

San Antonio Water System

CONDENSED MONTHLY FINANCIAL REPORT October 2016



San Antonio, Texas

CONDENSED MONTHLY FINANCIAL REPORT SAN ANTONIO WATER SYSTEM OCTOBER 31, 2016

Attached is the monthly financial report of the San Antonio Water System (SAWS) for the month ended October 31, 2016. This report presents financial and management information for all funds, activities, and programs for which the Board of Trustees has been given responsibility to manage and control.

FINANCIAL HIGHLIGHTS

- SAWS' net position increased by \$20.8 million during the month.
- Operating revenues for the month of \$53.8 million were \$1.5 million favorable to budget and \$3.2 million more than a year ago.
- Operating expenses before depreciation for the month of \$24.4 million were \$1.4 million favorable to budget and \$.1 million less than the prior year.
- Net interest expense was \$1.4 million favorable to budget for the month and \$.5 million less than the prior year.
- SAWS' net income before capital contributions for the month of \$9.9 million was \$6.9 million favorable to budget and \$4.2 million more than October 2015.
- Capital contributions for the month were \$10.9 million compared to the budget of \$9.6 million and \$12.1 million in October 2015.

OVERALL FINANCIAL CONDITION

| | October 31, 2016 | |
|----------------------------------|------------------|-------------|
| <i>(\$ in thousands)</i> | | |
| Assets | \$ | 5,707,113 |
| Deferred Outflows of Resources | | 76,369 |
| Liabilities | | (3,179,171) |
| Deferred Inflows of Resources | | (6,784) |
| Net Position | \$ | 2,597,528 |
| Net Investment in Capital Assets | \$ | 2,244,878 |
| Restricted for Debt Service | | 45,844 |
| Reserve Fund | | 58,363 |
| Operating Reserve | | 52,279 |
| Unrestricted | | 196,162 |
| Net Position | \$ | 2,597,528 |

During the month, SAWS' total assets and deferred outflows increased \$33.1 million primarily due to increases in financial investments and capital assets. Liabilities and deferred inflows increased \$12.4 million primarily due to increases in accounts payable and interest accrued on outstanding debt.

Working capital totaled \$341.9 million and includes an operating reserve of \$52.3 million in accordance with SAWS' ordinance requirement of a two-month reserve amount based upon the current fiscal year's budget for operating and maintenance expense. SAWS' net position ratio was 44.9% at October 31, 2016, 44.8% at September 30, 2016 and 42.3% at October 31, 2015.

SAWS' bond ordinance requires SAWS to set rates and charges sufficient to maintain a debt coverage ratio of at least 1.25x the current year annual debt service on outstanding senior lien debt. The following

chart includes SAWS' current year debt coverage ratios for both senior lien and total bonded debt. The increase in Senior Lien coverage is primarily due to the refunding of Senior Lien debt with Subordinate lien debt in February 2016.

| Debt Coverage Ratios | | | |
|--|------------|-----------|------------|
| | 10/31/2016 | 9/30/2016 | 10/31/2015 |
| Current Year Debt Service - Senior Lien Debt | 3.89 | 3.84 | 2.75 |
| Current Year Debt Service - Total Debt | 1.70 | 1.68 | 1.56 |

As of October 31, 2016 SAWS is in compliance with the terms and provisions of the ordinances and documents related to its outstanding bonds and tax-exempt commercial paper.

RESULTS OF OPERATIONS

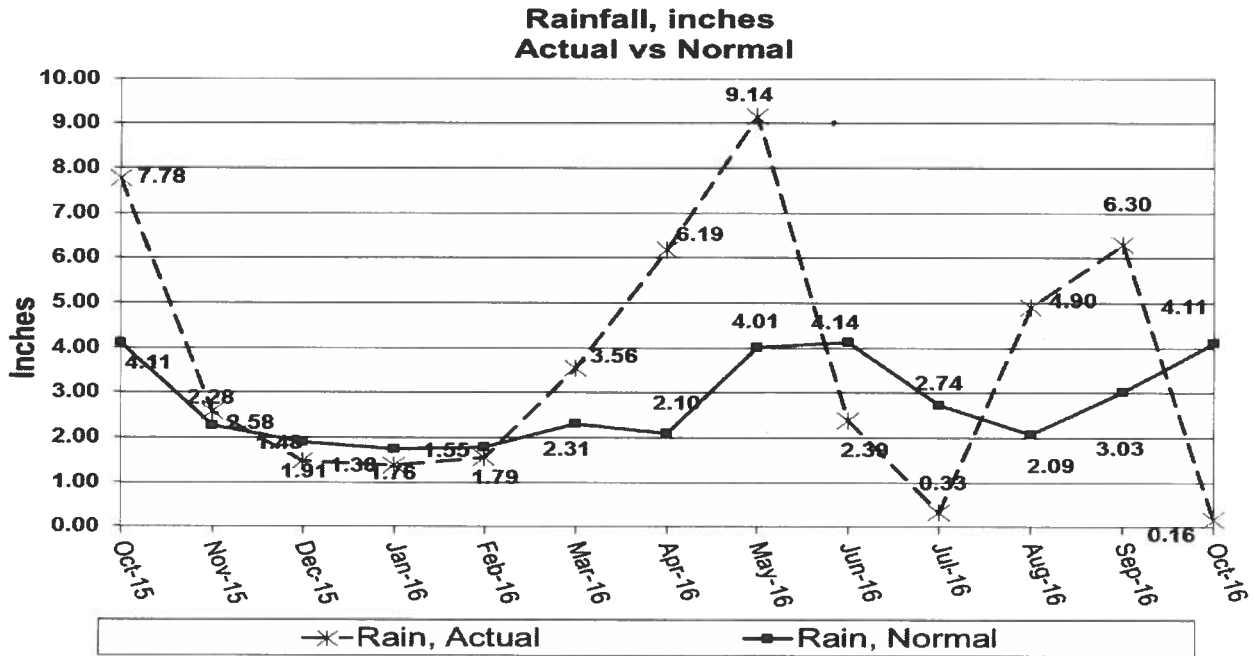
The following table shows a consolidated summary of SAWS' Statement of Revenues, Expenses and Changes in Net Position for the month of October 2016 with comparisons to both the budget and the prior year.

| (\$ in thousands) | October-16 | | Fav (Unfav) | October-15 | Fav (Unfav) |
|--|------------|-----------|-----------------------|------------|---------------------------|
| | Actual | Budget* | Variance To Budget | Actual | Variance To Prior Year |
| Operating Revenues | | | | | |
| Water Supply System | \$ 16,034 | \$ 16,078 | \$ (44) | \$ 16,326 | \$ (292) |
| Water Delivery System | 16,496 | 16,270 | 226 | 15,540 | 956 |
| Wastewater System | 20,195 | 19,090 | 1,105 | 17,689 | 2,506 |
| Chilled Water and Steam System | 1,069 | 817 | 251 | 990 | 79 |
| Total operating revenues | 53,794 | 52,256 | 1,538 | 50,545 | 3,249 |
| Operating Expenses Before Depreciation | 24,360 | 25,721 | 1,361 | 24,489 | 129 |
| Depreciation Expense | 11,328 | 13,537 | 2,209 | 11,871 | 543 |
| Total operating expenses | 35,688 | 39,258 | 3,570 | 36,360 | 672 |
| Operating Income | 18,106 | 12,998 | 5,108 | 14,185 | 3,921 |
| Miscellaneous Revenues | 11 | - | 11 | 17 | (6) |
| Investment income | 359 | 139 | 221 | 187 | 173 |
| Interest Expense | 7,366 | 8,548 | 1,182 | 7,666 | 300 |
| Payments to the City of San Antonio | 1,238 | 1,187 | (51) | 1,135 | (103) |
| Other Non-operating Expense | (52) | 356 | 408 | (117) | (66) |
| Net Income (Loss) Before Capital Contributions | 9,925 | 3,045 | 6,879 | 5,706 | 4,219 |
| Grant Revenue | (105) | - | (105) | - | (105) |
| Capital Recovery Fees | 5,015 | 4,636 | 379 | 7,315 | (2,300) |
| Plant Contributions | 5,941 | 5,000 | 941 | 4,824 | 1,117 |
| Total Contributions | 10,851 | 9,636 | 1,215 | 12,139 | (1,288) |
| Change in Net Position | \$ 20,776 | \$ 12,682 | \$ 8,095 | \$ 17,845 | \$ 2,931 |

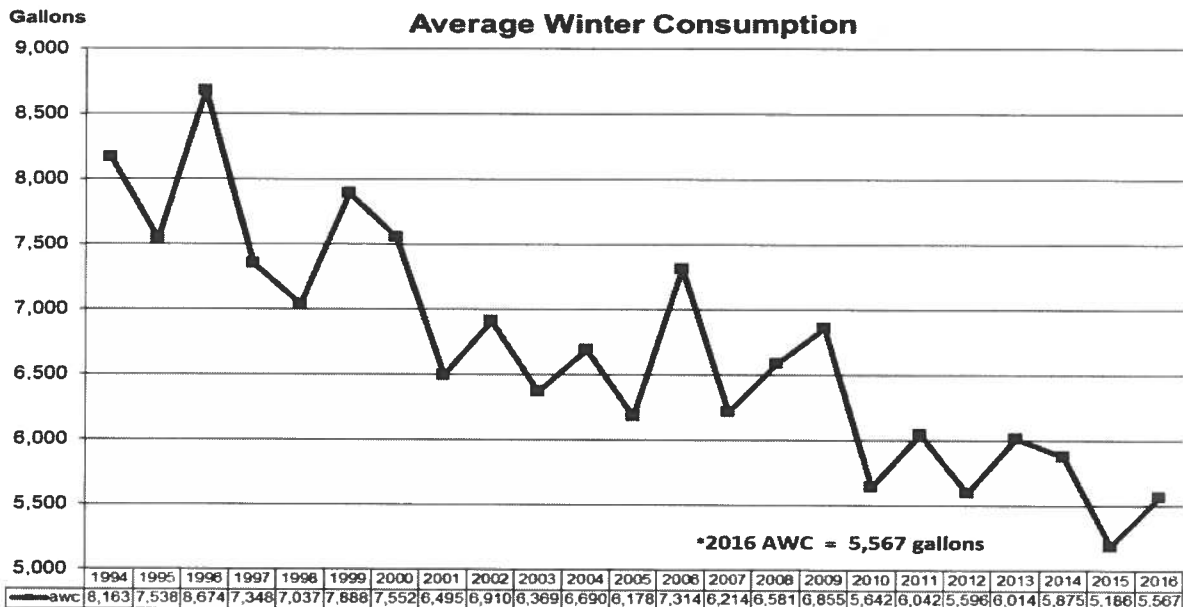
*Budget includes adjustments to certain benefit related costs in order to comply with generally accepted accounting principles. The budget reflected on the Schedule of Sources and Uses reflects these costs on a cash basis.

Total operating revenues for October 2016 were \$1.5 million favorable to budget and \$3.2 million more than October 2015. Water delivery and supply revenues of \$32.5 million were \$.2 million favorable to budget and \$.7 million more than October 2015. Rainfall during the month was minimal compared to the average rainfall for the month of 4.11 inches and 7.78 inches that fell in October 2015. Billed usage largely reflects consumption, and therefore rainfall, from the previous month. Billed water usage for the

month was approximately .3% less than budget as the result of above normal rainfall in September. Adjustments to the reserve for uncollectible accounts more than offset the impact of lower usage for the month resulting in a slight increase in revenue as compared to budget. The average rate adjustment of 9.6% for water charges which went into effect on January 1, 2016 along with the adjustment to the reserve for uncollectible accounts more than offset the impact of a reduction in billed usage of 10.2% from October 2015, resulting in an increase in revenue from 2015. Water rates were not adjusted for customers in the former District Special Project service area.



Wastewater revenue for the month of \$20.2 million was \$1.1 million favorable to budget and \$2.5 million more than the prior year. The Average Winter Consumption (AWC) of 5,567 gallons that went into effect in March was 4.3% favorable to the forecasted AWC of 5,336 gallons and 7.3% more than the previous AWC. The increase in the AWC combined with the 5.3% rate increase implemented in January 2016 contributed to the favorable variance to last year.



Operating expenses before depreciation were \$1.4 million favorable to budget for the month and \$.1 million less than a year ago. Favorable variances in salaries and benefits, utilities, maintenance costs and other contractual professional services contributed to the favorable variance to budget for the month.

Investment income for the month was \$.2 million favorable to budget and October 2015. The yield on SAWS investment portfolio was .55% for the month compared to the budgeted yield of .35% and .23% earned on the portfolio a year ago. Additional interest earnings from the increase in yields was partially offset by the impact of a 15% reduction in the investment portfolio since October 2015 as a result of funds used in the SAWS capital improvement program.

Interest expense for the month was \$1.2 million favorable to budget and \$.3 million less than October 2015. The conservative nature of the budgeting process, which ensures that current rates are sufficient to support the current year's construction program, contributed to the favorable variance from budget. Debt service savings achieved through refinancing debt has contributed to the favorable variances in interest expense from both the current budget and the prior year.

In October 2016, capital contributions included \$5 million in impact fees and \$5.9 million in plant contributions from developers. Impact fees and plant contributions can vary significantly from month-to-month but are an indication of development activity in the San Antonio region. Growth in the number of customer connections averaged 1.6% over the last 12 months (October 2015 - October 2016) and 1.5% for the preceding 12 month period (October 2014 – October 2015).

CASH FLOWS

Cash and cash equivalents increased \$3.1 million during October 2016. Cash inflows during the month included \$35.4 million from operations and \$5 million in proceeds from developers. Cash outflows for the month consisted primarily of \$16.2 million spent on the acquisition and construction of property, plant and equipment and \$19.4 million used for investing activities

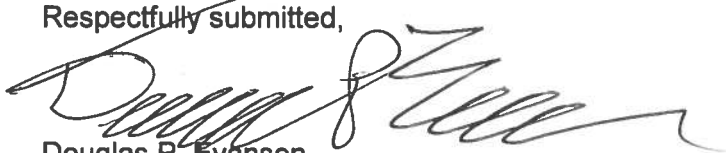
The following table summarizes the Capital Improvement Programs (CIP) from 2014 through 2016. In order to fully execute the planned CIP, SAWS is projected to award \$206.2 million in additional capital contracts. Additionally, outstanding commitments on awarded contracts total \$330.7 million at October 31, 2016.

| <i>(\$ in millions)</i> | Original | Revised | | % |
|-------------------------|-----------------|-----------------|--------------------|------------------|
| Plan Year | Plan | Plan | Commitments | Committed |
| CY2016 | \$ 247.2 | \$ 286.7 | \$ 144.5 | 50.4% |
| CY2015 | 236.2 | 223.4 | 175.9 | 78.7% |
| CY2014 | 413.0 | 346.4 | 331.1 | 95.6% |
| | <u>\$ 896.4</u> | <u>\$ 856.5</u> | <u>\$ 651.6</u> | 76.1% |

DISTRICT SPECIAL PROJECT CONSOLIDATION

On January 14, 2016, City Council approved the dissolution of SAWS District Special Project (SAWS DSP) upon the refunding of all SAWS DSP debt with SAWS debt. On February 25, 2016, SAWS issued sufficient bonds and commercial paper to retire the outstanding debt of SAWS DSP. SAWS DSP was dissolved and SAWS assumed all assets, liabilities and operations of SAWS DSP effective January 1, 2016 in accordance with *GASB 69 Government Combinations and Disposals of Government Operations*. For comparative purposes, prior year amounts presented in this report have been restated to include the financial results of SAWS DSP.

Respectfully submitted,



Douglas P. Evanson
Senior Vice President/Chief Financial Officer

**CONDENSED
MONTHLY FINANCIAL REPORT
SAN ANTONIO WATER SYSTEM
October 31, 2016**

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**San Antonio Water System
STATEMENT OF NET POSITION
October 31, 2016**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

| CURRENT ASSETS | <u>2016</u> | <u>2015¹</u> |
|--|-------------------------|-------------------------|
| Cash and cash equivalents | \$ 57,279,799 | \$ 108,356,623 |
| Investments | 245,623,204 | 136,836,999 |
| Accrued interest receivable | 1,673,444 | 959,360 |
| Accounts receivable - net of allowance for uncollectable accounts of \$6,037,637 and \$4,406,602 respectively | 62,537,897 | 70,777,504 |
| Inventory - materials and supplies | 5,137,247 | 6,007,220 |
| Prepaid expenses | 2,952,306 | 2,665,615 |
| Total current unrestricted assets | <u>375,203,897</u> | <u>325,603,321</u> |
| RESTRICTED ASSETS | | |
| Debt Service Fund | | |
| Cash and Cash Equivalents | 2,399,591 | 7,603,173 |
| Investments | 91,235,358 | 85,679,551 |
| Construction Funds | | |
| Investments | 19,053,529 | 16,943,054 |
| Customers' deposits - System Fund | 13,243,168 | 12,317,402 |
| Operating Reserve - System Fund | 52,279,428 | 45,800,917 |
| Total current restricted assets | <u>178,211,074</u> | <u>168,344,097</u> |
| Total current assets | <u>553,414,971</u> | <u>493,947,418</u> |
| NONCURRENT ASSETS | | |
| Restricted Noncurrent Assets | | |
| Reserve fund: | | |
| Cash and cash equivalents | 10,328,951 | 6,160,915 |
| Investments | 77,664,964 | 87,583,464 |
| Construction funds: | | |
| Cash and cash equivalents | 98,935,985 | 202,381,364 |
| Investments | 130,395,502 | 224,091,265 |
| CAPITAL ASSETS | | |
| Utility plant in service | 5,845,174,071 | 5,550,106,676 |
| Less allowance for depreciation | 1,963,818,223 | 1,834,569,266 |
| | <u>3,881,355,848</u> | <u>3,715,537,410</u> |
| Land, water rights and other intangible assets | 347,975,457 | 345,694,967 |
| Construction in Progress | 607,041,184 | 490,751,230 |
| Total capital assets | <u>4,836,372,489</u> | <u>4,551,983,607</u> |
| TOTAL ASSETS | 5,707,112,862 | 5,566,148,033 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Loss on bond refunding | 42,233,720 | 30,730,524 |
| Deferred outflows pensions | 16,081,727 | 14,474,392 |
| Derivative Instrument | 18,053,904 | 17,382,800 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>76,369,351</u> | <u>62,587,716</u> |
| TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 5,783,482,213</u> | <u>\$ 5,628,735,749</u> |

¹ Prior year amounts have been restated to include the financial results of the District Special Project.

San Antonio Water System
STATEMENT OF NET POSITION - continued
October 31, 2016

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

| | 2016 | 2015¹ |
|--|------------------|-------------------------|
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 26,711,622 | \$ 32,400,738 |
| Third party billing collections payable | 1,112,931 | 1,011,183 |
| Accrued vacation pay | 5,808,100 | 5,448,872 |
| Accrued payroll and benefits | 2,363,519 | 1,757,559 |
| Accrued claims payable | 4,201,565 | 2,979,400 |
| Accrued stormwater services | 3,610,492 | 2,900,039 |
| Health Insurance Payable | 1,080,108 | 3,039,724 |
| Sundry payables and deferred income | 3,799,575 | 1,981,825 |
| Total current unrestricted liabilities | 48,687,912 | 51,519,340 |
| LIABILITIES PAYABLE FROM RESTRICTED FUNDS | | |
| Debt Service Fund | | |
| Accrued interest payable | 47,790,567 | 50,235,049 |
| Construction funds: | | |
| Contract retainage payable | 17,079,619 | 15,118,025 |
| Sundry payables | 1,973,910 | 1,825,029 |
| Customers' deposits | 13,243,168 | 12,317,402 |
| Revenue bonds payable within one year | 82,689,999 | 78,575,000 |
| Total current restricted liabilities | 162,777,263 | 158,070,505 |
| Total current liabilities | 211,465,175 | 209,589,845 |
| LONG-TERM LIABILITIES | | |
| Accrued vacation payable | 3,420,425 | 3,727,866 |
| Long-term unfunded post-retirement obligations | 77,637,479 | 80,918,147 |
| Net pension liability | 45,538,782 | 50,240,243 |
| Derivative Instrument | 22,013,366 | 21,711,645 |
| Commercial paper notes | 250,610,000 | 224,005,000 |
| Revenue bonds payable after one year | 2,419,205,000 | 2,522,842,194 |
| Unamortized premium | 151,760,917 | 135,789,802 |
| Less unamortized discount | (2,480,529) | (2,728,787) |
| Total long-term liabilities | 2,967,705,440 | 3,036,506,110 |
| Total Liabilities | 3,179,170,615 | 3,246,095,955 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Inflows - pensions | 6,783,933 | - |
| TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES | 3,185,954,548 | 3,246,095,955 |
| NET POSITION | | |
| Restricted: | | |
| Reserved for Debt Service | 45,844,382 | 43,047,675 |
| Reserve Fund | 58,363,223 | 62,563,785 |
| Net Investment in Capital Assets | 2,244,878,204 | 2,089,918,083 |
| Operating Reserve | 52,279,428 | 45,800,917 |
| Total Restricted Equity | 2,401,365,237 | 2,241,330,460 |
| Unrestricted Net Position | 196,162,428 | 141,309,334 |
| TOTAL NET POSITION | \$ 2,597,527,665 | \$ 2,382,639,794 |

¹ Prior year amounts have been restated to include the financial results of the District Special Project.

**San Antonio Water System
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Ten months ended October 2016**

| | 2016 YTD Actual | 2016 YTD Budget ¹ | 2015 ¹ YTD Actual | Variance | |
|---|-------------------------|---------------------------------|---------------------------------|-------------------|---------------------|
| | | | | To Budget | To Prior Year |
| Operating revenues: | | | | | |
| Water Resources - Misc | \$ 1,493,845 | \$ 1,140,680 | \$ 1,264,262 | \$ 353,165 | \$ 229,583 |
| Water Supply Fee | 115,114,180 | 121,031,980 | 104,927,310 | (5,917,800) | 10,186,870 |
| EAA/TCEQ Fee | 22,872,045 | 22,303,993 | 18,064,186 | 568,052 | 4,807,859 |
| Recycle Water | 4,800,510 | 4,423,953 | 4,136,251 | 376,557 | 664,259 |
| Stormwater | 4,134,417 | 3,798,610 | 3,997,363 | 335,807 | 137,054 |
| Metered Water | 158,248,829 | 159,198,858 | 142,783,726 | (950,029) | 15,465,103 |
| Conservation Metered Water | 8,931,411 | 8,308,182 | 7,751,701 | 623,229 | 1,179,710 |
| Wastewater service charges | 196,351,377 | 190,573,435 | 180,620,910 | 5,777,942 | 15,730,467 |
| Chilled water | 9,820,624 | 8,771,627 | 9,428,233 | 1,048,997 | 392,391 |
| Less: Uncollectible accounts | (3,485,248) | (3,481,360) | (3,870,153) | (3,888) | 384,905 |
| Total operating revenues | 518,281,990 | 516,069,957 | 469,103,789 | 2,212,033 | 49,178,201 |
| Operating expenses: | | | | | |
| Salaries and fringe benefits | 118,094,743 | 118,884,596 | 113,041,312 | 789,853 | (5,053,431) |
| Contractual services | 134,258,870 | 145,172,982 | 128,870,743 | 10,914,112 | (5,388,127) |
| Materials & supplies | 17,737,836 | 18,688,843 | 18,302,002 | 951,007 | 564,166 |
| Other charges | 9,641,499 | 9,186,657 | 6,921,882 | (454,842) | (2,719,617) |
| Capitalized cost | (29,904,777) | (35,016,370) | (31,167,600) | (5,111,593) | (1,262,823) |
| Intercompany transfers | 2,947 | - | 89,335 | (2,947) | 86,388 |
| Total operating expenses before depreciation | 249,831,118 | 256,916,707 | 236,057,674 | 7,085,589 | (13,773,444) |
| Depreciation expense | 116,726,122 | 127,668,507 | 115,560,476 | 10,942,385 | (1,165,646) |
| Total operating expenses | 366,557,240 | 384,585,213 | 351,618,150 | 18,027,973 | (14,939,090) |
| Operating Income (loss) | 151,724,750 | 131,484,744 | 117,485,639 | 20,240,006 | 34,239,111 |
| Non-operating revenues: | | | | | |
| Miscellaneous revenue | 2,356,216 | 2,130,909 | 2,043,204 | 225,307 | 313,012 |
| Interest earned | 3,111,322 | 1,385,417 | 1,811,542 | 1,725,905 | 1,299,780 |
| Gain/(Loss) on Investments | 11,371 | - | - | 11,371 | 11,371 |
| Total non-operating revenues | 5,478,909 | 3,516,326 | 3,854,746 | 1,962,583 | 1,624,163 |
| Non-operating expenses: | | | | | |
| Debt issuance costs | 1,667,856 | 1,496,373 | 3,831,132 | (171,484) | 2,163,276 |
| Other financing charges | 1,823,875 | 1,965,001 | 2,274,156 | 141,126 | 450,281 |
| Interest expense: | | | | | |
| Revenue bonds and commercial paper | 88,072,020 | 101,180,130 | 91,198,789 | 13,088,110 | 3,126,769 |
| Capitalized interest | (4,567,425) | (3,880,240) | (3,414,096) | 687,185 | 1,153,329 |
| Amortized discount/premiums/Loss on refunding | (9,984,779) | (10,836,473) | (10,791,281) | (851,694) | (806,502) |
| Loss (gain) on sale of fixed assets | (3,005,762) | - | (4,725,093) | 3,005,762 | (1,719,331) |
| Transfers to GKDA | 93,183 | 102,000 | 90,348 | 8,817 | (2,835) |
| Transfers to City of San Antonio | 11,835,899 | 11,699,520 | 10,649,498 | (136,379) | (1,186,401) |
| Total non-operating expenses | 85,934,867 | 101,706,311 | 89,113,453 | 15,771,444 | 3,178,586 |
| Net income (loss) before capital contributions | 71,268,792 | 33,294,759 | 32,226,932 | 37,974,033 | 39,041,860 |
| Capital contributions: | | | | | |
| Grant Revenue | 2,245,773 | - | - | 2,245,773 | 2,245,773 |
| Capital recovery fees | 57,115,904 | 48,314,865 | 54,819,971 | 8,801,039 | 2,295,933 |
| Plant contributions | 66,991,476 | 50,000,000 | 58,358,468 | 16,991,476 | 8,633,008 |
| Total capital contributions | 126,353,153 | 98,314,865 | 113,178,439 | 28,038,288 | 13,174,714 |
| CHANGE IN NET POSITION | 197,621,945 | 131,609,624 | 145,405,371 | 66,012,321 | 52,216,574 |
| NET POSITION, beginning balances | 2,399,905,720 | 1,960,715,275 | 2,237,234,423 | | |
| NET POSITION, ending balances | \$ 2,597,527,665 | \$ 2,092,324,899 | \$ 2,382,639,794 | | |

*Budget includes amounts for non-cash items not included in the Board approved Sources & Uses budget.

¹ Prior year amounts have been restated to include the financial results of the District Special Project.

**San Antonio Water System
STATEMENT OF CASH FLOWS
Ten months ended October 2016**

| | <u>2016</u> | <u>2015¹</u> |
|---|-----------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from customers | \$ 523,857,005 | \$ 466,670,877 |
| Cash paid to vendors for operations | (162,120,181) | (159,762,948) |
| Cash paid to employees for services | (100,313,006) | (95,009,863) |
| Net cash provided by operating activities | <u>261,423,818</u> | <u>211,898,066</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Payments to the City of San Antonio | (8,110,905) | (7,573,959) |
| Payments to other entities | (75,597) | (114,262) |
| Net cash used for noncapital financing activities | <u>(8,186,502)</u> | <u>(7,688,221)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds from sale of capital assets | 5,233,807 | 7,531,766 |
| Proceeds from developers for plant construction | 57,115,904 | 54,819,971 |
| Proceeds from grants | 2,245,773 | - |
| Payment to employees for construction of plant | (18,438,250) | (21,717,341) |
| Payment to vendors for construction of plant | (11,466,527) | (9,450,259) |
| Payments for acquisition of equipment and furniture | (3,231,921) | (12,060,603) |
| Payments for acquisition of property and plant | (228,850,580) | (183,011,582) |
| Proceeds from commercial paper | 30,000,000 | 10,000,000 |
| Payment for retirement of commercial paper | (3,395,000) | (3,245,000) |
| Proceeds from revenue bonds | 252,499,574 | 415,825,650 |
| Payment for retirement/refunding of revenue bonds | (335,208,751) | (339,800,000) |
| Payment of interest on commercial paper | (3,504,645) | (3,275,980) |
| Payment of interest on revenue bonds | (52,748,918) | (53,626,348) |
| Payment for bond related expenses | (1,667,855) | (3,831,133) |
| Payment for finance charges | (1,955,812) | (2,154,718) |
| Net cash used for capital and related financing activities | <u>(313,373,201)</u> | <u>(143,995,577)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments | (706,246,948) | (641,558,313) |
| Maturity of investments | 649,378,824 | 627,131,776 |
| Interest income and other | 5,146,828 | 4,086,037 |
| Net cash provided (used) by investing activities | <u>(51,721,296)</u> | <u>(10,340,500)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (111,857,181) | 49,873,768 |
| CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR | <u>280,801,507</u> | <u>274,628,307</u> |
| CASH AND CASH EQUIVALENTS, AT END OF PERIOD | <u>\$ 168,944,326</u> | <u>\$ 324,502,075</u> |

¹ Prior year amounts have been restated to include the financial results of the District Special Project.

**San Antonio Water System
STATEMENT OF CASH FLOWS
Ten months ended October 2016**

| | 2016 | 2015 ¹ |
|---|----------------|-------------------|
| RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET ASSETS | | |
| Cash and Cash Equivalents | | |
| Unrestricted | | |
| System Fund | \$ 57,279,799 | \$ 108,356,623 |
| Restricted | | |
| Debt Service Fund | 2,399,591 | 7,603,173 |
| Reserve Fund | 10,328,951 | 6,160,915 |
| Construction Fund | 98,935,985 | 202,381,364 |
| | \$ 168,944,326 | \$ 324,502,075 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating Income | \$ 151,724,750 | \$ 117,485,639 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Non-cash revenues from City of San Antonio | (3,742,580) | (3,051,625) |
| Provision for uncollectible accounts | 3,485,248 | 3,870,153 |
| Depreciation expense | 116,726,122 | 115,560,476 |
| Change in assets, deferred outflows, liabilities and deferred inflows: | | |
| (Increase)/Decrease in accounts receivable | 2,674,659 | (5,313,329) |
| (Increase)/Decrease in inventory | 218,959 | 274,658 |
| (Increase)/Decrease in prepaid expenses | 3,530,943 | 4,583,843 |
| (Decrease)/Increase in accounts payable | (18,249,900) | (19,191,138) |
| (Decrease)/Increase in amount due for third party collections | 110,812 | 51,626 |
| (Decrease)/Increase in accrued vacation payable | 422,870 | 604,463 |
| (Decrease)/Increase in accrued payroll and benefits | (893,607) | (982,981) |
| (Decrease)/Increase in claims payables | 1,712,323 | (100) |
| (Decrease)/Increase in accrued stormwater services | 703,247 | (17,060) |
| (Decrease)/Increase in health claims payables | (458,728) | (276,157) |
| (Decrease)/Increase in unfunded post-retirement obligations | 318,598 | (2,816,328) |
| (Decrease)/Increase in sundry payables and accruals | 2,366,710 | 310,273 |
| (Decrease)/Increase in customers' deposits | 773,392 | 805,653 |
| Total Adjustments | 109,699,068 | 94,412,427 |
| Net cash provided by operating activities | \$ 261,423,818 | \$ 211,898,066 |

¹ Prior year amounts have been restated to include the financial results of the District Special Project.

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS
 Month ended October 2016

| SOURCES OF FUNDS | Water Supply System | | Water Delivery System | | Wastewater System | | Chilled Water System | | Total System | | Budget Current Allocations | | Favorable (Unfavorable) | | Variance | | |
|---|----------------------|--|-----------------------|--|----------------------|--|----------------------|--|----------------------|--|----------------------------|---------|-------------------------|--------|--------------|--------|--|
| | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | | | | | | |
| OPERATING REVENUES | | | | | | | | | | | | | | | | | |
| Water Resources - Misc. | 168,338 | | | | | | | | 168,338 | | | 114,068 | | 55,270 | | 48.45% | |
| Water Supply Fee | 11,369,405 | | | | | | | | 11,369,405 | | 11,898,624 | | (529,219) | | -4.45% | | |
| EAA/TCEQ Pass Through Fees | 2,140,175 | | 121,436 | | 37,251 | | | | 2,298,862 | | 2,255,449 | | 43,413 | | 1.92% | | |
| Recycled water system | 448,478 | | | | | | | | 448,478 | | 446,684 | | 2,794 | | 0.62% | | |
| Stormwater | 412,352 | | | | | | | | 412,352 | | 379,861 | | 32,491 | | 8.55% | | |
| Metered Water - Conservation | 922,666 | | | | | | | | 922,666 | | 857,170 | | 65,496 | | 7.64% | | |
| Metered Water - Water Delivery | | | 16,757,763 | | | | | | 16,757,763 | | 16,810,143 | | (52,380) | | -0.31% | | |
| Affordability Discount Program | (59,951) | | (66,712) | | (99,251) | | | | (225,914) | | (228,037) | | 2,123 | | 0.93% | | |
| Wastewater System | | | | | 18,513,800 | | | | 18,513,800 | | 18,742,112 | | (228,312) | | -1.23% | | |
| Wastewater Surcharge | | | | | 518,936 | | | | 518,936 | | 514,749 | | 4,187 | | 0.81% | | |
| Chilled water | | | | | | | 1,068,814 | | 1,068,814 | | 817,455 | | 251,361 | | 30.75% | | |
| Operating Transfer | 486,167 | | (488,167) | | | | | | | | (351,980) | | 889,817 | | 0.00% | | |
| Leas. Uncollectible Accounts | 161,439 | | 152,824 | | 223,364 | | | | 537,627 | | 52,256,295 | | 1,537,632 | | -252.74% | | |
| Total operating revenues | 16,034,068 | | 16,496,144 | | 20,194,900 | | 1,068,814 | | 53,793,927 | | 52,256,295 | | 1,537,632 | | 2.94% | | |
| NON-OPERATING REVENUES | | | | | | | | | | | | | | | | | |
| Interest earned and miscellaneous | 123,668 | | 103,048 | | 107,237 | | 11,377 | | 345,331 | | 126,667 | | 218,664 | | 172.63% | | |
| Interest earned on Project Fund & R&R Funds | 3,987 | | 4,442 | | 16,635 | | | | 25,064 | | 11,875 | | 13,189 | | 111.07% | | |
| Other financing sources (draw on equity) | 1,400,000 | | | | | | | | 1,400,000 | | 1,400,000 | | | | 0.00% | | |
| Total non-operating revenues | 1,527,655 | | 107,490 | | 123,872 | | 11,377 | | 1,770,385 | | 1,536,542 | | 231,853 | | 15.07% | | |
| CAPITAL CONTRIBUTIONS | | | | | | | | | | | | | | | | | |
| Capital Recovery and Service Extension Fees | 1,811,074 | | 1,476,570 | | 1,727,550 | | | | 5,015,194 | | 4,636,170 | | 379,024 | | 8.18% | | |
| Grant revenue | | | | | | | | | (105,076) | | | | (105,076) | | | | |
| Total capital contributions | 1,811,074 | | 1,371,494 | | 1,727,550 | | | | 4,910,118 | | 4,636,170 | | 273,948 | | 5.91% | | |
| TOTAL SOURCES OF FUNDS | \$ 19,372,799 | | \$ 17,975,128 | | \$ 22,046,322 | | \$ 1,080,191 | | \$ 60,474,440 | | \$ 58,431,007 | | \$ 2,043,433 | | 3.50% | | |
| USES OF FUNDS | | | | | | | | | | | | | | | | | |
| OPERATION AND MAINTENANCE* | | | | | | | | | | | | | | | | | |
| Salaries and fringe benefits | 2,384,538 | | 4,277,551 | | 5,133,460 | | 124,874 | | 11,930,423 | | 12,414,401 | | 483,978 | | 3.90% | | |
| Contractual services | 6,901,989 | | 1,880,159 | | 3,487,259 | | 536,637 | | 12,818,044 | | 14,281,234 | | 1,463,190 | | 10.25% | | |
| Materials and supplies | 114,755 | | 667,381 | | 1,093,404 | | 35,955 | | 1,901,475 | | 1,868,274 | | (33,201) | | -1.78% | | |
| Other charges | 115,471 | | 189,852 | | 273,235 | | 15,618 | | 594,177 | | 871,170 | | 276,993 | | 31.80% | | |
| Capitalized cost | (450,541) | | (1,161,325) | | (1,284,937) | | (15,114) | | (2,911,917) | | (3,465,113) | | (573,196) | | -19.45% | | |
| Total operation and maintenance | 8,076,212 | | 5,853,598 | | 8,702,421 | | 699,971 | | 24,332,202 | | 25,946,966 | | 1,617,764 | | 6.23% | | |
| OPERATING RESERVE REQUIREMENT | | | | | | | | | | | | | | | | | |
| DEBT REQUIREMENTS | | | | | | | | | | | | | | | | | |
| Revenue Bonds: | | | | | | | | | | | | | | | | | |
| Interest costs | 1,889,155 | | 2,980,071 | | 3,472,284 | | 76,391 | | 8,400,901 | | 9,463,578 | | 1,062,677 | | 11.23% | | |
| Retirement of bonds | 1,986,871 | | 2,196,102 | | 2,648,422 | | 56,339 | | 6,890,834 | | 7,002,085 | | 111,251 | | 1.59% | | |
| Subordinate lien debt: | | | | | | | | | | | | | | | | | |
| Interest costs | 145,539 | | 22,857 | | 53,778 | | 34,054 | | 256,228 | | 484,108 | | 237,880 | | 48.14% | | |
| Retirement of bonds | 168,035 | | 26,389 | | 62,091 | | 39,317 | | 295,632 | | 356,250 | | 60,418 | | 16.96% | | |
| Net variable interest - swap | 5,957 | | 13,297 | | 2,090 | | 1,324 | | 22,368 | | - | | (22,368) | | 0.00% | | |
| Commercial paper notes | 12,058 | | 87,434 | | 15,392 | | | | 114,889 | | 56,016 | | (55,869) | | -94.67% | | |
| Other Debt Expense | 46,638 | | 58,639 | | 71,734 | | 5,027 | | 182,238 | | 198,500 | | 14,262 | | 7.26% | | |
| Total debt requirements | 4,254,054 | | 5,367,989 | | 6,325,791 | | 215,452 | | 18,163,266 | | 17,571,537 | | 1,408,251 | | 8.01% | | |
| TRANSFER TO THE CITY'S GENERAL FUND | | | | | | | | | | | | | | | | | |
| AMOUNT AVAILABLE FOR R&R FUNDS: | | | | | | | | | | | | | | | | | |
| INTEREST ON PROJECT & R&R FUNDS: | 316,289 | | 344,270 | | 548,157 | | 28,166 | | 1,237,882 | | 1,187,258 | | (50,624) | | -4.26% | | |
| CAPITAL RECOVERY AND SERVICE EXT. FEES | 3,987 | | 4,442 | | 16,635 | | | | 25,064 | | 11,875 | | 13,189 | | 111.07% | | |
| GRANT REVENUE | 1,811,074 | | 1,476,570 | | 1,727,550 | | | | 5,015,194 | | 4,636,170 | | 379,024 | | 8.18% | | |
| GENERAL | 3,911,183 | | 5,033,535 | | 4,725,768 | | 135,602 | | (105,076) | | | | (105,076) | | 100.00% | | |
| Total amount available for R&R Funds | 5,726,244 | | 6,409,271 | | 6,469,953 | | 135,602 | | 18,741,070 | | 18,485,863 | | 5,255,207 | | 36.97% | | |
| TOTAL USES OF FUNDS | \$ 19,372,799 | | \$ 17,975,128 | | \$ 22,046,322 | | \$ 1,080,191 | | \$ 60,474,440 | | \$ 58,431,007 | | \$ 2,043,433 | | 3.50% | | |

*Excludes non-cash portion of GASB 45 expense

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS
 Ten months ended October 2016

| SOURCES OF FUNDS | Water | Water | Wastewater | Chilled Water | Total | Current | Favorable | Variance |
|---|----------------|-----------------|----------------|---------------|----------------|----------------|---------------|----------|
| | Supply System | Delivery System | System | System | System | Allocments | (Unfavorable) | |
| OPERATING REVENUES | | | | | | | | |
| Water Resources - Misc. | 1,493,845 | - | - | - | 1,493,845 | 1,140,680 | 353,165 | 30.98% |
| Water Supply Fee | 110,988,899 | - | - | - | 110,988,899 | 116,963,850 | (5,974,951) | -5.11% |
| EAAT/CEQ Pass Through Fees | 21,290,809 | - | - | - | 21,290,809 | 22,303,993 | (568,052) | 2.55% |
| Recycled water system | 4,800,510 | 1,210,524 | 370,712 | - | 22,872,045 | 4,423,953 | 378,557 | 8.51% |
| Stormwater | 4,134,417 | - | - | - | 4,800,510 | 3,788,610 | 335,807 | 8.64% |
| Metered Water - Conservation | 8,931,411 | - | - | - | 4,134,417 | 6,308,182 | 623,229 | 7.50% |
| Metered Water - Water Delivery | - | 163,588,685 | - | - | 8,931,411 | 164,514,068 | (945,373) | -0.57% |
| Affordability Discount Program | (566,388) | (828,197) | (937,867) | - | 163,588,685 | 2,280,371 | 148,068 | 6.49% |
| Wastewater System | - | - | 192,045,130 | - | (2,132,283) | 186,485,758 | 5,559,372 | 2.98% |
| Wastewater Surcharge | - | - | 5,243,944 | - | 192,045,130 | 5,120,968 | 122,976 | 2.40% |
| Chilled water | - | - | - | 9,820,824 | 5,243,944 | 6,771,827 | 1,048,987 | 11.96% |
| Operating Transfer | 4,691,670 | (4,691,670) | - | - | 9,820,824 | (3,481,360) | (3,888) | 0.00% |
| Less: Uncollectible Accounts | (1,042,533) | (1,238,564) | (1,177,028) | (7,123) | (3,485,249) | 516,069,957 | 2,212,031 | 0.43% |
| Total operating revenues | 154,722,639 | 156,200,788 | 195,545,061 | 9,813,501 | 518,281,989 | 3,387,579 | 1,648,710 | 48.56% |
| NON-OPERATING REVENUES | | | | | | | | |
| Interest earned and miscellaneous | 1,636,017 | 1,492,828 | 1,778,835 | 139,609 | 5,047,288 | 116,750 | 312,969 | 263.47% |
| Interest earned on Project Fund | 100,133 | 85,618 | 231,415 | 4,453 | 461,619 | 1,400,000 | - | 0.00% |
| Other financing sources (draw on equity) | 1,400,000 | - | - | - | 1,400,000 | 4,916,328 | 1,962,579 | 39.92% |
| Total non-operating revenues | 3,136,150 | 1,588,446 | 2,010,250 | 144,062 | 6,878,608 | 49,314,865 | 8,801,039 | 18.22% |
| CAPITAL CONTRIBUTIONS | | | | | | | | |
| Capital Recovery and Service Extension Fees | 20,528,461 | 16,770,789 | 18,815,654 | - | 57,115,904 | 2,245,773 | 11,046,812 | 22.86% |
| Grant revenue | - | 2,245,773 | - | - | 2,245,773 | - | - | - |
| Total capital contributions | 20,528,461 | 18,016,562 | 19,815,654 | - | 59,361,677 | 48,314,865 | 15,221,423 | 2.67% |
| TOTAL SOURCES OF FUNDS | \$ 178,388,250 | \$ 178,805,796 | \$ 217,370,865 | \$ 9,857,563 | \$ 584,522,574 | \$ 569,301,151 | \$ 15,221,423 | 2.67% |
| USES OF FUNDS | | | | | | | | |
| OPERATION AND MAINTENANCE* | | | | | | | | |
| Salaries and fringe benefits | 23,788,506 | 42,557,188 | 50,820,447 | 1,225,567 | 118,371,708 | 122,070,428 | 3,698,718 | 3.03% |
| Contractual services | 66,670,991 | 27,173,090 | 33,659,062 | 4,755,727 | 134,258,870 | 145,172,982 | 10,914,112 | 7.52% |
| Materials and supplies | 1,058,091 | 6,648,825 | 9,726,290 | 304,631 | 17,737,837 | 18,688,843 | 951,006 | 5.09% |
| Other charges | 1,739,046 | 2,871,572 | 4,222,638 | 214,923 | 9,048,180 | 8,593,337 | (454,843) | -5.28% |
| Capitalized cost | (4,616,961) | (11,508,499) | (13,368,526) | (168,553) | (29,064,536) | (35,322,290) | (6,257,754) | -21.54% |
| Intercompany transfers | 2,947 | - | - | - | 2,947 | - | (2,947) | 0.00% |
| Total operation and maintenance | 90,420,623 | 67,742,176 | 85,059,909 | 6,332,265 | 249,555,003 | 259,203,297 | 9,648,294 | 3.72% |
| OPERATING RESERVE REQUIREMENT | 370,982 | 593,042 | (398,218) | (46,940) | 516,866 | 2,363,827 | 1,844,961 | 78.05% |
| DEBT REQUIREMENTS | | | | | | | | |
| Revenue Bonds: | | | | | | | | |
| Interest costs | 18,677,135 | 30,078,025 | 34,801,909 | 804,752 | 84,561,821 | 95,566,623 | 11,004,802 | 11.52% |
| Retirement of bonds | 20,067,570 | 21,248,128 | 25,633,278 | 554,289 | 67,504,266 | 68,752,518 | 1,248,252 | 1.82% |
| Subordinate lien debt: | | | | | | | | |
| Interest cost | 1,580,764 | 248,286 | 584,106 | 369,877 | 2,783,003 | 5,003,347 | 2,220,344 | 44.38% |
| Retirement of bonds | 1,651,004 | 259,286 | 610,066 | 386,310 | 2,906,666 | 3,537,502 | 630,836 | 17.83% |
| Net variable interest - swap | 3,220 | 1,191 | 753 | 753 | 130,790 | - | (130,790) | 100.00% |
| Commercial paper notes | 45,448 | 461,930 | 63,210 | - | 570,588 | 590,180 | 19,572 | 3.32% |
| Other Debt Expense | 466,381 | 589,890 | 717,536 | 50,268 | 1,823,675 | 1,965,001 | 141,128 | 7.18% |
| Total debt requirements | 42,691,522 | 53,012,141 | 62,411,097 | 2,166,249 | 160,281,009 | 175,415,151 | 15,134,142 | 8.63% |
| TRANSFER TO THE CITY'S GENERAL FUND | 3,004,128 | 3,259,514 | 5,303,816 | 268,440 | 11,635,899 | 11,698,520 | (198,379) | -1.17% |
| AMOUNT AVAILABLE FOR R&R FUNDS: | | | | | | | | |
| INTEREST ON PROJECT & R&R FUNDS | 100,133 | 95,618 | 231,415 | 4,453 | 431,619 | 118,750 | 312,869 | 263.47% |
| CAPITAL RECOVERY AND SERVICE EXT. FEES | 20,528,461 | 16,770,789 | 19,815,654 | - | 57,115,904 | 48,314,865 | 8,801,039 | 18.22% |
| GRANT REVENUE | | | | | | | | |
| GENERAL | 21,271,400 | 35,086,743 | 44,947,292 | 1,233,066 | 102,538,501 | 72,185,741 | 30,352,760 | 42.05% |
| Total amount available for R&R Funds | 41,900,964 | 54,198,923 | 64,984,361 | 1,237,518 | 162,337,797 | 120,619,356 | 41,712,441 | 34.58% |
| TOTAL USES OF FUNDS | \$ 178,388,250 | \$ 178,805,796 | \$ 217,370,865 | \$ 9,857,563 | \$ 584,522,574 | \$ 569,301,151 | \$ 15,221,423 | 2.67% |

*Excludes non-cash portion of GASB 45 expense.

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS - WATER SUPPLY
 Month ended October 2016

| SOURCES OF FUNDS | Water Resources | | Recycle Water System | | Conservation | | Stormwater System | | Total System | | Budget | | Variance |
|---|----------------------|-----------|----------------------|-----------|----------------|-----------|-------------------|-----------|-------------------|-----------|-------------------|-------------------------|--------------|
| | | | | | | | | | | | Current | Favorable (Unfavorable) | |
| OPERATING REVENUES | | | | | | | | | | | | | |
| Water Resources - Misc. | 186,338 | \$ | - | \$ | - | - | - | - | 186,338 | \$ | 114,088 | \$ 55,270 | 48.45% |
| Water Supply Fee | 11,369,405 | | - | | - | - | - | - | 11,369,405 | | 11,888,624 | (528,219) | -4.45% |
| AAA Fee | 2,140,175 | | - | | - | - | - | - | 2,140,175 | | 2,081,816 | 48,359 | 2.31% |
| Recycled water system | - | | 449,478 | | - | - | - | - | 449,478 | | 446,694 | 2,784 | 0.62% |
| Stormwater | - | | - | | - | - | 412,352 | - | 412,352 | | 379,861 | 32,491 | 8.55% |
| Metered Water - Conservation | - | | - | | - | - | - | 922,666 | - | | 857,170 | 65,496 | 7.64% |
| Affordability Discount Program | (59,951) | | - | | - | - | - | (59,951) | - | | (62,354) | 2,403 | 3.85% |
| Operating Transfer | 469,167 | | - | | - | - | - | 469,167 | - | | 469,167 | - | 0.00% |
| Less: Uncollectible Accounts | 146,972 | | 5,134 | | 9,333 | - | - | - | 161,439 | | (116,872) | 278,311 | -238.13% |
| Total operating revenues | 14,235,106 | | 454,612 | | 931,999 | - | 412,352 | - | 16,034,069 | | 16,078,174 | (44,105) | -0.27% |
| NON-OPERATING REVENUES | | | | | | | | | | | | | |
| Interest earned and miscellaneous | 120,125 | | 3,544 | | - | - | - | - | 123,669 | | 170,716 | (47,047) | -27.56% |
| Interest earned on Project Fund & R&R Funds | 3,987 | | - | | - | - | - | - | 3,987 | | 7,095 | (3,108) | -43.81% |
| Other financing sources (draw on equity) | 1,400,000 | | - | | - | - | - | - | 1,400,000 | | 1,400,000 | - | 0.00% |
| Total non-operating revenues | 1,524,112 | | 3,544 | | - | - | - | - | 1,527,656 | | 1,577,811 | (50,155) | -3.18% |
| CAPITAL CONTRIBUTIONS | | | | | | | | | | | | | |
| Capital Recovery Fees | 1,811,074 | | - | | - | - | - | - | 1,811,074 | | 1,297,424 | 513,650 | 39.59% |
| Total capital contributions | 1,811,074 | | - | | - | - | - | - | 1,811,074 | | 1,297,424 | 513,650 | 39.59% |
| TOTAL SOURCES OF FUNDS | \$ 17,570,292 | \$ | 458,156 | \$ | 931,999 | \$ | 412,352 | \$ | 19,372,799 | \$ | 19,953,409 | \$ 419,380 | 2.21% |
| USES OF FUNDS | | | | | | | | | | | | | |
| OPERATION AND MAINTENANCE* | | | | | | | | | | | | | |
| Salaries and fringe benefits | 1,714,096 | | 80,969 | | 350,273 | | 248,200 | | 2,394,538 | | 2,508,826 | \$ 115,288 | 4.58% |
| Contractual services | 6,593,130 | | 63,760 | | 169,988 | | 86,111 | | 6,901,989 | | 7,365,128 | 463,137 | 6.29% |
| Materials and supplies | 83,381 | | 9,146 | | 8,559 | | 13,669 | | 114,755 | | 216,037 | 101,282 | 46.89% |
| Other charges | 81,454 | | 6,654 | | 17,504 | | 9,659 | | 115,471 | | 168,654 | 53,183 | 0.00% |
| Capitalized cost | (423,767) | | (24,185) | | (317) | | (2,272) | | (450,541) | | (576,153) | (125,612) | 21.80% |
| Total operation and maintenance | 8,038,284 | | 136,344 | | 545,007 | | 356,567 | | 9,076,212 | | 9,683,481 | 607,279 | 6.27% |
| OPERATING RESERVE REQUIREMENT | | | | | | | | | | | 184,497 | 184,497 | 100.00% |
| DEBT REQUIREMENTS | | | | | | | | | | | | | |
| Revenue Bonds: | | | | | | | | | | | | | |
| Interest costs | 1,601,220 | | 287,935 | | - | | - | | 1,889,155 | | 1,952,364 | 63,209 | 3.24% |
| Retirement of bonds | 1,308,573 | | 678,398 | | - | | - | | 1,986,971 | | 1,986,995 | 24 | 0.00% |
| Subordinate lien debt: | | | | | | | | | | | | | |
| Interest costs | 131,709 | | 13,833 | | - | | - | | 145,539 | | 174,617 | 29,078 | 16.65% |
| Retirement of bonds | 152,063 | | 15,972 | | - | | - | | 168,035 | | 168,035 | - | 0.00% |
| Net variable interest - swap | 5,119 | | 538 | | - | | - | | 5,657 | | - | (5,657) | 100.00% |
| Commercial Paper Notes | 12,059 | | - | | - | | - | | 12,059 | | 9,728 | (2,331) | -23.96% |
| Other Debt Expense | 44,663 | | 1,975 | | - | | - | | 46,638 | | 46,638 | - | 0.00% |
| Total debt requirements | 3,255,403 | | 988,651 | | - | | - | | 4,254,054 | | 4,338,377 | 84,323 | 1.94% |
| TRANSFER TO THE CITY'S GENERAL FUND | | | | | | | | | | | | | |
| AMOUNT AVAILABLE FOR R&R FUNDS: | | | | | | | | | | | | | |
| Interest on Project & R&R Funds | 3,987 | | - | | 25,164 | | - | | 316,289 | | 313,112 | (3,177) | -1.01% |
| CAPITAL RECOVERY FEES | | | | | | | | | | | | | |
| GENERAL | 1,811,074 | | - | | - | | - | | 3,987 | | 7,095 | (3,108) | -43.81% |
| Total amount available for R&R Funds | 4,175,031 | | (681,461) | | 361,828 | | 55,785 | | 3,911,183 | | 1,297,424 | 513,650 | 39.59% |
| | 5,980,092 | | (681,461) | | 361,828 | | 55,785 | | 5,726,244 | | 4,433,931 | 1,292,313 | 28.15% |
| TOTAL USES OF FUNDS | \$ 17,570,292 | \$ | 458,156 | \$ | 931,999 | \$ | 412,352 | \$ | 19,372,799 | \$ | 19,953,409 | \$ 419,380 | 2.21% |

*Excludes non-cash portion of GASB 45 expense

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS - WATER SUPPLY
 Ten months ended October 2016

SOURCES OF FUNDS

| | Water Resources | Recycle Water System | Conservation | Stormwater System | Total System | Budget | | Variance |
|---|-----------------|----------------------|--------------|-------------------|----------------|---------------------|-------------------------|-----------|
| | | | | | | Current Allocations | Favorable (Unfavorable) | |
| OPERATING REVENUES | \$ 1,483,845 | \$ - | \$ - | \$ - | \$ 1,483,845 | \$ 1,140,680 | \$ 353,165 | \$ 30.85% |
| Water Resources - Misc. | 110,888,889 | - | - | - | 110,888,889 | 116,983,950 | (5,874,951) | -5.11% |
| Water Supply Fee | 21,280,809 | - | - | - | 21,280,809 | 20,667,663 | 623,146 | 3.02% |
| AAA Fee | - | 4,800,510 | - | - | 4,800,510 | 4,423,953 | 376,557 | 8.51% |
| Recycled water system | - | - | - | 4,134,417 | 4,134,417 | 3,798,610 | 335,807 | 8.84% |
| Stormwater | - | - | - | - | - | 8,308,182 | 623,229 | 7.50% |
| Metered Water - Conservation | (566,389) | - | 8,931,411 | - | (566,389) | (623,540) | 57,151 | 9.17% |
| Metered Discount Program | 4,681,670 | - | - | - | 4,681,670 | (1,158,476) | 115,843 | 0.00% |
| Operating Transfer | (665,756) | (27,112) | (48,665) | - | (1,042,533) | (1,158,476) | 115,843 | 10.01% |
| Less: Uncollectible Accounts | 136,933,078 | 4,773,398 | 8,861,746 | 4,134,417 | 154,722,638 | 158,212,592 | (3,489,953) | -2.21% |
| Total operating revenues | 1,566,878 | 21,158 | 12,214 | 5,767 | 1,636,017 | 1,707,160 | (71,143) | -4.17% |
| NON-OPERATING REVENUES | 100,133 | - | - | - | 100,133 | 70,950 | 28,183 | 100.00% |
| Interest earned and miscellaneous | 1,400,000 | - | - | - | 1,400,000 | 1,400,000 | - | 0.00% |
| Interest earned on Project Fund & R&R Funds | 3,087,011 | 21,158 | 12,214 | 5,767 | 3,136,150 | 3,178,110 | (41,960) | -1.32% |
| Other financing sources (draw on equity) | - | - | - | - | - | - | - | - |
| Total non-operating revenues | 20,528,461 | - | - | - | 20,528,461 | 13,921,925 | 6,607,536 | 47.46% |
| Capital Recovery Fees | 20,528,461 | - | - | - | 20,528,461 | 13,921,925 | 6,607,536 | 47.46% |
| Total capital contributions | 160,559,550 | 4,784,556 | 8,893,960 | 4,140,184 | 178,388,250 | 175,312,627 | 3,075,623 | 1.75% |
| TOTAL SOURCES OF FUNDS | \$ 160,559,550 | \$ 4,784,556 | \$ 8,893,960 | \$ 4,140,184 | \$ 178,388,250 | \$ 175,312,627 | \$ 3,075,623 | 1.75% |

USES OF FUNDS

| | | | | | | | | |
|--|----------------|--------------|--------------|--------------|----------------|----------------|--------------|---------|
| OPERATION AND MAINTENANCE* | \$ 17,286,308 | \$ 867,328 | \$ 3,248,096 | \$ 2,366,774 | \$ 23,768,506 | \$ 24,915,406 | \$ 1,146,900 | 4.60% |
| Salaries and fringe benefits | 65,144,590 | 715,058 | 1,944,446 | 866,897 | 68,670,991 | 75,480,867 | 6,818,876 | 9.03% |
| Contractual services | 798,349 | 95,430 | 65,359 | 100,953 | 1,060,091 | 1,703,482 | 645,391 | 37.89% |
| Materials and supplies | 1,206,331 | 87,121 | 287,536 | 155,061 | 1,736,049 | 1,660,866 | (78,183) | 100.00% |
| Other charges | (4,548,552) | (255,284) | (1,934) | (13,191) | (4,818,961) | (6,196,725) | (1,377,764) | 22.23% |
| Capitalized cost | 2,947 | - | - | - | 2,947 | - | (2,947) | 100.00% |
| Intercenter transfers | 79,880,973 | 1,509,653 | 5,543,503 | 3,478,494 | 90,420,623 | 97,573,896 | 7,153,273 | 7.33% |
| Total operation and maintenance | 406,939 | 4,388 | (71,048) | 30,703 | 370,982 | 1,844,974 | 1,473,992 | 79.89% |
| OPERATING RESERVE REQUIREMENT | 15,809,377 | 3,067,759 | - | - | 18,877,135 | 19,763,698 | 886,563 | 4.49% |
| DEBT REQUIREMENTS | 13,283,664 | 6,783,906 | - | - | 20,067,570 | 20,067,720 | 150 | 0.00% |
| Revenue Bonds: | - | - | - | - | - | - | - | - |
| Interest costs | 1,430,516 | 150,248 | - | - | 1,580,764 | 1,773,042 | 192,278 | 10.84% |
| Retirement of bonds | 1,494,075 | 156,929 | - | - | 1,651,004 | 1,651,002 | (2) | 0.00% |
| Subordinate lien debt: | 2,914 | 306 | - | - | 3,220 | - | (3,220) | 100.00% |
| Net variable interest - swap | 45,448 | 45,448 | - | - | 90,896 | 97,280 | 51,832 | 53.28% |
| Commercial paper notes | 448,632 | 19,748 | - | - | 468,380 | 466,380 | (2,000) | 0.00% |
| Other Debt Expense | 32,512,626 | 10,176,886 | - | - | 42,689,512 | 43,819,122 | 1,127,900 | 2.57% |
| Total debt requirements | 2,711,667 | 52,305 | 240,137 | - | 3,004,129 | 3,056,966 | 51,837 | 1.70% |
| TRANSFER TO THE CITY'S GENERAL FUND | 100,133 | - | - | - | 100,133 | 70,950 | 28,183 | 100.00% |
| AMOUNT AVAILABLE FOR R&R FUNDS: | 20,528,461 | - | - | - | 20,528,461 | 13,921,925 | 6,607,536 | 47.46% |
| INTEREST ON PROJECT & R&R FUNDS | 24,407,731 | (6,950,686) | 3,181,368 | 632,987 | 21,271,400 | 15,025,794 | 6,245,606 | 41.57% |
| GENERAL | 45,037,325 | (6,950,686) | 3,181,368 | 632,987 | 41,900,984 | 29,018,669 | 12,882,325 | 44.39% |
| Total amount available for R&R Funds | 160,559,550 | 4,784,556 | 8,893,960 | 4,140,184 | 178,388,250 | 175,312,627 | 3,075,623 | 1.75% |
| TOTAL USES OF FUNDS | \$ 160,559,550 | \$ 4,784,556 | \$ 8,893,960 | \$ 4,140,184 | \$ 178,388,250 | \$ 175,312,627 | \$ 3,075,623 | 1.75% |

*Excludes non-cash portion of GASB 45 expense

San Antonio Water System
OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT
For the Ten Months Ended October 31, 2016

| Classification | Annual Budget | Current Month | | Year to Date | | Variance (Over)/Under | % |
|---|--------------------|-------------------|-------------------|--------------------|--------------------|-----------------------|-------------|
| | | Actual | Budget | Actual | Budget | | |
| SALARIES AND FRINGE BENEFITS | | | | | | | |
| 511100 Salaries | \$ 96,450,493 | \$ 7,788,701 | \$ 8,209,239 | \$ 75,734,716 | \$ 79,937,953 | 4,203,237 | 5.3% |
| 511140 Overtime Pay | 3,701,481 | 371,217 | 288,184 | 4,008,324 | 3,094,194 | (914,131) | -29.5% |
| 511150 On-Call Pay | 511,201 | 46,657 | 43,322 | 480,287 | 425,141 | (55,146) | -13.0% |
| 511160 Employee Insurance | 17,509,952 | 1,397,314 | 1,426,207 | 14,930,970 | 14,261,303 | (669,667) | -4.7% |
| 511162 Retirement | 20,022,346 | 1,634,249 | 1,715,287 | 16,106,816 | 16,969,402 | 862,586 | 5.1% |
| 511164 Unused Sick Leave Buyback | 70,000 | - | 5,830 | (40,863) | 58,300 | 99,162 | 170.1% |
| 511166 Personal Leave Buyback | 950,000 | - | - | (2,957) | - | 2,957 | 0.0% |
| 511168 Accrued Vacation leave | 1,200,000 | 67,288 | 100,000 | 821,843 | 1,000,000 | 178,157 | 17.8% |
| 511170 Incentive Pay | 76,799 | - | 1,333 | 82,571 | 74,132 | (8,439) | -11.4% |
| 511175 Other Post Employment Benefits | 7,500,000 | 625,000 | 625,000 | 6,250,000 | 6,250,000 | (0) | 0.0% |
| Salaries and Fringe Benefits Total | 147,992,273 | 11,930,425 | 12,414,401 | 118,371,709 | 122,070,426 | 3,698,717 | 3.0% |
| CONTRACTUAL SERVICES | | | | | | | |
| 511210 Operating Expense | 1,976,338 | 148,582 | 148,781 | 1,705,461 | 1,644,675 | (60,786) | -3.7% |
| 511211 Rental of Facilities | 322,406 | 35,976 | 26,867 | 212,700 | 268,672 | 55,972 | 20.8% |
| 511212 Alarm and Security | 1,133,949 | 71,924 | 94,471 | 968,586 | 945,009 | (23,578) | -2.5% |
| 511214 Uniforms and Shoe Allowance | 329,493 | 16,387 | 17,912 | 199,277 | 290,563 | 91,286 | 31.4% |
| 511216 Catering Svcs & Luncheons | 92,382 | 10,902 | 18,950 | 76,151 | 77,559 | 1,408 | 1.8% |
| 511219 Conservation Programs | 3,677,305 | 103,456 | 214,215 | 967,264 | 3,004,732 | 2,037,467 | 67.8% |
| 511220 Maintenance Expense | 13,435,223 | 160,136 | 1,099,256 | 13,176,994 | 10,913,701 | (2,263,294) | -20.7% |
| 511221 Street Cut Permit Admin Fee | 750,629 | 195,460 | 63,014 | 727,711 | 597,025 | (130,686) | -21.9% |
| 511222 St Pave/Repair Fee | 1,703,984 | 219,240 | 142,002 | 1,440,938 | 1,420,016 | (20,922) | -1.5% |
| 511223 Preventive Maintenance | 76,611 | 6,421 | 6,384 | 121,285 | 63,842 | (57,443) | -90.0% |
| 511224 Corrective Maintenance | 1,477,431 | 151,875 | 123,120 | 1,480,603 | 1,231,198 | (249,405) | -20.3% |
| 511225 Damage Repair | 178,739 | 9,473 | 14,895 | 208,089 | 148,950 | (59,138) | -39.7% |
| 511230 Equipment Rental Charges | 677,264 | 31,352 | 59,372 | 522,030 | 565,816 | 43,787 | 7.7% |
| 511240 Travel | 201,417 | 10,033 | 11,843 | 87,414 | 141,063 | 53,649 | 38.0% |
| 511245 Training | 617,710 | 41,604 | 43,579 | 354,946 | 414,900 | 59,954 | 14.5% |
| 511247 Conferences | 85,481 | 2,695 | 6,332 | 56,379 | 77,238 | 20,859 | 27.0% |
| 511250 Memberships and Subscriptions | 386,440 | 62,072 | 49,422 | 415,520 | 316,357 | (99,163) | -31.4% |
| 511260 Utilities | 31,480,688 | 2,191,921 | 2,604,989 | 23,797,039 | 26,870,338 | 3,073,298 | 11.4% |
| 511261 Water Options | 43,231,445 | 3,746,520 | 3,599,719 | 38,321,886 | 35,947,654 | (2,374,232) | -6.6% |
| 511265 Ground Water District Pay | 24,998,571 | 2,056,744 | 2,077,889 | 20,283,123 | 20,777,307 | 494,184 | 2.4% |
| 511270 Mail and Parcel Post | 2,298,376 | 161,896 | 191,980 | 1,772,001 | 1,915,677 | 143,675 | 7.5% |
| 511280 Telemetering Charges | 3,360 | 281 | 280 | 2,522 | 2,800 | 278 | 9.9% |
| 511309 Educational Assist-Books | 15,000 | - | 1,250 | 3,924 | 12,500 | 8,576 | 68.6% |
| 511310 Educational Assistance | 209,992 | - | 16,666 | 75,613 | 174,160 | 98,547 | 56.6% |
| 511312 Contractual Prof Svcs | 33,695,244 | 2,459,526 | 2,834,395 | 19,759,760 | 27,815,177 | 8,055,417 | 29.0% |
| 511313 Inspect & Assessment Fees | 1,821,599 | 134,541 | 150,467 | 1,444,914 | 1,517,612 | 72,698 | 4.8% |
| 511314 Water Treatment Plant Svcs. | 300,000 | - | 25,000 | 4,807 | 250,000 | 245,193 | 98.1% |
| 511315 Temporary Employees | 1,012,101 | 76,138 | 71,216 | 476,351 | 869,669 | 393,318 | 45.2% |
| 511320 Legal Services | 3,155,000 | 175,665 | 179,588 | 896,910 | 2,295,841 | 1,398,931 | 60.9% |
| 511370 Communications | 1,433,145 | 152,532 | 118,028 | 1,127,313 | 1,196,336 | 69,023 | 5.8% |
| 511381 Software and Hardware Maintenc | 4,540,783 | 384,693 | 269,353 | 3,571,358 | 3,406,595 | (164,763) | -4.8% |
| Contractual services Total | 175,318,108 | 12,818,043 | 14,281,234 | 134,258,870 | 145,172,982 | 10,914,111 | 7.5% |

San Antonio Water System
OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT
For the Ten Months Ended October 31, 2016

| Classification | Annual Budget | Current Month | | Year to Date | | Variance (Over)/Under | % |
|--|-----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|--------------|
| | | Actual | Budget | Actual | Budget | | |
| MATERIALS AND SUPPLIES | | | | | | | |
| 511410 Small Tools | 730,774 | 96,087 | 60,163 | 527,748 | 612,879 | 85,130 | 13.9% |
| 511417 Copy and Printing Expense | 41,631 | 1,173 | 3,417 | 10,426 | 34,097 | 23,670 | 69.4% |
| 511420 Operating Materials | 2,300,653 | 253,833 | 183,437 | 2,075,709 | 1,938,760 | (136,949) | -7.1% |
| 511421 Heating Fuel | 50,501 | 2,696 | 4,167 | 11,891 | 41,918 | 30,027 | 71.6% |
| 511422 Chemicals | 6,407,264 | 453,373 | 568,267 | 5,014,901 | 5,278,988 | 264,086 | 5.0% |
| 511425 Education of School Children | 30,000 | (723) | 2,500 | 30,213 | 25,000 | (5,213) | -20.9% |
| 511426 Public Awareness-WQEE | 1,000 | - | 83 | - | 830 | 830 | 100.0% |
| 511427 Enforcement | 20,000 | - | 10,000 | - | 10,000 | 10,000 | 100.0% |
| 511428 Program Materials | 1,000 | (47) | 85 | 12 | 830 | 818 | 98.5% |
| 511430 Maintenance Materials | 8,296,076 | 837,177 | 675,148 | 7,184,716 | 6,974,774 | (209,941) | -3.0% |
| 511440 Safety Materials & Supplies | 835,211 | 59,164 | 70,212 | 660,046 | 698,591 | 38,546 | 5.5% |
| 511441 Inventory Variances | 35,000 | 1,282 | - | (7,977) | 34,300 | 42,277 | 123.3% |
| 511450 Tires and Tubes | 632,507 | 52,689 | 52,709 | 618,946 | 527,090 | (91,855) | -17.4% |
| 511451 Motor Fuel & Lubricants | 2,924,736 | 144,771 | 238,086 | 1,611,191 | 2,510,787 | 899,595 | 35.8% |
| 511480 Freight | - | - | - | 14 | - | (14) | 0.0% |
| Materials and supplies Total | 22,306,355 | 1,901,476 | 1,868,274 | 17,737,836 | 18,688,843 | 951,007 | 5.1% |
| OTHER CHARGES | | | | | | | |
| 511510 Judgements and Claims | 1,030,000 | (29,444) | 85,835 | 676,312 | 858,330 | 182,018 | 21.2% |
| 511511 AL & GL Claims - Cont. Liab. | 75,000 | - | 6,250 | - | 62,500 | 62,500 | 100.0% |
| 511520 Bank Charges | 20,000 | - | 5,000 | 2,037 | 20,000 | 17,963 | 89.8% |
| 511525 Cash Short/(Over) | - | (260) | - | 762 | - | (762) | 0.0% |
| 511530 Employee Relations | 171,049 | 10,709 | 23,983 | 118,776 | 127,962 | 9,186 | 7.2% |
| 511540 Retiree Insurance | 6,498,111 | 436,513 | 541,515 | 5,401,958 | 5,415,110 | 13,152 | 0.2% |
| 511570 Casualty Insurance | 1,366,603 | 76,660 | 114,420 | 843,856 | 1,137,764 | 293,908 | 25.8% |
| 511580 Unemployment Compensation | 80,000 | 7,913 | 5,000 | 44,193 | 80,000 | 35,808 | 44.8% |
| 511590 Workers Comp Medical | 900,000 | 55,777 | 75,000 | 1,726,405 | 750,000 | (976,405) | -130.2% |
| 511610 Workers Comp Benefits | 125,000 | 30,884 | 10,417 | 203,892 | 104,170 | (99,722) | -95.7% |
| 511620 WC-Misc Claims Expense | 45,000 | 5,424 | 3,750 | 29,988 | 37,500 | 7,512 | 20.0% |
| Other charges Total | 10,310,766 | 594,176 | 871,170 | 9,048,179 | 8,593,337 | (454,842) | -5.3% |
| O&M Expense Before Capitalized Cost | 355,927,501 | 27,244,120 | 29,435,078 | 279,416,595 | 294,625,587 | 15,108,992 | 5.1% |
| Capitalized Cost | (42,250,945) | (2,911,918) | (3,485,113) | (29,864,539) | (35,322,290) | (5,457,751) | 15.5% |
| Intercenter Transfers | - | - | - | 2,947 | - | (2,947) | 0.0% |
| Total O&M Expense | \$ 313,676,556 | \$ 24,332,202 | \$ 25,949,966 | \$ 249,555,003 | \$ 259,203,297 | \$ 9,648,294 | 3.7% |

SAWS INVESTMENT PORTFOLIO
October 31, 2016

| Investment Type | Market Value | Book Value | Average Yield | Average Days to Maturity |
|-------------------------------|----------------|----------------|---------------|--------------------------|
| Money Market Funds | 134,721,410 | 134,721,410 | 0.360 | 1 |
| Government Agency Securities: | | | | |
| Federal Agricultural Mtg Corp | 94,008,052 | 40,364,691 | 0.290 | 1 |
| Federal Farm Credit Bank | 12,721,197 | 12,730,749 | 0.702 | 321 |
| Federal Home Loan Bank | 215,496,766 | 215,493,970 | 0.586 | 129 |
| Federal Home Loan Mtg. Corp. | 107,429,093 | 107,469,084 | 0.568 | 206 |
| Federal National Mtg. Assn. | 72,667,736 | 72,660,675 | 0.642 | 139 |
| Total Government Agencies | 502,322,843 | 448,719,168 | 0.567 | 143 |
| U. S. Treasury Securities | 127,270,007 | 127,248,121 | 0.606 | 211 |
| Total Investments | \$ 764,314,259 | \$ 710,688,699 | 0.536 | 128 |

San Antonio Water System
KEY FINANCIAL RATIOS
For the Period Ended October 31, 2016

| | Oct-16 | Oct-15 |
|--|------------------|------------------|
| Total Long-term Debt (a) | \$ 2,819,095,388 | \$ 2,879,908,209 |
| Total Water & Sewer Customer Connections (b) | 924,763 | 909,919 |
| Long-term Debt Per Connection (a)/(b) | \$3,048 | \$3,165 |
| Total Net Position | \$ 2,597,527,665 | \$ 2,382,639,794 |
| Total Liabilities & Net Position | \$ 5,783,482,213 | \$ 5,628,735,749 |
| Net Position Ratio | 44.9% | 42.3% |
| YTD Operating Revenues (c) | \$ 518,281,990 | \$ 469,103,789 |
| YTD Operating Expenses before Depreciation (d) | \$ 249,831,118 | \$ 236,057,674 |
| Cash Operating Margin ((c)-(d))/(c) | 51.8% | 49.7% |
| Rolling 12 Months | | |
| Operating Revenues | \$ 551,993,260 | \$ 556,736,232 |
| Non-operating Revenues | \$ 7,333,959 | \$ 6,019,706 |
| Less: Revenues from CPS contract | \$ (3,245,004) | \$ (3,245,004) |
| Interest earned on Project Fund Investments | \$ (482,458) | \$ (420,634) |
| Build America Bond Subsidy | \$ (3,678,395) | \$ (3,699,836) |
| Gross Revenues | \$ 551,921,362 | \$ 555,390,464 |
| O&M Expense before Depreciation | \$ 280,661,163 | \$ 283,830,864 |
| Pledged Revenue | \$ 271,260,199 | \$ 271,559,600 |
| Debt Service - net of Build America Bond Subsidy: | | |
| Current Year Senior Lien | \$ 77,456,088 | \$ 98,598,594 |
| Current Year Total Bonded Debt | \$ 176,988,720 | \$ 174,635,699 |
| Senior Lien Debt Coverage Ratio | 3.50 x | 2.75 x |
| Total Bonded Debt Coverage Ratio | 1.53 x | 1.56 x |
| Unrestricted Cash, including Operating Reserve | \$ 355,182,431 | \$ 290,994,539 |
| Days Cash on Hand - Rolling 12 Months of O&M | 462 | 374 |
| Unrestricted Working Capital, including Operating Reserve | \$ 378,795,413 | \$ 319,884,898 |
| Days Working Capital on Hand - Rolling 12 Months of O&M | 493 | 411 |

San Antonio Water System

CONSTRUCTION IN PROGRESS SUMMARY - TOTAL

October 31, 2016

| | <i>CIP</i> | <i>Revised CIP</i> | | <i>Commit/Plan</i> | <i>Open Job</i> | <i>Closed Job</i> | <i>Commit/Charges</i> |
|----------------------------|-------------|--------------------|--------------------|--------------------|-----------------|-------------------|-----------------------|
| | <i>Plan</i> | <i>Plan</i> | <i>Commitments</i> | <i>Variance</i> | <i>Charges</i> | <i>Charges</i> | <i>Variance</i> |
| CIP Year: 2016 | | | | | | | |
| Collection | 21,713,538 | 20,849,981 | 1,496,510 | 19,353,471 | (84,265) | 1,026 | 1,579,749 |
| Corporate | 23,223,816 | 25,859,762 | 889,803 | 24,969,958 | 43,389 | 33,269 | 813,146 |
| Governmental | 52,117,030 | 53,186,956 | 39,936,026 | 13,250,930 | 25,917,572 | 9,834 | 14,008,620 |
| Heating and Cooling | 4,903,375 | 4,903,375 | 1,024,163 | 3,879,212 | 496,797 | - | 527,366 |
| Main Replacements | 86,186,827 | 114,344,292 | 93,949,858 | 20,394,435 | 19,093,253 | 1,715,408 | 73,141,197 |
| Production | 25,215,160 | 30,841,809 | 5,938,166 | 24,903,643 | 952,187 | - | 4,985,979 |
| Treatment | 4,687,680 | 7,163,724 | 986,520 | 6,177,204 | 416,520 | - | 570,000 |
| Water Resources | 29,140,512 | 29,537,512 | 273,678 | 29,263,834 | 181,473 | - | 92,205 |
| Plant Contributions | - | - | - | - | 15,675 | 68,666,265 | (68,681,940) |
| Less Contributions - Plant | - | - | - | - | - | (68,666,265) | 68,666,265 |
| Subtotal | 247,187,939 | 286,687,411 | 144,494,723 | 142,192,688 | 47,032,601 | 1,759,537 | 95,702,586 |
| CIP Year: 2015 | | | | | | | |
| Collection | 17,085,040 | 12,618,466 | 12,618,466 | - | 7,155,291 | 1,166,102 | 4,297,074 |
| Corporate | 2,932,604 | 2,932,604 | 1,650,457 | 1,282,147 | 1,623,118 | - | 27,339 |
| Governmental | 54,942,932 | 55,761,482 | 55,761,442 | 40 | 32,667,413 | 6,678,520 | 16,415,510 |
| Heating and Cooling | 2,585,000 | 2,129,756 | 2,129,206 | 550 | 2,061,111 | - | 68,095 |
| Main Replacements | 90,516,475 | 81,518,810 | 77,097,658 | 4,421,152 | 15,703,899 | 18,769,424 | 42,624,335 |
| Production | 24,007,372 | 23,640,593 | 17,088,721 | 6,551,872 | 2,065,480 | - | 15,023,241 |
| Recycle | 1,500,000 | 1,500,000 | 205,436 | 1,294,564 | 26,464 | - | 178,972 |
| Treatment | 26,740,000 | 27,448,269 | 5,380,867 | 22,067,402 | 4,606,921 | - | 773,947 |
| Water Resources | 15,919,200 | 15,877,295 | 3,981,066 | 11,896,230 | 3,548,871 | - | 432,195 |
| Plant Contributions | - | - | - | - | - | 78,942,508 | (78,942,508) |
| Less Contributions - Plant | - | - | - | - | - | (78,942,508) | 78,942,508 |
| Subtotal | 236,228,623 | 223,427,276 | 175,913,320 | 47,513,957 | 69,458,568 | 26,614,046 | 79,840,706 |
| CIP Year: 2014 | | | | | | | |
| Collection | 33,643,338 | 8,972,629 | 6,242,795 | 2,729,835 | 2,138,609 | 1,485,317 | 2,618,869 |
| Corporate | 14,932,117 | 16,236,342 | 14,767,694 | 1,468,648 | 13,781,176 | - | 986,518 |
| Distribution | 11,751,106 | 8,302,893 | 7,558,818 | 744,074 | 2,247,850 | 332,478 | 4,978,490 |
| Governmental | 49,111,947 | 36,903,586 | 36,606,013 | 297,573 | 11,915,364 | 13,628,500 | 11,062,149 |
| Heating and Cooling | 2,837,500 | 3,303,454 | 3,303,454 | - | 227,926 | 2,493,494 | 582,033 |
| Main Replacements | 84,810,783 | 89,326,201 | 79,943,019 | 9,383,182 | 18,042,281 | 34,671,028 | 27,229,710 |
| Production | 40,397,274 | 47,009,625 | 46,292,005 | 717,620 | 32,987,147 | 92,457 | 13,212,401 |
| Recycle | 3,661,505 | 22,372 | 22,372 | - | 17,203 | 1,384 | 3,784 |
| Treatment | 14,826,674 | 17,866,015 | 17,866,015 | - | 4,115,995 | 2,213,575 | 11,536,445 |
| Water Resources | 157,029,479 | 118,451,138 | 118,545,322 | (94,184) | 104,700,597 | 1,514,322 | 12,330,403 |
| Plant Contributions | - | - | - | - | - | 49,755,661 | (49,755,661) |
| Less Contributions - Plant | - | - | - | - | - | (49,755,661) | 49,755,661 |
| Subtotal | 413,001,723 | 346,394,254 | 331,147,506 | 15,246,748 | 190,174,149 | 56,432,555 | 84,540,801 |
| CIP Year: 2013 | | | | | | | |
| Collection | 46,676,445 | 37,668,958 | 37,668,958 | - | 17,261,935 | 12,464,117 | 7,942,906 |
| Corporate | 17,740,525 | 19,466,876 | 18,185,239 | 1,281,636 | 14,058,040 | 3,165,271 | 961,929 |
| Distribution | 6,959,628 | 9,065,726 | 9,065,726 | - | 1,692,342 | 5,891,703 | 1,481,680 |
| Governmental | 40,488,064 | 47,762,749 | 47,762,749 | - | 21,696,540 | 19,289,593 | 6,776,616 |
| Heating and Cooling | 6,170,296 | 8,796,242 | 8,796,242 | - | 31,966 | 8,764,276 | - |
| Main Replacements | 81,318,941 | 77,284,071 | 77,284,071 | - | 4,124,280 | 70,240,273 | 2,919,518 |
| Production | 29,017,588 | 44,033,849 | 44,033,849 | - | 29,513,734 | 11,892,167 | 2,627,947 |
| Recycle | 2,749,583 | 489,351 | 489,351 | - | 299,503 | 81,037 | 108,811 |
| Treatment | 16,901,070 | 18,851,103 | 18,851,103 | - | 13,847,829 | 2,824,438 | 2,178,836 |
| Water Resources | 116,151,842 | 144,847,692 | 144,847,692 | - | 128,303,515 | 19,843,763 | (3,299,585) |
| Plant Contributions | - | - | - | - | 1,368 | 36,776,404 | (36,777,772) |
| Less Contributions - Plant | - | - | - | - | - | (36,776,404) | 36,776,404 |
| Subtotal | 364,173,981 | 408,266,617 | 406,984,981 | 1,281,636 | 230,831,053 | 154,456,638 | 21,697,291 |

Tuesday, November 8, 2016

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All 2012 to current year construction in progress budgets, commitments and charges for the former SAWS - DSP are now combined with SAWS Water Delivery and Summary reports.

San Antonio Water System

CONSTRUCTION IN PROGRESS SUMMARY - TOTAL

October 31, 2016

| | <i>CIP</i> <i>Plan</i> | <i>Revised CIP</i> <i>Plan</i> | <i>Commit/Plan</i> <i>Commitments</i> | <i>Commit/Plan</i> <i>Variance</i> | <i>Open Job</i> <i>Charges</i> | <i>Closed Job</i> <i>Charges</i> | <i>Commit/Charges</i> <i>Variance</i> |
|----------------------------|---------------------------|-----------------------------------|--|---------------------------------------|-----------------------------------|-------------------------------------|--|
| CIP Year: 2012 | | | | | | | |
| Collection | 71,138,497 | 67,012,420 | 67,012,420 | - | 524,074 | 63,656,019 | 2,832,327 |
| Corporate | 9,717,570 | 12,720,034 | 12,720,034 | - | 9,367,901 | 3,341,930 | 10,203 |
| Distribution | 13,877,809 | 12,075,280 | 12,075,280 | - | 2,195,177 | 9,530,141 | 349,963 |
| Governmental | 40,376,635 | 37,314,574 | 37,314,574 | - | 908,288 | 31,388,489 | 5,017,797 |
| Heating and Cooling | 115,000 | 1,043,202 | 1,043,202 | - | 33,661 | 978,858 | 30,683 |
| Main Replacements | 26,169,846 | 29,538,405 | 29,538,405 | - | 742,108 | 28,478,559 | 317,739 |
| Production | 17,571,549 | 20,394,529 | 20,394,529 | - | 11,987,391 | 8,384,148 | 22,990 |
| Recycle | 3,631,496 | 2,725,575 | 2,725,575 | - | 61,347 | 2,605,053 | 59,175 |
| Treatment | 21,802,396 | 10,068,068 | 10,068,068 | - | 176,581 | 9,794,665 | 96,823 |
| Water Resources | 35,616,325 | 33,402,778 | 33,402,778 | - | 9,541,470 | 11,379,756 | 12,481,552 |
| Plant Contributions | - | - | - | - | - | 47,132,197 | (47,132,197) |
| Less Contributions - Plant | - | - | - | - | - | (47,132,197) | 47,132,197 |
| Subtotal | 240,017,124 | 226,294,866 | 226,294,866 | - | 35,537,996 | 169,537,618 | 21,219,252 |
| Carryover Program | | | | | | | |
| South Bexar County | 1,680,096 | - | - | - | - | - | - |
| Building | 7,795,937 | 55,490,425 | 55,490,425 | - | - | 55,490,427 | (1) |
| Collection | 328,371,739 | 251,130,913 | 251,130,913 | - | 11,946,608 | 238,937,686 | 246,619 |
| Corporate | 88,189,690 | 43,759,304 | 43,759,303 | - | 4,389,806 | 38,977,146 | 392,351 |
| Distribution | 139,317,610 | 142,343,822 | 142,343,822 | - | 1,096,164 | 138,935,441 | 2,312,217 |
| Governmental | 461,834,468 | 380,214,357 | 380,214,358 | - | 1,403,260 | 367,900,038 | 10,911,059 |
| Heating and Cooling | 22,412,505 | 13,985,917 | 13,985,917 | - | - | 13,985,917 | - |
| Land | 2,200,000 | - | - | - | - | - | - |
| Main Replacements | 338,566,502 | 322,050,112 | 322,050,112 | - | 4,756,119 | 313,889,891 | 3,404,101 |
| Miscellaneous | 5,743,107 | 2,317,152 | 2,317,152 | - | - | 2,317,153 | - |
| Production | 143,206,855 | 175,278,035 | 175,278,035 | - | 1,449,101 | 172,774,679 | 1,054,255 |
| Recycle | 134,585,455 | 150,183,582 | 150,183,582 | - | 516,402 | 149,281,365 | 385,815 |
| Treatment | 257,333,945 | 248,434,527 | 248,434,527 | - | 21,022,784 | 226,797,936 | 613,807 |
| Water Resources | 975,300,282 | 725,759,158 | 725,759,158 | - | 57,947,621 | 659,384,280 | 8,427,258 |
| Plant Contributions | - | - | - | - | - | 613,984,681 | (613,984,681) |
| Less Contributions - Plant | - | - | - | - | - | (613,984,681) | 613,984,681 |
| Subtotal | 2,906,538,191 | 2,510,947,304 | 2,510,947,304 | - | 104,527,865 | 2,378,671,958 | 27,747,481 |
| Total | 4,407,147,581 | 4,002,017,729 | 3,795,782,701 | 206,235,028 | 677,562,232 | 2,787,472,352 | 330,748,117 |

**SAN ANTONIO WATER SYSTEM
STATISTICAL DATA**

| | October | | (Below) Above Prior Year |
|---|---------|---------|--------------------------------|
| | 2016 | 2015 | |
| Rainfall-Inches | | | |
| Current Month | | | |
| Actual | 0.2 | 7.8 | (98) % |
| Normal | 4.1 | 4.1 | 0 % |
| Percent Above(Below) Normal | (96) % | 89 % | |
| Year to Date | | | |
| Actual | 35.9 | 40.2 | (11) % |
| Normal | 28.1 | 28.1 | 0 % |
| Percent Above(Below) Normal | 28 % | 43 % | |
| Number of days with rain | 2 | 8 | |
| SAWS Pumping Data (Million Gallons) | | | |
| SAWS Total Water Pumpage - Month | 7,784 | 8,337 | (7) % |
| Water Pumpage for injection to Twin Oaks ASR | 1,114 | 1,126 | (1) % |
| Water Pumpage for Consumption (includes water produced from ASR) | 6,671 | 7,211 | (7) % |
| SAWS Billed Water Usage (Domestic and Irrigation)* | 5,420 | 6,034 | (10) % |
| Customers | | | |
| SAWS | | | |
| Number of connections (billed accounts) - WATER | 487,965 | 481,395 | 1 % |
| Number of connections (billed accounts) - WASTEWATER | 436,798 | 428,524 | 2 % |
| Infrastructure In Service, Cumulative | | | |
| Water - Miles of Main | 6,944 | 6,819 | 2 % |
| Wastewater - Miles of Main | 5,369 | 5,317 | 1 % |
| Manholes | 105,236 | 103,634 | 2 % |
| Fire Hydrants | 39,841 | 38,645 | 3 % |
| Edwards Reservoir Level | | | |
| High | 678.4 | 657.1 | 21.3 Feet |
| Low | 674.4 | 642.8 | 31.6 Feet |
| End of Month | 674.6 | 657.1 | 17.5 Feet |

* Represents customers' metered usage. Billed water usage lags water pumped each month by an average of 2 -3 weeks.