	Distribution Growth	Green Mountain PS to Evans PS (PZ10 to PZ11A)	-	-	-	638,142	-	638,142
Water Delivery	Distribution Growth	Naco PS to Green Mountain PS to Batcave PS (PZ9 to PZ10)	-	-	-	-	982,504	982,504
Water Delivery	Distribution Growth	PortSA Water Main Improvements	-	4,362,274	-	-	-	4,362,274
Water Delivery	Distribution Growth	PortSA 16-inch Water Main	-	1,261,042	-	-	-	1,261,042
Water Delivery	Distribution Growth	Water Main Oversizing	1,154,800	1,154,800	3,464,400	3,464,400	3,464,400	12,702,800
Water Delivery	Distribution Growth	Water Main Along Old Pearsall Rd, Nelson Rd and Loop 1604 from Pvt Rd to Hwy 90 (4-2)	-	-	-	-	5,410,238	5,410,238
Water Delivery	Distribution Growth	Water Main around Wilderness Oak Tank (10-04)	-	-	-	-	5,114,609	5,114,609
Water Delivery	Distribution Growth	Install PRVs With Hidden Springs Project	80,836	-	-	-	-	80,836
Water Delivery	Distribution Growth	Install PRVs With Dominion Fire Flow Project	230,960	-	-	-	-	230,960
Water Delivery	Production Growth	Batcave Storage Tank	-	-	-	-	194,873	194,873
Water Delivery	Production Growth	Blackbuck Tank	-	392,632	3,941,332	-	-	4,333,964
Water Delivery	Production Growth	Borgfield Storage Tank & PS Improvements	-	-	238,178	-	425,833	664,011
Water Delivery	Production Growth	DeZavala Storage Tank	-	238,178	476,355	-	4,763,550	5,478,083
Water Delivery	Production Growth	Mission del Lago Elevated Storage Tank (AKA Applewhite)	-	-	5,022,110	-	-	5,022,110
Water Delivery	Production Growth	Turtle Creek No. 3 Ground Storage Tank and Well Pumps	-	-	-	776,603	-	776,603
Water Delivery	Production Growth	Turtle Creek No. 3 Well Field	-	-	1,351,231	-	13,512,315	14,863,546
Water Delivery	Production Growth	Turtle Creek No. 3 PS High Service Pumps	-	-	-	-	788,497	788,497
Water Delivery	Production Growth	Wayland PS Improvements	-	227,351	-	2,273,513	-	2,500,864
Water Delivery	Production Growth	Evans PS Improvements	-	1,032,103	-	-	-	1,032,103
Water Delivery	Production R&R	Replace Loma Linda Tank with Richland Hills Tank	-	-	-	4,619,200	-	4,619,200
Water Delivery	Production R&R	Forest Glen PRVs	-	173,220	-	-	-	173,220

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Core Business	CIP Category	Project Title	2013	2014	2015	2016	2017	Total 2013-2017
Water Delivery	Production R&R	Pump Station Rehabilitation Phase 4a – Basin	4,619,200	-	-	-	-	4,619,200
Water Delivery	Production R&R	Pump Station Rehabilitation Phase 4b – Basin	-	548,530	-	8,083,600	-	8,632,130
Water Delivery	Production R&R	University PS Improvements	-	4,041,800	-	-	-	4,041,800
Water Delivery	Production R&R	Pump Station Rehabilitation Phase 6 – Evans 11A Booster	-	-	-	115,480	1,154,800	1,270,280
Water Delivery	Production R&R	Pump Station Rehabilitation Phase 7 – 34th Street	-	692,880	5,774,000	-	-	6,466,880
Water Delivery	Production R&R	Pump Station Rehabilitation Phase 8 - Nacogdoches	15,012,400	-	-	-	-	15,012,400
Water Delivery	Production R&R	Pump Station Rehabilitation Phase 9 - Marbach	-	-	-	-	565,852	565,852
Water Delivery	Production R&R	Pump Station Rehabilitation Phase 10 – Maltsberger	-	-	-	993,128	-	993,128
Water Delivery	Production R&R	Pump Station Rehabilitation Phase 11 – Wurzbach	-	-	1,108,608	-	5,543,040	6,651,648
Water Delivery	Production R&R	Well Plugging & Facility Demolition Project	-	115,480	-	115,480	-	230,960
Water Delivery	Production R&R	Production SCADA Upgrade	-	-	-	-	115,480	115,480
Water Delivery	Production R&R	Chlorine System Upgrades	692,880	6,928,800	6,928,800	-	-	14,550,480
Water Delivery	Production R&R	Demolish Tinker Tank	-	-	173,220	-	-	173,220
Water Delivery	Corporate - WD	Service Center Facility Plan Project - Water Share	6,351,400	9,527,100	11,721,220	-	-	27,599,720
Wastewater	Governmental	Governmental Sewer	18,693,264	23,820,300	28,357,500	15,880,200	15,880,200	102,631,464
Wastewater	Main Replacements - Sewer	Annual Survey Sewer 2011	-	113,430	-	-	113,430	226,860
Wastewater	Main Replacements - Sewer	Brackenridge H.S.; Renew 38" Main	-	-	-	952,812	-	952,812
Wastewater	Main Replacements - Sewer	Brookhaven Allena Village Area Main Replacement - Phase 1 - Sewer	-	300,590	-	3,418,894	-	3,719,484
Wastewater	Main Replacements - Sewer	Brookhaven Allena Village Area Main Replacement - Phase 2 - Sewer	-	-	307,962	-	3,728,784	4,036,746
Wastewater	Main Replacements - Sewer	Brookhaven Allena Village Area Main Replacement - Phase 3 - Sewer	-	-	-	261,083	-	261,083
Wastewater	Main Replacements - Sewer	Camp St. Old Siphon Abandonment	-	-	-	-	567,150	567,150
Wastewater	Main Replacements - Sewer	Hotwells Sewer Main Replacement	-	8,466,029	4,246,682	6,533,330	-	19,246,041
Wastewater	Main Replacements - Sewer	Lackland Terrace Estates Sewer Main Replacement - Phase 2	-	-	-	329,854	-	329,854
Wastewater	Main Replacements - Sewer	Lackland Terrace Estates Sewer Main Replacement - Phase 3	-	-	-	-	335,408	335,408
Wastewater	Main Replacements - Sewer	Los Angeles Heights Sewer Main Replacement - Phase 2	-	-	-	3,402,900	-	3,402,900
Wastewater	Main Replacements - Sewer	Main Replacements - Sewer - SAWS Crews	3,771,548	3,402,900	3,402,900	3,402,900	1,134,300	15,114,548
Wastewater	Main Replacements - Sewer	Near Northside Sewer Main Replacement - Phase 1	-	-	-	-	164,700	164,700
Wastewater	Main Replacements - Sewer	Open Cut Sewer Contract	2,268,600	2,268,600	2,268,600	2,268,600	2,268,600	11,343,000
Wastewater	Main Replacements - Sewer	Sewer Laterals	3,346,185	3,402,900	3,402,900	3,402,900	1,134,300	14,689,185
Wastewater	Main Replacements - Sewer	Unspecified Services Engineering Contract 2011	2,268,600	2,268,600	2,268,600	2,268,600	2,268,600	11,343,000
Wastewater	Main Replacements - Sewer	Small Diameter Rehabilitation Program	27,600,308	27,600,308	27,600,308	27,600,308	27,600,308	138,001,540
Wastewater	Main Replacements - Sewer	Large Diameter Rehabilitation Program	2,552,175	2,552,175	2,552,175	2,552,175	2,552,175	12,760,875
Wastewater	Main Replacements - Sewer	Capacity Program	2,835,750	2,835,750	2,835,750	2,835,750	2,835,750	14,178,750
Wastewater	Main Replacements - Sewer	Manhole Rehabilitation Program	1,951,616	1,951,616	1,951,616	1,951,616	1,951,616	9,758,080
Wastewater	Collection Growth	C-3 SA Airport : McCullough and Wetmore to Basse	-	-	-	-	3,176,040	3,176,040
Wastewater	Collection Growth	W-1 Leon Creek: Hwy 151 to Hwy 90 (formerly W-01A & W-01B Western Relief Project)	-	-	-	4,169,108	-	4,169,108
Wastewater	Collection Growth	W-2 Huebner Creek: Eckhart to Shadow Mist (formerly W-06)	-	158,802	-	5,379,985	5,379,985	10,918,772
Wastewater	Collection Growth	W-6 Western Watershed Sewer Relief Line: Projects 1-6 (formerly West Relief Main, Hwy 90 to Loop 410 Lower to Upper Segments)	14,745,900	11,343,000	11,343,000	22,686,000	22,686,000	82,803,900
Wastewater	Collection Growth	Sewer Main Oversizing	113,430	340,290	340,290	340,290	340,290	1,474,590
Wastewater	Collection Growth	W_31_JH-10 Boerne Stage to Old Fredericksburg (formerly known as the Western Extension_B Project)	-	1,814,880	-	7,372,950	7,372,950	16,560,780

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Core Business	CIP Category	Project Title	2013	2014	2015	2016	2017	Total 2013-2017
Wastewater	Collection Growth	C-5: Culebra and Castroville to Laredo (formerly C-23 along 27th St. from Arbor Place to W. Poplar St.) includes C-28	-	6,805,800	6,805,800	6,805,800	-	20,417,400
Wastewater	Collection Growth	Cibolo Creek Sewershed Flow Diversion	-	7,543,095	-	-	-	7,543,095
Wastewater	Collection Growth	Install sewer main from LS 224 to SBSP Applewood Ranch: Oversize Sewer Main Cagnon Rd to MRSO	-	-	499,092	-	-	499,092
Wastewater	Collection Growth	C-11 Alazan Creek: Mistletoe to Leal (Formerly known as C-19)	-	1,786,523	-	-	-	1,786,523
Wastewater	Collection R&R	C-12 Donaldson Terrace (formerly known as C-14 & C-15)	-	-	-	-	1,268,176	1,268,176
Wastewater	Collection R&R	C-13 Broadway Corridor: Josephine to Commerce (formerly C04A, C03A, C03B, C05, and C02B)	1,459,512	-	7,297,559	7,297,559	-	16,054,630
Wastewater	Collection R&R	C-18 Loop 410 to Shannon Lee (formerly known as C-10)	8,507,250	10,208,700	7,940,100	7,940,100	-	34,596,150
Wastewater	Collection R&R	C-22 Balcones Heights: Oakdale to Babcock (formerly C-12 (Focus Area40) & C-13)	-	-	680,580	-	-	1,101,419
Wastewater	Collection R&R	C-33 Broadway Corridor: Carnahan to E. Mulberry (formerly C_04B and C-03 (C-2 - C-6))	-	-	-	-	3,402,900	4,083,480
Wastewater	Collection R&R	C-8 Merida: Zarzamora to Brazos (formerly C-25)	9,074,400	13,611,600	11,343,000	-	-	34,029,000
Wastewater	Collection R&R	E-15 Weidner to IH-35 (formerly E_17)	-	-	-	-	151,910	151,910
Wastewater	Collection R&R	E-16 Wurzbach: Blanco to Nakoma (formerly E_10, E_11, and C-08)	-	-	-	-	471,327	471,327
Wastewater	Collection R&R	E-19 Salado Creek to Binz-Engleman (formerly E_04B, E-04A, E-05A up to Salado Creek)	-	1,542,648	-	7,713,240	7,713,240	16,969,128
Wastewater	Collection R&R	E-20 Wurzbach: Jones Maitsberger to Nacogdoches (formerly E_15 PBS&J, E_10 PBS&J E_09 PBS&J, E_05A, E_06 PBS&J, and E_09 PBS&J)	-	-	-	-	-	4,537,200
Wastewater	Collection R&R	E-25 Edgewater to Madison Park (formerly E_23 PBS&J)	-	-	-	-	1,883,285	1,883,285
Wastewater	Collection R&R	E-26 Mud Creek: Walden Oaks to Crooked Stick (formerly NE Mud Creek)	-	-	-	-	102,326	102,326
Wastewater	Collection R&R	E-7 Beitel Creek: Wurzbach Pkwy to Austin Hwy (formerly E_08 PBS&J)	-	-	1,700,638	-	-	243,812
Wastewater	Collection R&R	W-10 Huebner Creek: IH-10 to Huebner Rd	-	-	-	-	8,503,189	10,203,827
Wastewater	Collection R&R	W-9 Huebner Creek: Prue to Ingram (formerly W-07A, W-07B, & W-07C)	-	-	3,825,270	-	-	1,326,108
Wastewater	Collection R&R	Install Sewer Mains and Eliminate Lift Stations near Port SA	-	-	4,537,200	1,134,300	-	19,126,351
Wastewater	Collection R&R	MRSO Odor Control Stations	-	113,430	1,134,300	-	-	22,951,621
Wastewater	Collection R&R	Lift Station Rehabilitation Phase 4	-	453,720	4,537,200	-	-	5,671,500
Wastewater	Collection R&R	Lift Station Elimination Phase 2	-	-	1,928,310	-	-	1,247,730
Wastewater	Collection R&R	Lift Station Elimination Phase 3	-	-	178,652	1,000,453	-	4,990,920
Wastewater	Collection R&R	Lift Station #135 Elimination	-	-	956,215	-	-	1,928,310
Wastewater	Collection R&R	Lift Station's 251, 267, 225, & 193 Elimination	340,290	-	-	873,411	-	1,179,105
Wastewater	Collection R&R	LS 11 (Feathercrest) and LS 111 (Stone Ridge) Elimination	-	226,860	-	-	-	956,215
Wastewater	Collection R&R	Lift Stations SCADA Upgrade	3,119,325	-	-	-	113,430	1,213,701
Wastewater	Collection R&R	Rehabilitate Pipelines Constructed from 1900 – 1940 under TxDOT ROW	-	-	-	2,268,600	2,268,600	3,346,185
Wastewater	Collection R&R	San Antonio River Outfall Pipeline Rehabilitation	-	-	-	-	-	113,430
Wastewater	Main Replacements - Sewer	SSO Rehabilitation	11,116,140	7,032,660	-	-	-	2,268,600
Wastewater	Main Replacements - Sewer	Dos Rios WRC Re-rating Phase II - Primary Settling Tanks Improvements	20,417,400	20,417,400	20,417,400	20,417,400	20,417,400	4,537,200
Wastewater	Treatment Growth	Dos Rios WRC Digester Mixing and System Enhancements - Phase 2	-	-	31,760,400	-	-	18,148,800
Wastewater	Treatment R&R	Dos Rios WRC Digester Mixing and System Enhancements - Phase 3	12,477,300	-	-	-	-	12,477,300
Wastewater	Treatment R&R	Dos Rios WRC Digester Mixing and System Enhancements - Phase 3	-	1,020,870	10,775,850	-	-	11,796,720

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Core Business	CIP Category	Project Title	2013	2014	2015	2016	2017	Total 2013-2017
Wastewater	Treatment R&R	Dos Rios WRC Secondary Treatment Improvements	2,041,740	20,417,400	-	-	-	22,459,140
Wastewater	Treatment R&R	Dos Rios WRC Feasibility and Design for Sludge Conditioning and Dewatering	1,729,808	17,298,075	-	-	-	19,027,883
Wastewater	Treatment R&R	Dos Rios WRC SCADA Upgrade	-	-	-	-	-	-
Wastewater	Treatment R&R	Dos Rios WRC Electrical System Improvements	-	-	1,134,300	11,343,000	-	12,477,300
Wastewater	Treatment R&R	Leon Creek WRC Sludge Pumping Improvements	-	340,290	3,402,900	-	-	3,743,190
Wastewater	Treatment R&R	Leon Creek WRC Headworks Improvements	-	-	-	850,725	8,507,250	9,357,975
Wastewater	Treatment R&R	Leon Creek WRC Improvements Phase III - BNR	-	-	-	-	2,268,600	2,268,600
Wastewater	Treatment R&R	Leon Creek & Medio Creek WRC SCADA Upgrade	-	-	283,575	-	2,835,750	3,119,325
Wastewater	Treatment R&R	Leon Creek WRC Biological Process Automation	311,933	2,268,600	-	-	-	2,580,533
Wastewater	Treatment R&R	Medio Creek WRC Process Piping Enhancements	113,430	1,134,300	-	-	-	1,247,730
Wastewater	Treatment R&R	Medio Creek WRC Carousels 3, 4, 5 Process Rehabilitation	-	-	34,029	340,290	-	374,319
Wastewater	Corporate - WW	Service Center Facility Plan Project - WW Share	6,238,650	9,357,975	11,513,145	-	-	27,109,770
Heating & Cooling	Heating & Cooling R&R	Heating and Cooling System Infrastructure 2012	125,000	125,000	125,000	125,000	125,000	625,000
Heating & Cooling	Heating & Cooling R&R	H&C Governmental Projects	5,952,271	-	-	-	-	5,952,271
Heating & Cooling	Heating & Cooling R&R	Heating & Cooling Facilities SCADA Upgrade	-	1,875,000	-	-	-	1,875,000
Heating & Cooling	Heating & Cooling R&R	Chilled Water Loop Crossover (Alamodome to Cherry Street Facility)	-	-	149,125	1,491,250	-	1,640,375
Heating & Cooling	Heating & Cooling R&R	Chilled Water Loop Crossover (Commerce Street)	-	-	-	186,875	1,868,750	2,055,625
Heating & Cooling	Heating & Cooling R&R	Chilled Water Loop Crossover (Durango Street)	-	-	-	-	93,125	93,125
Heating & Cooling	Heating & Cooling R&R	Chilled Water Distribution Loop Isolation Valves/Meter Upgrades	93,025	930,500	-	-	-	1,023,525
Heating & Cooling	Heating & Cooling R&R	Preliminary Design of Customer Modular Heating Boilers & Heat Exchangers	-	-	250,000	-	-	250,000
Heating & Cooling	Heating & Cooling R&R	Replace existing Ice Chillers in Commerce Street Plant	-	-	-	-	129,500	129,500
Heating & Cooling	Heating & Cooling R&R	Convert Customer Buildings to 2-way valves w/o Bypass	-	-	3,250	32,500	-	35,750
Heating & Cooling	Heating & Cooling R&R	Install (3) 4,160V VFD's on Cherry Street Plant Chillers	-	-	-	115,000	1,150,000	1,265,000
Heating & Cooling	Heating & Cooling R&R	Install Thermal Energy Storage Tank at Cherry St. Plant	-	-	-	325,000	3,250,000	3,575,000
Water Resources	Recycled Water	Recycle Customer Lines	1,381,700	1,381,700	1,381,700	1,381,700	1,381,700	6,908,500
Water Resources	Recycled Water	Eastern Leg Recycled Water Storage	-	621,765	-	6,217,650	-	6,839,415
Water Resources	Recycled Water	Recycled Water SCADA Upgrade	-	-	-	-	138,170	138,170
Water Resources	Recycled Water	Upsize 30" Recycled Water Main on Harry Wurzbach	-	276,340	-	2,763,400	-	3,039,740
Water Resources	Recycled Water	San Jose and Brooks Recycled Water Pump Station and Ground Storage Tank	1,367,883	-	-	-	-	1,367,883
Water Resources	Recycled Water	Convention Center Recycled Water Outfall Safety Upgrade	-	-	-	-	-	-
Water Resources	Recycled Water	Governmental Adjustments	-	1,381,700	1,381,700	1,381,700	1,381,700	5,526,800
Water Resources	Edwards	Edwards Aquifer Acquisitions Contract Advisory Services	64,922	64,922	64,922	64,922	64,922	324,610
Water Resources	Edwards	Edwards Aquifer Acquisitions Groundwater Rights Purchase	10,981,750	10,981,750	10,981,750	10,981,750	10,981,750	54,908,750
Water Resources	Regional Carrizo	Regional Carrizo: Well Mitigation Program	1,138,354	-	-	-	-	1,138,354
Water Resources	Desalination	Desalination: Legal	116,320	-	-	-	-	116,320
Water Resources	Desalination	Desalination: Constructability Review	-	-	-	-	-	-
Water Resources	Desalination	Desalination: Construction Manager At Risk (Construction Services)	98,034,496	-	-	-	-	98,034,496
Water Resources	Integration	Integration: Water Transmission Line Segment I	-	32,818,646	-	-	-	32,818,646

Attachment D
Document 3

Core Business	CIP Category	Project Title	2013	2014	2015	2016	2017	Total 2013-2017
Water Resources	Integration	Integration: Water Transmission Line Segment II	-	20,792,155	-	-	-	20,792,155
Water Resources	Integration	Integration: Pump Stations	-	43,915,714	7,749,832	-	-	51,665,546
Water Resources	Integration	Integration: Construction Management & Inspection Services	5,816,000	-	-	-	-	5,816,000
Water Resources	ASR	Twin Oaks ASR SCADA Upgrade	-	581,600	-	-	-	581,600
Water Resources	Integration	Integration: Water Transmission Line Segment III	-	-	36,239,837	-	-	36,239,837
Water Resources	Integration	Integration: Water Transmission Line Segment II from Booster PS to Anderson Tank	-	-	20,792,155	-	-	20,792,155
Water Delivery	Production R&R	Tank Mixing Systems - Shields/Cross Mountain	1,154,800	-	-	-	-	1,154,800
Water Delivery	Production R&R	Winwood Disinfectant Treatment Process Change (MIOX)	577,400	-	-	-	-	577,400
Water Delivery	Corporate - WD	IBM Mainframe Upgrade - WD Share	577,400	-	-	-	-	577,400
Water Delivery	Corporate - WD	ERSS Customer Information System - WD Share	577,400	-	-	-	-	577,400
Water Delivery	Corporate - WD	CIP Program Management Software - WD Share	1,443,500	-	-	-	-	1,443,500
Wastewater	Treatment R&R	Dos Rios WRC Instrumentation and Control Upgrade	226,860	-	2,268,600	-	-	2,495,460
Wastewater	Corporate - WW	IBM Mainframe Upgrade - WW Share	567,150	-	-	-	-	567,150
Wastewater	Corporate - WW	ERSS Customer Information System - WW Share	567,150	-	-	-	-	567,150
Wastewater	Corporate - WW	CIP Program Management Software - WD Share	1,417,875	-	-	-	-	1,417,875
Water Resources	Desalination	Desalination Mitigation Program	-	-	-	-	1,372,576	1,372,576
Water Resources	Desalination	Desalination: Design - Phase II	-	-	-	-	14,193,366	14,193,366
Water Resources	Expanded Carrizo	Expanded Carrizo: Design - Phase 1	-	918,928	-	-	-	918,928
Water Resources	Expanded Carrizo	Expanded Carrizo: Easements	-	7,210	-	-	-	7,210
Water Resources	Expanded Carrizo	Expanded Carrizo: Wells	-	-	3,908,352	-	-	3,908,352
Water Resources	Expanded Carrizo	Expanded Carrizo: Pipeline	-	-	3,560,467	-	-	3,560,467
Water Resources	Expanded Carrizo	Expanded Carrizo: Electrical Infrastructure	-	-	159,780	-	-	159,780
Water Resources	Expanded Carrizo	Expanded Carrizo: Well Finishout	-	-	659,852	-	-	659,852
Water Resources	Expanded Carrizo	Expanded Carrizo: Well Rehab (Staggs)	-	-	558,336	-	-	558,336
Water Resources	Expanded Carrizo	Expanded Carrizo: Re-mitigation Lower Pumps	-	-	-	-	41,875	41,875
Water Resources	Expanded Carrizo	Expanded Carrizo: Re-mitigation Lower Wells	-	-	-	-	302,432	302,432
Water Resources	Expanded Carrizo	Expanded Carrizo: Drill new wells	-	-	-	-	1,163,200	1,163,200
Water Resources	Expanded Carrizo	Expanded Carrizo: Road Improvement	-	-	-	-	19,387	19,387
Water Resources	RFCS	RFCS - Integration Project	-	29,080,000	29,080,000	29,080,000	29,080,000	116,320,000
Total			350,151,559	426,287,027	423,313,722	305,067,481	339,230,873	1,844,050,662

Attachment D

Document 4

Pipe Diameter	Under 10 Years	10-20 Years	20-30 Years	30-40 Years	40-50 Years	>50 Years	Unknown	Grand Total
2	0.03	0.04	0.87	0.28	-	-	-	1.22
4	2.19	4.27	1.13	0.81	0.39	0.13	0.50	9.42
6	10.26	7.24	4.45	4.61	5.20	30.10	0.06	61.92
8	789.83	788.85	701.70	593.29	377.99	714.08	4.88	3,970.62
10	50.90	54.16	59.12	33.80	26.75	63.54	0.37	288.64
12	59.05	32.22	52.83	26.28	18.04	29.01	3.03	220.46
14	0.06	3.95	0.34	-	0.35	-	-	4.70
15	23.34	15.31	33.38	15.80	11.90	19.15	0.21	119.09
16	1.71	0.33	1.14	2.37	0.26	-	0.03	5.84
18	20.20	17.05	22.25	18.00	8.12	14.73	0.09	100.44
20	1.00	0.29	0.79	0.35	0.31	2.07	0.02	4.83
21	8.55	5.37	16.31	9.94	3.53	6.45	-	50.15
24	8.95	13.04	20.97	16.99	5.55	13.33	0.03	78.86
27	4.36	1.64	11.11	7.41	2.23	3.26	0.10	30.11
30	4.58	1.48	15.89	5.78	7.43	3.60	-	38.76
33	0.64	1.82	2.10	7.72	2.45	5.19	-	19.92
36	12.08	3.25	18.27	3.80	4.81	5.42	0.04	47.67
39	-	-	-	0.07	0.19	1.58	-	1.84
42	5.12	0.63	6.20	7.45	4.71	6.19	0.09	30.39
48	3.12	0.30	4.73	7.01	9.65	1.26	-	26.07
51	-	-	-	-	-	0.21	-	0.21
52	-	-	-	-	-	0.12	-	0.12
54	2.78	0.46	6.07	1.17	12.12	1.42	-	24.02
60	1.63	1.66	1.99	0.18	11.85	0.66	-	17.97
66	2.27	0.14	5.79	-	0.03	-	-	8.23
72	0.77	0.02	5.66	0.03	0.23	5.09	-	11.80
78	2.14	-	0.37	-	0.20	-	-	2.71
84	3.22	-	5.53	-	-	-	-	8.75
90	3.66	-	8.18	-	0.35	-	-	12.19
Unknown	0.17	-	-	-	-	-	0.01	0.18
Total	1,022.61	953.52	1,007.17	763.14	514.64	926.59	9.46	5,197.13

Attachment D

Document 5

San Antonio Water System

CIP Summary

Balances as of October 31, 2012

Water Delivery							
Year	CIP Budget	Revised CIP Budget	Commitments	Commit/Budget Variance	Actual	Commit/Actual Variance	% Spent
2008	\$60,305,838	\$64,870,855	\$64,870,855	\$0	\$64,540,391	\$330,464	99%
2009	\$58,091,949	\$48,956,345	\$48,956,345	\$0	\$43,783,702	\$5,172,643	89%
2010	\$78,137,301	\$76,935,709	\$76,935,709	\$0	\$68,225,899	\$8,709,810	89%
2011	\$48,791,640	\$55,557,661	\$55,262,394	\$295,267	\$39,612,622	\$15,649,772	71%
2012 YTD	\$54,013,219	\$54,013,219	\$43,051,632	\$10,961,587	\$13,021,525	\$30,030,107	24%
Total	\$299,339,947	\$300,333,789	\$289,076,935	\$11,256,854	\$229,184,139	\$59,892,796	76%

Wastewater							
Year	CIP Budget	Revised CIP Budget	Commitments	Commit/Budget Variance	Actual	Commit/Actual Variance	% Spent
2008	\$98,282,473	\$110,767,495	\$110,767,495	\$0	\$107,721,806	\$3,045,689	97%
2009	\$123,327,433	\$119,758,818	\$119,758,818	\$0	\$111,203,445	\$8,555,373	93%
2010	\$118,507,888	\$111,457,785	\$111,457,785	\$0	\$99,320,827	\$12,136,958	89%
2011	\$126,851,226	\$125,258,857	\$125,177,233	\$81,624	\$82,848,819	\$42,328,414	66%
2012 YTD	\$122,123,933	\$122,123,933	\$93,779,027	\$28,344,906	\$26,927,273	\$66,851,754	22%
Total	\$589,092,953	\$589,366,888	\$560,940,358	\$28,426,530	\$428,022,170	\$132,918,188	73%

Water Supply							
Year	CIP Budget	Revised CIP Budget	Commitments	Commit/Budget Variance	Actual	Commit/Actual Variance	% Spent
2008	\$72,301,160	\$19,300,938	\$19,300,938	\$0	\$18,602,924	\$698,014	96%
2009	\$85,926,292	\$87,970,272	\$87,970,272	\$0	\$85,062,625	\$2,907,647	97%
2010	\$100,971,787	\$101,149,541	\$86,107,905	\$15,041,636	\$80,125,532	\$5,982,373	79%
2011	\$78,975,957	\$101,238,307	\$101,238,307	\$0	\$12,004,900	\$89,233,407	12%
2012 YTD	\$39,227,144	\$39,227,144	\$13,255,518	\$25,971,626	\$11,470,298	\$1,785,220	29%
Total	\$377,402,340	\$348,886,202	\$307,872,940	\$41,013,262	\$207,266,279	\$100,606,661	59%

Total System							
Year	CIP Budget	Revised CIP Budget	Commitments	Commit/Budget Variance	Actual	Commit/Actual Variance	% Spent
2008	\$230,889,471	\$194,939,288	\$194,939,288	\$0	\$190,865,121	\$4,074,167	98%
2009	\$267,345,674	\$256,685,435	\$256,685,435	\$0	\$240,049,772	\$16,635,663	94%
2010	\$297,616,976	\$289,543,035	\$274,501,399	\$15,041,636	\$247,672,258	\$26,829,141	86%
2011	\$254,618,823	\$282,054,825	\$281,677,934	\$376,891	\$134,466,341	\$147,211,593	48%
2012 YTD	\$215,364,296	\$215,364,296	\$150,086,177	\$65,278,119	\$51,419,096	\$98,667,081	24%
Total	\$1,265,835,240	\$1,238,586,879	\$1,157,890,233	\$80,696,646	\$864,472,588	\$293,417,645	70%

Attachment E

Document 1: Total Existing Senior Lien, Junior Lien, and Subordinate Lien Debt Service

Document 2: Total Existing and Proposed Senior Lien, Junior Lien, and Subordinate Lien Debt Service

Document 3: Days Cash on Hand

Document 4: Debt Coverage Ratio - Senior

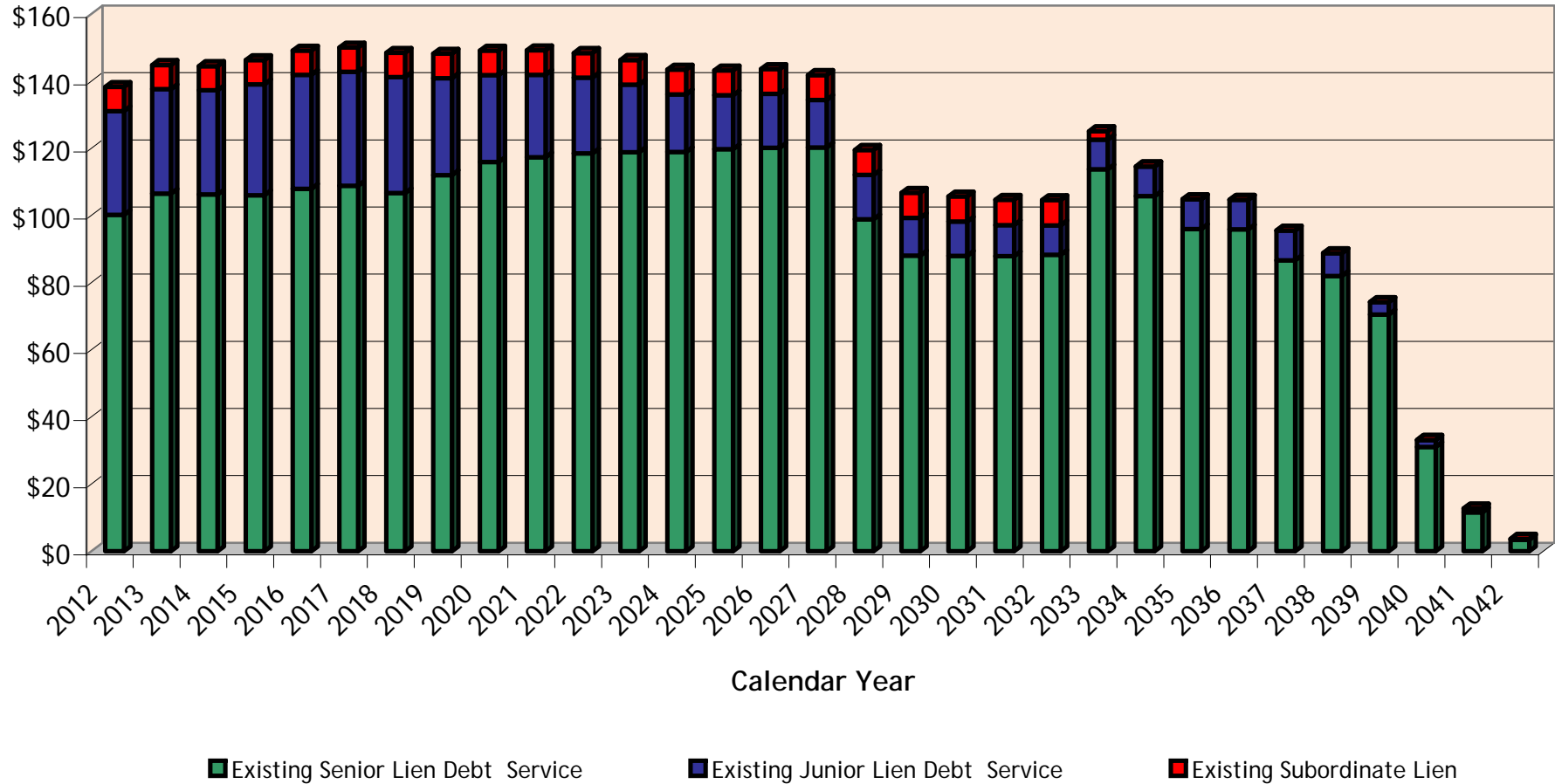
Document 5: Debt Coverage Ratio – All Bonded Debt

Document 6: Percentage Cash Financing of CIP

SAN ANTONIO WATER SYSTEM

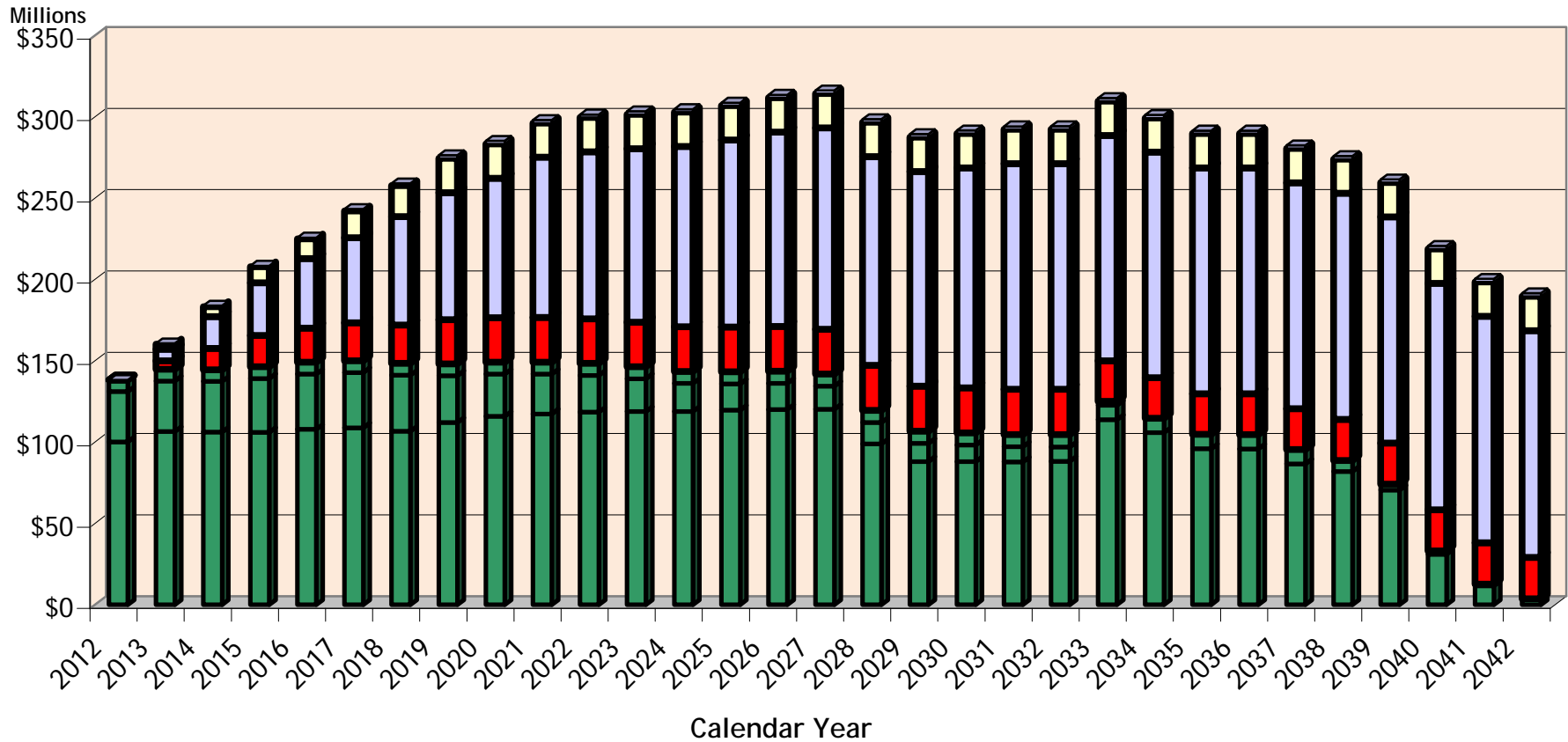
Millions

Total Existing Senior Lien, Junior Lien, and Subordinate Lien Debt Service



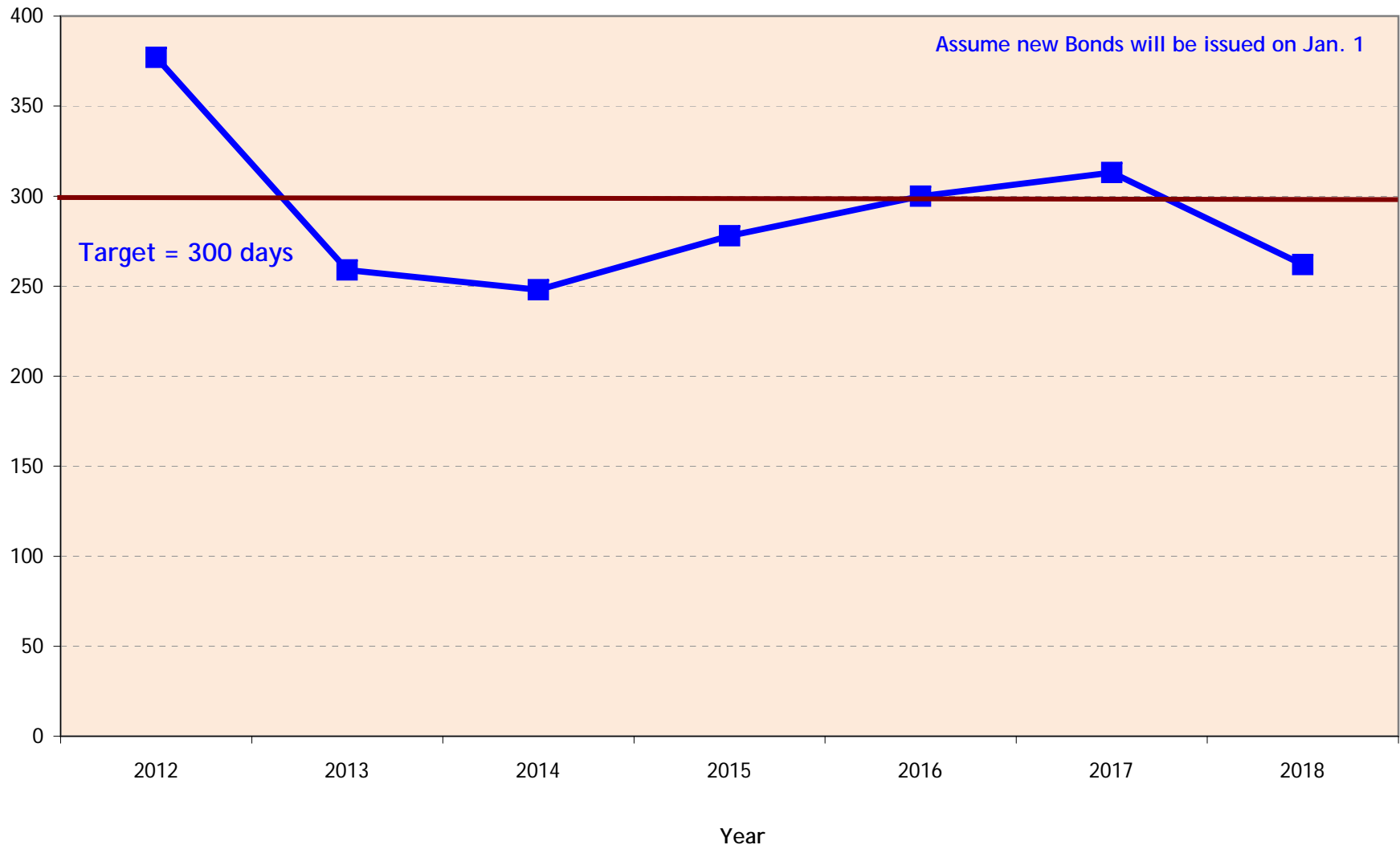
SAN ANTONIO WATER SYSTEM

Total Existing and Proposed Senior Lien, Junior Lien, and Subordinate Lien Debt Service



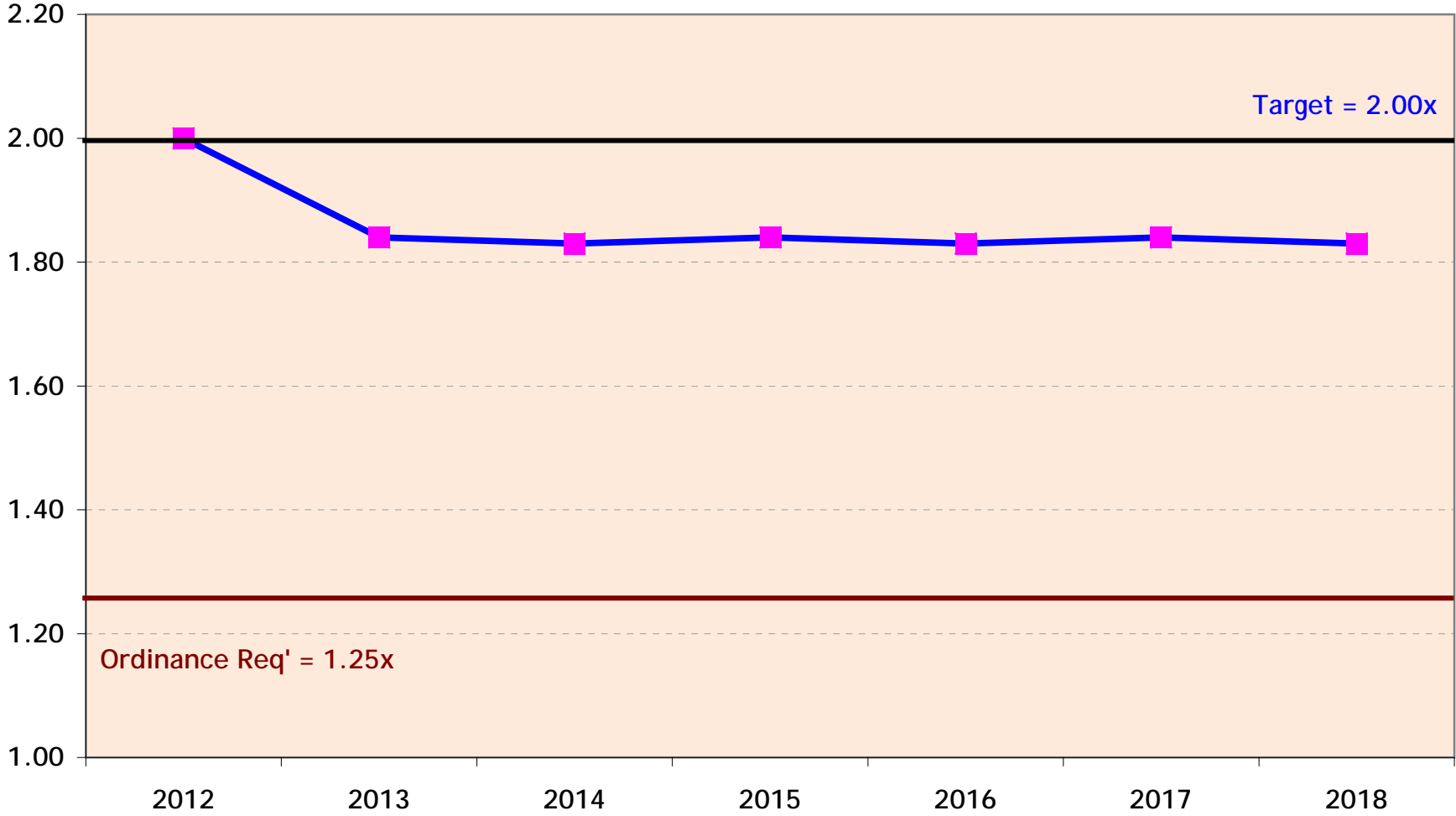
- Existing Senior Lien Debt Service
- Existing Junior Lien Debt Service
- Existing Subordinate Lien
- Total Notes Payable CIP Debt Service
- Proposed Water Supply Debt Service
- Proposed Wastewater Debt Service
- Proposed Water Delivery Debt Service
- Proposed CW&S Debt Service

Days Cash on Hand



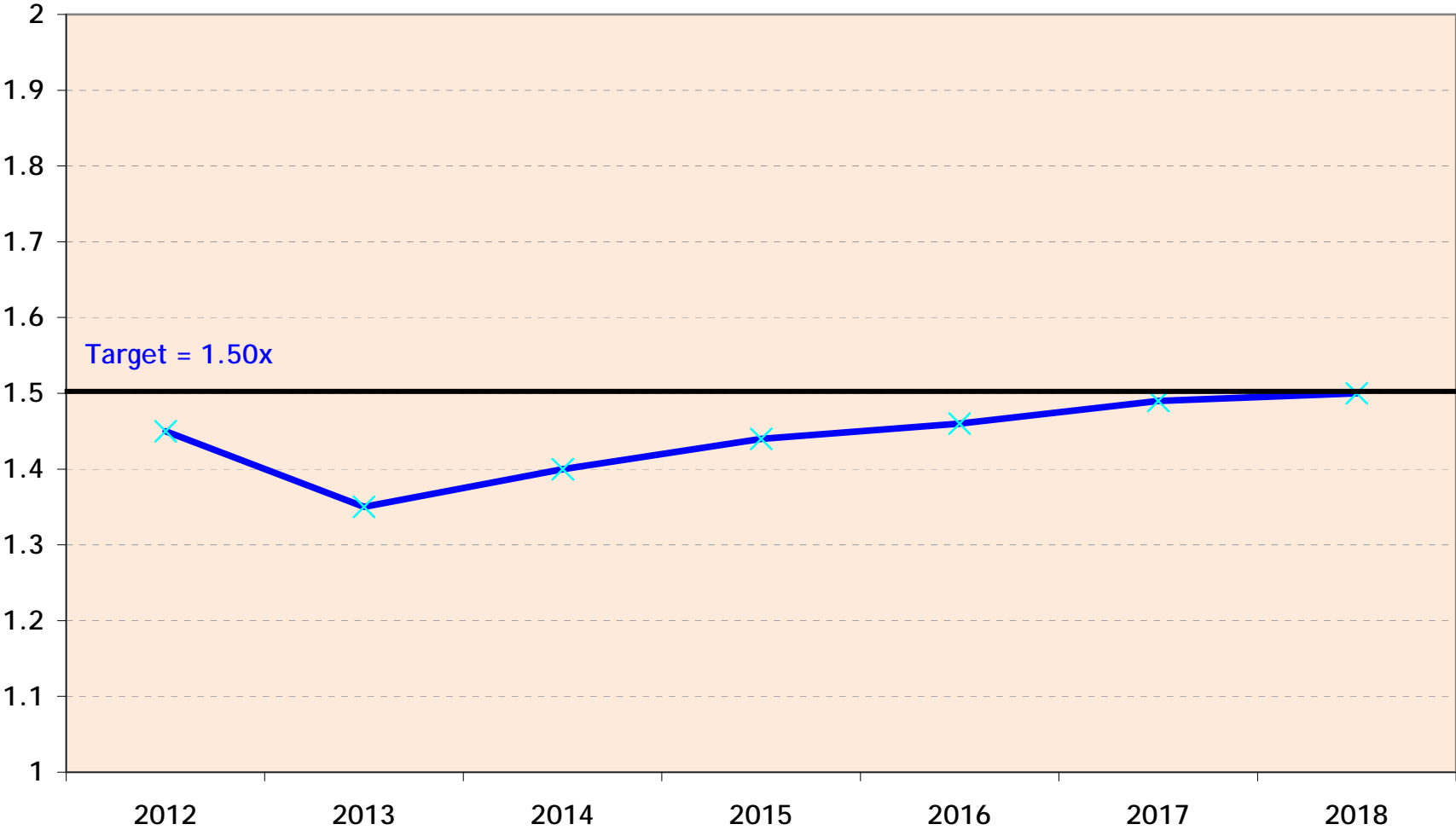
Financial Ratio (Sources & Uses)

■ Debt Coverage Ratio - Senior



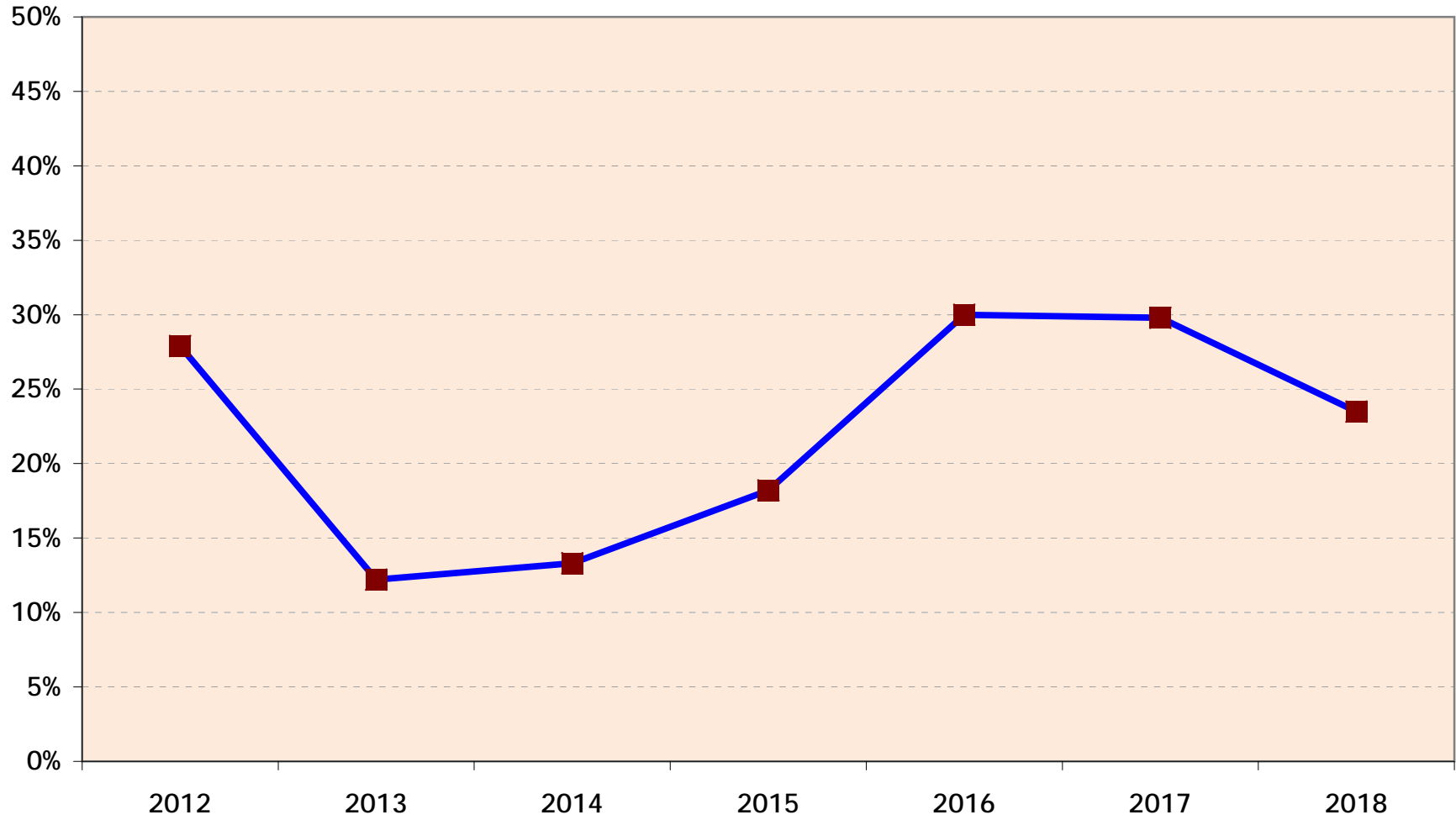
Financial Ratio (Sources & Uses)

Debt Coverage Ratio - All Bonded Debt *



% Cash Funding of CIP

■ % Cash Financing of CIP



Attachment F

Residential Bill (7,788 gallons water / 6,178 wastewater, ICL, Standard)

	Adopted	Budget	Projected	Projected	Projected	Projected
Monthly Residential Bill	2012	2013	2014	2015	2016	2017
Water Supply	\$ 9.05	\$ 9.29	\$ 11.72	\$ 13.09	\$ 13.78	\$ 16.27
Water Delivery	\$ 15.29	\$ 15.29	\$ 16.00	\$ 17.02	\$ 17.82	\$ 18.32
Wastewater	\$ 22.11	\$ 25.75	\$ 29.38	\$ 32.14	\$ 34.36	\$ 35.46
Total	\$ 46.45	\$ 50.33	\$ 57.10	\$ 62.25	\$ 65.96	\$ 70.05
Increase		\$ 3.88	\$ 6.77	\$ 5.15	\$ 3.71	\$ 4.09
Increase %		8.4%	13.5%	9.0%	6.0%	6.2%
EAA Fee	\$ 3.04	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67
State-Imposed TCEQ Fee	\$ 0.23	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
Total With EAA / TCEQ Fees	\$ 49.72	\$ 53.22	\$ 59.99	\$ 65.14	\$ 68.85	\$ 72.94
Increase % with EAA / TCEQ Fees		7.0%	12.7%	8.6%	5.7%	5.9%

Attachment G

Water and Sewer

	Income at or below 50% Poverty	Income at or below 75% Poverty	Income at or below 100% Poverty	Income at or below 125% Poverty
2012 Discount	\$ 11.80	\$ 8.25	\$ 5.90	\$ 4.70
2013 Increase	\$ 1.17	\$ 0.82	\$ 0.59	\$ 0.47
2013 Discount	\$ 12.97	\$ 9.07	\$ 6.49	\$ 5.17

Water Only

	Income at or below 50% Poverty	Income at or below 75% Poverty	Income at or below 100% Poverty	Income at or below 125% Poverty
2012 Discount	\$ 6.36	\$ 4.44	\$ 3.61	\$ 3.50
2013 Increase	\$ 0.32	\$ 0.23	\$ -	\$ -
2013 Discount	\$ 6.68	\$ 4.67	\$ 3.61	\$ 3.50

Sewer Only

	Income at or below 50% Poverty	Income at or below 75% Poverty	Income at or below 100% Poverty	Income at or below 125% Poverty
2012 Discount	\$ 5.55	\$ 4.23	\$ 3.61	\$ 3.50
2013 Increase	\$ 0.74	\$ 0.17	\$ -	\$ -
2013 Discount	\$ 6.29	\$ 4.40	\$ 3.61	\$ 3.50