



# 2024 ANNUAL OPERATING BUDGET & CAPITAL IMPROVEMENT



Fiscal Year Ending December 31, 2024 — San Antonio, Texas

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# **ANNUAL OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM**

## **FISCAL YEAR ENDING DECEMBER 31, 2024**

DOUGLAS EVANSON  
EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
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Award*

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**San Antonio Water System  
Texas**

For the Fiscal Year Beginning

**January 01, 2023**

*Christopher P. Morill*

Executive Director

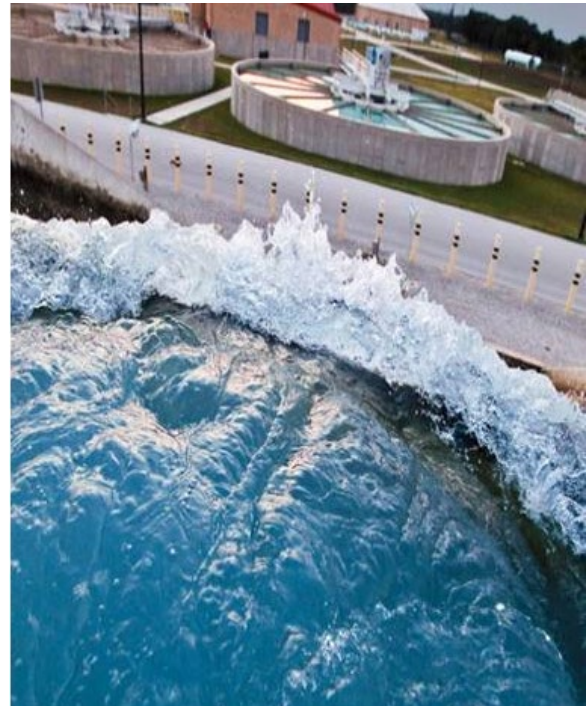
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **San Antonio Water System, Texas** for its annual budget for the fiscal year beginning **January 1, 2023**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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CITY OF SAN ANTONIO  
MAYOR AND CITY COUNCIL





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## SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES

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**Jelynn LeBlanc Jamison**  
Chairwoman



**Edward Belmares**  
Trustee



**Amy Hardberger**  
Assistant Secretary



**David McGee**  
Vice Chairman



**Eduardo Parra**  
Secretary



**Marilu Reyna**  
Trustee



**Mayor Ron Nirenberg**  
ex Officio

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# SAN ANTONIO WATER SYSTEM ORGANIZATION CHART

**RATEPAYERS**

**MAYOR AND CITY  
COUNCIL**

**BOARD OF TRUSTEES**

## EXECUTIVE MANAGEMENT

**Robert R. Puente, J.D.**  
President/CEO



**Nancy Belinsky**  
Executive VP &  
General Counsel



**Mary Bailey**  
Senior VP  
Customer Experience  
& Strategic Initiatives



**Andrea Beymer**  
Senior VP  
Engineering &  
Construction



**Doug Evanson**  
Executive VP &  
Chief Financial Officer



**Sharon De La Garza**  
Senior VP  
Human Resources,  
Risk Management &  
Safety



**Jeff Haby**  
Senior VP  
Production &  
Treatment



**Donovan Burton**  
Senior VP  
Water Resources &  
Governmental Relations



**Jaime Castillo**  
Senior VP  
Operations Support &  
Innovation / Chief of  
Staff



**Gavino Ramos**  
Senior VP  
Communications  
& External Affairs



**Stacey Isenberg**  
Chief of Internal Audit



**Edward Guzman**  
VP - Environmental  
Law & Regulatory  
Compliance



**Jennifer Ingram**  
VP - Employment  
Law & Litigation



**Michael Kampstra**  
VP - Chief  
Information  
Security Officer



**Robert Pina**  
VP - Chief  
Information  
Officer



**Cecilia Velasquez**  
VP - Financial  
Services / Controller



**Hope Wells**  
VP - Legislative &  
Regulatory Affairs



**Carlos Mendoza**  
VP - Distribution &  
Collection Operations



**Karen Guz**  
VP - Conservation

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October 3, 2023

Ms. Jelynn LeBlanc Jamison, Chairwoman  
Mr. David McGee, Vice Chairman  
Mr. Eduardo Parra, Secretary  
Ms. Amy Hardberger, Assistant Secretary  
Mr. Edward Belmares, Trustee  
Ms. Marilu Reyna, Trustee  
Honorable Ron Nirenberg, Mayor

Honorable Mayor and Trustees:

I am pleased to present the 2024 Annual Operating Budget and Capital Improvement Program of the San Antonio Water System (SAWS), which has been prepared in accordance with the requirements of San Antonio City Ordinance No. 75686 (the Ordinance). Specifically, the Ordinance states that "The Board shall prepare an annual budget to serve as a tool in controlling and administering the management and operation of the System. The annual budget shall reflect an estimate of Gross Revenues and an estimate of the disposition of these revenues in accordance with the funds flow requirements of this ordinance."

The 2024 budget is consistent with the Board's Strategic Plan and achieves the following key objectives:

- Sustain the delivery of affordable water and wastewater services in 2024 without any increases in rates for these core businesses.
- Ensure employee pay and benefits remain fair and competitive while retirement obligations are adequately funded.
- Continue roll-out of the ConnectH2O Advanced Metering Infrastructure (AMI) project.
- Maintenance of infrastructure to ensure reliability of service and compliance with regulatory requirements.
- Continue implementation of technological advancements to increase productivity, enhance customer interactions and safeguard SAWS' assets.
- Balance the need for strong financial metrics and the maintenance of credit ratings with the affordability of our services.
- Continue to close the cost recovery gap for recycled water customers based on the five-year rate plan that was approved in the 2023 Budget, which included a 15% increase in 2023 and up to 10% increase per year from 2024 to 2027. The 2024 Budget includes a 10% recycled water rate increase.
- Continue to take steps to improve the financial condition of the chilled water core business through the implementation of the five-year rate plan that was also approved in the 2023 budget, which included a 12% increase in the demand charge for chilled water customers in 2023 with subsequent increases totaling approximately 38% during the period 2024-2027. The 2024 Budget includes a 12% rate increase in the demand charge for chilled water customers.

The 2024 budget balances revenue requirements for the fiscal year ending December 31, 2024, with available revenues and other funding sources. Highlights of the 2024 budget include:

- Assumes 2024 billed water usage of 70.3 billion gallons, which is 1.2% more than 2023 budgeted water usage and 4.5% more than 2022 budgeted water usage. The increase over 2023 budget levels reflects growth in the number of residential customers offset to some degree by projected lower per capita usage. In addition, the budget assumes a 0.70% provision for uncollectible accounts, which was the average provision level prior to the pandemic.
- Assumes water customer growth of 1.8% and wastewater customer growth of approximately 1.7%. This increase reflects a slightly lower growth trend than experienced from 2018 to 2022.
- Includes estimated total Sources of Funds of \$1.021 billion, which is \$42.4 million or 4.3% higher than the 2023 budgeted Sources of Funds. The estimated Sources of Funds for 2024 are comprised of the following:
  - Operating revenues totaling \$872.5 million.
  - Non-Operating revenues totaling \$48.6 million.
  - Capital recovery fees of \$100.1 million.
- Provides for funding of \$526.3 million in operations and maintenance costs, reflecting an increase of \$23.2 million or 4.6% when compared to the 2023 Budget. The increase in O&M costs includes \$24.1 million in increased employee salaries and benefits (which includes \$14.5 million for 195 new positions); \$2.7 million to pay for projected increases in utility costs; \$2.5 million in additional water option costs; \$1.5 million for increased maintenance expenses; \$569K in added casualty insurance premium costs; \$441K to pay for increased postage rates; \$247K in other additional expenses; and a credit of \$8.9 million to cover increased capitalization costs related to the AMI project.
- Assumes funding for \$567.6 million in capital improvement projects:
  - \$299.5 million in Water Delivery projects.
  - \$237.4 million in Wastewater projects.
  - \$13.2 million in Chilled Water projects.
  - \$17.5 million in Water Supply projects.
- Provides for an increased level of investment in Water Delivery infrastructure for 2024, which is 41.0% higher than SAWS average annual investment over the last five years. The major driver consists of improvements to enhance the resiliency of the Water Delivery system during extreme weather events.
- Provides for \$16.7 million in capital outlay funding for vehicles, equipment, and computer-related capital.
- Provides for \$253.1 million in funding for debt service and expenses, which is \$15.0 million or 6.3% higher than the 2023 budget for debt service and expenses.
- Projects 1.59 times debt coverage ratio on budgeted transfers to the Debt Service Fund for existing and projected debt, including obligations under the 2003 swap agreement.
- Includes a transfer of \$34.9 million to the City of San Antonio to reflect SAWS 4.0% of gross revenues transfer payment to the City.

The annual budget process is an effort to strike the appropriate balance between ensuring that rates remain affordable for SAWS customers and ensuring the ongoing operational and financial integrity of the organization. The 2024 Annual Operating Budget and Capital Improvement Program will allow the San Antonio Water System to continue providing high quality water, wastewater, recycled water and chilled water services at reasonable costs, while also maintaining a healthy financial position.

Respectfully submitted,



Douglas P. Evanson  
Senior Vice President/Chief Financial Officer

## BUDGET SUMMARY

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## BUDGET SUMMARY

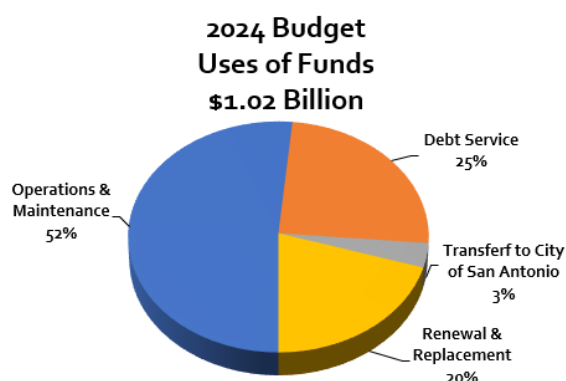
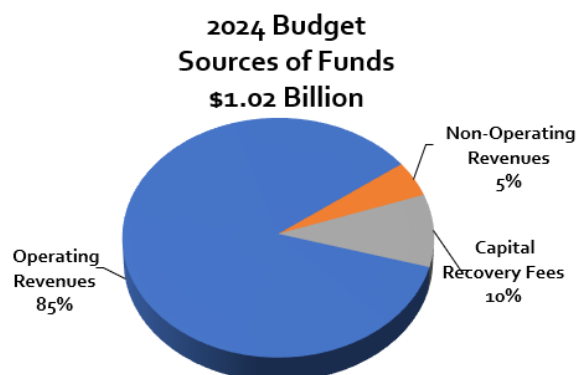
The 2024 Budget presents a comprehensive projection of San Antonio Water System (SAWS) operations from January 1, 2024 through December 31, 2024. This budget summary describes the key recommendations encompassing the 2024 Budget.

A summary of the 2024 revenue requirements, as well as the sources of funding to meet the requirements are provided in the table below.

(\$ in millions)	2023 Budget	2024 Budget	Change	% Change
<b>Sources of Funds</b>				
Operating Revenues	\$ 854.8	\$ 872.5	\$ 17.7	2.1%
Non-Operating Revenues	23.9	48.6	24.7	103.3%
Capital Recovery Fees	100.1	100.1	-	0.0%
<b>Total</b>	<b>\$ 978.8</b>	<b>\$ 1,021.2</b>	<b>\$ 42.4</b>	<b>4.3%</b>
<b>Uses of Funds</b>				
Operations and Maintenance	\$ 503.0	\$ 526.3	\$ 23.3	4.6%
Debt Service and Expenses	238.1	253.1	15.0	6.3%
Transfer to City of San Antonio	33.6	34.9	1.3	3.9%
Available for Renewal and Replacement - Restricted	108.1	117.3	9.2	8.5%
Available for Renewal and Replacement - Unrestricted	96.0	89.6	(6.4)	-6.7%
<b>Total</b>	<b>\$ 978.8</b>	<b>\$ 1,021.2</b>	<b>\$ 42.4</b>	<b>4.3%</b>

The 2024 budget presents a financial plan designed to continue SAWS' mission to provide sustainable affordable water services. The budget balances revenue requirements with available revenues and other funding sources. Some of the key objectives of the plan are:

- Continued implementation of infrastructure improvements to improve the resiliency of the water delivery and wastewater systems during extreme weather events such as those experienced in February 2021 as well as the past two summers,
- Further deployment of the ConnectH2O Advanced Metering Infrastructure (AMI) improvements throughout the community, which started in 2022,
- Maintain compliance with the requirements of the Consent Decree entered into with the United States Environmental Protection Agency and Texas Commission on Environmental Quality relating to the reduction of sanitary sewer overflows (SSOs), and
- Continued repair and replacement of aging infrastructure as well as a continuation in the expansion of our infrastructure to serve San Antonio's growing population.





## OPERATIONS AND MAINTENANCE (O&M) BUDGET HIGHLIGHTS

The 2024 O&M budget totals \$526.3 million. This is an increase of \$23.3 million, or 4.6% compared to \$503.0 million in 2023.

(\$ in millions)		
<b>2023 O&amp;M Budget</b>		<b>\$ 503.0</b>
Added Salaries/Benefits (195 New Positions)	\$ 24.2	
Added Utility Cost	2.7	
Added Water Option Cost	2.5	
Added Maintenance Materials Costs	1.5	
Added Casualty Insurance Premium Costs	0.6	
Added Mail Cost	0.4	
Other Costs	0.2	
Increased Capitalization	(8.8)	
<b>Net Increase in O&amp;M</b>		<b>\$ 23.3</b>
<b>2024 O&amp;M Budget</b>		<b>\$ 526.3</b>

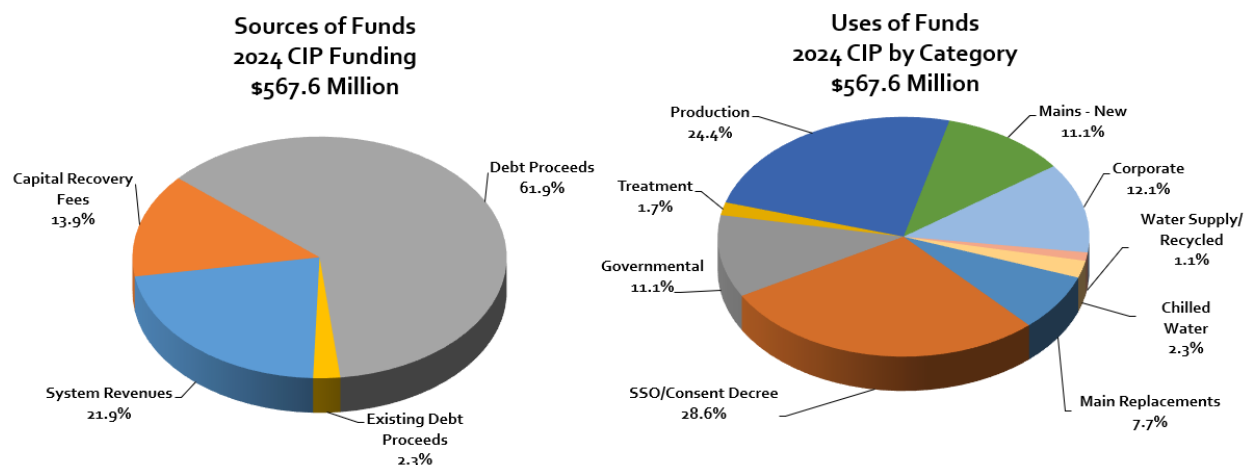
The significant increase in budgeted salaries and benefits, as compared to the prior year reflects primarily two initiatives, which combined have been allocated an additional 163 full-time employees. The first of these initiatives is the installation of 550,000 electronic meters throughout SAWS' service territory. This undertaking alone is projected to add more than 100 full-time employees to the SAWS workforce for the next several years. The second initiative reflects the fact that during the last ten years, SAWS has experienced significant growth in the number of customers served as well as the miles of infrastructure needed to serve these customers. At the same time, the number of SAWS field maintenance crews to maintain and repair this increased volume of water and sewer mains did not keep pace. The extremely hot and dry summers in San Antonio experienced in both 2022 and 2023 served to magnify certain staffing deficiencies in these areas. To address these deficiencies, as well as to enhance water leak detection and repair efforts across more than 7,700 miles of water mains, the 2024 budget funds more than 50 additional employees within SAWS Distribution and Collection group.

## CAPITAL IMPROVEMENT PROGRAM (CIP) HIGHLIGHTS

The projected 2024 Capital Improvement Program (CIP) totals \$567.6 million. The planned projects include:

- Improvements to address the recently completed wastewater Treatment Master Plan, which outlines the holistic needs for our wastewater treatment facilities over the next 30 years,
- Improvements necessary to comply with the federal Consent Decree requiring major capital improvements to address SSOs,
- Improvements to enhance the resiliency of SAWS infrastructure during future extreme weather events, such as those experienced by the community in February 2021,
- Improvements to enhance the reliability of the chilled water system infrastructure,
- Water and sewer main replacements and relocations that support City of San Antonio, Bexar County and Texas Department of Transportation (TXDOT) street, highway and drainage improvements, and
- New water and sewer mains in support of growth within SAWS service area.

The 2024 budget assumes approximately 38.1% of the funds necessary to complete the 2024 CIP will be provided by existing renewal and replacement funds, capital recovery fees, investment income and existing debt proceeds with the remaining funds to be provided by the issuance of additional debt. The planned level of cash funding is somewhat below SAWS targeted level of 50% but reflects the overall level of budgeted CIP needs.



### FIVE-YEAR CIP PROJECTION BY CATEGORY

Over the next five years, SAWS expects to invest \$2.8 billion in capital improvements, a significant portion of which will be focused on the final required improvements to the wastewater collection system in support of SAWS' obligations under the federal Consent Decree and to begin the work on the wastewater Treatment Master Plan. Increasing amounts are also projected to be invested in improvements to SAWS' water production and distribution infrastructure as well as to improve the resiliency of both water and sewer infrastructure during future extreme weather events such as those experienced by the community in February 2021.

Core Business/ Category (\$ in millions)	2024	2025	2026	2027	2028	Total 2024-2028
<b>Water Delivery</b>						
Corporate	\$ 21.9	\$ 4.9	\$ 5.0	\$ 5.2	\$ 5.3	\$ 42.3
Governmental	42.0	43.2	44.4	45.6	46.9	222.1
Mains - New	42.1	62.5	66.6	74.1	86.5	331.8
Main Replacements	43.4	97.8	26.5	45.1	13.4	226.2
Production	138.3	94.6	91.2	65.0	44.5	433.6
Overhead	11.8	11.3	11.3	11.3	11.3	57.0
<b>Water Delivery Total</b>	<b>299.5</b>	<b>314.3</b>	<b>245.0</b>	<b>246.3</b>	<b>207.9</b>	<b>1,313.0</b>
<b>Wastewater</b>						
Corporate	12.7	10.1	10.4	10.7	11.0	54.9
Governmental	21.0	21.6	22.2	22.8	23.4	111.0
Main Replacements - Sewer	162.2	74.3	42.7	102.4	72.1	453.7
Mains - New	20.4	9.8	7.6	25.4	8.1	71.3
Collection Facilities	-	2.9	-	11.4	1.8	16.1
Treatment	9.8	166.1	204.2	18.1	159.8	558.0
Overhead	11.3	11.3	11.3	11.3	11.3	56.5
<b>Wastewater Total</b>	<b>237.4</b>	<b>296.1</b>	<b>298.4</b>	<b>202.1</b>	<b>287.5</b>	<b>1,321.5</b>
<b>Water Supply</b>						
Recycled Water	1.0	21.9	1.1	28.3	12.8	65.1
Water Resources - Corporate	1.1	0.8	0.9	0.9	0.9	4.6
Water Resources - Desalination	-	-	-	1.9	-	1.9
Water Resources Aquifer Storage & Recovery	5.4	2.3	4.5	6.8	30.5	49.5
Water Resources Overhead	10.0	10.0	10.0	2.5	2.5	35.0
<b>Water Supply Total</b>	<b>17.5</b>	<b>35.0</b>	<b>16.5</b>	<b>40.4</b>	<b>46.7</b>	<b>156.1</b>
<b>Chilled Water</b>	<b>13.2</b>	<b>6.4</b>	<b>4.5</b>	<b>4.6</b>	<b>0.5</b>	<b>29.2</b>
<b>Grand Total</b>	<b>\$ 567.6</b>	<b>\$ 651.8</b>	<b>\$ 564.4</b>	<b>\$ 493.4</b>	<b>\$ 542.6</b>	<b>\$ 2,819.8</b>

IMPACT ON RATES

SAWS completes a rate study approximately every five years and the most recent study was completed in 2022. This industry best practice helps ensure water and wastewater rates are based on an equitable allocation of those costs to each customer class (residential, commercial, etc.) and are a reflection of the values of the community served.

One of the overarching goals of the 2024 Budget process has been to continue full delivery of water and wastewater services based on the rates recommended by the 2022 Rate Advisory Committee without the need for an increase in water or wastewater rates.

Recycled Water

Consistent with the Rate Advisory Committee’s recommendation for recycled water rates, a five-year rate adjustment plan was approved in the 2023 Budget. The plan included a 15.0% increase in 2023 and up to 10.0% increases each year from 2024 to 2027. The 2024 Budget includes a 10.0% recycled water rate increase.

Chilled Water

With respect to Chilled Water services, prior to 2022, there had been no increase in the demand charge rate for Downtown Chilled Water customers since 1999 and no increase in the Port San Antonio Chilled Water demand charge since 2005. In 2022, an increase of 10.0% was approved for both the Downtown and Port San Antonio demand charges to take the initial steps to improve the financial condition of the business unit. In 2023, SAWS engaged a consultant to determine the level of capital improvements over the next five years. Based on the consultant’s long-term business plan, a five-year rate adjustment plan was approved in conjunction with the 2023 Budget, as outlined below. The 2024 Budget includes a 12.0% rate increase in the demand charge for chilled water customers.

	2023	2024	2025	2026	2027
Chilled Water Demand Rate Adjustment (per ton hour)					
% Change	12.0%	12.0%	10.0%*	8.0%*	8.0%*

\* Represent the maximum level of pre-approved adjustments with the actual adjustments to be determined in consultation with the City of San Antonio staff during each identified budget process.

## **STRATEGIC PLANNING, GOALS & OBJECTIVES**

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## STRATEGIC PLANNING, GOALS & OBJECTIVES

### STRATEGIC PLANNING

SAWS Board and executive management are committed to continuing to provide high quality water and sewer services to this growing community. The mission and vision statements, combined with SAWS' intrinsic core values, guide the activities, goals and objectives of SAWS leadership team and workforce.

SAWS' mission of sustainable, affordable water services defines its purpose in serving its customers. The vision statement – to be leaders in delivering responsible water services for life – along with the values of excellence, integrity and respect, make up SAWS' core philosophy, describing what we as an organization believe, where we stand today, and where we wish to remain in the future.

Long-range planning is critical for SAWS to accomplish its mission. Strategic priorities include, but are not limited to, water supply needs, system expansion, infrastructure replacement, environmental sustainability, system reliability, technological development, innovation and financial strength.

SAWS is a part of the South Central Texas Regional Water Planning Group, Region L. This group is one of 16 Texas water-planning groups established by the Texas Water Development Board to develop regional water plans as required by Senate Bill 1 of the 75<sup>th</sup> Legislative Session. This group is tasked with developing a regional water plan, which identifies both short and long-term water supply needs and recommends water management strategies for addressing them. The regional plan provides for water conservation and drought management policies while ensuring the health of the public, the economy and the natural environment.

Additionally, SAWS updates its own Water Management Plan approximately every five years to specifically meet San Antonio's future water needs by incorporating changes in population, water demand patterns, regulations and water supply options. The combined impacts of geography, geology and climate impact both water supply and water demand in complex ways. SAWS deploys a variety of strategies to manage these challenges that include supply diversification, the addition of drought-firm supplies, and reducing weather-related water demand through focused water conservation initiatives. Acknowledging that the climate may become more challenging in the future, the 2017 Water Management Plan includes comprehensive preparations for historic drought scenarios, by merging the duration of the 1950's Drought of Record with the intensity of the more recent 2011-2014 drought. The planning process is ongoing as the recent drought has provided valuable real-time data to analyze. The analysis is expected to continue throughout 2023 with a new draft Water Management Plan to be submitted to SAWS Board of Trustees for consideration in 2024.

In collaboration with the City of San Antonio and CPS Energy, SAWS is implementing new resiliency measures to account for changing climatic conditions and to further enhance its overall service reliability. SAWS also enforces the regulatory requirements established to protect regional water quality as well as its wastewater operations.

A crucial component of SAWS strategic plan is its comprehensive 20-year financial plan, which serves as the foundation for SAWS' overall planning efforts. Executive management evaluates the outcome scenarios to reach the optimum balance of limited resources with organizational needs and customer concerns. The strategic planning process guides the development of the budget and the five-year capital improvement plan to ensure that necessary resources are provided to implement the identified objectives.

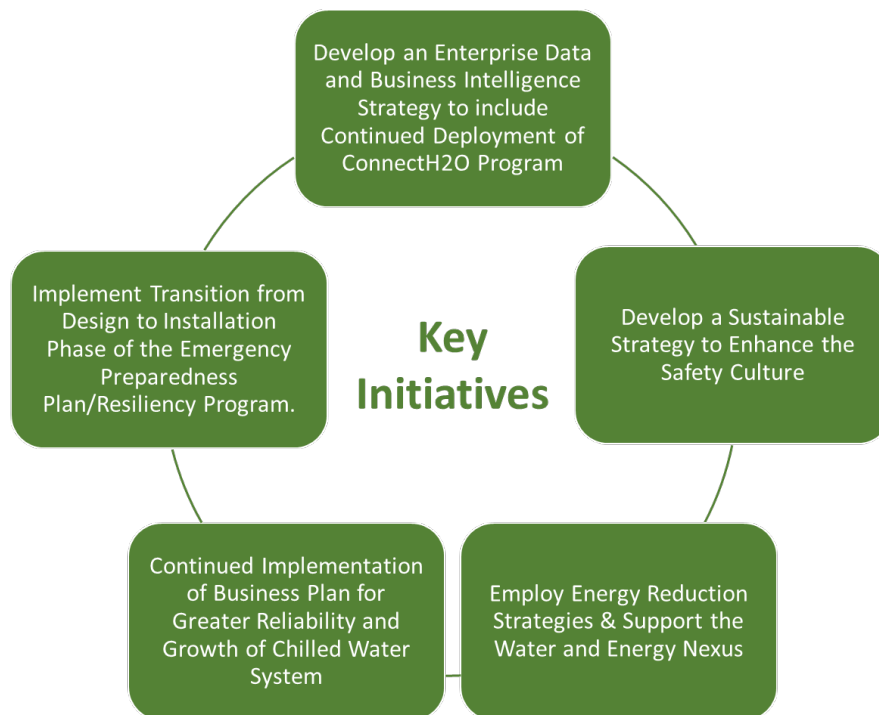


## STRATEGIC GOALS & OBJECTIVES

In 2019, SAWS undertook an initiative to track its strategic goals through a tiered metric program. In coordination with an outside consulting firm, the SAWS Board of Trustees and executive management developed the following six strategic goals. These goals serve as the foundation for all of SAWS' activities and support the budget objectives each year.

<b>Customer Service</b>	Achieving an unwavering focus on serving our customers and meeting their expectations
<b>Community Accountability</b>	Remaining accountable to our community through continued education and stakeholder engagement. Ensuring key partners stay informed, have a voice and are supportive of our strategic mission
<b>Employee Engagement &amp; Safety</b>	Recruiting and retaining highly qualified talent and equipping them with the tools and skills needed to effectively meet the expectations of our customers
<b>Financial Efficiency &amp; Affordability</b>	Efficiently managing finances to balance financial health with the impact on our community and our customers
<b>Operational Excellence</b>	Ensuring reliable water and wastewater services through efficient operations, assessment, repair, replacement and growth of our infrastructure
<b>Water Stewardship</b>	Effectively managing water resources under our stewardship, procuring sustainable water supplies, maintaining the highest conservation ethic and ensuring safe water processes

In addition to these overarching strategic goals, the process also requires the identification of current year “Key Initiatives”, which ultimately shape the long-term future of SAWS. The preliminary 2024 key initiatives are as follows:



Tier 1 objectives were identified for the Strategic Goals. In addition, strategic measures were developed to assist in the evaluation of the degree to which the objectives were achieved.

For 2021, SAWS also began tracking Tier 2 objectives that were directly correlated to the performance of each respective Tier 1 objective. These Tier 2 objectives also serve as predictive indicators of any unfavorable data trends. Tier 2 objectives/metrics are reported to the Office of the CEO, while Tier 1 objectives/metrics are reported to the Board of Trustees. Although Tier 2 metrics have been developed, historical data will be analyzed for five years in order to appropriately establish targets for these metrics.

## VALIDATION PROCESS

In order to validate the achievement of the specific objectives, data gathering sessions were conducted to better understand the calculation sources, systems and processes as well as to review the documentation confirming the outcomes and the communication of these activities.

## GOALS OF VALIDATION

The validation effort had four goals:

- Validate the calculations were accurate, sound and reasonable.
- Validate the data in the system of record was verified, confirmed and reliable.
- Validate the data flow is traceable and documented.
- Validate the result is communicated and approved.

The Tier 1 and Tier 2 metrics, along with the actual levels achieved during 2022 as well as the metric thresholds and targets for 2023 and 2024 are reported in the following chart.

Strategic Goals	Objective	Department	Metrics	2022	2023 & 2024	
				Actual	Threshold	Target
Customer Service	Tier 1					
	Customer Satisfaction Score	Customer Service	Baselice & Associates Inc. Customer Survey Results	85.0%	80.0%	82.0%
	Tier 2					
	Complaints per 1,000 Accounts	Customer Service	(# of Escalated Service Requests plus Complaint emails) / (# of Residential Accounts + Non-Residential Accounts)	0.3%	TBD	TBD
Community Accountability	Tier 1					
	Reputation Management	Communications & External Affairs	Baselice & Associates Inc. Customer Survey Results	69.0%	70.0%	73.0%
	Tier 2					
	Community Outreach	Communications & External Affairs	# of Community Outreach Events	218	TBD	TBD
Employee Engagement and Safety	Tier 1					
	Total Recordable Incident Rate	Human Resources	(# of OSHA Reportable Incidents * 200,000) / # of Productive Work Hours	3.75	4.14	3.00
	Employee Engagement	Human Resources	Engage Survey Results	41.0%	51.0%	53.0%
	Tier 2					
	Days Away, Restricted or Transferred	Human Resources	(# of OSHA Recordable injuries & illnesses resulting in Days Away * 200,000) / Hours Worked	2.91	TBD	TBD
	Survey Participation Rate	Human Resources	(# of Survey Responses / # of Surveys Sent)	82.0%	TBD	TBD
Financial Efficiency and Affordability	Tier 1					
	Service Affordability	Financial Services	(Annual Residential W&WW Rates * Rolling 5-Year Avg. W&WW Consumption + Fees) / Annual Median Household Income for Metro Area Served	33.3%	50.0%	45.0%
	Senior Lien Bond Rating	Financial Services	Maintain Senior Lien Bond Ratings with all three Credit Rating Agencies.	AA1/AA+/AA+	Fitch AA+, Moody's Aa1, S&P AA+	
	Tier 2					
	Total O&M Cost of Water	Financial Services	Total O&M Cost of Potable Water Services / Average # of Accounts	\$45.98	TBD	TBD
	Total O&M Cost of Wastewater	Financial Services	Total O&M Cost of Wastewater Services / Average # of Accounts	\$17.85	TBD	TBD
Operational Excellence	Tier 1					
	Regulatory Compliance	Water Resources	# Unique Notice of Enforcements Issued by TCEQ, EPA and ECAP	0	1	0
	Water Quality and Reliability	Water Resources	# of Unique Boil Water Advisories issued by SAWS for more than 100 customer connections	0	3	2
	Wastewater Control (Sanitary Sewer Overflows SSOs)	Production & Treatment	(# of SSOs & Plant Permit Violations (Excluding Mitchell Lake & 0800 Violations) - Storm Events Exceeding Capacity)/Miles of Sewer Main *100	3.58	3.6	2.8
	Tier 2					
	Regulatory Compliance	Water Resources	# Unique Notice of Violations Issued by TCEQ, EPA and ECAP + Plant Permit Violations	21	TBD	TBD
	Distribution System Sampling	Water Resources	Positive coliform samples, within the SAWS public water systems	0.10%	TBD	TBD
	System Maintenance	Production & Treatment	# of Miles of WW Mains Cleaned	671	TBD	TBD
	Execution to Planned	Engineering	# of Miles of Condition & Capacity Projects Completed / # of Miles of Condition & Capacity Projects Planned	73.0%	TBD	TBD
Water Stewardship	Tier 1					
	Gallons per person per day (GPCD)	Water Resources	(Total System Input Volume / Retail Population Served) / 365	122	120	117
	Tier 2					
	Infrastructure Leak Index (ILI)	Water Resources	(5.4 * miles of mains) + (0.15 * # of active and inactive connections) * (Avg annual system pressure * 365) {AWWA/TWDB Audit Figures}	3.68	TBD	TBD

## **FUTURE ROADMAP**

Results of the validation process were documented on the SAWS strategic scorecard and were ultimately reported to the SAWS Board of Trustees. Any processes that did not meet the threshold or were not able to be validated will be addressed and closely monitored. The program will continue to develop and evolve in the coming years. Next steps include periodic monitoring of the Tier 1 Metrics and Key Initiatives in addition to establishing targets for Tier 2 Metrics to ensure alignment with SAWS' overall strategic goals and objectives.

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## COMMUNITY PROFILE

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## COMMUNITY PROFILE



Beyond its role as a significant population and business center within the state of Texas, San Antonio possesses a deep history that dates back to the 1700's. In 1718, Spanish monks built a mission named San Antonio de Valero on the site of a Coahuiltecan Indian village. Eventually, this mission would be named the Alamo, where Texan forces fought Mexican soldiers during the Texas revolution. Following the revolution, Texas was annexed into the United States and San Antonio served as a place of cultural convergence that has shaped it into the city that it is today.

### LOCATION

San Antonio, the county seat of Bexar County (pronounced "bear"), is located in south central Texas. The city encompasses a total geographic area of 486 square miles and is:

- 80 miles south of Austin (state Capitol)
- 280 miles south of Dallas
- 200 miles west of Houston
- 140 miles northwest of the Gulf of Mexico
- 150 miles northeast of the city of Laredo on the Mexican border



### CLIMATE

With its location on the northwest edge of Texas' Gulf Coastal Plain, San Antonio experiences a modified subtropical climate. Based on the National Oceanic & Atmospheric Administration's 1991-2020 climate data for San Antonio, average high temperatures ranged from 63 degrees in January to the mid-90s in July and August. Summers are hot, with daily temperatures above 90 degrees over 80% of the time, and San Antonio experiencing an average of 17 days over 100 degrees each year. During the same 30-year period, mild weather prevailed during the winter months, with daily low temperatures below freezing occurring on average 14 days per year. Average yearly rainfall was approximately 32 inches, with the extremes ranging from 10.11 inches in 1917 to 52.28 inches in 1973.

## POPULATION

According to the U.S. Census Bureau, the City of San Antonio is the seventh most populous city in the United States and the second most populous city in Texas.

From 2021 to 2022:

- The City of San Antonio had the largest numeric and percentage population growth of any of the top 10 U.S. cities in terms of population with an increase of 18,889 new residents and percentage increase of 1.3%.
- The San Antonio-New Braunfels Metropolitan Statistical Area (MSA), which includes Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and Wilson counties, was estimated to contain 2.66 million people in 2022 with the eighth largest numeric growth among U.S. MSA's.
- The San Antonio MSA ranked twenty-fourth in population among national MSAs and third among those in Texas.

Population by Year			
Year	City of San Antonio	Bexar County	San Antonio-New Braunfels MSA
2022	1,472,909	2,059,530	2,655,342
2021	1,454,020	2,030,895	2,604,931
2020	1,434,367	2,009,324	2,558,143
2010	1,327,407	1,714,773	2,142,508
2000	1,144,646	1,392,931	1,711,703
1990	935,933	1,185,394	1,407,745
1980	785,880	988,800	1,154,648
1970	654,153	830,460	951,876
1960	587,718	687,151	796,792
1950	408,442	500,460	603,775
1940	253,854	338,176	437,854
1930	231,542	292,533	389,445
1920	161,379	202,096	289,089

Beginning in 2000, the number of counties in the MSA was increased from four to eight: Atascosa, Bandera, Kendall and Medina counties were added to Bexar, Comal, Guadalupe and Wilson counties.

Source: U.S. Census Bureau

## ECONOMY

The local economy continues to remain strong in 2023. Overall, as of July 2023, total non-farm employment in the MSA has increased by 30,300 jobs or 2.7% since July 2022. The unemployment rate within the MSA decreased slightly from 4.0% in July 2022 to 3.9% in June 2023.

San Antonio's economy going forward will likely be impacted by somewhat challenging national economic trends. Inflation continues to be a significant area of concern having risen 17.4% from December 2020 through July 2023, after only rising 1.4% from December 2019 through December 2020. In August 2023, the U.S. Bureau of Economic Analysis (BEA) reported that national Real Gross Domestic Product (Real GDP) increased at an annual rate of 2.0%

in the first quarter of 2023 and 2.1% in the second quarter. The increase reflects an upturn in consumer and state, local and federal government spending offset, in part, by a slowdown in exports, residential fixed investments and private inventory investment.

Despite the strong national economic growth, in August 2023, the Conference Board (Board) forecasted that the growth seen in many parts of the country will gradually decline later this year which will lead to a very short and shallow recession. This outlook is driven by numerous factors including elevated inflation and higher interest rates. For 2024, the Board expects the volatility that dominated the economy during the pandemic period to diminish and for growth to return to more stable pre-pandemic rates. Additionally, the Board anticipates inflation will get closer to two percent and that the Federal Reserve will lower rates to near four percent. However, tightness in the labor force is anticipated to continue due to an aging labor force.

Nevertheless, good news for the national economy can also be found in the fact that the U.S. unemployment rate stands at 3.8% as of August 2023 compared to 6.7% as of December 2020 and to 14.8% at the height of the pandemic in April 2020.

Local economic activity continues to be strong, aided by the fact that San Antonio boasts a widely diversified group of industries that have major operations in the city, including aerospace, bioscience/healthcare, environmental/green technology, financial services, information technology/cybersecurity, manufacturing and military/defense.

## EMPLOYMENT

The San Antonio economy experienced consistent, sustained job growth from 2012 until the onset of the pandemic in 2020. In the first six months of 2023, total MSA employment has grown by 5,000 jobs or 0.4%. Overall, jobs have increased by 23.2% since the end of 2013. Consequently, with the strength of its economic sectors and robust growth, San Antonio remains well positioned to mitigate adverse effects from a potential economic downturn.

## AEROSPACE/AVIATION

The local aerospace industry includes a range of businesses that manufacture aircraft equipment and parts, service and repair aircraft, produce and distribute air transportation equipment and supplies, provide both scheduled and unscheduled air transportation, and operate flight schools. Most of the 9,900 jobs (as of a 2022 report from the Greater SATX Regional Economic Partnership) are concentrated at the San Antonio International Airport and Port San Antonio, which occupies the facilities formerly operated by the U.S. Air Force as Kelly Air Force Base.

## BIOSCIENCE/HEALTHCARE

As one of San Antonio's leading industries, the healthcare and bioscience industry has shown steady growth and innovation over the past two decades. The industry is composed of health services and related industries, such as research, pharmaceutical and medical device manufacturing. The Greater SATX Regional Economic Partnership states that one out of every six workers are in the Bioscience/ Healthcare sector. In the Hospitals and Ambulatory Health Care Services employment subsectors, there are 107,700 jobs in the local area as of the end of July 2023 increasing by 1,800 persons since the end of 2022. There has been a 26.6% increase in employment in these subsectors since the end of 2013.

## FINANCIAL SERVICES

The Financial Services industry in San Antonio includes the following sectors: banking and credit; investment activities; insurance; funds, trusts and other financial vehicles; accounting and bookkeeping. The Greater SATX Regional Economic Partnership calls the local financial services sector the fastest growing industry in San Antonio. This sector employed 104,300 persons as of the end of July 2023 increasing by 1,700 persons since the end of 2022. There has been a 32.7% increase in Financial Services employment since the end of 2013.

## INFORMATION TECHNOLOGY/CYBERSECURITY

The Information Technology/Cybersecurity industry plays a stable employment role in San Antonio. According to the Greater San Antonio Chamber of Commerce, San Antonio is the second largest cyber hub in the United States. During the period from 2011 to 2019, the number of local jobs has fluctuated around 20,000. As of July 2022, the sector had 19,200 jobs.

## MANUFACTURING

San Antonio has a large diverse manufacturing industry, with representation from every major sector of U.S. manufacturing present in the community, including materials and electricity, equipment and metal, transportation-related and diversified products. This sector employs 57,400 people in the San Antonio area as of July 2023 representing a 1.9% decrease since December 2022. This sector has grown by 23.7% overall since the end of 2013.

## MILITARY/DEFENSE

The U.S. military has had a significant and historic presence in San Antonio dating back well into the 19th century. The military mainly operates in San Antonio today under the framework known as Joint Base San Antonio (JBSA). According to the Texas Comptroller, in 2021, JBSA contributed at least \$39.1 billion to the Texas economy. In 2021, JBSA directly and indirectly employed 211,213 persons and generated an annual disposable personal income of approximately \$14.4 billion.

## EDUCATION

Within 50 miles of San Antonio, 15 colleges and universities offer degrees in all major fields of study and educate over 165,000 students.

Institution	Certified Fall 2021	Preliminary Fall 2022	Change	Percent Change
Texas State University	37,864	38,262	398	1.05%
University of Texas at San Antonio	34,177	33,557	(620)	-1.81%
San Antonio College	17,677	17,853	176	1.00%
Northwest Vista College	16,604	16,969	365	2.20%
St. Philip's College	12,455	12,473	18	0.14%
Palo Alto College	10,559	10,474	(85)	-0.81%
Northeast Lakeview College	6,704	7,252	548	8.17%
Texas A&M University-San Antonio	6,858	7,238	380	5.54%
University of the Incarnate Word	6,891	6,629	(262)	-3.80%
Univ. of Tex. Health Science Ctr. at San Antonio	3,463	3,506	43	1.24%
St. Mary's University	3,419	3,249	(170)	-4.97%
Trinity University	2,745	2,750	5	0.18%
Our Lady of the Lake University	2,550	2,339	(211)	-8.27%
Wayland Baptist University	2,563	2,004	(559)	-21.81%
Texas Lutheran University	1,435	1,371	(64)	-4.46%
<b>Total</b>	<b>165,964</b>	<b>165,926</b>	<b>(38)</b>	<b>-0.02%</b>

Source: Texas Higher Education Coordinating Board

# **SAN ANTONIO WATER SYSTEM PROFILE**

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## SAN ANTONIO WATER SYSTEM PROFILE

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### HISTORY

SAWS was created in 1992 through the consolidation of three predecessor agencies: the City Water Board (the previous city-owned Water Supply utility); the City of San Antonio Wastewater Department (a department of the city government responsible for sewage collection and treatment); and the Alamo Water Conservation and Reuse District (an independent city agency created to develop a system for reuse of the city's treated wastewater). In addition, the Water Resources planning staff of the City Planning Department was realigned to the new agency to provide combined water related services for the San Antonio area.

On January 1, 2017, SAWS completed all legally required steps to fully integrate the operations and customers of the former Bexar Metropolitan Water District (BexarMet) with SAWS. The final step of full integration included the application of consistent rates for both existing SAWS and former BexarMet customers.

### GOVERNANCE

San Antonio Water System is a public utility owned by the City of San Antonio. Complete management and control of SAWS is vested in a Board of Trustees consisting of the mayor and six members who are appointed by the San Antonio City Council and serve staggered four-year terms. The mayor of San Antonio serves as an ex-officio voting member. The general operations of the utility are under the supervision of the President/Chief Executive Officer.

### SERVICE AREA

#### WATER DELIVERY AND WASTEWATER

SAWS' water delivery service area currently extends over approximately 929 square miles, making it the largest water purveyor in Bexar County. The service area includes most of Bexar County, several suburban municipalities and parts of adjacent counties. In addition to serving its own retail customers, SAWS also provides wholesale water to four smaller utility systems within this area.

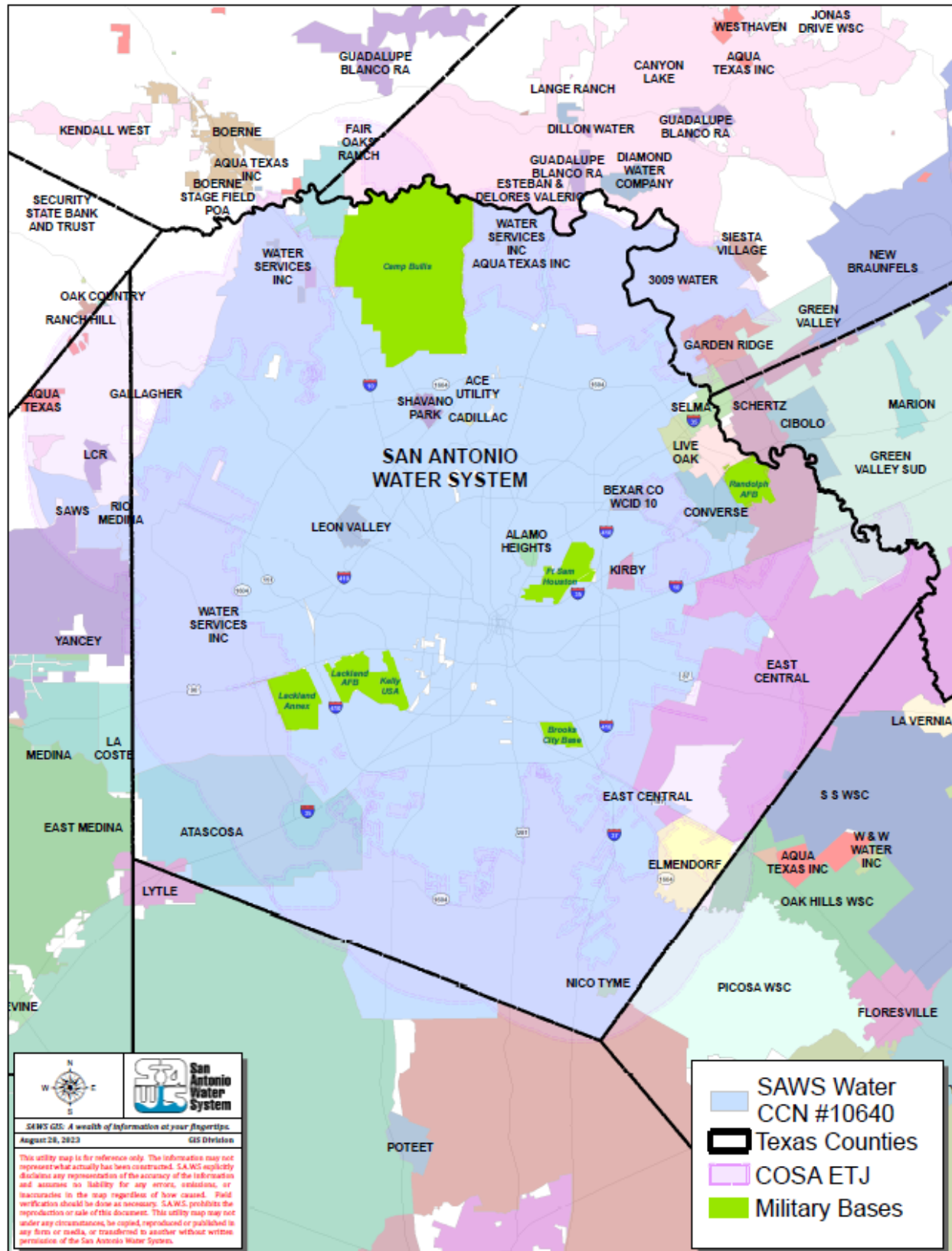
SAWS provides potable water service to residential, commercial, multifamily, industrial, and wholesale accounts. As of August 31, 2023, the water delivery system provides potable water service to 562,685 customer connections.

The water delivery system currently utilizes 129 elevated and ground storage tanks with a combined storage capacity of 318.4 million gallons. The system also includes the water treatment plant operating at the Agua Vista Station which receives, treats, and transmits water received from the Vista Ridge Pipeline Project. As of August 31, 2023, SAWS maintained 7,726 miles of water lines, ranging in size from 1 inch to 96 inches in diameter and 46,045 fire hydrants were in service.

A somewhat different area, following natural watersheds, is defined for SAWS' wastewater collection and treatment service area, which covers an area of approximately 854 square miles. SAWS is the largest wastewater treatment agency in the San Antonio area. SAWS also provides collection and treatment services by contract to developments outside its defined service area to avoid unnecessary proliferation of state wastewater discharge permits. As of August 31, 2023, SAWS provides wastewater services to 503,169 customer connections, including 18 wholesale sewer connections through a collection system composed of 5,968 miles of sewer mains and three major treatment plants: Steven M. Clouse Water Recycling Center (formerly called Dos Rios), Leon Creek Water Recycling Center and Medio Creek Water Recycling Center.

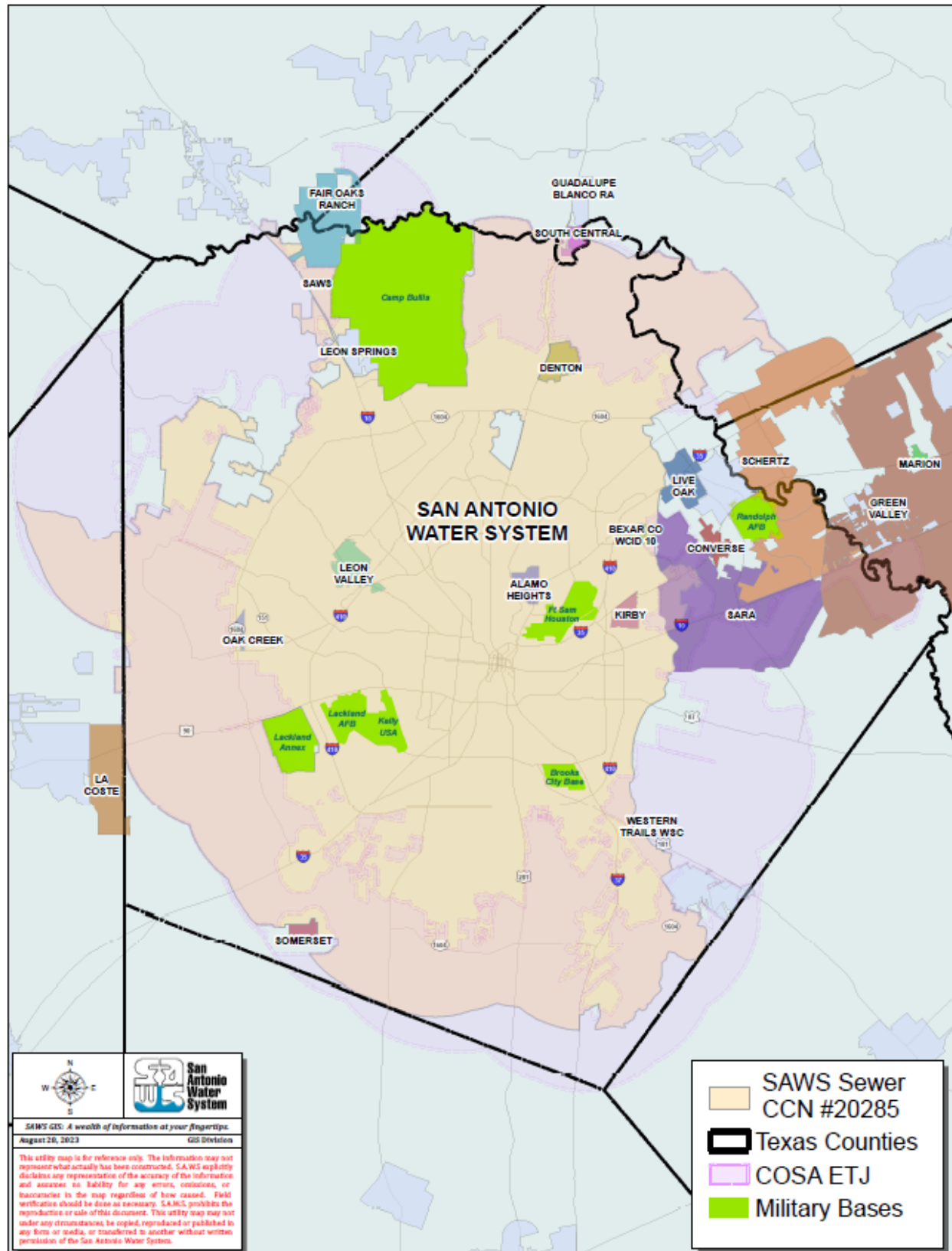


## WATER SERVICE AREA





## WASTEWATER SERVICE AREA



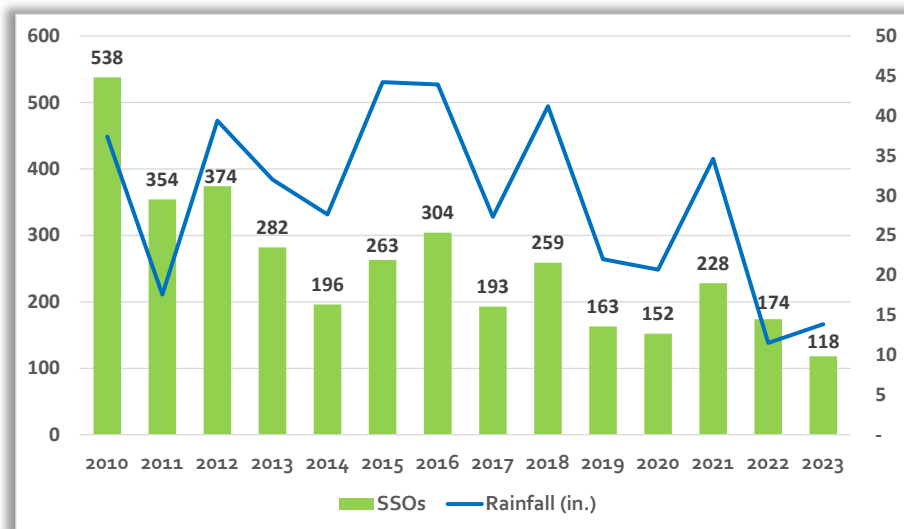
## CHILLED WATER SYSTEM

SAWS owns, operates and maintains four thermal energy plants providing chilled water services to governmental and private entities. Two of the plants, located in the City of San Antonio's downtown area, provide chilled water to twenty-one customers, including various City of San Antonio facilities such as the Henry B. Gonzalez Convention Center and the Alamodome, which constitute a large percentage of the downtown system's chilled water annual production requirements. In addition to City facilities, these two plants also provide chilled water service to a number of major hotels and other private facilities in the downtown area. The other two thermal energy plants, owned and operated by SAWS, are located at the Port San Antonio industrial area, and provide chilled water to three large industrial customers as well as U.S. Air Force and Port San Antonio facilities



## SEWER MANAGEMENT

In June 2013, SAWS approved a settlement with the U.S. Environmental Protection Agency (EPA) that required additional work over the subsequent 10 to 12-year period to reduce sanitary sewer overflows (SSOs). The work required to comply with the consent decree includes system-wide inspection, cleaning and evaluation of sanitary sewer pipelines. Additionally, increased investment in the replacement and rehabilitation of aging sewer infrastructure is required. The targeted replacement and rehabilitation program has been specifically tailored based on extensive condition assessments. SAWS has significantly reduced the number of SSOs as result of efforts made since 2010 to clean and replace sewer pipelines. The following chart shows the number of SSOs since 2010. In 2019, a record low 163 SSOs were experienced. This performance was followed with an even lower total of 152 SSOs in 2020. As a result of large rain events and the impacts of Winter Storm Uri, total SSOs in 2021 exceeded the 2020 total. Reflecting the lower-than-normal rainfall in 2023, only 118 SSOs have been recorded through August 31<sup>st</sup>.



The 2024 O&M budget includes \$18.2 million in operating costs related to program management, televising and cleaning sewer mains, capacity assessment activities, and repair of sewer infrastructure. Additionally, \$115.9 million in capital project investments are planned in 2024 to continue to rehabilitate aging sewer infrastructure and address system capacity issues.

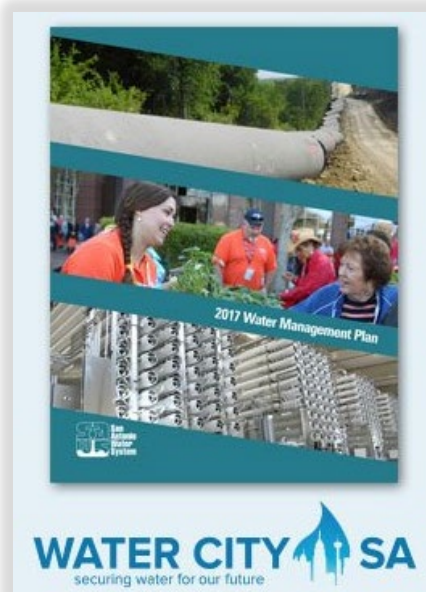
SAWS has performed its obligations and has met the requirements of the consent decree since its 2013 inception. Most of the consent decree requirements are expected to be completed by 2025, as originally required. A major modification to the consent decree was approved in August 2021 for the extension of the deadline for the W-9 and W-52 projects to July 2027. Design contracts for these projects were awarded in December 2021 and the construction contract will be awarded in 2024. SAWS will continue implementing best practices after the consent decree requirements are met to ensure proper management of the sewer system going forward.

## WATER SUPPLY

Historically, San Antonio obtained nearly all of its water from the Edwards Aquifer. In 1993, the Texas Legislature created the Edwards Aquifer Authority (EAA) as a conservation and reclamation district. The EAA has broad powers to manage, conserve, preserve and protect the Edwards Aquifer. These powers include increasing the recharge of and limiting withdrawals from the Edwards Aquifer through a permitting system that ensures continuous minimum spring flows of the Comal Springs (in New Braunfels) and the San Marcos Springs to protect endangered and threatened species.

In 1996, the City Council appointed a 34-member Citizens Committee to develop strategic policies and goals for water resource management. The Citizens Committee on Water Policy report, entitled "A Framework for Progress: Recommended Water Policy Strategy for the San Antonio Area," was unanimously accepted by City Council, becoming the foundation for SAWS' 1998 *Water Resource Plan*. In November 1998, the City Council accepted the 1998 *Water Resource Plan* "Securing our Water Future Together" as the first comprehensive, widely supported water resource plan for San Antonio. The 1998 *Water Resource Plan* established programs for immediate implementation, as well as a process for developing long-term water supplies. In October 2000, the City Council created a permanent funding mechanism, the Water Supply Fee, to fund water supply development and water quality protection.

The 1998 *Water Resource Plan* has been updated periodically. The 2017 *Water Management Plan* is the last completed version of SAWS long range planning efforts. The 2017 *Water Management Plan* charts the path that SAWS plans to pursue to meet the long-term needs of current and future San Antonio residents through 2070 – even during periods of extreme drought. As this plan is updated approximately once every five years, the planning process is ongoing, as the recent drought has provided valuable real-time data, and is expected to continue throughout 2023 with a new draft *Water Management Plan* to be submitted to the SAWS Board of Trustees for consideration in 2024.



## CURRENT SOURCES OF WATER SUPPLY

The table below provides a summary of the available sources of water supply under non-drought conditions for SAWS:

Budgeted Sources of Water Supply 2024 Under Non-Drought Conditions	
Source	Acre-Feet
Edwards Aquifer	256,372
Recycled Water (CPS Energy Power Plants)	50,000
Vista Ridge	50,000
Recycled Water (Direct Customers)	25,000
Regional Carrizo	12,188
Trinity Aquifer	12,156
Brackish Groundwater Desalination	11,200
Local Carrizo	9,900
Canyon Lake	7,400
Canyon Regional Water Authority	6,300
<b>Total</b>	<b>440,516</b>

### EDWARDS AQUIFER

The largest amount of SAWS water holdings is Edwards Aquifer permitted groundwater withdrawal rights. In 2024, SAWS has budgeted for a total inventory of 256,372 acre-feet per year of EAA-permitted groundwater withdrawal rights. Access to these permitted groundwater withdrawal rights is subject to varying levels of availability (cutbacks) depending on a management system using water levels at key index wells and spring flows. These cutbacks in any given year may range from 0% to 44%. The following table shows annual cutbacks and average aquifer levels for the last five years.

Year	EAA Cutback	J-17 Index Well Average Level
2019	0.00%	677.2'
2020	6.25%	664.5'
2021	5.71%	662.8'
2022	26.68%	643.5'
2023*	23.27%	636.4'

\*As of August 31, 2023

As of August 31, 2023, the J-17 Index Well was at 628.8' mean sea level (msl) and was slightly decreasing due to demand.

Through SAWS' Aquifer Storage and Recovery facility (ASR), SAWS can store Edwards Aquifer water in a portion of the Carrizo Aquifer located in southern Bexar County during wet times or periods of low customer demand. This water can be recovered during periods of drought to augment SAWS' available water supplies to meet customer demands. As of August 31, 2023, there was 184,572 acre-feet of Edwards Aquifer water stored in the ASR.

In connection with the EAA's directive by the Texas Legislature to ensure that continuous minimum spring flows of the Comal Springs and the San Marcos Springs are maintained to protect endangered and threatened species, the

Edwards Aquifer Recovery Implementation Program (EARIP) was established in 2007. The EARIP was developed through a consensus-based process that involved input from the U.S. Fish and Wildlife Service (USFWS), other appropriate federal agencies, and all interested stakeholders in the Edwards region. Over a four-year period, these entities developed and approved a springflow protection and habitat restoration plan, the Edwards Aquifer Habitat Conservation Plan (EAHCP).

The primary parties to the EAHCP include the EAA, SAWS, the City of New Braunfels, the City of San Marcos and Texas State University. The EAHCP was used by the USFWS as the basis for issuing an Incidental Take Permit (ITP) which will protect San Antonio and the region from the threat of future environmental lawsuits and federal control of the aquifer over a 15-year term. This ITP was issued by the USFWS on March 18, 2013.

A major component of the EAHCP includes the use of the SAWS ASR facility in conjunction with other measures to contribute to modeled spring flow protections during severe droughts. After the approval of the EAHCP, SAWS and the EAA entered into an Interlocal Contract in August 2013 that details the implementation of the ASR strategy contributing to springflow protection. The EAA itself, or by use of an agent, acquires Edwards Aquifer groundwater withdrawal rights which are conveyed to SAWS for storage at ASR. An amount commensurate to the water conveyed on behalf of the region will be forborne from SAWS Edwards Aquifer production when specified triggers during a drought similar to Texas' drought of record are met. The contract, and amount of water leased by the EAA and conveyed to SAWS to store, limits the forbearance SAWS is obligated to perform over the term of the ITP. SAWS is reimbursed by the EAA for the incremental cost of storing EAHCP water in ASR and withdrawing that water during drought of record conditions to cover its forbearance requirements under the agreement.

## **RECYCLED WATER**

The San Antonio Water System has the largest direct recycled water system in the United States and is permitted to sell Type I (high quality) recycled water from its water recycling centers (wastewater treatment plants). The water recycling program supply is 25,000 acre-feet per year of recycled water to serve commercial and industrial businesses in the City. This water recycling system was originally comprised of two transmission lines, running north and south on the eastern and western sides of the city. In 2008, these two major transmission lines were interconnected at the northern end, providing additional flexibility to this valuable water resource. Currently, approximately 130 miles of pipeline deliver highly treated effluent to 150 customer connections. Recycled water is being delivered for industrial processes, cooling towers, irrigation of golf courses, landscapes and parks, all of which would otherwise rely on potable-quality water. Aside from supporting the local economy, this water recycling system also releases water into the upper San Antonio River and Salado Creek to sustain river and creek flows. The result has been significant and lasting environmental improvements for the aquatic ecosystems in these streams.

Under a recycled water supply contract, SAWS also provides up to 50,000 acre-feet of water to San Antonio's municipally owned electric and gas utility, CPS Energy. This water is discharged by San Antonio's three Water Recycling Centers and then flows to a downstream location on the San Antonio River where CPS Energy diverts the water into Braunig and Calaveras Lakes to provide cooling water for its nearby power plants.

In 2023, SAWS and the City renegotiated a recycled water agreement providing for continued discharge of recycled water into the San Antonio River and Salado Creek. Under this agreement, which replaced the prior one reached in 2001, approximately 1,275 acre-feet of under-utilized City and 3<sup>rd</sup> party operator recycled water will be returned to SAWS' recycled water supply plus an additional 1,000 acre-feet from sites that did not get connected under the original 2001 agreement. Also, the recycled water discharge volume to the San Antonio River and Salado Creek has been increased from 5,823 acre-feet to 6,590 acre-feet. SAWS collects payment from the City for such discharges.



## REGIONAL CARRIZO

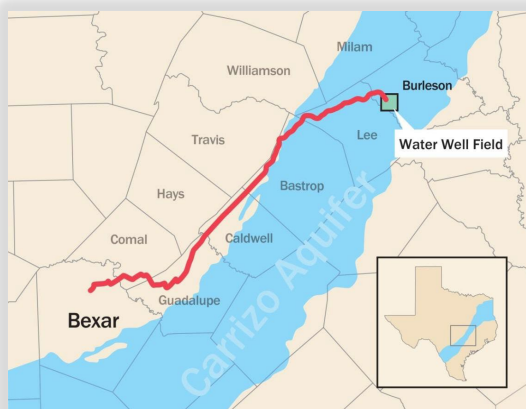
As part of diversifying SAWS' water portfolio, a regional partnership was entered into with Schertz-Sequin Local Government Corporation (SSLGC). SAWS' Regional Carrizo project is located in Gonzales County, approximately 50 miles from San Antonio. This partnership with SSLGC allows SAWS to utilize available capacity in an existing pipeline and water treatment plant owned and operated by SSLGC. In 2024, SAWS has budgeted to produce the full permitted allotment of 11,688 acre-feet of water from the Buckhorn well field and plans to purchase an additional 500 acre-feet of water from SSLGC.

## BRACKISH GROUNDWATER DESALINATION

The Brackish Groundwater Desalination (BGD) plant produces brackish water from the Wilcox Aquifer in southern Bexar County and treats it to drinking water quality standards. The initial phase of the plant has the capacity to provide up to 11,200 acre-feet per year of drought-proof desalinated groundwater to San Antonio's taps. Current plans provide for future phases to be constructed around the 2040 timeframe and will eventually bring the total supply from this program to 33,600 acre-feet per year. The desalination plant is located at the SAWS H<sub>2</sub>Oaks Center in south Bexar County, where three sources of water are managed: Brackish Groundwater, Aquifer Storage and Recovery (ASR) and Local Carrizo. The Center also provides research facilities for college/university students to help improve water technology and processes and offers educational tours to the public.



## VISTA RIDGE – REGIONAL WATER SUPPLY



In October 2014, the City Council adopted an ordinance, approving the execution of a Water Transmission and Purchase Agreement (WTPA) between the City, acting by and through SAWS, and Vista Ridge LLC to provide up to 50,000 acre-feet of potable water per year for an initial period of 30 years. The Vista Ridge Project represents a

significant diversification of SAWS' water sources as the water provided during its first full year of operations (2021) accounted for approximately 18% of the potable water distributed by SAWS.

In May 2016, SAWS exercised its contractual right to fix the Capital and Raw Groundwater Unit Price (CRGWUP) under the WTPA based on the methodology provided for therein. This action served to lock in the price of the water component of SAWS annual payment requirement at \$1,606 per acre foot for the entire 30-year term of the WTPA. The project achieved financial close in November 2016.

Vista Ridge, LLC constructed well fields to withdraw water from the Carrizo and Simsboro aquifers in Burleson County, Texas pursuant to currently held long-term leases with landowners and constructed a 142-mile pipeline from this well field to northern Bexar County. The pipeline was connected to the SAWS distribution system at the Agua Vista Station, the delivery point in northern Bexar County, to treat the Vista Ridge water. Construction was completed in early 2020.

Vista Ridge LLC began delivering water to SAWS on April 15, 2020. The start of water delivery initiated the 30-year operational phase, during which period SAWS is obligated to pay for water (up to 50,000 acre-feet annually) made available by Vista Ridge LLC. The budgeted operating and maintenance costs for 2023 and 2024 are listed in the table below. In 2024, a total of \$107.1 million is budgeted for 50,000-acre feet (approximately \$2,142 per acre foot). In 2024, in addition to the \$80.3 million for contractually required water payments (based on \$1,606 CRGWUP), SAWS will pay an estimated \$14.1 million in operations and maintenance costs associated with the production and delivery of the Project water, as a direct pass-through under the WTPA, approximately \$9.2 million for utility expenses and approximately \$3.1 million to support operations of its Agua Vista Station.

Vista Ridge and Agua Vista Budgets \$ in Millions				
Facility	Expenditure	2023	2024	Difference
Vista Ridge Pipeline	Water Payment	\$ 80.30	\$ 80.30	\$ -
	O&M Payment	12.52	14.14	1.62
	Staffing Cost	0.08	-	(0.08)
	Utilities Cost	9.14	9.16	0.02
	Other Costs	0.84	0.35	(0.49)
<b>Subtotal</b>		<b>\$ 102.88</b>	<b>\$ 103.95</b>	<b>\$ 1.07</b>
Agua Vista Station	Staffing Cost	0.86	0.86	\$ (0.00)
	Utilities Cost	0.39	0.58	0.19
	Chemical Cost	1.28	1.29	0.01
	Other Costs	0.48	0.41	(0.07)
<b>Subtotal</b>		<b>\$ 3.01</b>	<b>\$ 3.14</b>	<b>\$ 0.13</b>
<b>Totals</b>		<b>\$ 105.89</b>	<b>\$ 107.09</b>	<b>\$ 1.20</b>

At the end of the 30-year Operational Phase, the well field, pipeline and all related infrastructure will transfer to SAWS at no additional cost. Under an agreement with Blue Water Vista Ridge, LLC, the owner of the groundwater leases, SAWS will have the ability to continue production for an additional 30-year term, with the cost of the water at the end of the WTPA being tied to the costs of then-prevailing two-year Edwards Aquifer water leases.

## CONSERVATION

The cost of developing and acquiring additional water supplies to meet the increased water demands of San Antonio's projected future population is high. SAWS recognizes that efforts to promote conservation are a cost-efficient approach to minimizing the increase in demand for water caused by population growth. Beginning in 1994, SAWS implemented progressive water conservation programs aimed at reducing water use across all property types, including residential, commercial, and industrial, and all uses. SAWS' conservation efforts over time have had a dramatic impact on water usage per customer and helped to avoid the need to develop even more water

supplies to support the city's population growth over the last 20 years. Continued reductions in customer demand, because of these programs, are an important component of SAWS water planning efforts. The 2017 Water Management Plan (WMP) recognizes these Conservation efforts as an integral part of reducing customer demand from 117 gallons per capita per day (GPCD) in 2016 to 88 GPCD by 2070. The overall GPCD trend continues to meet the objectives outlined in the 2017 WMP, despite years with significant variations in weather conditions. Long-term conservation targets are currently under review as part of the five-year update to the Water Management Plan, expected to be complete in early 2024.

## INTEGRATION

### Western Pipeline

The Western Pipeline was designed to provide the ability to integrate water produced from the various sources at the H2Oaks Center and deliver that water to the very rapidly developing western portions of Bexar County. Phase I of the pipeline was completed in 2016 and includes 28 miles of large capacity water transmission pipeline and new pump stations at the H2Oaks Center as well as SAWS' Old Pearsall Pump Station. Phase II is scheduled to be completed in 2024 and extends the pipeline an additional 17 miles to SAWS' Anderson Pump Station on the far west side of San Antonio. With the addition of the Anderson Pump Station facility as a water integration point, the rated capacity of both phases of the pipeline is up to 75 million gallons per day (MGD).

### Central Water Integration Pipeline

The Central Water Integration Pipeline (CWIP) project was designed to facilitate conditioning, conveyance and distribution of the Vista Ridge water throughout the SAWS water distribution system. The pipeline, along with construction of the Agua Vista Station, was completed in 2020. The Agua Vista Station receives approximately 50,000 acre-feet per year of water from the Vista Ridge Pipeline Project and conditions the water received for seamless integration, playing a key role in water supply diversification. The capital cost of the CWIP program, including all engineering, construction, and easement acquisition, was approximately \$213 million.

Completion of the CWIP project resulted in a number of benefits, including the automation of many existing water distribution facilities, rehabilitation of existing facilities to improve system reliability, and providing an additional water supply for our community.



## FINANCIAL POLICIES

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## FINANCIAL POLICIES

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### BASIS OF ACCOUNTING

SAWS' financial statements are prepared using the accrual basis of accounting with the economic resources measurement focus as prescribed by the Governmental Accounting Standards Board (GASB). SAWS operates as an enterprise fund and applies all applicable GASB pronouncements and presents its financial statements in accordance with the GASB Codification of Governmental Accounting and Financial Reporting Standards. Under this approach, all assets, deferred outflows of resources, liabilities and deferred inflows of resources of SAWS are reported in the Statements of Net Position, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

### RECOGNITION OF REVENUES

Revenues are recognized as goods or services are provided. Customers' water meters are read and bills are prepared monthly based on billing cycles. SAWS uses historical information to estimate and record earned revenue not yet billed at the end of the year.

### REVENUE AND EXPENSE CLASSIFICATION

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of SAWS are charges to customers for water supply, water delivery, wastewater and chilled water services. Operating expenses include costs of service, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### ANNUAL BUDGET

Approximately sixty days prior to the beginning of each fiscal year, SAWS presents to the SAWS Board of Trustees an annual budget prepared on an accrual basis to serve as a tool in controlling and administering the management and operation of the organization. The annual budget reflects an estimate of gross revenues and disposition of these revenues in accordance with the flow of funds required by Ordinance No. 75686. The annual budget is also submitted to the City Council for review and consultation.

The annual budget should be a balanced budget that projects Gross Revenues sufficient to fund estimated financial requirements. The annual budget is prepared on a comprehensive basis and includes all water supply, water delivery, wastewater and chilled water operations as well as a capital improvement program. The Board of Trustees may subsequently modify its approved budget by giving notice thereof to the City.

The basis of budgeting used is the same as the basis of accounting, with the exception of budgeting for employee benefits, capital asset impairments and the Vista Ridge Pipeline Project. Contributions to employee retirement plans, both pension and post-retirement medical, are budgeted on a cash rather than accrual basis. Additionally, SAWS regularly provides for depreciation and amortization of its capital assets and periodically reviews such capital assets for possible impairment. Employee benefit expenses that do not require a current outlay of cash, depreciation and amortization and capital asset write-offs do not meet the definition of Operations and Maintenance Expense in accordance with Ordinance No. 76586, as they do not require current period expenditures of cash. The Vista Ridge Pipeline Project water payment, along with the related operations and maintenance and utility costs are budgeted entirely as Operations and Maintenance Expenses due to the fact that SAWS is only required to pay for water made available at the delivery point in north Bexar County. However, for accounting purposes, the infrastructure payment portion of the water payment will be treated as a financed purchase with the water lease portion being treated as an operating expense.

Encumbrances are not formally recorded in the accounting system; however, SAWS monitors and controls spending by utilizing budget variance reports for each accounting unit, which are periodically reviewed by the CFO and the Executive Management Team.

All funds are appropriated in the 2024 Operating Budget. Capital Improvement Program financial projections are not appropriated. Any amendments to the 2024 Operating Budget, which are expected to reduce the annual unrestricted transfer to the Renewal and Replacement Fund must be approved by the Board of Trustees.

## CORE BUSINESSES

SAWS' operations are segregated into four core businesses as follows:

- Water Delivery – the functions of distributing water to the customer
- Water Supply – the functions related to the development and provision of additional water supply
- Wastewater – the functions of collecting and treating wastewater from the user customer
- Chilled Water – the functions related to providing chilled water service to specific customers of SAWS

## RESTRICTED RESOURCES

When an expenditure is made for purposes for which both restricted and unrestricted resources are available, it is SAWS policy to choose the appropriate resource based on the availability of resources and funding goals established by management for those expenditures.

## CASH EQUIVALENTS

SAWS considers investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

## INVESTMENTS

City Ordinance No. 75686, SAWS' Investment Policy, and Texas state law allow SAWS to invest in direct obligations of the United States or its agencies and instrumentalities. Other allowable investments include direct obligations of the State of Texas or its agencies and instrumentalities; secured certificates of deposit issued by depository institutions that have their main office or a branch office in the State of Texas; defined bankers acceptances and commercial paper; collateralized direct repurchase agreements, reverse repurchase agreements; no-load money market mutual funds; investment pools; municipal bonds; and other types of secured or guaranteed investments. These investments are subject to market risk, interest rate risk, and credit risk which may affect the value at which these investments are recorded. Under the provisions of GASB Statement No. 31, money market investments, including US Treasury and agency obligations, with a remaining maturity at time of purchase of one year or less are reported at amortized cost. All other investments are reported at fair value.

## ACCOUNTS RECEIVABLE

Accounts receivable are recorded at the invoiced amounts plus an estimate of unbilled revenue receivable. The allowance for uncollectible accounts is management's best estimate of the amount of probable credit losses based on account delinquencies and historical write-off experience. Account balances are written off against the allowance when it is probable the receivable will not be recovered. A provision to increase the allowance for uncollectible accounts is recorded as an offset to operating revenue.

## INVENTORY

Inventories are valued at the lower of weighted average cost or market. Inventories are reported in the Statements of Net Position in Other Current Assets.

## RESTRICTED ASSETS

Assets restricted by City Ordinance (which incorporates the bond indentures) to pay current liabilities are reported as current assets in the Statements of Net Position, regardless of their relative liquidity. Assets restricted for the acquisition of capital assets or to pay noncurrent liabilities are reported as noncurrent assets in the Statements of Net Position.

## CAPITAL ASSETS

Assets in service are capitalized when the unit cost is greater than or equal to \$5,000. Utility plant additions are recorded at cost, which includes materials, labor and direct internal costs. As of 2020, however, interest expense during the construction period is no longer capitalized as part of the cost of capital assets. Included in capital assets are intangible assets, which consist of purchased water rights, land easements, costs associated with acquiring additional Certificates of Convenience and Necessity (CCN) related to new service areas, and development costs for internally generated computer software. Assets acquired through capital leases are recorded on the cost basis and included in utility plant in service. Assets acquired through contributions, such as those from developers, are recorded at estimated acquisition value at date of acceptance. Maintenance, repairs, and minor renewals are charged to operating expense; major plant replacements are capitalized. Capital assets are depreciated on the straight-line method. This method is applied to all individual assets except distribution mains and intangible assets. Groups of mains are depreciated on the straight-line method over an estimated average useful life of 50 years. Mains are included in the Distribution and Transmission System asset category. Intangible assets not considered to have indefinite useful lives are amortized over their estimated useful life. Capital assets are tested for impairment when a significant unexpected decline in its service utility occurs. As discussed previously, SAWS does not formally budget for depreciation and amortization.

## CAPITAL CONTRIBUTIONS

Capital Contributions consist of plant contributions from developers, capital recovery fees, contributions in aid of construction and grant proceeds received from governmental agencies for facility expansion. Capital Contributions are recognized in the Statements of Revenues, Expenses, and Changes in Net Position, after non-operating revenues (expenses), when eligibility requirements are met.

Capital recovery fees are charged to customers to connect to the water or wastewater system. By Texas law, these fees are to be used for capital expenditures that expand infrastructure capacity or to reimburse SAWS for the cost associated with existing excess infrastructure capacity. In certain instances, infrastructure that facilitates expansion of SAWS' service capacity is contributed by developers. In these instances, SAWS records the donated infrastructure as plant contributions and abates future capital recovery fees due from the developer equal to the acquisition value of the excess capacity of the infrastructure contributed. These abatements are conditional based on the type of development and in certain instances, time requirements and geographic restrictions.

Contributions in aid of construction are funds advanced by developers to SAWS for the construction of certain water, sewer or other assets for the benefit of the developer.

## COMPENSATED ABSENCES

It is SAWS' policy to accrue earned but unused employee vacation pay as well as the employer portion of Social Security taxes and required employer pension contributions related to the accrued vacation pay. Sick leave is not accrued since a terminating employee is not paid for accumulated sick leave.

## SELF-INSURANCE

SAWS is self-insured for a portion of workers' compensation, employee's health, employer's liability, public officials' liability, property damage, and certain elements of general liability. A liability is recorded for the estimated amount

of eventual loss which will be incurred on claims arising prior to the end of the period including incurred but not reported claims.

## **RATES AND CHARGES**

In accordance with City of San Antonio, Texas Ordinance No. 75686 requirements, SAWS must establish and maintain rates and charges to produce sufficient Gross Revenues in each fiscal year to:

1. Pay Operations and Maintenance expenses;
2. Produce Pledged Revenues sufficient to pay:
  - a. 1.25 times the senior lien annual debt service requirements and
  - b. The amounts required to be deposited in any reserve fund created for the payment and security of senior lien obligations;
3. Pay outstanding junior lien and subordinate lien debt service obligations;
4. Fund payments to the City of San Antonio; and
5. Pay any other debt payable from the net revenues.

## **FUNDS FLOW**

City Ordinance No. 75686 adopted April 30, 1992 requires that Gross Revenues of the System be applied in sequence to:

1. Pay Operations and Maintenance Expenses, including a two-month operating reserve
2. Deposit into Debt Service fund the amount required for:
  - a. Senior Lien debt obligations and Reserve Fund obligations
  - b. Junior Lien debt obligations
  - c. Subordinate Lien debt obligations
  - d. Inferior Lien debt obligations
3. Equal payments to the City of San Antonio's General Fund and to SAWS Renewal and Replacement Fund

## **PAYMENTS TO THE CITY OF SAN ANTONIO GENERAL FUND**

City Ordinance No. 75686 requires SAWS to make payments to the City each month after making all other payments required by the City Ordinance. The amount of the payment is determined by City Council from time to time and cannot exceed 5% of Gross Revenues. Since the inception of SAWS in 1992, the transfer to the City had been set at 2.7% of Gross Revenues. After consultation with SAWS, the City increased the percentage to 4.0% in late 2019. Payments to the City are reported as non-operating expense in the Statements of Revenues, Expenses and Changes in Net Position.

## **FUND STRUCTURE**

Within SAWS' enterprise fund accounts, separate self-balancing sub-funds are maintained to account for resources for various purposes, thereby distinguishing balances restricted by City Ordinance or other enabling legislation from unrestricted resources.

## **SYSTEM FUND**

All Gross Revenues shall be credited to this fund upon receipt, unless otherwise provided in City Ordinance No. 75686. All current expenses of operations and maintenance shall be paid from this fund as a first charge against the gross revenues so credited. Before making any deposits to other funds required to be made from the System Fund, the Board of Trustees shall retain in the System Fund at all times an amount at least equal to two months of the amount budgeted for the current fiscal year for current operations and maintenance expenses.

**DEBT SERVICE FUND**

The sole purpose of this fund is for the payment of principal and interest on all bonds which are payable from pledged revenues.

**RESERVE FUND**

This fund shall be used to pay the principal and interest on any bonds when and to the extent the amounts in the Debt Service Fund are insufficient for such purpose and may be used for the purpose of finally retiring the last of any bonds.

**PROJECT FUND**

This fund shall be used to account for the proceeds of debt obligations and investment earnings thereon. Funds may only be used to pay for capital improvements in accordance with bond agreements and Internal Revenue Service regulations related to tax-exempt borrowings.

**RENEWAL AND REPLACEMENT FUND**

This fund shall be used for the purpose of

1. Paying the costs of improvements, enlargements, extensions, additions, replacements, or other capital expenditures
2. Paying the costs of unexpected, extraordinary repairs or replacements for which System Funds are not available
3. Paying unexpected or extraordinary expenses of operations and maintenance for which System Funds are not otherwise available
4. Depositing any funds received by SAWS pursuant to the CPS Energy contract
5. Paying bonds or other SAWS' obligations for which other System revenues are not available
6. Making up any shortfall in the Payment to the City of San Antonio General Fund as required by Section 17 of Ordinance 75686
7. For any other lawful purpose.

**DEBT MANAGEMENT****CAPITAL PLANNING**

A five-year Capital Improvement Program is developed and updated annually, including anticipated funding sources. During the annual budgeting process, the current year's capital improvement projects are reviewed and prioritized to ensure consistency with SAWS' goals and objectives.

**CAPITAL FINANCING**

Capital financing will typically include two types of funding – pay-as-you-go and debt financing.

1. Pay-as-you-go financing is an integral part of the overall capital-financing plan. Pay-as-you-go financing is defined as all sources of funding other than debt issuance and includes unrestricted resources, capital recovery/impact fees, investment earnings, contributions in aid of construction and certain grant proceeds.
2. The use of debt financing will be based, in part, on SAWS' long-term needs and the amount of funds available for pay-as-you-go financing. The following criteria will be used to evaluate pay-as-you-go versus debt financing:
  - Factors which favor pay-as-you-go financing:
    - Current revenues and adequate liquidity are available
    - Debt levels would adversely affect SAWS' credit rating or market conditions are unstable or present difficulties in marketing debt

- Factors which favor debt financing include:
  - Revenues available for debt service are considered sufficient and reliable so that debt financing can be marketed with the appropriate credit rating
  - Market conditions present favorable interest rates and demand for municipal financings
  - Federal or state subsidized debt is available to finance specific capital improvements

## DEBT LIMIT

There is no statutory debt limitation on the issuance of revenue indebtedness by the San Antonio Water System, acting on behalf of the City of San Antonio, Texas. SAWS has established its own policies regarding the utilization of debt instruments.

The currently outstanding bond ordinances impose conditions precedent on the issuance of additional revenue bonds and require Net Revenues of 125% of maximum annual debt service in order to issue senior lien revenue bonds and 100% of average annual debt service in order to issue junior lien revenue bonds in a public offering.

## DEBT POLICY

- Debt financing should only be used to fund capital improvements and should not be used for operating purposes.
- SAWS shall maintain rates and charges sufficient to ensure that Net Revenues equal or exceed 1.25 times the Annual Debt Service Requirements for the current fiscal year on SAWS' outstanding Senior Lien Obligations as required by the bond indenture. SAWS currently targets to maintain Net Revenues equal to at least 2.00 times Annual Senior Lien Debt Service and 1.70 to 1.75 times Total Annual Debt Service to ensure the required debt coverage in times of revenue fluctuations.
- SAWS shall analyze each new debt issue to ensure compliance with SAWS' debt policies and determine the impact of the new debt issue on SAWS' overall debt capacity.
- SAWS shall move toward a goal of funding approximately 50% of capital expenditures with non-debt sources.
- SAWS may maintain a variable rate component of debt of no more than 30% of its outstanding debt.
- SAWS shall employ an interest rate mitigation strategy to mitigate interest rate risk associated with variable rate debt.
- SAWS seeks to maintain or improve its current credit rating to ensure continued access to capital markets and minimize borrowing cost.
- The term of debt issued should not exceed the expected useful life of the capital improvements being financed.

## RESERVE POLICIES

- As required by ordinance, an operating reserve shall be maintained in the SAWS System Fund consisting of a two-month reserve of the current year's budgeted maintenance and operation expenses.
- SAWS' target is to maintain unrestricted Days Cash on Hand of approximately 300 days.
- The Debt Service Fund will be funded with revenues sufficient to pay the principal and interest of SAWS' bonded debt as it becomes payable.
- Deposits shall be made to the Renewal and Replacement Fund in amounts equal to the amount payable to the City of San Antonio pursuant to the bond indenture. These funds will typically be used to fund capital improvements.
- Deposits shall be made to the Reserve Fund pursuant to SAWS bond indentures. These deposits will be made with proceeds from bonds issued or with unrestricted resources. SAWS may provide surety policies in amounts equal to all or part of the required reserve amount in lieu of depositing cash into the Reserve Fund.



# FINANCIAL PLANNING PROCESS

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## FINANCIAL PLANNING PROCESS

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### LONG RANGE FINANCIAL PLANNING

Long-range financial planning is critical for SAWS to accomplish its mission. The overriding goal of SAWS financial planning, analysis and strategy development is to continue to maintain SAWS financial position while also meeting its short-term and long-term operational and strategic objectives. In developing the SAWS financial plan, concerns of all stakeholders are considered with various scenarios and potential risks evaluated by executive management in reaching the optimum balance of limited resources with organizational needs and stakeholder concerns.

The financial plan is organized into two distinct planning horizons in order to facilitate management of the system: Short-term of five years in length, and long-term of five to twenty years in length. The planning horizons play a key role in prioritizing SAWS' strategic, operational and financial needs and resources.

The short-term planning horizon is the basis for implementing, through the formalized budget, short-term goals and objectives in support of the strategic plan. The long-term planning process sets the course of the overall direction of financial, operational and capital resource allocation priorities of the system.

Major strategic policy guidelines emphasized are long-term water supply needs and infrastructure replacement goals, affordability of water for essential use, and improved resilience during extreme weather events. Strategic priorities include, but are not limited to, water supply, system expansion, environmental sustainability, system reliability and service consistency, innovation and technology, financial strength, and human resource development. All priorities are planned through operational, capital, and financial resource assessment and allocation.

A crucial component of SAWS' financial management strategy is the comprehensive 20-year Multi-Year Financial Plan (MYFP). The MYFP serves as a foundation supporting SAWS' strategic, operational, investment, and financial planning functions. Through analyses of cash flow probabilities and risk, investment and financing opportunities and constraints, and strategic plan goals and targets, financial forecasts are made in the MYFP to assist executive management in the allocation of SAWS' resources.

The MYFP provides a critical planning platform to perform statistical risk and resource allocation analyses through scenario, simulation and constraint modeling on revenues, operations and maintenance expense, capital expenditures, capital financing, including cash and debt financing and rate requirements. Resource utilization analyses and planning help identify factors affecting SAWS' strategic outcomes and provide opportunities for new strategies and program development to allocate resource costs for various growth and replacement scenarios.

The fundamental purpose of the MYFP is the calculation of the flow of funds and rate adjustment requirements based on SAWS enabling Ordinance 75686, adopted on April 30, 1992. This ordinance outlines important financial requirements and calculations that SAWS uses in the MYFP to calculate rates and charges, flow of funds, pledged revenues toward debt service, debt coverage ratios and fund requirements. The MYFP incorporates forecasts and requirements by each of SAWS' core businesses: Water Supply, Water Delivery, Wastewater and Chilled Water.

### COMMUNITY INVOLVEMENT

Public participation is a key component of SAWS operations and planning. SAWS maintains five citizens groups made up of people with diverse views and interests that learn about water issues and advise SAWS Board of Trustees and staff. Four of these groups are currently active. The citizens groups and SAWS Board of Trustees meetings are held in accordance with the Texas Open Meetings Act and include opportunities for public comment. The citizens groups and their roles are listed on the next page.

#### **CAPITAL IMPROVEMENTS ADVISORY COMMITTEE**

This committee advises and assists in the implementation of the impact fee process, which establishes the method for SAWS to impose impact fees. Impact fees recoup the cost of capital improvements necessitated by new development.

#### **COMMUNITY CONSERVATION COMMITTEE**

Created by SAWS Board of Trustees in 1997, this group generates conservation program ideas and helps build support for those programs throughout the community.

#### **COMMUNITY EXPERIENCE COMMITTEE**

The focus of the committee is to maintain a constant dialogue with our neighbors by educating and seeking feedback from a diverse group of community-oriented individuals on a range of topics to improve the overall customer experience.

#### **RATE ADVISORY COMMITTEE**

This panel helps SAWS develop a rate structure that fairly balances operational needs with available financial resources. This group most recently completed its efforts in 2022 and is not currently active.

#### **SAWS CARES – COMMUNITY VOLUNTEERS**

The SAWS Community Activity Team positively impacts the San Antonio community through volunteerism and donation drives.

### **ANNUAL BUDGET PROCESS**

The annual budget process begins with updating the MYFP. As part of this process, Business Planning staff review SAWS' financial activity, levels of service provided, customer growth and consumption patterns, weather trends and financial market trends. In addition, the following variables are also evaluated:

- Available funding
- Financial risk
- Regulatory requirements
- Level of services that can be sustained
- Capital investment requirements
- Future commitments and resource demands
- Other variables that could cause a change in the level of revenue

Business Planning staff and executive management review the resulting financial forecasts and plans to ensure that forecasted revenues are sufficient to meet projected financial needs. If it becomes evident that forecasted revenues are not sufficient to address forecasted operations, maintenance, infrastructure and water supply needs, then staff evaluates rate scenarios to calculate the optimum rate adjustment that will balance affordable and competitive rates with the need to continue providing necessary services.

All potential pricing adjustments are evaluated in the context of customer affordability measures and key financial statistics. The affordability of customer bills is evaluated relative to the income of SAWS' customers and price competitiveness with other utilities. Key financial statistics include debt coverage ratios for total debt outstanding, percentage of capital financed with cash, and overall level of cash balances.

### **2024 BUDGET PROCESS**

The 2024 budget process began with identifying SAWS' short-term priorities. The focus of the 2024-2028 financial forecast included the following objectives:

- Infrastructure is adequately maintained to ensure reliability of service and compliance with regulatory requirements, including additional infrastructure investments to improve service resilience during extreme weather events, such as those experienced in February 2021.
- Employee pay and benefits are fair and competitive.
- Retirement obligations are valued appropriately and adequately funded.
- Technology advancements are implemented to increase productivity and enhance customer interactions.
- Strong financial metrics and debt ratings are maintained.

## REVENUE FORECAST

The following table includes a sample of the issues driving the 2024 revenue forecast.

Revenue Source	Drivers
Operating Revenues	Effect of conservation programs and tiered water rates on customer usage.
	Continued residential customer growth at a pace somewhat less than the prior five-year average.
Non-Operating Revenues	Anticipated sustained higher short-term interest rates.
Capital Recovery Fees	Utilized for capital funding - projected to remain strong, dependent on development activity.

One of the key elements of the financial planning process is the assessment of risk and impact of errors in forecasted revenues. Errors in the revenue forecast will cause inefficiencies to the system. The value of these inefficiencies will be evident once management takes corrective action due to a forecast error. Overestimating revenues causes excess allocation of capital resources. Adjusting these resources or changing to alternative resources can be time intensive and costly. On the other hand, underestimating revenues results in underutilization of resources in the current period. However, these resources can be used in subsequent planning periods. The risk to the system from overestimating revenues are assumed to be of greater significance than the risk to the system from underestimating revenues.

## OPERATIONS AND MAINTENANCE BUDGET

### Current Services Level

The 2024 budget process involved a calculation of the Current Services Level budget, which was an estimate of the cost required to maintain the current level of services in 2024. The Current Services Level budget served as the baseline for all subsequent 2024 budget changes and was developed from the following components:

- Snapshot of employee wage and benefit costs as of May 2023.
- Estimated 2024 utility costs, including a provision for any electric and gas utility rate increases
- Estimated 2024 fuel costs
- Elimination of one-time 2023 budgeted expenses

### Improvements and/or Mandates

Departments requiring additional funding for improvements or newly identified mandates that exceeded the 2023 Current Services Level were required to submit decision packages to include detailed justification for each specific request.

### Budget Development and Review

- Vice presidents/department directors reviewed current programs, activities and current levels of service provided to their customers. Additionally, they evaluated and prioritized new departmental needs.

- During individual departmental reviews, 2023 spending levels were compared to 2024 budget spending levels, with appropriate adjustments being made.
- The Executive Management Team (EMT) conducted a comprehensive review of decision packages submitted. During this review, all requests for additional funding were prioritized and were approved or denied based on this prioritization. This review by the EMT further ensured that departmental budgets were aligned with corporate goals and objectives.

#### CAPITAL IMPROVEMENT PROGRAM

The 2024 program was developed using a project prioritization process. Projects generated by the CIP stakeholder groups from SAWS Treatment, Production, Master Planning, Plants & Major Projects, Operations, Information Services and Distribution & Collection Operations were reviewed and evaluated by a CIP Planning Group consisting of vice presidents, directors and managers from SAWS Engineering and Operations groups. The evaluation and prioritization process addressed the business and information system risk exposures, independent of available funds, by prioritizing the projects as either Mandatory, Critical or High priority, using the following criteria.

Mandatory	Critical	High
Safety – Loss of life or limb	Safety – Risk of injury	Corporate initiatives
Legal/Regulatory requirements	Legal/Regulatory implications	Conflict with City or State
High customer dissatisfaction	Medium customer dissatisfaction	Slight customer dissatisfaction
Significant mission disruption	Mission delay	Needed system improvements

#### Water Delivery

In coordination with the Vice Presidents of Distribution & Collection and Engineering & Construction these criteria were applied to the selection of water main replacement and new water main projects. The remaining water delivery projects were also evaluated considering the criteria in deliberations with the Director of Plants and Major Projects and the managers in that group. This resulted in several projects being categorized as non-Mandatory allowing them to be delayed for implementation in years beyond 2024 to meet budget requirements and to balance the CIP level of expenditure in future years.

#### Wastewater

Wastewater main replacements were driven by the Consent Decree requirements, with most of the projects being designated as Mandatory and the rest as Critical. Treatment projects were evaluated, and the projects selected by the Vice Presidents of Production & Treatment and Engineering & Construction were deemed either Mandatory or Critical.

#### Water Supply

Water Supply projects were focused on improvements at the high-capacity Artesia and Seale pump stations and recycled water-related improvements at the Brooks Pump Station.

Overall, the 2024 CIP has 77.7% of projects prioritized as Mandatory, 22.2% critical, and less than 1% as High priority. See the table below for a breakout by Core Business and Priority.

CIP by Core Business (\$ in millions)	Mandatory	Critical	High	Total
Water Delivery	\$ 215.1	\$ 84.4	\$ -	\$ 299.5
Wastewater	210.0	27.4	-	237.4
Water Supply	16.0	1.1	0.4	17.5
Chilled Water	-	13.2	-	13.2
<b>Total</b>	<b>\$ 441.1</b>	<b>\$ 126.1</b>	<b>\$ 0.4</b>	<b>\$ 567.6</b>

The 2024 CIP has been developed using recent cost estimates to include SAWS overhead expenses and an annual inflation assumption of 5.0% for 2024 and 2.8% for each year from 2025 to 2028. The 2024 and 5-year CIP project lists were reviewed in detail, and final selection was recommended by the SAWS Executive Management Team.

The 2024 CIP projects were collected, reviewed and summarized in the SAWS Capital Projects Management System (CPMS), which was brought online in mid-2015. This enterprise project management system streamlines the CIP process and increases the efficiency and visibility of the program.

Please note the Capital Improvement Program project list is subject to change due to changes in the cost and/or the availability of funding, project needs and emergencies.

## 2024 BUDGET TIMELINE

Action		Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan
<b>Develop Multi-Year Financial Plan</b>	Review financial outlook.					
	Compile assumptions for Multi Year Financial Plan (MYFP).					
	Review budget and rates plan with key internal stakeholders.					
	Management review and approval of MYFP.					
	Develop revenue forecast.					
<b>Establish Executive Directives</b>	Review policy and guideline statements.					
	Provide guidance on employee compensation issues.					
	Establish O&M and CIP expectations.					
<b>Budget Development</b>	Review and update CIP needs.					
	Develop workforce budget from current workforce data.					
	Develop Current Services Level Budget.					
	Develop departmental budgets.					
<b>Review and Analysis</b>	Review of O&M and CIP budgets by Business Planning staff.					
	Review of O&M and CIP budgets by Executive Mgt.					
<b>Develop Budget Documents</b>	Prepare Budget / Rates presentation.					
	Develop Draft Budget document.					
	Develop Adopted Budget document.					
<b>Board Review and Approval</b>	Budget briefings for Board of Trustees.					
	Formal Board approval of 2024 annual budget					
	Submit Budget to City Council for review.					
<b>Implementation</b>	2024 Annual Operating Budget and Capital Improvement Program and Chilled Water and Recycled Water rates changes become effective.					

## SHORT-TERM FIVE-YEAR FORECAST

The current projection of SAWS sources and uses of funds for the period 2024 – 2028 is shown in the table below.

<i>\$ in Millions</i>	2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
<b>Sources of Funds</b>					
Revenue, incl. prior adjustments	\$ 872.5	\$ 886.6	\$ 972.6	\$ 1,034.5	\$ 1,086.0
Rate Adjustment, incremental	-	73.4	47.7	39.4	31.6
Nonoperating Revenues	48.6	52.0	42.2	36.0	31.8
Draw on Equity	-	-	-	-	-
Capital Recovery Fees	100.1	100.1	100.1	100.1	100.1
<b>Total Sources of Funds</b>	<b>\$ 1,021.2</b>	<b>\$ 1,112.1</b>	<b>\$ 1,162.6</b>	<b>\$ 1,210.0</b>	<b>\$ 1,249.5</b>
<b>Uses of Funds</b>					
Operations and Maintenance	\$ 526.3	\$ 535.3	\$ 545.3	\$ 555.6	\$ 566.1
Debt Service & Expenses	253.1	286.5	307.6	328.6	364.6
Transfer to City of San Antonio	34.9	38.6	40.8	42.8	44.4
Available for R&R Restricted	117.3	119.2	115.9	113.8	112.4
Available for R&R Unrestricted	89.6	132.5	153.0	169.2	162.0
<b>Total Uses of Funds</b>	<b>\$ 1,021.2</b>	<b>\$ 1,112.1</b>	<b>\$ 1,162.6</b>	<b>\$ 1,210.0</b>	<b>\$ 1,249.5</b>

The sources of funds primarily include revenues from metered customers, with anticipated adjustments to the metered revenues required to fund the projected operational and capital needs of the system. A discussion of the drivers of the revenues, growth in customers, and changes in use per customer are discussed in the revenue section of this document.

Projected increases in operations and maintenance costs over the forecast period are driven by inflationary pressures.

The growth in debt service reflects the allocation of capital resources toward major strategic priorities of water supply, infrastructure replacement, system growth, and sustainability. The five-year 2024 – 2028 capital improvement program is projected at \$2.82 billion as shown below. Significant priorities include wastewater capital replacement projects associated with the wastewater Sanitary Sewer Overflow Reduction Program (SSORP), improvements to improve the resiliency of SAWS infrastructure during extreme weather events, and improvement or replacement of aging SAWS Chilled Water infrastructure.

<b>CIP by Core Business (\$ in Millions)</b>	2024	2025	2026	2027	2028	2024-2028
Water Delivery	\$ 299.5	\$ 314.3	\$ 245.0	\$ 246.3	\$ 207.9	\$ 1,313.0
Wastewater	237.4	296.1	298.4	202.1	287.5	1,321.5
Water Supply	17.5	35.0	16.5	40.4	46.7	156.1
Chilled Water	13.2	6.4	4.5	4.6	0.5	29.2
<b>Total</b>	<b>\$ 567.6</b>	<b>\$ 651.8</b>	<b>\$ 564.4</b>	<b>\$ 493.4</b>	<b>\$ 542.6</b>	<b>\$ 2,819.8</b>



Funding for the five-year capital improvement program is projected to come from a mixture of renewal and replacement funds, impact fees, investment income, and bond proceeds. While SAWS long-term goal is for approximately 50% of capital improvements to be funded from non-debt sources, during the 2024-2028 five-year forecast, the percentage of the capital improvements funded with non-debt sources is currently projected to average 41.9%.

<i>\$ in Millions</i>	2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
<b>CIP Budget</b>					
Total Budget	\$ 567.6	\$ 651.8	\$ 564.4	\$ 493.4	\$ 542.6
<b>CIP Funding Source</b>					
Revenue/Renewal & Replacement	21.9%	19.7%	24.8%	32.4%	32.1%
Capital Recovery Fees	13.9%	14.0%	13.1%	19.8%	18.4%
Existing Bonds	2.3%	0.0%	0.0%	0.0%	0.0%
Bonds/Commercial Paper	61.9%	66.3%	62.1%	47.8%	49.5%
Cash Funding	\$ 216.5	\$ 219.3	\$ 214.2	\$ 257.7	\$ 273.9
Debt Funding	\$ 351.1	\$ 432.5	\$ 350.2	\$ 235.7	\$ 268.7

The forecasted amounts for 2025-2028 will continue to be analyzed and adjusted as additional efficiencies are identified, circumstances change or priorities shift.

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## **ANNUAL OPERATING BUDGET**

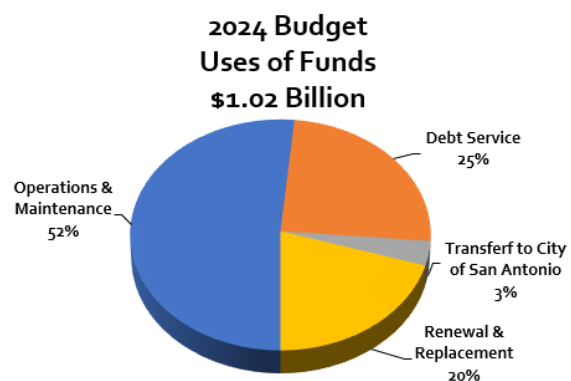
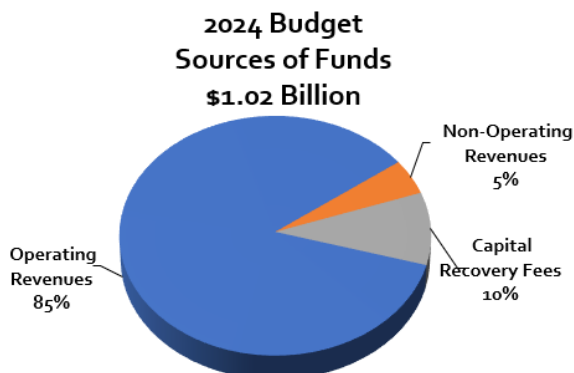
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## ANNUAL OPERATING BUDGET

### FINANCIAL PLAN SUMMARY

The following table summarizes the consolidated Sources and Uses of Funds that comprise the SAWS Operating Budget.

<i>Sources and Uses of Funds (\$ in thousands)</i>	<b>2021 Actual</b>	<b>2022 Actual</b>	<b>2023 Budget</b>	<b>2024 Budget</b>
<b>SOURCES OF FUNDS</b>				
<b>Operating Revenues</b>				
Sewer Service Charges	\$ 277,484	\$ 293,019	\$ 280,185	\$ 289,061
Metered Water Sales	220,580	249,806	225,776	229,199
Water Supply Fee	226,539	272,512	264,927	268,652
EAA Fee	22,027	23,720	21,698	21,654
Chilled Water Sales	10,826	11,712	12,477	13,150
Conservation	11,218	12,996	12,431	12,196
Industrial Waste Surcharge	5,559	5,201	4,989	5,188
Recycled Water System	6,168	7,486	7,937	9,513
Stormwater	3,727	5,471	5,451	4,818
Recovery of TCEQ Fees	2,446	2,517	2,642	2,674
Affordability Charge	-	-	16,981	16,372
Reduction for Affordability Program	(7,241)	(7,332)	(717)	-
<b>Total Operating Revenues</b>	<b>779,333</b>	<b>877,108</b>	<b>854,777</b>	<b>872,477</b>
<b>Non-Operating Revenues</b>				
Non-Operating Revenues	6,114	15,350	22,007	46,706
Build America Bonds Subsidy	1,911	1,921	1,908	1,908
<b>Total Revenues</b>	<b>787,358</b>	<b>894,379</b>	<b>878,692</b>	<b>921,091</b>
Capital Recovery Fees	136,962	129,788	100,074	100,074
Contributions in Aid of Construction	1,440	12,747	-	-
<b>Total Sources of Funds</b>	<b>\$ 925,760</b>	<b>\$ 1,036,914</b>	<b>\$ 978,766</b>	<b>\$ 1,021,165</b>
<b>USES OF FUNDS</b>				
Operations and Maintenance	\$ 436,076	\$ 459,306	\$ 503,032	\$ 526,263
Revenue Bond Debt Requirement	204,911	198,978	226,892	235,341
Other Debt Service Requirement	1,786	4,095	11,161	17,769
Transfer to the City of San Antonio	30,161	34,263	33,552	34,882
Balance Available for:				
Renewal and Replacement Fund (Restricted)	141,848	148,837	108,137	117,300
Renewal and Replacement Fund (Unrestricted)	110,978	191,435	95,992	89,610
<b>Total Uses of Funds</b>	<b>\$ 925,760</b>	<b>\$ 1,036,914</b>	<b>\$ 978,766</b>	<b>\$ 1,021,165</b>

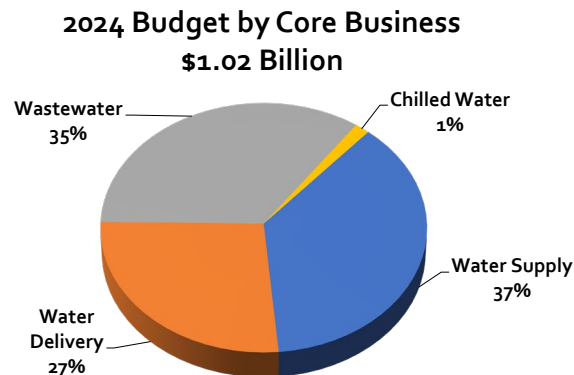


## FINANCIAL PLAN SUMMARY BY CORE BUSINESS

The San Antonio Water System consists of four core businesses. Each core business generates revenues that are designed to recover their respective cost of service. The core businesses are Water Supply, Water Delivery, Wastewater, and Chilled Water.

The following schedule reflects the 2024 budget for Sources and Uses of Funds by core business:

2024 Budget by Core Business (\$ in thousands)	Water Supply	Water Delivery	Wastewater	Chilled Water	Total
<b>SOURCES OF FUNDS</b>					
<b>Operating Revenues</b>					
Sewer Service Charges	\$ -	\$ -	\$ 289,061	\$ -	\$ 289,061
Metered Water Sales	-	229,199	-	-	229,199
Water Supply Fee	268,652	-	-	-	268,652
EAA Fee	21,654	-	-	-	21,654
Chilled Water Sales	-	-	-	13,150	13,150
Conservation	12,196	-	-	-	12,196
Industrial Waste Surcharge	-	-	5,188	-	5,188
Recycled Water System	9,513	-	-	-	9,513
Stormwater	4,818	-	-	-	4,818
Recovery of TCEQ Fees	-	2,035	639	-	2,674
Affordability Charge	4,456	4,348	7,568	-	16,372
Intercompany Reallocations	5,630	(5,630)	-	-	-
<b>Total Operating Revenues</b>	<b>326,919</b>	<b>229,952</b>	<b>302,456</b>	<b>13,150</b>	<b>872,477</b>
<b>Non-Operating Revenues</b>					
Non-Operating Revenues	14,233	11,503	18,509	2,461	46,706
Build America Bonds Subsidy	599	546	763	-	1,908
<b>Total Revenues</b>	<b>341,751</b>	<b>242,001</b>	<b>321,728</b>	<b>15,611</b>	<b>921,091</b>
Capital Recovery Fees	38,363	30,100	31,611	-	100,074
<b>Total Sources of Funds</b>	<b>\$ 380,114</b>	<b>\$ 272,101</b>	<b>\$ 353,339</b>	<b>\$ 15,611</b>	<b>\$ 1,021,165</b>
<b>USES OF FUNDS</b>					
Operations and Maintenance	\$ 254,169	\$ 114,110	\$ 149,458	\$ 8,526	\$ 526,263
Revenue Bond Debt Requirement	28,930	88,000	113,897	4,514	235,341
Other Debt Service Requirement	2,497	7,188	7,921	163	17,769
Transfer to the City of San Antonio	12,214	9,497	12,579	592	34,882
Balance Available for:					
Renewal and Replacement Fund (Restricted)	43,833	34,540	38,090	837	117,300
Renewal and Replacement Fund (Unrestricted)	38,471	18,766	31,394	979	89,610
<b>Total Uses of Funds</b>	<b>\$ 380,114</b>	<b>\$ 272,101</b>	<b>\$ 353,339</b>	<b>\$ 15,611</b>	<b>\$ 1,021,165</b>



## WATER SUPPLY CORE BUSINESS

The Water Supply core business is responsible for all functions related to the development and provision of additional Water Supply, including recycled water. To support the cost associated with these initiatives, SAWS implemented the Water Supply Fee in 2001, which is a separate funding mechanism for Water Supply development and water quality protection. The Water Supply core business also strives to extend SAWS' existing water supplies by promoting water conservation practices.

(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>SOURCES OF FUNDS</b>				
<b>Operating Revenues</b>				
Water Supply Fee	\$ 226,539	\$ 272,512	\$ 264,927	\$ 268,652
EAA Fee	22,027	23,720	21,698	21,654
Conservation	11,218	12,996	12,431	12,196
Recycled Water System	6,168	7,486	7,937	9,513
Stormwater	3,727	5,471	5,451	4,818
Affordability Charge	-	-	4,666	4,456
Reduction for Affordability Program	(2,300)	(2,329)	(228)	-
Intercompany Reallocations	5,630	5,630	5,630	5,630
<b>Total Operating Revenues</b>	<b>273,009</b>	<b>325,486</b>	<b>322,512</b>	<b>326,919</b>
<b>Non-Operating Revenues</b>				
Non-Operating Revenues	2,053	4,331	6,563	14,233
Build America Bonds Subsidy	602	604	599	599
<b>Total Revenues</b>	<b>275,664</b>	<b>330,421</b>	<b>329,674</b>	<b>341,751</b>
Capital Recovery Fees	55,154	51,556	38,363	38,363
<b>Total Sources of Funds</b>	<b>\$ 330,818</b>	<b>\$ 381,977</b>	<b>\$ 368,037</b>	<b>\$ 380,114</b>
<b>USES OF FUNDS</b>				
Operations and Maintenance	\$ 221,428	\$ 223,537	\$ 247,690	\$ 254,169
Revenue Bond Debt Requirement	36,537	35,359	35,679	28,930
Other Debt Service Requirement	503	742	1,594	2,497
Transfer to the City of San Antonio	9,824	11,879	11,845	12,214
Balance Available for:				
Renewal and Replacement Fund (Restricted)	59,790	52,335	40,858	43,833
Renewal and Replacement Fund (Unrestricted)	2,736	58,125	30,371	38,471
<b>Total Uses of Funds</b>	<b>\$ 330,818</b>	<b>\$ 381,977</b>	<b>\$ 368,037</b>	<b>\$ 380,114</b>

## WATER DELIVERY CORE BUSINESS

The Water Delivery core business is responsible for the actual distribution of water from the source to the customers' premises. SAWS delivers potable water service to residential, commercial, multifamily, industrial and wholesale customers. Another primary function of this core business is the maintenance of the water system infrastructure.

(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>SOURCES OF FUNDS</b>				
<b>Operating Revenues</b>				
Metered Water Sales	\$ 220,580	\$ 249,806	\$ 225,776	\$ 229,199
Recovery of TCEQ Fees	1,937	1,994	2,011	2,035
Affordability Charge	-	-	5,096	4,348
Reduction for Affordability Program	(1,403)	(1,421)	(139)	-
Intercompany Reallocations	(5,630)	(5,630)	(5,630)	(5,630)
<b>Total Operating Revenues</b>	<b>215,484</b>	<b>244,749</b>	<b>227,114</b>	<b>229,952</b>
<b>Non-Operating Revenues</b>				
Non-Operating Revenues	2,326	4,058	6,562	11,503
Build America Bonds Subsidy	546	549	546	546
<b>Total Revenues</b>	<b>218,356</b>	<b>249,356</b>	<b>234,222</b>	<b>242,001</b>
Capital Recovery Fees	40,074	38,966	30,100	30,100
Contributions in Aid of Construction	988	2,022	-	-
<b>Total Sources of Funds</b>	<b>\$ 259,418</b>	<b>\$ 290,344</b>	<b>\$ 264,322</b>	<b>\$ 272,101</b>
<b>USES OF FUNDS</b>				
Operations and Maintenance	\$ 92,404	\$ 102,712	\$ 101,083	\$ 114,110
Revenue Bond Debt Requirement	75,049	68,124	78,255	88,000
Other Debt Service Requirement	963	2,663	4,490	7,188
Transfer to the City of San Antonio	8,649	9,912	9,263	9,497
Balance Available for:				
Renewal and Replacement Fund (Restricted)	41,218	42,711	32,778	34,540
Renewal and Replacement Fund (Unrestricted)	41,135	64,222	38,453	18,766
<b>Total Uses of Funds</b>	<b>\$ 259,418</b>	<b>\$ 290,344</b>	<b>\$ 264,322</b>	<b>\$ 272,101</b>



## WASTEWATER CORE BUSINESS

The Wastewater core business's primary function is the collection and treatment of wastewater. The functions also extend to monitoring wastewater discharged by large industries into the sewer collection system.

(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>SOURCES OF FUNDS</b>				
<b>Operating Revenues</b>				
Sewer Service Charges	\$ 277,484	\$ 293,019	\$ 280,185	\$ 289,061
Industrial Waste Surcharge	5,559	5,201	4,989	5,188
Recovery of TCEQ Fees	509	523	631	639
Affordability Charge	-	-	7,219	7,568
Reduction for Affordability Program	(3,538)	(3,582)	(350)	-
<b>Total Operating Revenues</b>	<b>280,014</b>	<b>295,161</b>	<b>292,674</b>	<b>302,456</b>
<b>Non-Operating Revenues</b>				
Non-Operating Revenues	1,599	6,371	8,750	18,509
Build America Bonds Subsidy	763	768	763	763
<b>Total Revenues</b>	<b>282,376</b>	<b>302,300</b>	<b>302,187</b>	<b>321,728</b>
Capital Recovery Fees	41,734	39,266	31,611	31,611
Contributions in Aid of Construction	452	10,725	-	-
<b>Total Sources of Funds</b>	<b>\$ 324,562</b>	<b>\$ 352,291</b>	<b>\$ 333,798</b>	<b>\$ 353,339</b>
<b>USES OF FUNDS</b>				
Operations and Maintenance	\$ 114,310	\$ 125,022	\$ 145,656	\$ 149,458
Revenue Bond Debt Requirement	90,246	91,831	107,024	113,897
Other Debt Service Requirement	241	479	4,960	7,921
Transfer to the City of San Antonio	11,250	11,997	11,945	12,579
Balance Available for:				
Renewal and Replacement Fund (Restricted)	40,908	53,290	34,501	38,090
Renewal and Replacement Fund (Unrestricted)	67,607	69,672	29,712	31,394
<b>Total Uses of Funds</b>	<b>\$ 324,562</b>	<b>\$ 352,291</b>	<b>\$ 333,798</b>	<b>\$ 353,339</b>

**CHILLED WATER CORE BUSINESS**

The Chilled Water core business provides cooling services to SAWS customers, including various downtown hotels, the City of San Antonio Convention Center, Hemisfair Plaza, Alamodome and Port San Antonio tenants.

(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>SOURCES OF FUNDS</b>				
<b>Operating Revenues</b>				
Chilled Water Sales	\$ 10,826	\$ 11,712	\$ 12,477	\$ 13,150
<b>Total Operating Revenues</b>	<b>10,826</b>	<b>11,712</b>	<b>12,477</b>	<b>13,150</b>
<b>Non-Operating Revenues</b>				
Non-Operating Revenues	136	590	132	2,461
<b>Total Revenues</b>	<b>10,962</b>	<b>12,302</b>	<b>12,609</b>	<b>15,611</b>
<b>Total Sources of Funds</b>	<b>\$ 10,962</b>	<b>\$ 12,302</b>	<b>\$ 12,609</b>	<b>\$ 15,611</b>
<b>USES OF FUNDS</b>				
Operations and Maintenance	\$ 7,934	\$ 8,035	\$ 8,603	\$ 8,526
Revenue Bond Debt Requirement	3,079	3,664	5,934	4,514
Other Debt Service Requirement	79	211	117	163
Transfer to the City of San Antonio	438	475	499	592
Balance Available for:				
Renewal and Replacement Fund (Restricted)	(68)	501	-	837
Renewal and Replacement Fund (Unrestricted)	(500)	(584)	(2,544)	979
<b>Total Uses of Funds</b>	<b>\$ 10,962</b>	<b>\$ 12,302</b>	<b>\$ 12,609</b>	<b>\$ 15,611</b>

## NET POSITION

Net Position is the difference between the assets and liabilities of SAWS as reflected on the statement of net position and is a key indicator of financial condition. It is the measure of financial resources available for future use after payment of all obligations.

The largest portion of SAWS' net position reflects its net investment in capital assets. SAWS' net investment in capital assets represents the carrying value of capital assets and capital related deferred outflows of resources, less capital related borrowings. The primary reasons for an increase in the net investment in capital assets are capital assets acquired with non-debt resources, including assets contributed by developers, and repayments of debt. Depreciation expense serves to decrease the net investment in capital assets.

Funds that have been restricted for a specific purpose by legally enforceable legislation and bond covenants are classified as restricted net position. In accordance with City of San Antonio Ordinance 75686, SAWS must maintain an operating reserve equal to two months of the annual maintenance and operations budget. SAWS is also required to make monthly transfers to a Debt Service Fund sufficient to make the semi-annual debt service payments on outstanding bonds. Cash and investments restricted for construction purposes, net of any related liabilities, are also reflected in these totals. Finally, SAWS must accumulate and maintain a Debt Service Reserve equal to 100% of the maximum annual debt service requirements for senior lien debt obligations plus the average annual debt service on all junior lien debt obligations secured by the Debt Service Reserve. SAWS may provide surety policies equal to all or part of the required debt service reserve.

The remaining balance of SAWS' net position is unrestricted and may be used for any allowable purpose as outlined in Ordinance 75686.

SAWS is an enterprise fund and has no governmental funds. The following schedule reflects the components of projected Net Position at December 31, 2023 and 2024, for the entity as a whole.

(dollars in thousands)	Net Investment in Capital Assets	Restricted Operating Reserve	Restricted Debt Service	Restricted Debt Service Reserve	Restricted Construction <sup>1</sup>	Restricted Pension & OPEB Benefits	Unrestricted	Projected Net Position
<b>Projected Net Position, beginning of year</b>	<b>\$ 3,884,065</b>	<b>\$ 83,839</b>	<b>\$ 71,826</b>	<b>\$ 12,825</b>	<b>\$ 182,647</b>	<b>\$ 44,599</b>	<b>\$ 615,262</b>	<b>\$ 4,895,063</b>
Operating income	-	-	-	-	-	-	407,837	407,837
Depreciation & Amortization	(230,502)	-	-	-	-	-	(1,288)	(231,791)
Net non-operating income/(expense)	16,301	-	5,419	-	-	-	(220,066)	(198,346)
Capital Recovery Fees collected	-	-	-	-	100,075	-	-	100,075
Plant contributions	110,083	-	-	-	-	-	-	110,083
Transfer to Operating Reserve	-	3,872	-	-	-	-	(3,872)	-
Required debt service transfers	-	-	230,302	-	-	-	(230,302)	-
Projected debt service payments	103,155	-	(231,341)	-	-	-	110,431	(17,755)
Non-debt funding of capital improvements	181,207	-	-	-	(57,586)	-	(123,621)	-
<b>Projected Net Position, end of year</b>	<b>\$ 4,064,309</b>	<b>\$ 87,711</b>	<b>\$ 76,206</b>	<b>\$ 12,825</b>	<b>\$ 225,136</b>	<b>\$ 44,599</b>	<b>\$ 554,381</b>	<b>\$ 5,065,166</b>
<b>% Change in Net Position</b>	<b>4.6%</b>	<b>4.6%</b>	<b>6.1%</b>	<b>0.0%</b>	<b>23.3%</b>	<b>0.0%</b>	<b>-9.9%</b>	<b>3.5%</b>

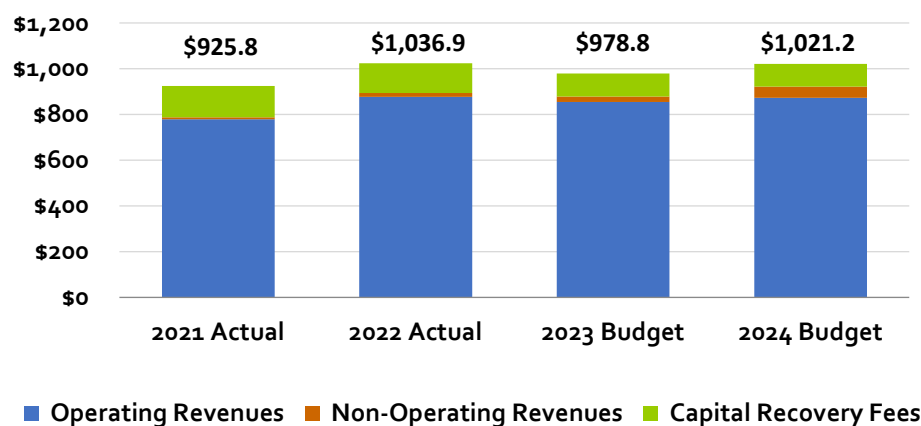
<sup>1</sup>The projected increase in Restricted Construction reflects strong growth and the timing of expenditures of growth-related projects.

## SOURCES OF FUNDS

The following table summarizes the 2024 budgeted Sources of Funds for all core businesses.

(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>SOURCES OF FUNDS</b>				
<b>Operating Revenues</b>				
Sewer Service Charges	\$ 277,484	\$ 293,019	\$ 280,185	\$ 289,061
Metered Water Sales	220,580	249,806	225,776	229,199
Water Supply Fee	226,539	272,512	264,927	268,652
EAA Fee	22,027	23,720	21,698	21,654
Chilled Water Sales	10,826	11,712	12,477	13,150
Conservation	11,218	12,996	12,431	12,196
Industrial Waste Surcharge	5,559	5,201	4,989	5,188
Recycled Water System	6,168	7,486	7,937	9,513
Stormwater	3,727	5,471	5,451	4,818
Recovery of TCEQ Fees	2,446	2,517	2,642	2,674
Affordability Charge	-	-	16,981	16,372
Reduction for Affordability Program	(7,241)	(7,332)	(717)	-
<b>Total Operating Revenues</b>	<b>779,333</b>	<b>877,108</b>	<b>854,777</b>	<b>872,477</b>
<b>Non-Operating Revenues</b>				
Non-Operating Revenues	6,114	15,350	22,007	46,706
Build America Bonds Subsidy	1,911	1,921	1,908	1,908
<b>Total Revenues</b>	<b>787,358</b>	<b>894,379</b>	<b>878,692</b>	<b>921,091</b>
Capital Recovery Fees	136,962	129,788	100,074	100,074
Contributions in Aid of Construction	1,440	12,747	-	-
<b>Total Sources of Funds</b>	<b>\$ 925,760</b>	<b>\$ 1,036,914</b>	<b>\$ 978,766</b>	<b>\$ 1,021,165</b>

## Sources of Funds (\$ in Millions)



## REVENUES

Sources of funds include operating revenues, non-operating revenues, Build America Bonds subsidy, and capital recovery fees. Operating revenues consist primarily of revenues generated through metered billings for potable water, recycled water, wastewater and chilled water services. Additional operating revenues include special services fees designed to recover costs associated with providing services that typically benefit a particular customer or type of service. These services include various permit, sampling or laboratory fees, and account services.

## WATER AND WASTEWATER CUSTOMER AND USAGE TRENDS

Over 90% of SAWS operating revenues come from the Water Supply Fee, Metered Water Sales, Sewer Service Charges, and the EAA fee, which all vary based on customer's metered water usage. Fluctuations in system wide metered water usage are primarily tied to changes in:

- the number of customer connections
- the average use per customer connection

In the budget process, customer connections and usage data statistics and trends are tracked by each rate block to generate multiple revenue forecast projections, including:

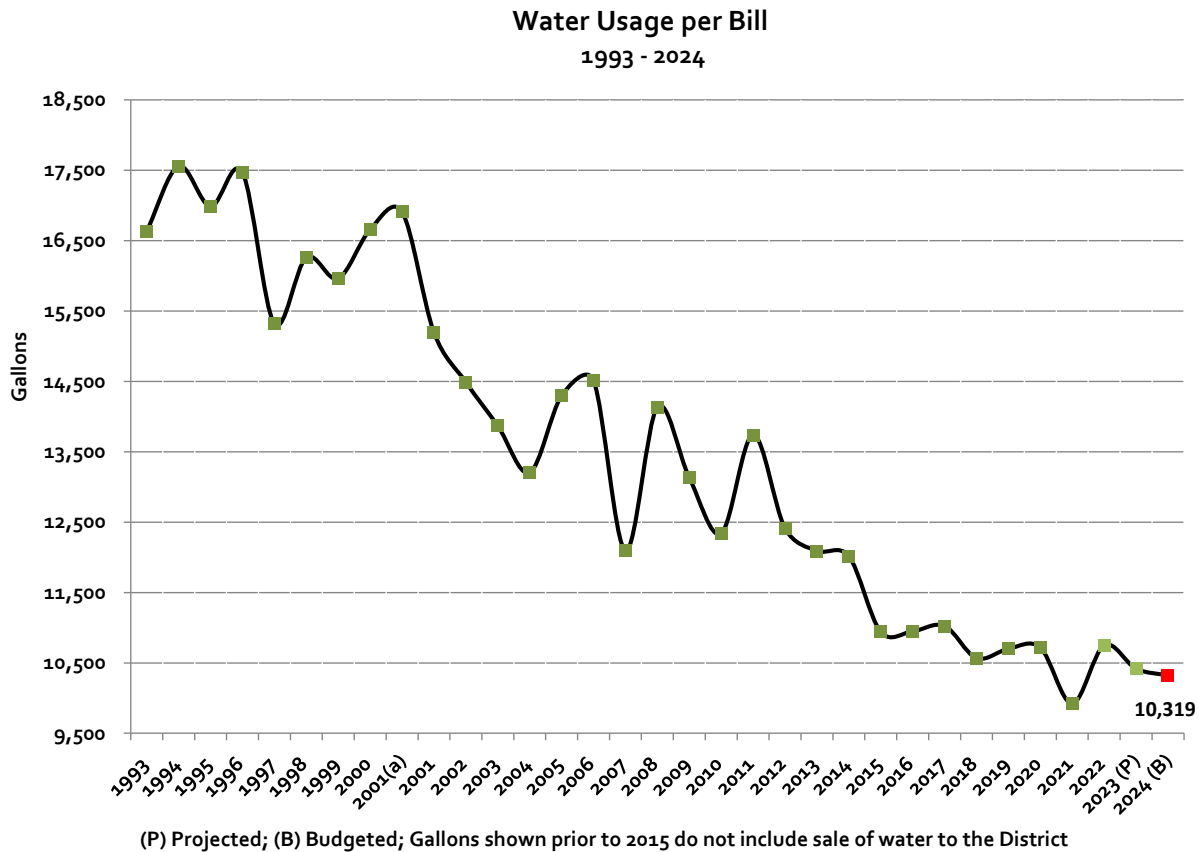
- each rate class of SAWS (residential, general, wholesale and irrigation)
- each rate block
- inside and outside city limit customers

Through this systematic and comprehensive approach to forecasting metered revenues, SAWS has been able to identify developing shifts in usage patterns and underlying trends in customers' water usage. These customer connections and usage forecasts are aggregated to develop a comprehensive forecast for water and wastewater revenues of the system.

Average usage per customer is typically affected by weather (temperature and precipitation), seasonality, price elasticity, conservation, and drought restriction variables. Therefore, the modeling of the average usage per customer incorporates statistical forecasting to incorporate these variables. During the height of the COVID-19 pandemic, SAWS experienced slight increases in single and multi-family residential usage and more significant declines in commercial usage, especially in commercial customers tied to the restaurant and hospitality sectors. These trends have stabilized since the widespread availability of vaccines, and our models assume customer behavior since June of 2021 as the revised post-COVID-19 baseline.

The following chart shows the average monthly water usage for all customers by year since 1993. Beginning in 2016, the average usage includes water usage for customers in the former SAWS District Special Project (formerly Bexar Metropolitan Water District) service area. The average usage for these customers was substantially less than the historical average usage for SAWS customers due to the fact that former SAWS District Special Project serviced very few large commercial and industrial customers. Other noticeable effects on average usage include:

- A significant, persistent downward trend through the whole data series
- Volatility in the trend after 2004 due to weather variations
- Impacts of ongoing drought restrictions from 2013 through 2015



Weather fluctuations, from very rainy periods to drought conditions and related drought restrictions, factor into future water usage forecasts.

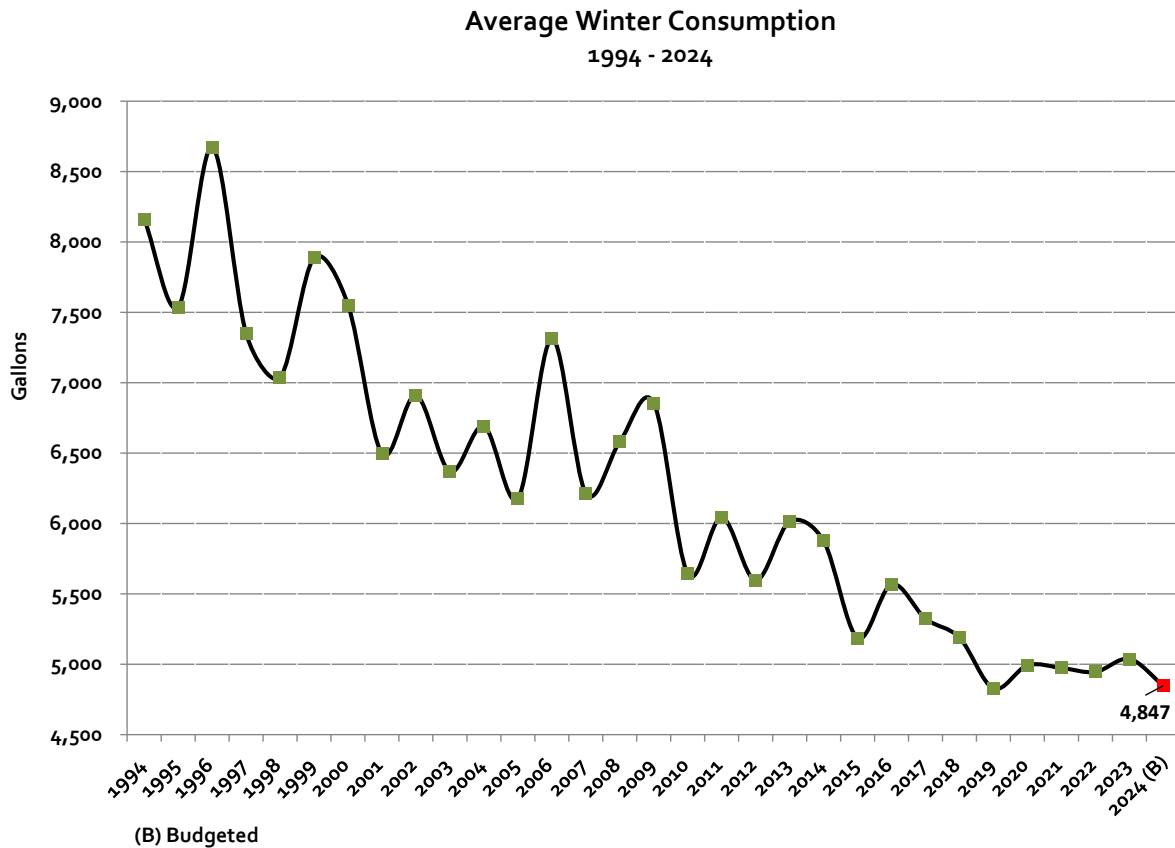
- The drought that began in 2011 lasted into 2015. The resulting drought restrictions during that period, brought customer usage levels in 2013 and 2014 to what was up until then historically low usage levels.
- Extremely wet weather conditions during 2015 served to end the drought but also dampened average customer demand to a new low level of 10,940 gallons.
- 2016 through 2019 show a downward but flattened decline in usage per bill. 2019 usage of 10,699 gallons was well below 2016 usage of 10,948 gallons, despite 2016 receiving over twice the amount of rainfall.
- 2020 residential and irrigation usage was well above average due to a dry summer (less than 2" total rainfall in June through August), but usage per bill ended near 2019 levels due to the impact of the COVID-19 pandemic on commercial and industrial customers.
- 2021 usage was SAWS lowest historical usage per bill ever, at 9,922 gallons. While total rainfall was only slightly above normal, spring and summer were quite wet, including over 8" of rain in the June-August period, resulting in significant decreases in residential and irrigation class usage.
- 2022 usage returned to 10,748 gallons per bill. This usage is in line with the trend since 2016 despite the historically low level of rainfall (11.51 inches) and a record total of annual water usage.

Based on actual usage through August, the usage per bill for 2023 is projected to be lower than 2022, roughly 10,417 gallons as dry but slightly less severe conditions have continued through 2023. In addition, commercial and industrial use has fully recovered from the impact of COVID-19 and returned to their pre-2020 trend.

To minimize the financial risk of overestimating revenues, 2024 budgeted revenues assume average customer use per bill of 10,319 gallons. This forecast allows for the possibility of either recurring wet conditions or drought restrictions, and accounts for impacts of continuing conservation efforts. Consequently, the total budgeted water usage for 2024 is 70.3 billion gallons – 1.2% above the 69.5 billion gallons budgeted in 2023 and 4.5% above the 67.2 billion gallons budgeted in 2022.

Wastewater volumetric revenues are based on contributed flow estimated through water usage. For the commercial class, all water usage except for water used for irrigation is subject to wastewater charges. For the residential class, the contributed flow is estimated through the average winter consumption (AWC), which is the average water usage during three consecutive billing periods beginning after November 15 and ending on or about March 15 of each year.

The AWC, as shown in the following chart, has declined persistently since 1994 as a result of indoor conservation efforts and increasing public awareness about the winter averaging method and measurement period. Due to higher-than-normal precipitation experienced during the end of 2018 and the first quarter of 2019, the 2019 AWC fell to 4,828 gallons, the lowest level since AWC had been tracked. The 2020 AWC returned to trend at 4,992 gallons, and has decreased gradually, to 4,973 gallons in 2021 and 4,945 gallons in 2022. In 2023 the AWC increased slightly to 5,037 due to a dry winter averaging period. The decline in usage is not as rapid as seen prior to 2020, which our projections attribute to increased domestic winter demand associated with an increase in remote work compared to the pre-COVID trend. Our projections anticipate an AWC trending slightly lower than recent years at 4,847 gallons.

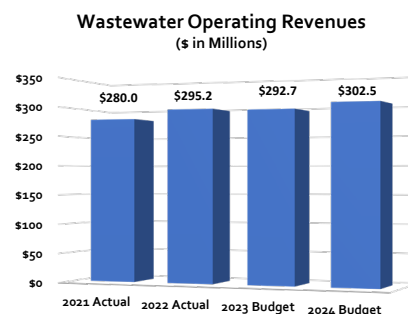


## OPERATING REVENUES

The 2024 revenue budget includes a 10% Recycled Water System rate increase, a 17% inflation-based increase to CPS Recycled Water Revenues, and a 12% rate increase for the Chilled Water demand rates (for both Downtown and Port San Antonio), which combined are estimated to generate approximately \$2.0 million in additional revenue.

### WASTEWATER OPERATING REVENUES

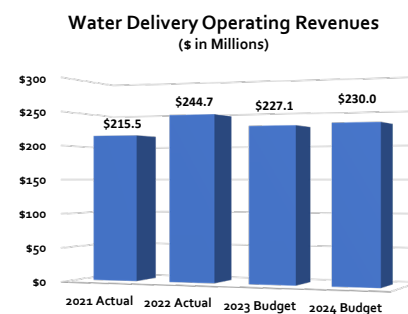
Wastewater operating revenues recover the costs associated with the collection and treatment of wastewater. Sewer service charges consist of a fixed monthly service availability fee and volumetric charges based on each customer's contributed wastewater flow. Residential contributed wastewater flow is estimated based upon a customer's water usage during three consecutive billing periods between November 15<sup>th</sup> and March 15<sup>th</sup>. For all other customers, actual monthly water usage, excluding any amount used for irrigation (metered or assumed), is used to calculate contributed wastewater flow.



Wastewater operating revenues for 2024 are projected to consist of \$297.3 million in sewer service charges, including pass-through charges and \$5.2 million in sewer surcharge revenues. Total metered wastewater revenues are forecast to increase by 3.3% over the 2023 budget, which reflects continued growth in the number of residential customers, as well as the recognition that commercial and industrial class usage has returned to the trend seen prior to the COVID-19 pandemic.

### WATER DELIVERY OPERATING REVENUES

Water delivery operating revenues recover the costs associated with the production, transmission and distribution of potable water to the customer primarily through monthly fixed and volumetric charges on each customer's metered water usage. Total metered water operating revenues are forecast at \$230.0 million in 2024, a 1.2% increase from the 2023 budget.

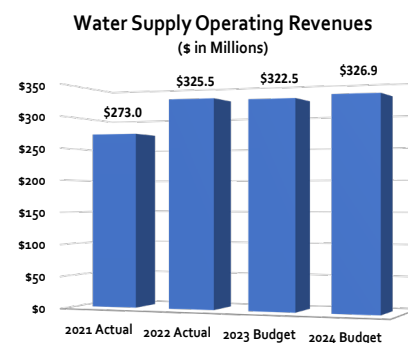


The 2024 revenue forecast assumes 2024 billed water usage of 70.3 billion gallons, which is 1.2% more than 2023 budgeted water usage. This increase reflects continued growth in the number of residential customers.

### WATER SUPPLY OPERATING REVENUES

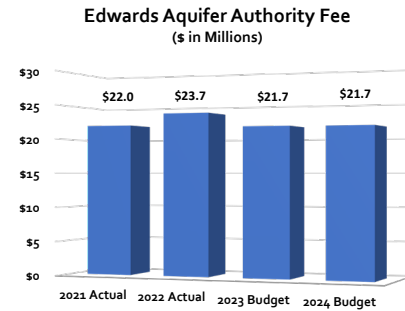
The Water Supply Fee was implemented in 2001 to support one of SAWS fundamental responsibilities: developing and procuring additional water supplies. The Water Supply Fee consists of volumetric charges assessed on customers' metered water usage.

Water Supply operating revenues consist primarily of revenues from: the Water Supply Fee, Edwards Aquifer Authority pass-through fees and recycled water charges. Additionally, SAWS allocates a portion of water delivery charges to the Water Supply core business to fund conservation programs and receives fees from the City of San Antonio to provide services related to the City's storm water program. Water Supply operating revenues are forecast at \$326.9 million in 2024, 1.4% over the 2023 budget. As with Water Delivery revenues, this is due to continued growth in residential customers.

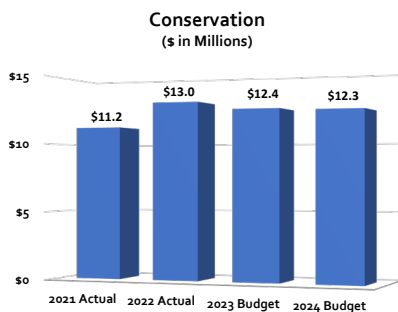




Included within Water Supply Operating Revenues are the following four charges. The Edwards Aquifer Authority (EAA) is statutorily empowered to impose an annual permit fee on all parties permitted to pump water from the Edwards Aquifer. The annual permit fee charged to SAWS is based on the number of acre-feet per year that SAWS is permitted to pump from the Edwards Aquifer and is recovered by SAWS through the assessment of a pass-through volumetric charge to its customers; the EAA Fee. The 2024 EAA Fee budgeted revenue is \$21.7 million.



Recycled water revenues are budgeted to be \$9.5 million in 2024. This \$1.6 million increase is the result of a 10% rate increase and a 17% contractual inflation adjustment to the CPS Energy contract, which is projected to contribute 45.6% of recycled water revenues during 2024.

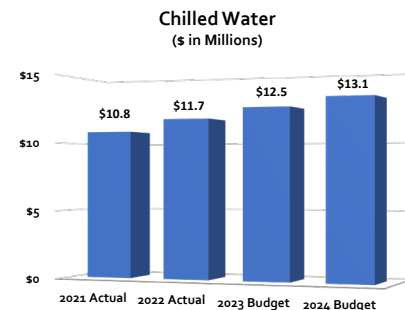


Conservation revenues are used to fund residential and commercial conservation programs. Conservation revenues for 2024 will be recovered from a portion of the residential water charges for monthly usage in excess of 7,000 gallons and a portion of non-residential monthly meter charges. For 2024, conservation revenues are budgeted at \$12.3 million or 3.8% of total water supply operating revenues.

SAWS bills storm water charges to customers and provides certain other services related to the City of San Antonio's Storm Water Program. The City of San Antonio will provide an estimated reimbursement to SAWS of \$4.8 million in 2024 to offset the cost of providing those services.

#### CHILLED WATER OPERATING REVENUES

SAWS provides chilled water for cooling purposes primarily to commercial customers located in downtown San Antonio and Port San Antonio. The 12% increase in the Chilled Water demand rates is the second year of a five-year rate plan that seeks to improve the operational effectiveness and financial condition of this system. Including this rate adjustment, 2024 revenues are projected at \$13.1 million. Chilled water services comprise approximately 1.5% of total operating revenues.



#### NON-OPERATING REVENUE

2024 non-operating revenues, budgeted at \$48.7 million, are comprised of \$46.7 million in interest earnings on investments and a \$2.0 million federal subsidy to be received on previously issued Build America Bonds. Non-operating revenues account for 4.8% of the total sources of funds for 2024.

The average investment base is assumed to be \$1.35 billion and the yield on those investments is estimated to average 3.45% in 2024.

## **CAPITAL RECOVERY FEES**

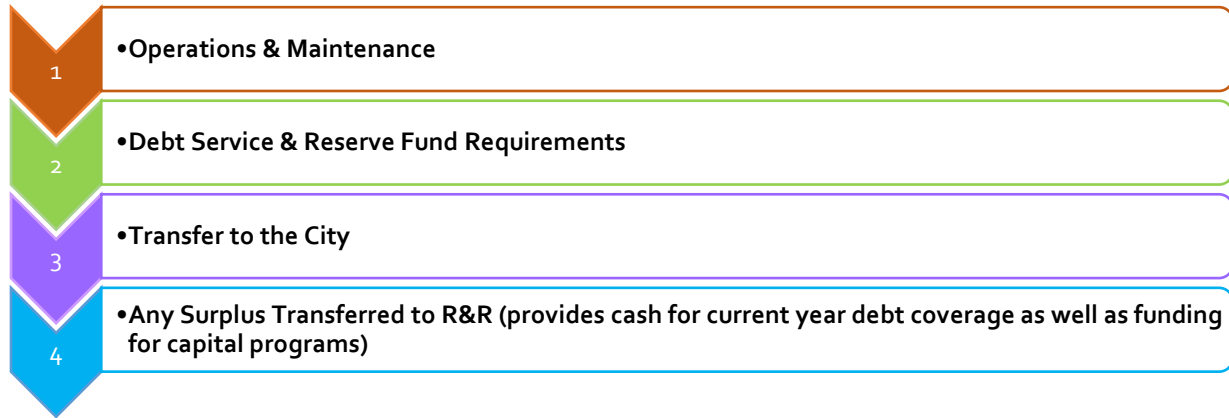
Capital recovery fees, also referred to as impact fees, are codified in Chapter 395 of the Texas Local Government Code and provide for the collection of fees to recover capital improvement costs necessary to serve new development. Through the city ordinances that formed SAWS, capital recovery fees are not considered to be included in Gross Revenues in the flow of funds. Instead, these fees are treated as capital contributions dedicated to fund eligible projects in the capital improvement program.

The collection of capital recovery fees varies from year to year based on the number of new customer connections and the fees charged. SAWS is required to perform an impact fee study at least once every five years. The most recent impact fee study was completed in May 2019. The \$100.1 million budgeted for capital recovery fees in 2024 is based on the average projected over the 10-year period covered by the 2019 study.

On December 13, 2018, through Ordinance 2018-12-13-0996, the City Council adopted the City of San Antonio Fee Waiver Program, thereby replacing the Inner-City Reinvestment/Infill Policy (ICRIP) as the primary mechanism for awarding SAWS impact fee waivers for economic development purposes. In November 2020 by ordinance, the City Council allocated a total amount of \$15 million over a five-year period from FY 2021 through FY 2025 at \$3 million per year. In the ordinance, the Council acknowledged the intention of SAWS to allow unclaimed fee waivers to carry forward allowing no more than a maximum of \$5 million in unclaimed impact fee waivers to carry forward into future fiscal years, as calculated annually based on the SAWS fiscal year. Adjustments to the carry forward amount and schedule require mutual agreement between the City and SAWS.

## USES OF FUNDS

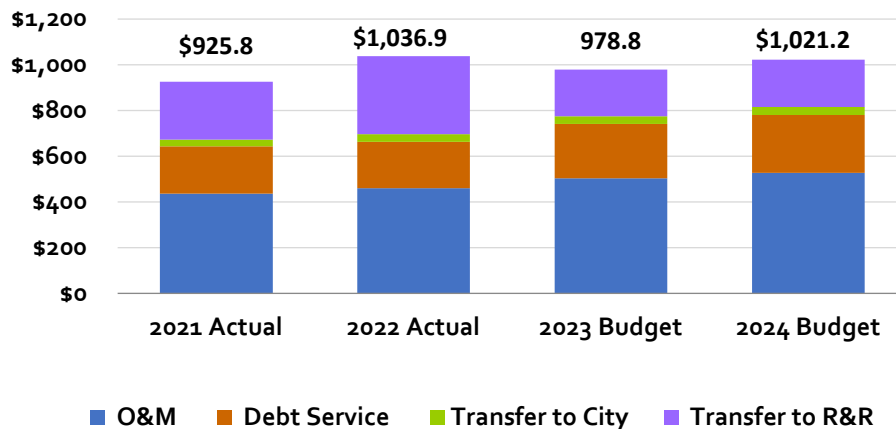
City of San Antonio, Texas Ordinance No. 75686 requires that Gross Revenues be pledged and appropriated to the extent required for the following uses and in the order of priority shown:



Uses of funds are summarized in the following table and chart:

(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>USES OF FUNDS</b>				
Operations and Maintenance	\$ 436,076	\$ 459,306	\$ 503,032	\$ 526,263
Revenue Bond Debt Requirement	204,911	198,978	226,892	235,341
Other Debt Service Requirement	1,786	4,095	11,161	17,769
Transfer to the City of San Antonio	30,161	34,263	33,552	34,882
Balance Available for:				
Renewal and Replacement Fund (Restricted)	141,848	148,837	108,137	117,300
Renewal and Replacement Fund (Unrestricted)	110,978	191,435	95,992	89,610
<b>Total Uses of Funds</b>	<b>\$ 925,760</b>	<b>\$ 1,036,914</b>	<b>\$ 978,766</b>	<b>\$ 1,021,165</b>

### Uses of Funds (\$ in Millions)



## OPERATIONS AND MAINTENANCE EXPENSE

The cost to operate and maintain the system on a daily basis comprises the largest single use of SAWS' revenues. Approximately 60% of SAWS operating revenues are dedicated to supporting ongoing operations and maintenance. The 2024 budget for Operations and Maintenance (O&M) after capitalized costs is \$526.3 million, which is an increase of 4.6% from the 2023 budget.

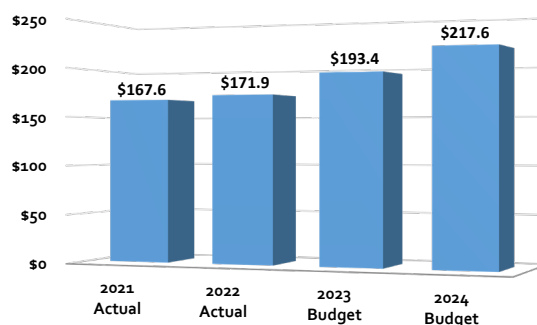
SAWS operations and maintenance expenses are categorized into four major expenditure types: Salaries and Fringe Benefits, Contractual Services, Materials and Supplies, and Other Charges. Additionally, a portion of these costs are capitalized in direct support of SAWS Capital Improvement Program.

(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 167,649	\$ 171,935	\$ 193,420	\$ 217,581
Contractual Services	264,472	277,407	298,444	304,792
Materials and Supplies	27,707	34,638	34,105	35,832
Other Charges	7,493	5,973	9,163	9,047
<b>Total O&amp;M Before Capitalized Cost</b>	<b>\$ 467,321</b>	<b>\$ 489,953</b>	<b>\$ 535,132</b>	<b>\$ 567,252</b>
Capitalized Cost	(31,244)	(30,647)	(32,100)	(40,990)
<b>Total O&amp;M</b>	<b>\$ 436,077</b>	<b>\$ 459,306</b>	<b>\$ 503,032</b>	<b>\$ 526,262</b>
<b>Capital Outlay</b>	<b>\$ 9,838</b>	<b>\$ 10,591</b>	<b>\$ 12,020</b>	<b>\$ 16,727</b>

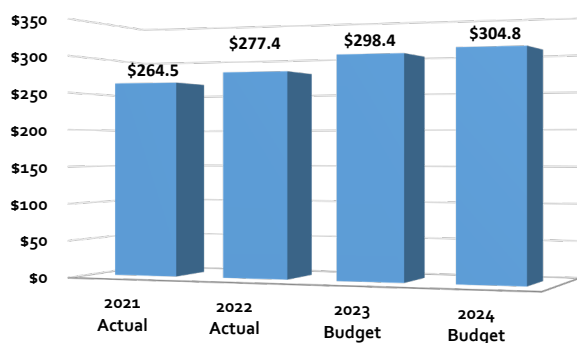
### SALARIES AND FRINGE BENEFITS

Salaries and fringe benefits include wages and benefits for all full-time and part-time employees including overtime, on-call pay, employees' medical and retirement benefits, and contributions to a trust established to provide other post-employment benefits (OPEB). Total salary and fringe benefit costs for 2024 are estimated at \$217.6 million, or 38.4% of gross operation and maintenance expenditures (before capitalization) and reflects a 12.5% increase from the prior year budget. The \$24.2 million increase includes \$14.5 million for an additional 195 positions, of which 105 are for the AMI project.

Salaries and Fringe Benefits  
(\$ in Millions)



Contractual Services  
(\$ in Millions)



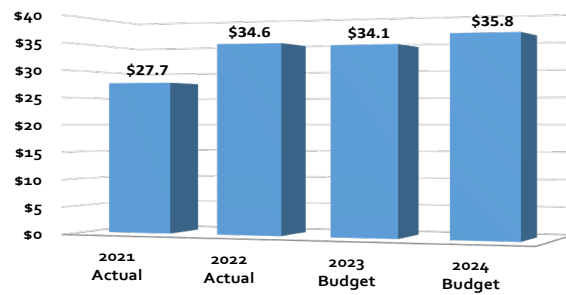
### CONTRACTUAL SERVICES

Contractual Services expenditures represent operating services that are obtained through express or implied contracts. Total Contractual Services for 2024 are budgeted at \$304.8 million, which is 53.7% of gross operation and maintenance expenditures (before capitalization) and reflects a net increase of \$6.4 million (2.1%) over the 2023 budget. The primary drivers of this projected increase are forecasted increases in utility costs (\$2.7 million), water supply contract costs (\$2.4 million) and postage rates (\$441K).

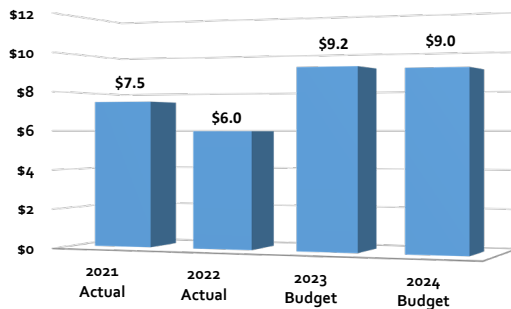
### MATERIALS AND SUPPLIES

The Materials and Supplies budget of \$35.8 million is 6.3% of gross operation and maintenance expenditures and reflects an increase of 5.1% compared to the 2023 budget. The projected change is due in large part to additional maintenance expenses associated with the continued roll-out of the AMI project.

**Materials and Supplies**  
(\$ in Millions)



**Other Charges**  
(\$ in Millions)



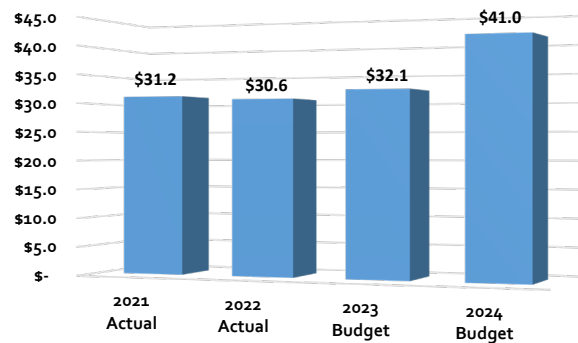
### OTHER CHARGES

The Other Charges category includes property, casualty and workers' compensation insurance costs, retirees' healthcare costs, and bank charges. The 2024 costs are estimated at \$9.0 million, or 1.6% of gross operation and maintenance expenditures, which is 1.3% less than the 2023 budget due primarily to a forecast reduction in retiree medical costs.

### CAPITALIZED COSTS

Operating and maintenance costs that support functions directly related to capital improvements are reflected as reductions to the gross Operations and Maintenance costs and are funded as part of SAWS' Capital Improvement Program (CIP). In 2024, Capitalized Costs are estimated at \$41.0 million, or 7.2% of gross operation and maintenance expenditures. The projected increase is due to an additional \$8.9 million to cover capitalization costs related to the AMI project.

**Capitalized Costs**  
(\$ in Millions)



## OPERATION AND MAINTENANCE SUMMARY BY EXPENSE CLASSIFICATION

(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>Salaries and Fringe Benefits</b>				
Salaries	\$ 109,049	\$ 112,529	\$ 129,791	\$ 148,011
Overtime Pay	7,503	9,283	6,844	7,769
On-Call Pay	842	947	800	1,022
Employee Insurance	19,450	16,681	22,612	23,949
Retirement	22,966	22,789	24,953	28,335
Unused Sick Leave Buyback	22	23	70	70
Personal Leave Buyback	1,249	1,386	1,100	1,100
Accrued Vacation leave	1,368	3,076	2,000	2,000
Incentive Pay	100	121	150	150
Hiring and Retention Incentives	-	-	-	75
Other Post Employment Benefits	5,100	5,100	5,100	5,100
<b>Salaries and Fringe Benefits Total</b>	<b>\$ 167,649</b>	<b>\$ 171,935</b>	<b>\$ 193,420</b>	<b>\$ 217,581</b>
<b>Contractual Services</b>				
Operating Expense	\$ 1,747	\$ 1,596	\$ 1,588	\$ 1,418
Rental of Facilities	232	190	243	249
Alarm and Security	1,781	1,693	2,189	2,584
Collection Expense	-	1	-	-
Uniforms and Shoe Allowance	230	504	480	618
Catering Svcs and Luncheons	68	100	120	278
Project Agua Assistance	388	454	400	400
Program Rebates	2,140	2,504	3,625	3,242
Maintenance Expense	17,437	24,248	27,163	26,326
Street Cut Permit Admin Fee	528	599	841	600
St Pave/Repair Fee	1,281	3,045	1,801	1,801
Auto and Equip. Maintenance Parts	2,149	2,298	2,063	2,063
Damage Repair	232	236	175	213
Equipment Rental Charges	399	582	417	801
Travel	26	59	205	212
Training	438	526	868	868
Conferences	9	37	107	110
Memberships and Subscriptions	437	436	538	552
Utilities	39,133	44,763	42,005	44,726
Water Options	38,490	31,818	46,674	47,988
Water Options-Vista Ridge	91,360	90,649	93,533	94,664
Ground Water District Pay	23,008	22,750	22,222	22,300
Mail and Parcel Post	2,211	2,601	2,829	3,270
Telemetry Charges	2	3	2	3
Educational Assistance	69	78	77	77
Contractual Prof Svcs	26,817	29,469	30,054	30,239
Inspect and Assessment Fees	2,319	2,328	2,555	2,520
Temporary Employees	796	1,007	290	35
Medical Services	66	146	110	110
Medical Testing	42	24	-	-
Recruiting	-	-	-	28
Legal Services	1,583	1,930	2,571	2,755
Communications	1,156	1,581	1,550	1,302
Software and Hardware Maintenance	7,898	9,152	11,149	12,440
<b>Contractual Services Total</b>	<b>\$ 264,472</b>	<b>\$ 277,407</b>	<b>\$ 298,444</b>	<b>\$ 304,792</b>

## OPERATION AND MAINTENANCE SUMMARY BY EXPENSE CLASSIFICATION (continued)

(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>Materials and Supplies</b>				
Small Tools	\$ 688	\$ 833	\$ 774	\$ 943
Copy and Printing Expense	3	28	242	242
Operating Materials	2,123	2,174	2,509	2,521
Heating Fuel	20	25	25	20
Chemicals	9,832	12,543	14,039	13,809
Education of School Children	5	25	30	30
Public Awareness-WQEE	-	-	1	1
Enforcement	-	-	5	5
Maintenance Materials	10,476	12,927	10,637	12,114
Safety Materials and Supplies-COVID	66	31	-	-
Safety Materials and Supplies	1,417	1,482	1,549	1,673
Inventory Variances	(76)	(83)	-	-
Tires and Tubes	593	686	625	625
Motor Fuel and Lubricants	2,560	3,967	3,669	3,849
<b>Materials and Supplies Total</b>	<b>\$ 27,707</b>	<b>\$ 34,638</b>	<b>\$ 34,105</b>	<b>\$ 35,832</b>
<b>Other Charges</b>				
Judgements and Claims	\$ (601)	\$ (455)	\$ 453	\$ 453
AL/GL Claims - Cont. Liab.	284	216	330	330
Bank Charges	93	122	448	300
Cash Short/(Over)	1	4	-	-
Employee Relations	113	129	188	99
Wellness	-	-	-	64
Retiree Insurance	5,326	3,729	4,724	4,213
Casualty Insurance	1,331	1,815	1,940	2,508
Unemployment Compensation	17	47	80	80
Workers Comp Medical	929	366	1,000	1,000
<b>Other Charges Total</b>	<b>\$ 7,493</b>	<b>\$ 5,973</b>	<b>\$ 9,163</b>	<b>\$ 9,047</b>
<b>O&amp;M Before Capitalized Costs</b>	<b>\$ 467,321</b>	<b>\$ 489,953</b>	<b>\$ 535,132</b>	<b>\$ 567,252</b>
<b>Capitalized Costs</b>	<b>\$ (31,244)</b>	<b>\$ (30,647)</b>	<b>\$ (32,100)</b>	<b>\$ (40,990)</b>
<b>Grand Total</b>	<b>\$ 436,077</b>	<b>\$ 459,306</b>	<b>\$ 503,032</b>	<b>\$ 526,262</b>

## REVENUE BOND DEBT SERVICE REQUIREMENT

The bonded debt service requirement is comprised of bond interest costs and the retirement of a certain portion of bond principal. This requirement is projected based on maturity schedules of existing debt and 30-year level debt service on new debt necessary to support the capital program. The 2024 debt service schedules assume the issuance of an additional \$351.1 million of bonds in 2024 to provide funds for the 2024 CIP. This debt is assumed to be issued as a Senior Lien Water System Revenue Bond. The amount necessary to fulfill total bonded debt service requirements in 2024 on existing and new bonded debt is projected to be \$235.3 million, which is 3.7% more than the 2023 budgeted level. Additional discussion of SAWS debt program is included in the Debt Service section of this report.

## OTHER DEBT EXPENSE

SAWS expects to pay approximately \$17.8 million in debt related expenses in 2024. These expenses include interest on commercial paper and the following fees: remarketing agent, credit liquidity facility, rating agency, and paying agent. Remarketing agents are investment-banking firms responsible for the marketing and remarketing of variable rate obligations to investors as they mature. The credit liquidity facility provider commits to purchasing the maturing variable rate obligations should the remarketing agent be unable to remarket the variable rate obligations.

## TRANSFER TO THE CITY OF SAN ANTONIO

Pursuant to City Ordinance No. 75686, SAWS is required to transfer to the General Fund of the City up to 5% of the gross revenues as defined by ordinance. Certain revenues are exempt from gross revenues for purposes of calculating the transfer. The actual percentage contributed is determined by City Council. Since the inception of SAWS in 1992, the transfer to the City had been set at 2.7% of non-exempt gross revenues. After consultation with SAWS, the City increased this percentage to 4.0% in late 2019. \$34.9 million has been budgeted for this transfer, which is \$1.3 million higher than the \$33.6million budgeted in 2023.

## BALANCE AVAILABLE FOR TRANSFER TO RENEWAL AND REPLACEMENT FUND

After meeting all other requirements of system revenues including operations and maintenance expenses, debt service, and transfer to the City's General Fund, \$206.5 million is estimated to be available for transfer to the Renewal and Replacement Fund (R&R) of which \$117.3 million is restricted primarily for use associated with SAWS Capital Improvement Program. Unrestricted R&R can be used for the purpose of funding improvements, extensions, additions, replacements, or other capital expenditures (including capital outlay) related to the System and for any other lawful purpose. At a minimum, SAWS is required to transfer to this fund an amount equal to the amount that is transferred to the City's General Fund each year.

Capital Outlay consists of expenditures for certain capital assets not included in SAWS Capital Improvement Program. These assets have an individual cost of \$5,000 or more and a useful life greater than one year but less than fifteen years. This includes machinery and equipment, computer hardware, software systems, laboratory equipment, vehicles, heavy equipment, and miscellaneous equipment. Exceptions have been granted for the following assets that individually cost less than \$5,000 but are recorded as capitalized expenditures, computers/laptops, water meters and fire hydrant meters. The Capital Outlay program is based on priorities established by executive management. The capital outlay program for 2024 consists of \$16.7 million in planned capital expenditures meeting the above criteria.



The following table includes actual expenditures for 2021 and 2022, budgeted expenditures for 2023, and planned expenditures in 2024 for the capital outlay program:

(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>Capital Outlay</b>				
Automobiles and Trucks	\$ 1,517	\$ 3,290	\$ 4,967	\$ 9,109
Computer Equipment	1,481	1,963	2,106	2,262
Heavy Equipment	2,010	2,611	2,347	2,347
Lab Equipment	253	158	200	200
Land, Land Rights & Water Permits	-	168	-	-
Light Equipment	43	63	79	-
Machinery and Equipment	-	-	464	938
Miscellaneous Equipment	3,600	1,113	1,823	1,832
Pumping Equipment	461	999	-	-
Software Systems	78	66	35	39
Structures and Improvements	394	160	-	-
<b>Grand Total</b>	<b>\$ 9,838</b>	<b>\$ 10,591</b>	<b>\$ 12,020</b>	<b>\$ 16,727</b>

After funding \$16.7 million for 2024 capital outlay expenditures, \$72.5 million in unrestricted funds is expected to be added to the R&R Fund in 2024. These unrestricted funds are expected to be utilized to provide pay-as-you-go funding to support the SAWS Capital Improvement Program in 2025 and beyond.

## DEBT SERVICE

San Antonio Water System utilizes both long-term and short-term debt to finance the Capital Improvements Program (CIP). SAWS' currently outstanding revenue bonds consist of fixed-rate and variable rate obligations. Commercial paper provides SAWS with flexibility and efficiency in the timing and amount of debt issued. The commercial paper program and variable rate debt provides a hedge to partially offset the variable rate nature of SAWS' investment portfolio.

## REVENUE BONDS

As of December 31, 2023, SAWS will have Senior and Junior Lien Water System Revenue Bonds outstanding, as follows:

- Senior Lien Water System Fixed-Rate Revenue Bonds** - comprised of Series 2009B and Series 2010B outstanding in the amount of \$101,835,000 as of December 31, 2023 and collateralized by a senior lien and pledge of the gross revenues of the System after deducting and paying the current expenses of operation and maintenance of the System and maintaining an operating reserve for operating and maintenance expenses.
- Junior Lien Water System Fixed-Rate Revenue Bonds** - comprised of Series 2012, Series 2013A, Series 2013C, Series 2013D, Series 2014C, Series 2014D, Series 2015A, Series 2015B (NO RESERVE FUND), Series 2016A (NO RESERVE FUND), Taxable Series 2016B (NO RESERVE FUND), Series 2016C (NO RESERVE FUND), Series 2016D, Series 2016E, Series 2017A (NO RESERVE FUND), Series 2018A (NO RESERVE FUND), Series 2018B, Series 2019B, Series 2019C (NO RESEVE FUND), Series 2020A (NO RESERVE FUND), Series 2020B, Series 2020C (NO RESERVE FUND), Series 2020D, Series 2021A (NO RESERVE FUND), Series 2022A (NO RESERVE FUND), Series 2022B (NO RESERVE FUND), and Series 2023A (NO RESERVE FUND) outstanding in the amount of \$2,611,275,000 as of December 31, 2023 and collateralized by a junior lien and pledge of the gross revenues of the System after deducting

and paying the current expenses of operation and maintenance of the System, maintaining an operating reserve for operating and maintenance expenses and paying the debt service on senior lien debt.

- Junior Lien Water System Variable Rate Revenue Bonds** – comprised of the Series 2013F (NO RESERVE FUND) Bonds (the “Series 2013F Bonds”), the Series 2014B (NO RESERVE FUND) Bonds (the “Series 2014B Bonds”), and the Series 2019A (NO RESERVE FUND) Bonds (the “Series 2019A Bonds”) (together the “Bonds”). The Bonds were issued as multi-modal variable rate bonds. As of December 31, 2023, the Series 2013F Bonds are in a Term Mode with a fixed interest rate of 1.00%, yielding 0.82% for a five-year period ending October 31, 2026. On November 1, 2022, the Series 2014B Bonds were remarketed into Securities Industry and Financial Markets Association (SIFMA) Index Mode for a three-year period through October 31, 2025. The interest rate for the Series 2014B Bonds will reset weekly based on the SIFMA Swap Index plus a spread of 0.65%. The Series 2019A Bonds were issued in a Term Mode at a fixed interest rate of 2.65%, yielding 2.45% through April 30, 2024. Junior Lien Variable Rate Revenue Bonds outstanding as of December 31, 2023 total \$364,490,000. The debt service for the variable rate bonds is collateralized by a junior lien and pledge of the gross revenues of the System after deducting and paying the current expenses of operation and maintenance of the System, maintaining an operating reserve for operating and maintenance expenses, and paying the debt service on senior lien debt.

## INTEREST RATE HEDGE AGREEMENT (SWAP)

**Subordinate Lien Revenue and Refunding Bonds - Interest Rate Hedge Agreement (Swap)** - In 2003, \$122.5 million of “City of San Antonio, Texas Water System Subordinate Lien Revenue and Refunding Bonds, Series 2003-A and 2003-B” (the “Subordinate Lien Obligations”) were issued in a weekly interest rate mode. To hedge against changes in interest expenses, the City of San Antonio, through SAWS, entered into an interest rate hedge agreement (the “Swap Agreement”) under which SAWS must pay a fixed rate of 4.18% and receive a variable rate which corresponds to the Municipal Swap Index published by SIFMA. The rates are applied to a specified notional amount which matches the amortization schedule of the principal amount of the Subordinate Lien Obligations. The payments under this obligation are collateralized by a subordinate lien and pledge of the gross revenues of the System after deducting and paying the current expenses of operation and maintenance of the system, maintaining an operating reserve for operating and maintenance expenses, and paying debt service on senior lien and junior lien debt.

In 2008, SAWS issued a Notice of Partial Redemption for \$110.6 million of the Subordinate Lien Obligations due to unfavorable market conditions relating to variable rate demand obligations, resulting in the related interest rate hedge agreement not providing an effective hedge against short term interest rate movements applicable to the related obligations. The Subordinate Lien Obligations were redeemed with commercial paper notes. On December 31, 2023, \$59,745,000 of the commercial paper notes outstanding are hedged by the Swap Agreement.

SAWS still considers the Swap Agreement to be a valuable variable rate management tool within its debt portfolio. The obligation to pay the fixed rate of 4.18% on the notional amount outstanding remains and is included in the 2024 budgeted debt service requirements of SAWS at the original principal amortization of the Subordinate Lien Obligations. Principal amortization calls for \$4,850,000 of the commercial paper notes associated with the Subordinate Lien Obligations to be redeemed on May 1, 2024, bringing the outstanding balance to \$54,895,000.

### RESERVE FUND REQUIREMENT

SAWS' bond ordinance requires the maintenance of a reserve fund for the payment of senior lien and junior lien debt obligations in an amount equal to 100% of the maximum annual debt service requirement for the senior lien obligations and 100% of the average annual debt service requirement for the junior lien obligations requiring a reserve fund. The ordinance provides for the use of cash, debt, and surety policies or a combination thereof, to satisfy the reserve fund requirement. The debt service schedules for the bonds anticipated to be issued in 2024 assumes any required increase in the reserve fund will be funded with proceeds from bonds issued.

### COMMERCIAL PAPER

SAWS also maintains a commercial paper program that is used to provide funds for the interim financing of a portion of the capital improvements program. The San Antonio City Council has authorized a commercial paper (CP) program of up to \$500 million (CP Program). The CP Program provides for the issuance of subseries of notes, currently designated as Subseries A-1, Subseries A-2, Series B and Series C. The CP Program is supported by two revolving credit agreements, one with JPMorgan Chase Bank, N.A. (the "Series A Agreement"), and the other with Wells Fargo Bank, N.A. (the "Series B Agreement") (together the "Agreements"). JPMorgan Chase Bank, N.A. currently supports \$400 million of Series A CP notes which extends through October 4, 2026. The second revolving credit agreement with Wells Fargo Bank, N.A., supports \$100 million in Series B and Series C CP notes, and expires in accordance with its term on January 5, 2024 ("Wells Fargo Credit Agreement"). SAWS issued a request for proposal and plans to obtain liquidity support in the amount of \$100 million on or prior to the Wells Fargo Credit Agreement expiration date. The Subseries A-1 and Series B CP notes are publicly marketed with the Subseries A-2 CP notes placed directly with JPMorgan Chase Bank, N.A. and the Series C CP notes placed directly with Wells Fargo Bank, N.A., under separate note purchase agreements.

The 2024 Budget assumes approximately \$435.6 million of commercial paper is outstanding relating to the funding of capital improvement projects by the end of 2024. As stated in the "Interest Rate Hedge Agreement (Swap)" section herein, by the end of 2024, an additional \$54.9 million of the commercial paper program will be attributable to the redemption of the Subordinate Lien Obligations. The 2024 Budget assumes that the interest to be paid on the commercial paper attributable to the redemption of the Subordinate Lien Obligations will be offset in its entirety by the amount to be received under the variable rate leg of the Swap. SAWS' capital financing plan provides for the refunding of commercial paper as the outstanding balance trends toward the upper limit of the Agreements to ensure the outstanding balance does not exceed the revolving line of credit amounts.

### BOND AND COMMERCIAL PAPER RATINGS

In August 2023, the three major rating agencies reviewed SAWS' credit ratings. SAWS' credit ratings are as follows:

	Senior Lien	Junior Lien	Commercial Paper	
			Series A-1	Series B
Fitch Ratings	AA+	AA	F1+	F1+
Moody's Investors Service, Inc.	Aa1	Aa2	P-1	P-1
S&P Global Ratings	AA+	AA+	A-1+	A-1+

The high-quality ratings reflect SAWS' large, diverse and growing service area, sound financial performance, long-term planning in water supply and infrastructure needs, and competitive water and sewer rates.

**DEBT COVERAGE**

SAWS is required by ordinance to maintain a debt coverage ratio of 1.25 times the annual debt service on outstanding senior lien debt. The 2024 Operating Budget projects an estimated 2024 Senior Lien Debt Coverage ratio of 11.32 times and 2024 Total Bonded Debt Coverage ratio of 1.59 times.

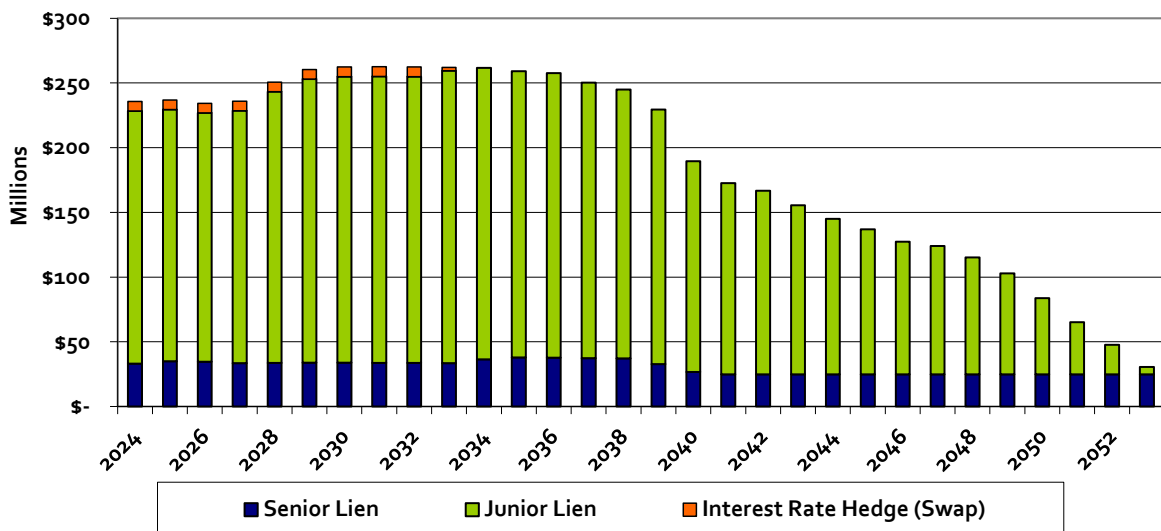
<b>DEBT COVERAGE CALCULATION</b> <b>(\$ in thousands)</b>	
<b>Total Sources of Funds</b>	<b>\$ 1,021,165</b>
Less Revenues from:	
CPS Energy Contract	4,340
Capital Recovery Fees	100,074
Transfer from Renewal & Replacement Fund	-
Interest on Project Funds	16,301
<b>Gross Revenues as defined by Ordinance No. 75686</b>	<b>\$ 900,450</b>
Less: Operations & Maintenance	526,263
<b>Pledged Revenues as defined by Ordinance No. 75686</b>	<b>\$ 374,187</b>
 2024 Senior Lien Debt Service Requirement	 \$ 32,668
<b>2024 Senior Lien Debt Coverage Ratio</b>	<b><u>11.45 x</u></b>
 Maximum Senior Lien Debt Service Requirement (Year 2035)	 \$ 37,833
<b>Maximum Senior Lien Debt Coverage Ratio</b>	<b><u>9.89 x</u></b>
 2024 Total Bonded Debt Service Requirement	 \$ 235,340
<b>2024 Total Bonded Debt Coverage Ratio</b>	<b><u>1.59 x</u></b>
 Maximum Total Debt Service Requirement (Year 2031)	 \$ 262,606
<b>Maximum Total Debt Coverage Ratio</b>	<b><u>1.42 x</u></b>

## BUDGETED REVENUE AND REFUNDING BONDS DEBT SERVICE SCHEDULES

Fiscal Year December 31,	Senior Lien	Junior Lien	Total Bonded Debt Service	Interest Rate Hedge (Swap)	Total Debt Service
2024	\$ 33,048,470	\$ 195,313,624	\$ 228,362,094	\$ 7,358,854	\$ 235,720,949
2025	35,034,789	194,451,871	229,486,660	7,379,994	236,866,654
2026	34,543,131	192,369,767	226,912,899	7,396,519	234,309,418
2027	33,520,184	195,048,571	228,568,755	7,416,555	235,985,310
2028	33,719,856	209,500,596	243,220,452	7,439,543	250,659,995
2029	33,923,893	219,071,161	252,995,053	7,461,594	260,456,648
2030	33,845,629	221,022,465	254,868,094	7,485,623	262,353,717
2031	33,755,954	221,340,543	255,096,498	7,509,405	262,605,903
2032	33,673,453	221,231,460	254,904,913	7,534,120	262,439,034
2033	33,580,108	225,912,506	259,492,614	2,514,211	262,006,824
2034	36,484,360	225,152,182	261,636,542	-	261,636,542
2035	37,833,433	221,254,928	259,088,360	-	259,088,360
2036	37,642,569	220,019,787	257,662,356	-	257,662,356
2037	37,437,285	212,822,345	250,259,630	-	250,259,630
2038	37,227,080	207,707,727	244,934,807	-	244,934,807
2039	32,804,753	196,737,749	229,542,501	-	229,542,501
2040	26,767,254	162,747,637	189,514,891	-	189,514,891
2041	24,832,875	147,733,934	172,566,809	-	172,566,809
2042	24,831,125	141,824,424	166,655,549	-	166,655,549
2043	24,829,500	130,755,094	155,584,594	-	155,584,594
2044	24,831,125	120,250,719	145,081,844	-	145,081,844
2045	24,829,125	112,039,680	136,868,805	-	136,868,805
2046	24,831,500	102,573,968	127,405,468	-	127,405,468
2047	24,831,125	99,142,759	123,973,884	-	123,973,884
2048	24,830,875	90,283,704	115,114,579	-	115,114,579
2049	24,833,375	78,125,268	102,958,643	-	102,958,643
2050	24,831,250	58,917,324	83,748,574	-	83,748,574
2051	24,832,000	40,233,616	65,065,616	-	65,065,616
2052	24,832,875	22,913,197	47,746,072	-	47,746,072
2053	24,840,875	5,674,525	30,515,400	-	30,515,400
	<u>\$ 907,659,826</u>	<u>\$ 4,692,173,130</u>	<u>\$ 5,599,832,956</u>	<u>\$ 69,496,419</u>	<u>\$ 5,669,329,375</u>

Amounts represent transfers to the Debt Service Fund for existing and projected debt, including obligations under the 2003 swap agreement.

Total Senior Lien, Junior Lien, and Interest Rate Hedge Debt Service



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## ORGANIZATION AND STAFFING

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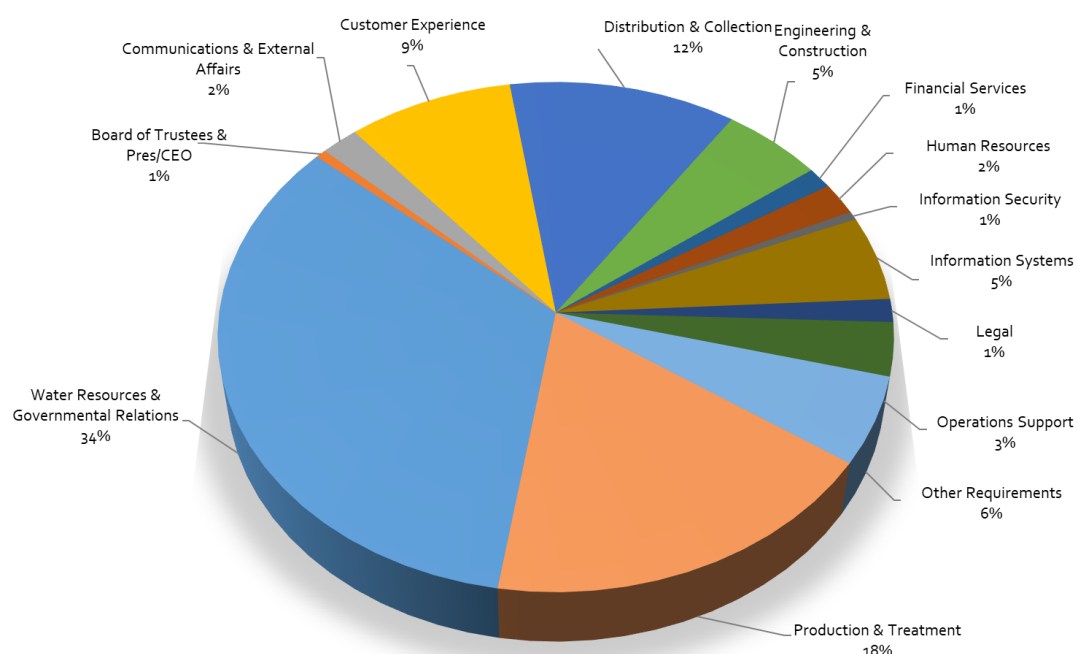


## ORGANIZATION AND STAFFING

### OPERATIONS AND MAINTENANCE SUMMARY BY GROUP

The 2024 budget for Operations and Maintenance (O&M) before capitalized costs is \$567.3 million, which is an increase of 6.0% from the 2023 budget. The O&M budget for 2024 is split between 14 groups.

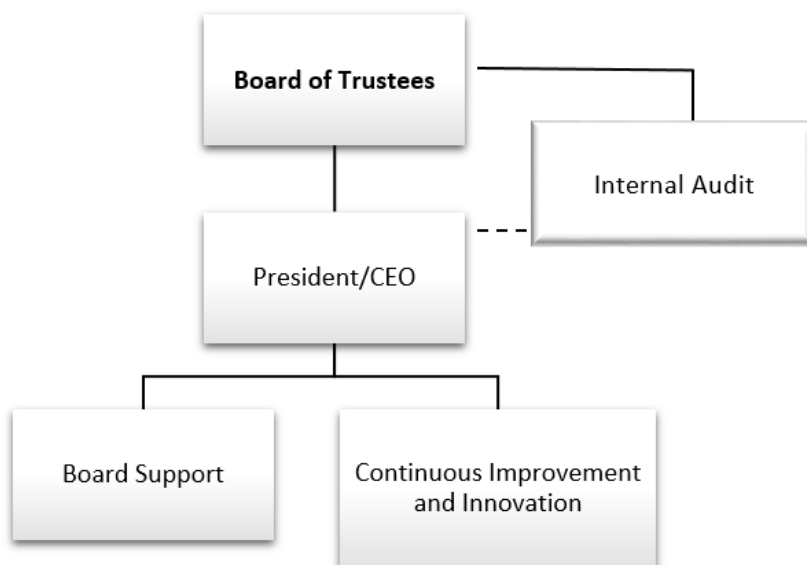
(\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Board of Trustees and Pres/CEO	\$ 2,776	\$ 2,861	\$ 2,884	\$ 3,187
Communications and External Affairs	8,706	9,808	10,876	11,178
Customer Experience and Strategic Initiatives	32,200	36,191	37,087	49,302
Distribution and Collection	56,188	60,420	63,238	67,737
Engineering and Construction	24,578	25,604	28,183	30,028
Financial Services	6,282	7,035	7,274	7,593
Human Resources	8,102	9,267	10,047	11,561
Information Security	973	1,244	1,607	2,994
Information Systems	25,131	25,820	28,800	30,555
Legal	6,367	7,091	7,618	8,292
Operations	819	853	738	-
Operations Support	17,728	19,648	18,727	19,222
Production and Treatment	78,156	96,165	93,032	101,895
Water Resources and Governmental Relations	174,385	167,784	188,069	192,190
Other Requirements	24,930	20,162	36,952	31,518
<b>Grand Total</b>	<b>\$ 467,321</b>	<b>\$ 489,953</b>	<b>\$ 535,132</b>	<b>\$ 567,252</b>



## OPERATIONS AND MAINTENANCE SUMMARIES BY GROUP

### BOARD OF TRUSTEES AND PRESIDENT/CEO

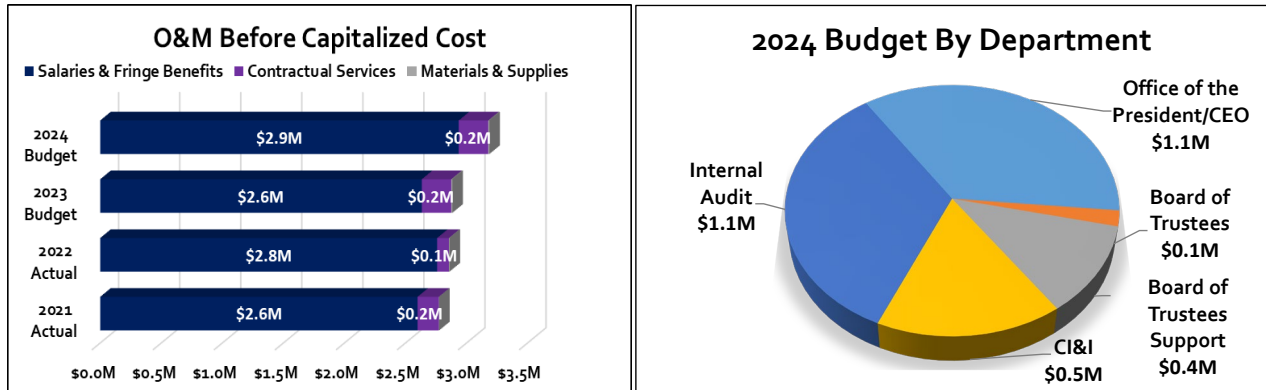
The Board of Trustees and President /CEO Group provide the overall leadership, management, direction and policy implementation for the San Antonio Water System. It consists of the Board of Trustees, Office of the President/CEO, Board support functions, the Internal Audit function and the Continuous Improvement and Innovation function.



- **Board of Trustees** – SAWS is governed by the San Antonio Water System Board of Trustees. The Board consists of the Mayor and six members appointed by the City Council. The Board of Trustees is responsible for setting the overall policy direction of the system.
- **President/CEO** – The President/CEO is responsible and accountable for leading and managing the San Antonio Water System, including the implementation of the policy goals set by the Board of Trustees and City Council. The President/CEO sets the vision and works alongside employees to achieve SAWS’ mission and goals.
- **Internal Audit** – The Internal Audit Office provides independent and objective assurance and consulting services designed to add value and improve SAWS’ operations. Internal Audit administratively reports to the President/CEO and functionally reports to the Board of Trustees.
- **Continuous Improvement and Innovation (CI&I)** – Conducts business performance reviews and process analysis across the organization to streamline operations, maximize budgetary resources, promote efficiencies, enhance customer service and implement innovative management practices.

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Office of the President-CEO	3.0	3.0	3.0	2.0
Board of Trustees Support	2.0	2.0	2.0	2.0
Continuous Improvement and Innovation	4.0	4.0	4.0	4.0
Internal Audit	5.0	5.0	5.0	7.0
<b>Total Full-Time Equivalent Positions</b>	<b>14.0</b>	<b>14.0</b>	<b>14.0</b>	<b>15.0</b>

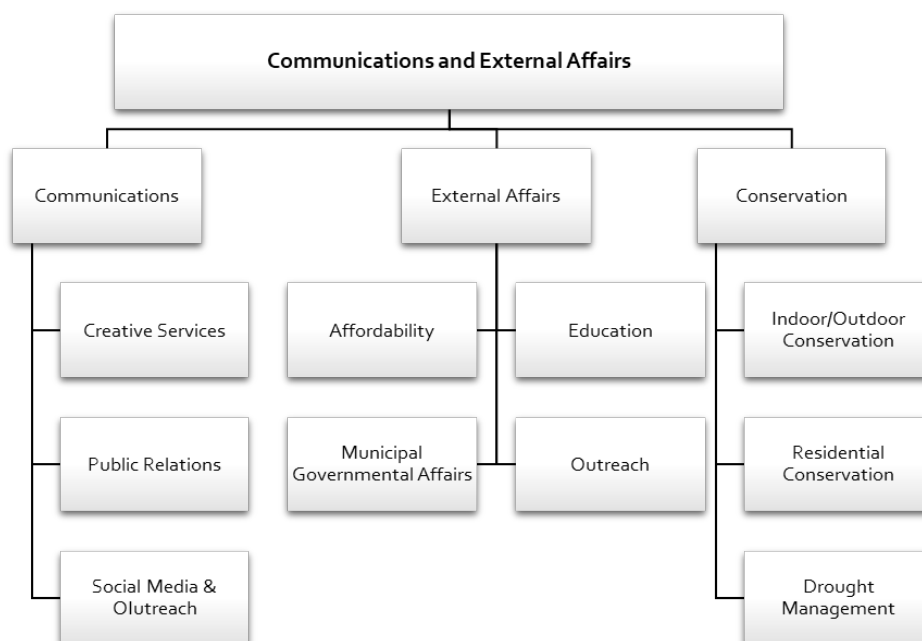
## BOARD OF TRUSTEES AND PRESIDENT/CEO



Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 2,599	\$ 2,760	\$ 2,634	\$ 2,936
Contractual Services	174	96	241	242
Materials and Supplies	3	5	9	9
Other Charges	-	-	-	-
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 2,776</b>	<b>\$ 2,861</b>	<b>\$ 2,884</b>	<b>\$ 3,187</b>
Capitalized Cost	-	-	-	-
<b>Total O&amp;M</b>	<b>\$ 2,776</b>	<b>\$ 2,861</b>	<b>\$ 2,884</b>	<b>\$ 3,187</b>
<b>Capital Outlay</b>				
	\$ -	\$ -	\$ -	\$ 3

## COMMUNICATIONS AND EXTERNAL AFFAIRS

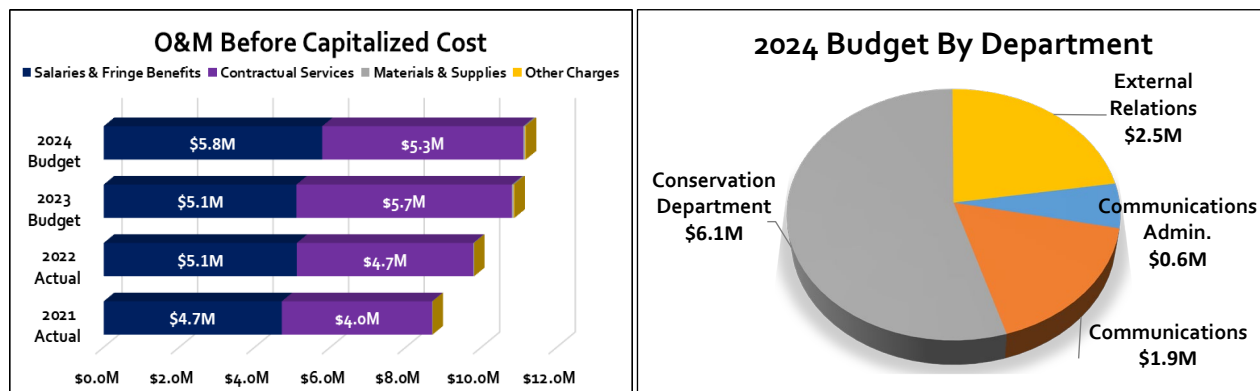
The Communications and External Affairs Group engages in proactive strategic outreach and partnerships to inform and involve SAWS customers and stakeholders, driving the image and success of the organization.



- **Communications** – Manages and directs mass communications efforts through the following departments:
  - *Creative Services* – Develops the creative content for all internal and external communication efforts including newsletters, brochures, website and advertisements.
  - *Public Relations* – Manages news media relations for accuracy and appropriate messaging in news coverage concerning SAWS. Coordinates community events, and directs advertising to promote awareness of SAWS programs, projects and image.
  - *Social Media & Outreach* – Manages and coordinates messaging (organic and paid) on nationally recognized SAWS social media channels. Plans and executes general community outreach events as well as internal SAWS events to engage employees.
- **External Affairs** – Manages outreach efforts with customers, neighborhood and civic leaders, San Antonio City Council members, suburban cities and Bexar County Commissioners Court. Implements the SAWS Uplift Program that aids our community’s most vulnerable customers so that they have access to water and sewer services. Develops and conducts adult and youth educational programs to inform and promote water awareness in our community.
- **Conservation** – Delivers nationally recognized programs that achieve cost-effective water savings while enhancing quality of life. San Antonio's cheapest source of water is conservation – water not used. To help keep rates affordable, SAWS aggressively promotes efficient commercial and residential water use through education, outreach, incentives, and drought ordinance rules.

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Communications	9.5	9.5	9.5	10.0
Communications Administration	4.0	4.0	4.0	4.0
Conservation	24.0	24.0	24.0	27.0
External Affairs	14.5	13.5	15.5	15.0
<b>Total Full-Time Equivalent Positions</b>	<b>52.0</b>	<b>51.0</b>	<b>53.0</b>	<b>56.0</b>

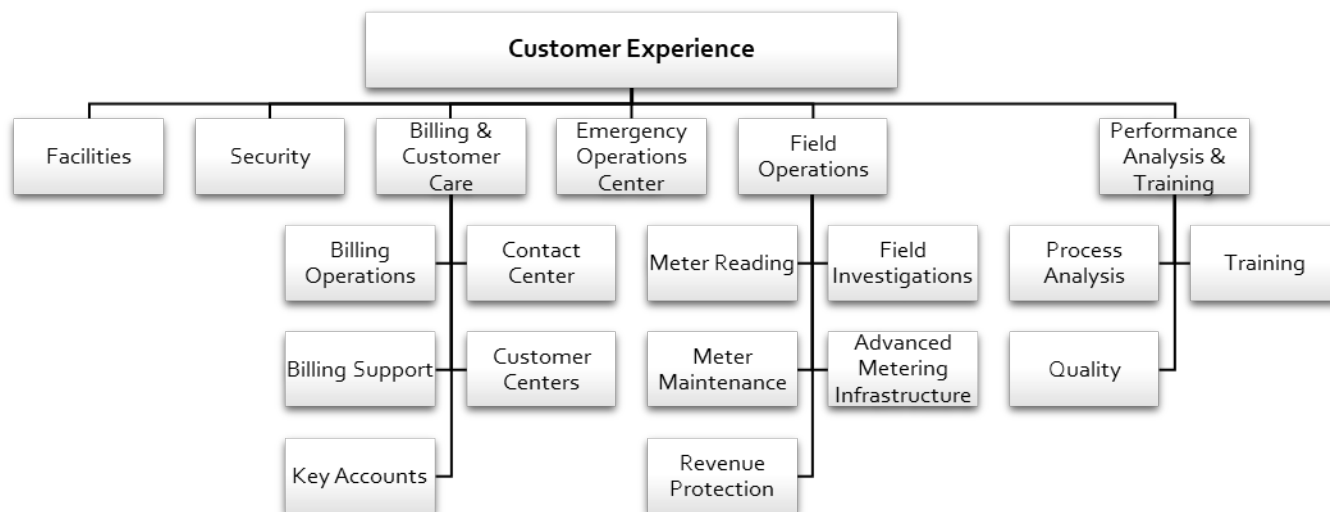
## COMMUNICATIONS AND EXTERNAL AFFAIRS



Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 4,715	\$ 5,113	\$ 5,103	\$ 5,785
Contractual Services	3,981	4,675	5,705	5,325
Materials and Supplies	10	20	53	53
Other Charges	-	-	15	15
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 8,706</b>	<b>\$ 9,808</b>	<b>\$ 10,876</b>	<b>\$ 11,178</b>
Capitalized Cost	(107)	(77)	(28)	(25)
<b>Total O&amp;M</b>	<b>\$ 8,599</b>	<b>\$ 9,731</b>	<b>\$ 10,848</b>	<b>\$ 11,153</b>
<b>Capital Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 163</b>

## CUSTOMER EXPERIENCE AND STRATEGIC INITIATIVES

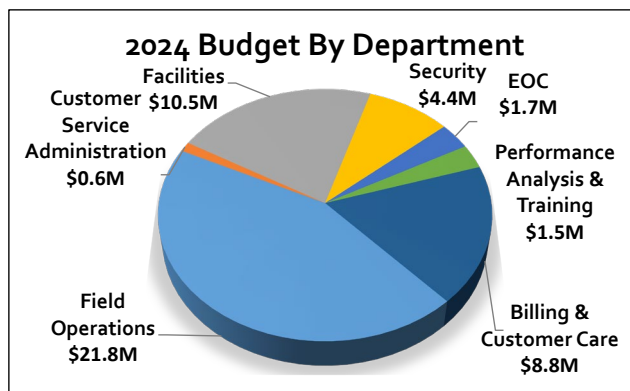
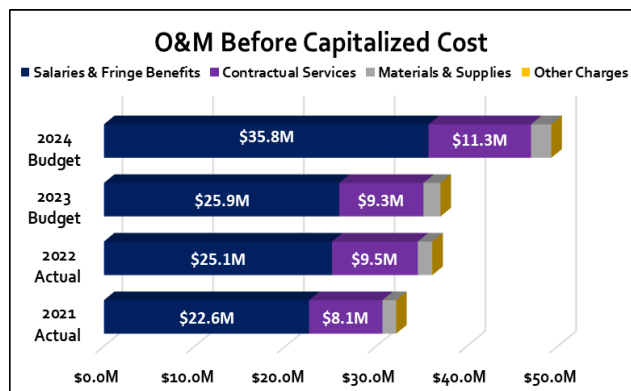
The Customer Experience Group is responsible for providing the highest level of service to SAWS customers at all times, responding in the most expedient and professional manner possible. This group is also responsible for the accurate and timely billing of SAWS customers and the maintenance of customer accounts.



- **Billing and Customer Care** – Reviews the billing process for accuracy of all SAWS bills printed daily and resolves customer billing issues. Also handles all inbound telephone, electronic and in-person customer inquiries regarding billing, account information, service problems and payments.
- **Emergency Operations Center (EOC)** – Manages the 24-hour emergency call center and reports/dispatches crews for water leaks, main breaks, and overall tactical responses to problems within the system.
- **Facilities** – Provides building maintenance and management services at SAWS facilities.
- **Field Operations** – Responsible for all meter related services including setting new meters, replacing existing meters, meter reading, service turn-on/turn-off requests, and service investigations. Manages the ConnectH2O Advanced Metering Infrastructure (AMI) operations department which is responsible for executing the program to install electronic meters across SAWS service area, managing system performance and responding to meter related alarms and events. Reduces revenue loss through theft detection efforts.
- **Performance Analysis and Training** – Responsible for data analytics, training and process improvements throughout Customer Service. Ensures quality of customer interactions.
- **Security** – Manages a proactive security program and associated support contracts for all SAWS facilities.

Full-Time Equivalent Positions	2020 Actual	2021 Actual	2022 Budget	2023 Budget
Customer Service Administration	3.0	1.0	2.0	3.0
Billing and Customer Care	137.5	150.0	149.0	150.0
Emergency Operations Center	22.0	22.0	22.0	22.0
Facilities	42.0	48.0	50.0	57.0
Field Operations	152.0	163.0	164.0	267.0
Performance Analysis and Training	15.0	16.0	16.0	16.0
Security	12.0	12.0	12.0	12.0
<b>Total Full-Time Equivalent Positions</b>	<b>383.5</b>	<b>412.0</b>	<b>415.0</b>	<b>527.0</b>

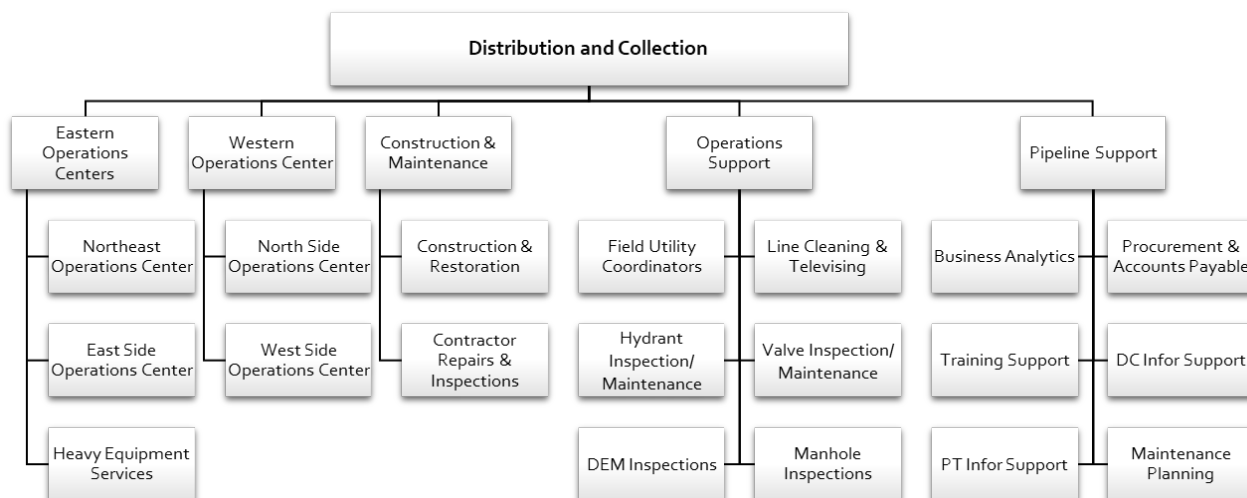
## CUSTOMER EXPERIENCE AND STRATEGIC INITIATIVES



Expenditures by Type (\$ in thousands)	2020 Actual	2021 Actual	2022 Budget	2023 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 22,599	\$ 25,125	\$ 25,915	\$ 35,765
Contractual Services	8,088	9,459	9,296	11,300
Materials and Supplies	1,509	1,603	1,873	2,234
Other Charges	4	4	3	3
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 32,200</b>	<b>\$ 36,191</b>	<b>\$ 37,087</b>	<b>\$ 49,302</b>
Capitalized Cost	(1,574)	(1,811)	(2,241)	(10,072)
<b>Total O&amp;M</b>	<b>\$ 30,626</b>	<b>\$ 34,380</b>	<b>\$ 34,846</b>	<b>\$ 39,230</b>
<b>Capital Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,161</b>

## DISTRIBUTION AND COLLECTION

The Distribution and Collection (D&C) Group operates, maintains and repairs approximately 13,700 miles of water and sewer mains, approximately 126 miles of recycled water distribution lines, and 9 miles of chilled water lines ensuring our customers receive uninterrupted, quality water and associated services.

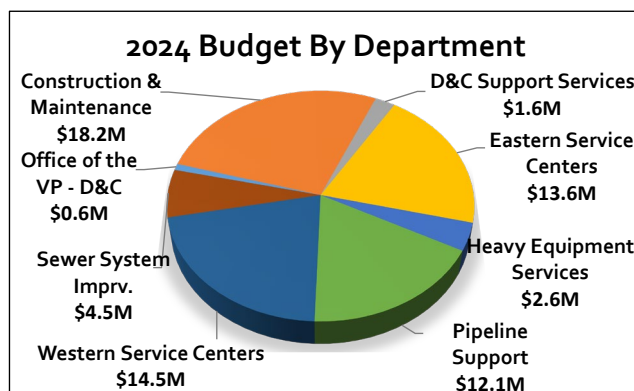
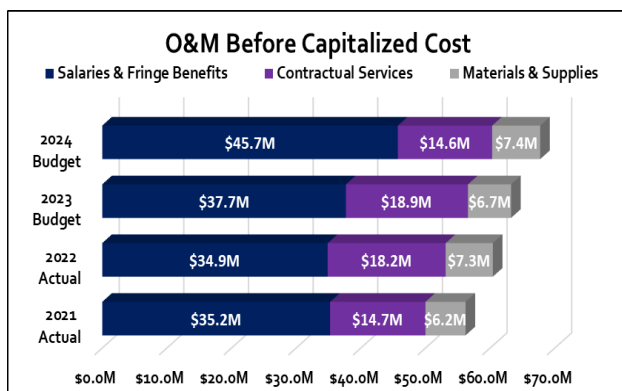


- **Operations Centers** – SAWS utility crews are mobilized from four strategically located operations centers throughout the city: Northeast, East Side, North Side and West Side. The operations centers are staffed with the necessary resources to properly repair and maintain underground water, wastewater, recycled water, and chilled water infrastructure throughout the SAWS service area, including surface restoration. Heavy Equipment Services provides tools, heavy equipment operator services, equipment repairs and materials.
- **Construction & Maintenance** – Installs, rehabilitates and replaces water and sewer infrastructure including restoration of concrete and asphalt work. Manages construction and inspection contracts for resource augmentation.
- **Pipeline Support** – Investigates water and sewer leaks, utility locates and customer complaints. Proactively maintains the wastewater collection system by cleaning and televising lines to verify condition and pinpoint defects. Manages programs for valve, fire hydrant, manhole and dead-end main inspections.
- **Operations Support** - Provides administrative support to departments within the group to include business analytics, reporting, maintenance planning, CPMS user support and training, invoice processing, procurement and data management.

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Office of the VP - Distribution and Collection	8.5	7.5	9.5	3.0
Construction and Maintenance	85.0	84.0	85.0	86.0
Distribution and Collection Support Services	41.0	41.0	41.0	10.0
Eastern Service Centers	132.0	129.0	128.0	140.0
Heavy Equipment Services	-	-	-	16.0
Pipeline Support	103.00	107.00	105.00	139.00
Sewer System Improvements	29.00	28.00	28.00	26.00
Western Service Centers	127.00	129.00	128.00	155.00
<b>Total Full-Time Equivalent Positions</b>	<b>525.5</b>	<b>525.5</b>	<b>524.5</b>	<b>575.0</b>



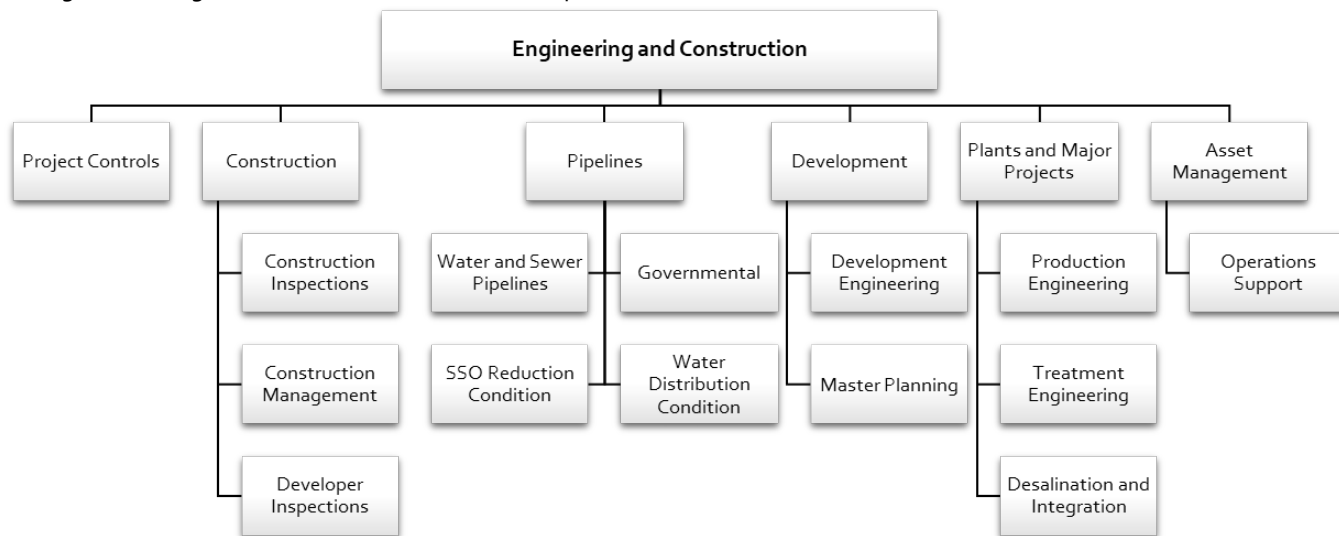
## DISTRIBUTION AND COLLECTION



Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 35,246	\$ 34,873	\$ 37,690	\$ 45,723
Contractual Services	14,743	18,248	18,882	14,581
Materials and Supplies	6,199	7,299	6,666	7,433
Other Charges	-	-	-	-
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 56,188</b>	<b>\$ 60,420</b>	<b>\$ 63,238</b>	<b>\$ 67,737</b>
Capitalized Cost	(5,765)	(3,855)	(5,610)	(5,146)
<b>Total O&amp;M</b>	<b>\$ 50,423</b>	<b>\$ 56,565</b>	<b>\$ 57,628</b>	<b>\$ 62,591</b>
<b>Capital Outlay</b>				
	\$ -	\$ 433	\$ 125	\$ 355

## ENGINEERING AND CONSTRUCTION

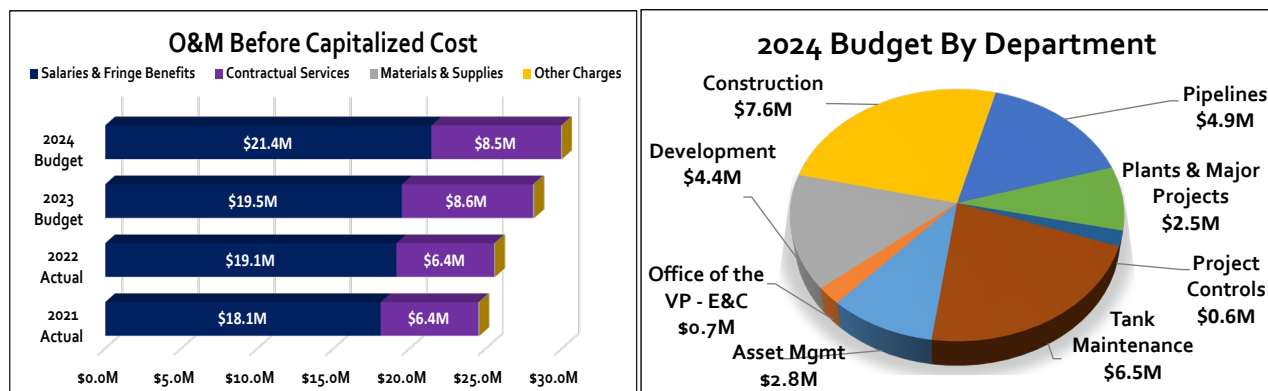
The Engineering and Construction (E&C) Group coordinates the development and execution of SAWS Capital Improvements Program (CIP). The group performs engineering analysis of existing facilities and plans new infrastructure to meet the increasing water and wastewater demands of the growing community. The group also manages the design and construction of new and replacement water and wastewater infrastructure.



- **Project Controls** – Oversees the CIP and supports Engineering and Construction through project execution. Project Controls focuses on cost, schedule, document and data management, quality control and compliance audits.
- **Construction** – Inspects water delivery, sewer, and water supply infrastructure construction projects.
- **Pipelines** – Plans and coordinates design activities, for water and wastewater system projects including replacement and rehabilitation of existing mains as well as the design of new mains. Coordinates the adjustments of SAWS facilities within public right of way (state, county and city) in accordance with the Governmental program.
- **Development** – Manages impact fee program, develops water and wastewater master plans, coordinates infrastructure necessary for new development.
- **Plants and Major Projects** – Plans and coordinates design activities for water distribution projects, potable and recycled water production facilities, and wastewater treatment plants.
- **Asset Management** - Oversees risk and condition tracking activities to maximize usage of SAWS assets and infrastructure. Support to operations is also provided by this unit.

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Office of the VP - Engineering and Construction	3.0	4.0	3.0	4.0
Asset Management	10.0	14.5	11.0	15.0
Construction	76.0	75.0	76.0	75.0
Development	35.0	35.5	36.0	37.0
Pipelines	44.0	43.0	45.0	44.0
Plants and Major Projects	21.0	20.0	21.0	21.0
Project Controls	7.0	7.0	6.0	5.0
<b>Total Full-Time Equivalent Positions</b>	<b>196.0</b>	<b>199.0</b>	<b>198.0</b>	<b>201.0</b>

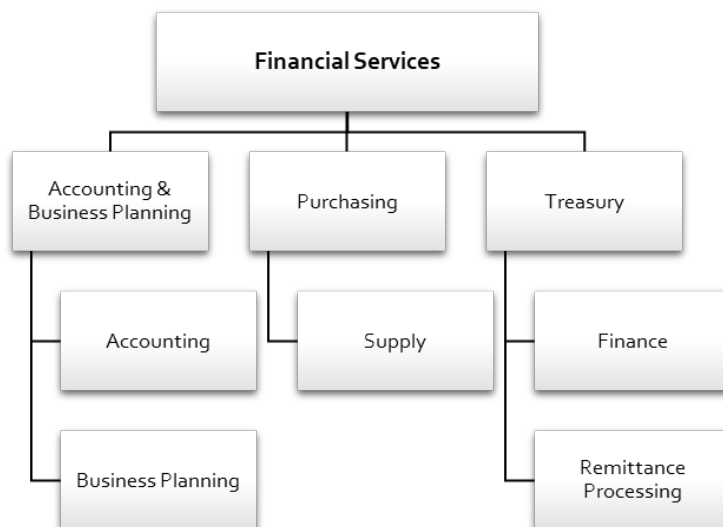
## ENGINEERING AND CONSTRUCTION



Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 18,083	\$ 19,120	\$ 19,477	\$ 21,422
Contractual Services	6,417	6,419	8,609	8,507
Materials and Supplies	78	64	97	99
Other Charges	-	1	-	-
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 24,578</b>	<b>\$ 25,604</b>	<b>\$ 28,183</b>	<b>\$ 30,028</b>
Capitalized Cost	(16,989)	(17,966)	(17,251)	(17,802)
<b>Total O&amp;M</b>	<b>\$ 7,589</b>	<b>\$ 7,638</b>	<b>\$ 10,932</b>	<b>\$ 12,226</b>
<b>Capital Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12</b>

## FINANCIAL SERVICES

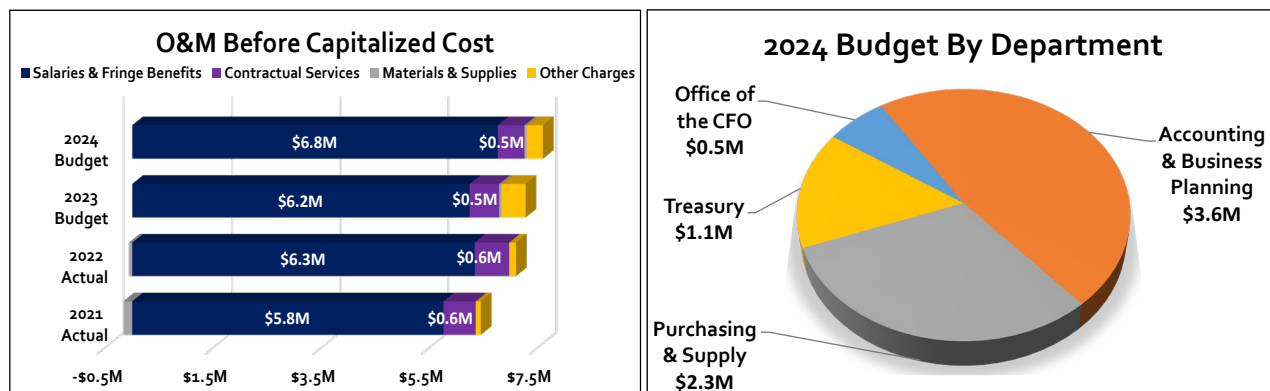
The Financial Services Group is headed by the Executive Vice President & Chief Financial Officer and ensures the utility's efficient operation by effectively managing and reporting on the corporate financial position, ensuring financial compliance with current legal and regulatory requirements, and providing timely financial support, services, and guidance to internal and external stakeholders.



- **Accounting and Business Planning:**
  - *Accounting* – Responsible for accurate and timely accounting and financial reporting through the General Accounting, Property Accounting, Payroll and Accounts Payable units.
  - *Business Planning* – Ensures that SAWS' strategic objectives are financially supported through short- and long-range financial planning; annual budget planning and preparation; and rates analysis and development to provide revenues sufficient to support operating activities and capital improvement project implementation.
- **Purchasing:**
  - *Purchasing* – Manages the processing and contracting of all procurement requests for materials, supplies and services.
  - *Supply* – Oversees the inventory control process by organizing and managing the flow of materials inventory from their initial purchase to destination.
- **Treasury:**
  - *Finance* – Responsible for banking relationships, investment, and debt management.
  - *Remittance Processing* – Customer payment processing.

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Office of the CFO	2.0	2.0	2.0	2.0
Accounting and Business Planning	30.0	30.0	30.0	30.0
Purchasing and Supply	24.0	24.0	25.0	25.0
Treasury	8.0	8.0	8.0	8.0
<b>Total Full-Time Equivalent Positions</b>	<b>64.0</b>	<b>64.0</b>	<b>65.0</b>	<b>65.0</b>

## FINANCIAL SERVICES

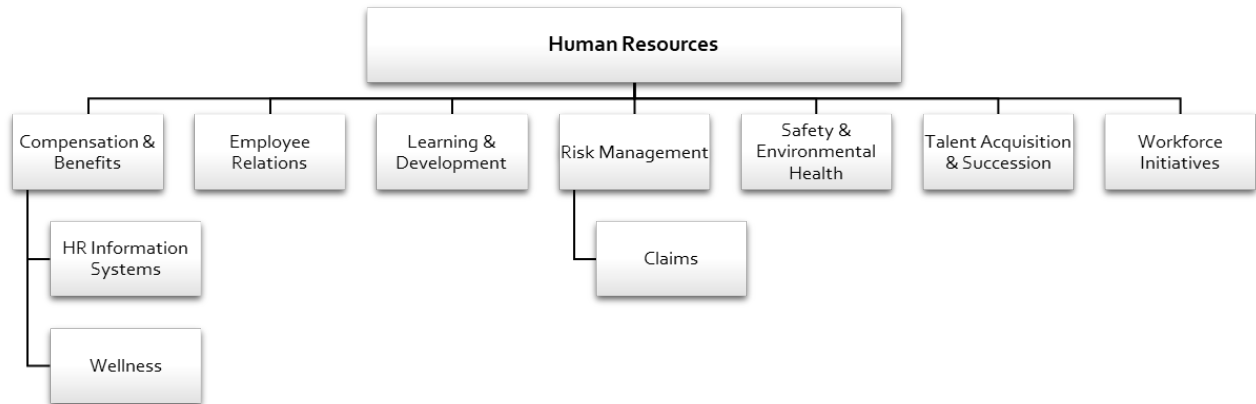


Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 5,754	\$ 6,333	\$ 6,239	\$ 6,759
Contractual Services	597	636	545	492
<i>Newspaper Published Notices*</i>	36		23	
Materials and Supplies	(163)	(60)	42	42
Other Charges	94	126	448	300
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 6,282</b>	<b>\$ 7,035</b>	<b>\$ 7,274</b>	<b>\$ 7,593</b>
Capitalized Cost	(149)	(214)	(137)	(182)
<b>Total O&amp;M</b>	<b>\$ 6,133</b>	<b>\$ 6,821</b>	<b>\$ 7,137</b>	<b>\$ 7,411</b>
<b>Capital Outlay</b>				
	\$ 37	\$ 15	\$ -	\$ -

*\*In accordance with 86R House Bill 1495*

## HUMAN RESOURCES

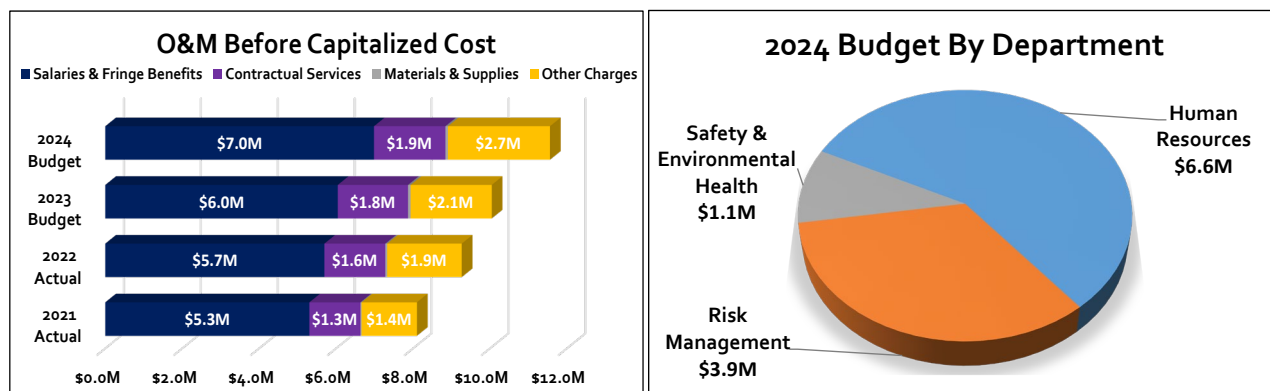
The Human Resources Group is committed to attracting and retaining a workforce of qualified employees to achieve the goals and mission of SAWS. SAWS' core values of Excellence, Integrity, and Respect are supported by developing and implementing comprehensive, innovative and proactive programs in employee relations and development, total compensation, benefits and wellness, and risk management and workplace safety. The group promotes continuous personal and professional growth for employees by focusing on the following areas:



- **Talent Acquisition & Succession** – Proactively implements recruitment strategies to attract, secure and retain top talent for SAWS. Recruits employee resources required by all administrative and operational areas. Forecasts and assists organizational areas with succession management.
- **Employee Relations** – Provides proactive assistance to employees and supervisors regarding the interpretation and implementation of policies, procedures and directives. Provides direction and oversight for a variety of employment matters, including performance and disciplinary issues, investigations into formal complaints and other workplace concerns.
- **Compensation & Benefits** – Develops and manages the employees' compensation, benefit and wellness programs, balancing competitiveness and cost efficiency for these plans and programs. Responsible for the plan development and fiscal accountability of all medical and prescription plans, pension programs, wellness initiatives and oversees the administration of these plans and programs.
- **Learning & Development** – Develops strategies and designs for organizational development, talent and performance management, employee engagement, and change management functions. Manages learning initiatives around a continuous cycle of needs analysis, design, project management, delivery, and evaluation. Helps lead culture change through processes that support organizational learning, including the continual enhancement of the performance evaluation process.
- **Risk Management** – Manages all facets of the comprehensive commercial insurance program including administration of premises risk assessments. Administers all workers' compensation, casualty and subrogation claims.
- **Safety & Environmental Health** – Coordinates all workplace safety activities to ensure a safe environment for employees. Partners with organizational management in anticipating safety challenges and exploring opportunities for improvement.
- **Workforce Initiatives** - Works on strategic Human Resources and Workforce programs in conjunction with the entire HR/Risk leadership team to increase efficiencies and increase employee satisfaction.

## HUMAN RESOURCES

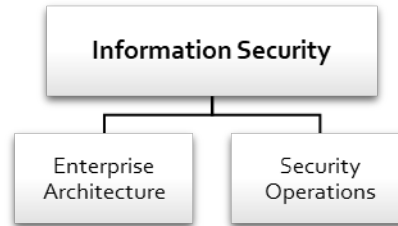
Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Human Resources	33.0	35.0	38.0	40.0
Risk Management	9.0	9.0	9.0	9.0
Safety and Environmental Health	9.0	9.0	9.0	10.0
<b>Total Full-Time Equivalent Positions</b>	<b>51.0</b>	<b>53.0</b>	<b>56.0</b>	<b>59.0</b>



Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 5,307	\$ 5,697	\$ 6,045	\$ 6,985
Contractual Services	1,327	1,584	1,826	1,856
Materials and Supplies	29	47	67	67
Other Charges	1,439	1,939	2,109	2,653
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 8,102</b>	<b>\$ 9,267</b>	<b>\$ 10,047</b>	<b>\$ 11,561</b>
Capitalized Cost	-	(15)	-	(207)
<b>Total O&amp;M</b>	<b>\$ 8,102</b>	<b>\$ 9,252</b>	<b>\$ 10,047</b>	<b>\$ 11,354</b>
<b>Capital Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

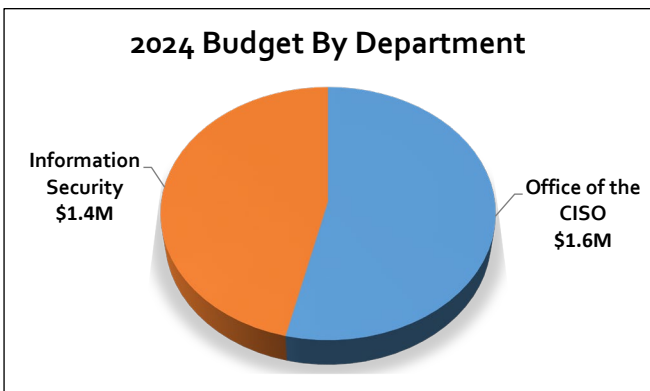
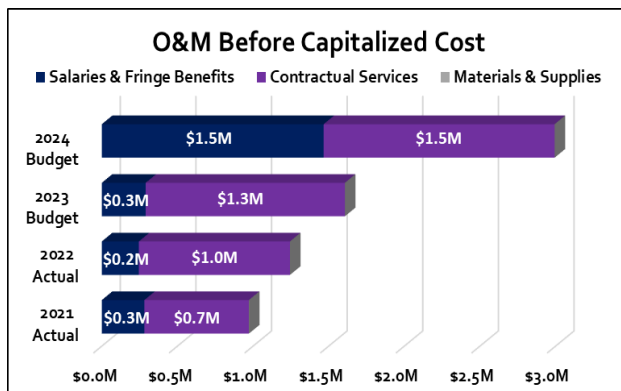
## INFORMATION SECURITY

The Information Security Group is responsible for providing architectural standards, secure system development, and the confidentiality, integrity, and availability of SAWS information technology services. This group was created in 2023 to focus on cyber-security. Prior to 2023 it was within the Information Systems Group.



- **Enterprise Architecture:** Responsible for developing and maintaining the organization’s information systems architectural vision and strategy. Oversees the implementation of architectural standards and best practices to achieve seamless integration and efficiency across different departments and information technology systems.
- **Security Operations:** Responsible for monitoring and defending SAWS information technology infrastructure and assets against cybersecurity threats. Actively monitors security alerts and incidents, investigates potential security breaches, and responds to mitigate and remediate any security issues.

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Office of the CISO	-	-	-	10.0
Information Security	3.0	2.0	2.0	-
<b>Total Full-Time Equivalent Positions</b>	<b>3.0</b>	<b>2.0</b>	<b>2.0</b>	<b>10.0</b>

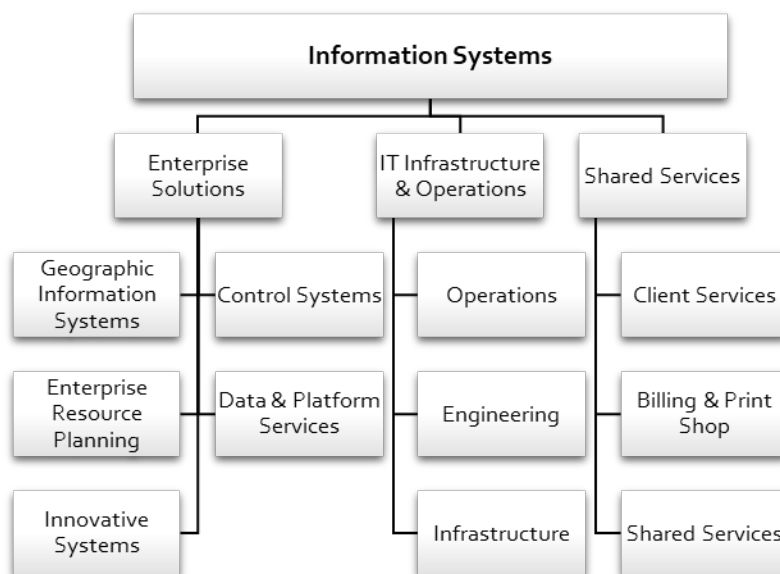


Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 281	\$ 245	\$ 290	\$ 1,467
Contractual Services	691	999	1,317	1,527
Materials and Supplies	1	-	-	-
Other Charges	-	-	-	-
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 973</b>	<b>\$ 1,244</b>	<b>\$ 1,607</b>	<b>\$ 2,994</b>
Capitalized Cost	(2)	-	(1)	(50)
<b>Total O&amp;M</b>	<b>\$ 971</b>	<b>\$ 1,244</b>	<b>\$ 1,606</b>	<b>\$ 2,944</b>
<b>Capital Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3</b>



## INFORMATION SYSTEMS

The Information Systems Group delivers quality, secure, cost-effective applications and information technology services, which promote innovation to sustain growth while enabling SAWS to better serve our valued customers.

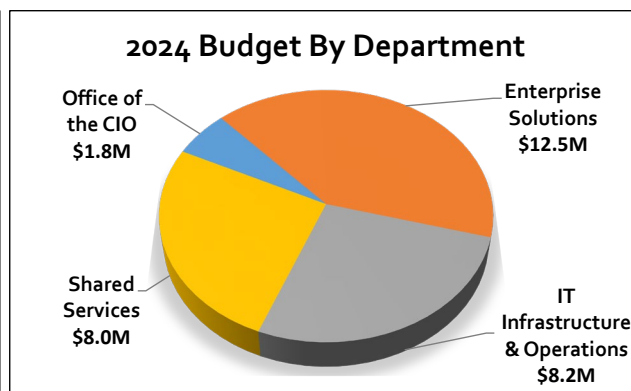
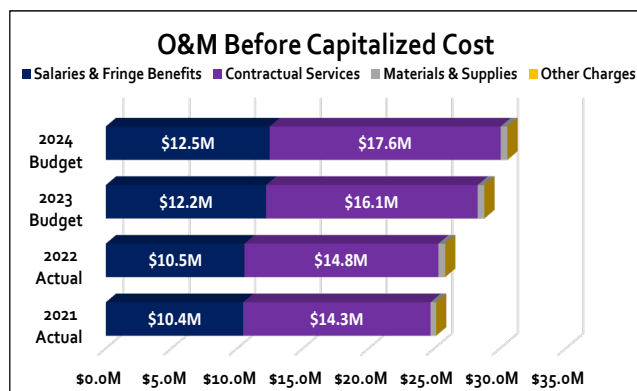


- **Enterprise Solutions:**
  - o *Geographic Information Systems (GIS)* – Develops, analyzes and delivers geographic data and solutions related to SAWS infrastructure and activities.
  - o *Control Systems* – Implements, monitors, and maintains supervisory control and data acquisition (SCADA) systems.
  - o *Enterprise Resource Planning* – Responsible for the programming, configuration, implementation, support and sustainability for all major business support applications.
  - o *Data and Platform Services* - Manages the enterprise data warehouse, business intelligence and GIS platforms to provide SAWS timely information for decision making.
  - o *Innovative Systems* – Delivers rapid and effective development of innovative solutions for SAWS with a specific focus on improving customer experience through technology.
- **Shared Services:**
  - o *Shared Services* - Supports SAWS' technology initiatives through project life-cycle management, metrics-based tracking, business process re-engineering, quality control/assurance, and organizational change management.
  - o *Client Services* – Supports workstation and related peripheral devices across SAWS, including desktop support services as well as technology, software orders and requisitions.
  - o *Billing and Print Shop* – Provides computer operations and bill printing services as well as copy services.
- **IT Infrastructure and Operations:**
  - o *Operations* – Manages telecommunication services including internet protocol (IP) telephony, teleconferencing, call center systems, interactive voice response systems, recording systems, digital radio systems and 911 systems.
  - o *Engineering* – Provides network and internet services, including all aspects of network architecture and engineering, and wired and wireless network infrastructure for SAWS facilities.

## INFORMATION SYSTEMS

- o *Infrastructure* – Responsible for all aspects of systems administration, database administration, systems software and hardware, the storage area network, backup and disaster recovery.

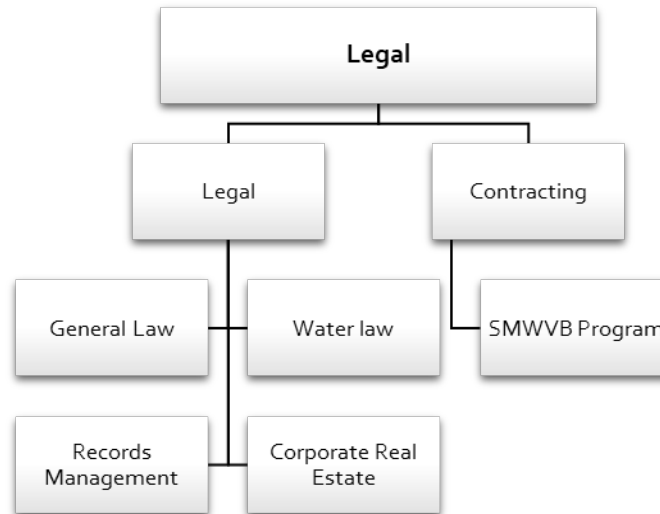
Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Office of the CIO	10.0	10.0	10.0	7.0
Enterprise Solutions	36.0	37.0	37.0	37.0
IT Infrastructure & Operations	28.5	30.5	31.5	29.0
Shared Services	27.0	28.0	29.0	30.0
<b>Total Full-Time Equivalent Positions</b>	<b>101.5</b>	<b>105.5</b>	<b>107.5</b>	<b>103.0</b>



Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 10,445	\$ 10,544	\$ 12,190	\$ 12,472
Contractual Services	14,265	14,757	16,100	17,573
Materials and Supplies	421	519	510	510
Other Charges	-	-	-	-
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 25,131</b>	<b>\$ 25,820</b>	<b>\$ 28,800</b>	<b>\$ 30,555</b>
Capitalized Cost	(2,213)	(2,318)	(2,257)	(2,590)
<b>Total O&amp;M</b>	<b>\$ 22,918</b>	<b>\$ 23,502</b>	<b>\$ 26,543</b>	<b>\$ 27,965</b>
<b>Capital Outlay</b>	<b>\$ 1,523</b>	<b>\$ 2,091</b>	<b>\$ 2,385</b>	<b>\$ 2,388</b>

## LEGAL

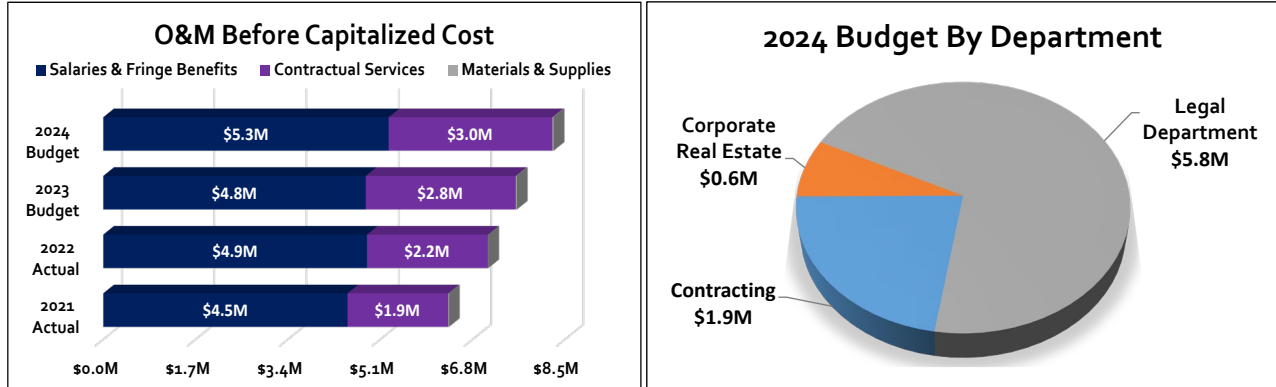
The Legal Group consists of the Legal Services Department, the Contracting Department, the Corporate Real Estate Department, and Records Management Department, whose functions are described below.



- **Legal Services** – Provides full service, in-house legal support to the SAWS’ Board of Trustees, Executive Management and staff, and manages the activities of outside legal counsel. The range of in-house legal expertise includes water supply, employment, litigation management, real estate, general transactional, environmental and public law. The Legal team also oversees the Corporate Real Estate and Records Management activities.
  - *Corporate Real Estate* – Responsible for property acquisitions, dispositions, and lease management activities. Supports all construction and maintenance activities by obtaining all rights of entry and easements.
  - *Records Management* – Manages all utility records in compliance with the Texas Local Government Records Act, Texas Public Information Act and best records management practices.
- **Contracting** – Manages the administration of all construction and professional services contracts and oversees administration of the SAWS Small, Minority and Women and Veteran Owned Business Program (SMWVB).

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Contracting	16.0	17.0	16.0	17.0
Corporate Real Estate	7.0	6.0	7.0	6.0
Legal Department	15.0	15.0	15.0	16.0
<b>Total Full-Time Equivalent Positions</b>	<b>38.0</b>	<b>38.0</b>	<b>38.0</b>	<b>39.0</b>

## LEGAL



Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 4,498	\$ 4,855	\$ 4,834	\$ 5,256
Contractual Services	1,855	2,230	2,762	3,014
Materials and Supplies	14	6	22	22
Other Charges	-	-	-	-
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 6,367</b>	<b>\$ 7,091</b>	<b>\$ 7,618</b>	<b>\$ 8,292</b>
Capitalized Cost	(2,098)	(2,227)	(2,147)	(2,778)
<b>Total O&amp;M</b>	<b>\$ 4,269</b>	<b>\$ 4,864</b>	<b>\$ 5,471</b>	<b>\$ 5,514</b>
<b>Capital Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## OPERATIONS

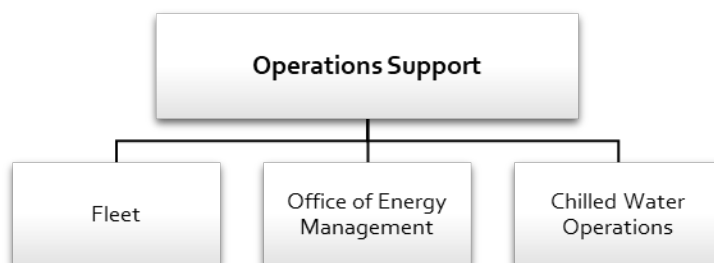
The Operations Group was managed by the Sr. Vice President and Chief Operating Officer (COO). Upon retirement of the COO the functions were distributed to other groups and this group is temporarily inactive.

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Office of Chief Operating Officer	4.0	4.0	4.0	
<b>Total Full-Time Equivalent Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>-</b>

Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 767	\$ 776	\$ 727	\$ -
Contractual Services	52	75	10	-
Materials and Supplies	-	2	1	-
Other Charges	-	-	-	-
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 819</b>	<b>\$ 853</b>	<b>\$ 738</b>	<b>\$ -</b>
Capitalized Cost	-	-	-	-
<b>Total O&amp;M</b>	<b>\$ 819</b>	<b>\$ 853</b>	<b>\$ 738</b>	<b>\$ -</b>
<b>Capital Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

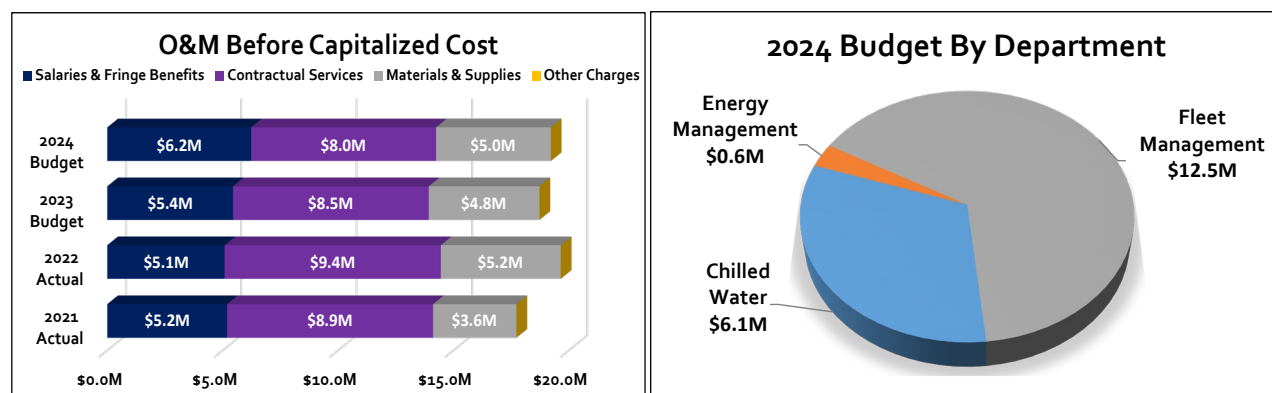
## OPERATIONS SUPPORT

The Operations Support Group oversees Fleet, Energy Management and District Chilled Water operations.



- **Fleet** – Provides comprehensive maintenance services for all SAWS vehicles and equipment. Fleet also manages the vehicle electrification initiative, vehicle replacement and disposal.
- **Office of Energy Management** – Optimizes energy demand management and efficiency rebates, electric/gas services metering, bill review and payment for all SAWS activities.
- **Chilled Water Operations** – Manages District Cooling service to customers in downtown San Antonio and at Port San Antonio, as well as marketing to new customers and services.

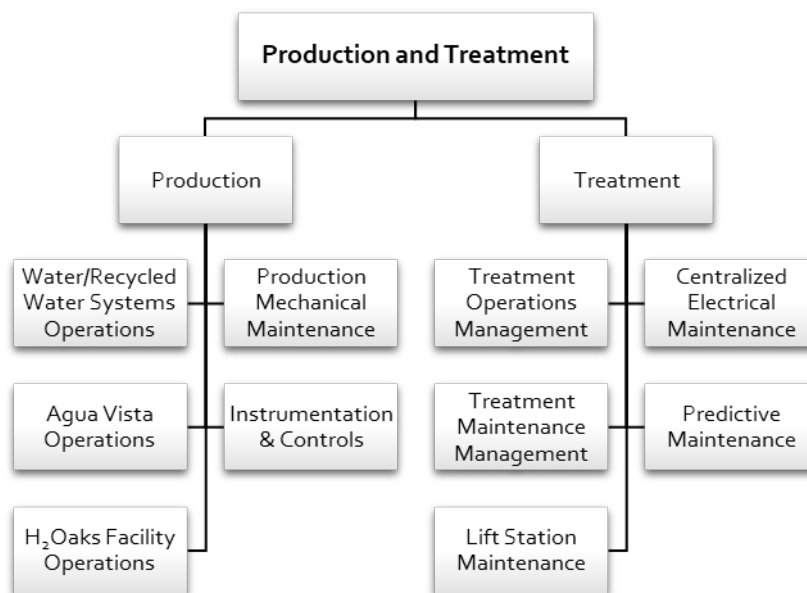
Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Chilled Water	8.0	9.0	10.0	11.0
Energy Management	4.0	4.0	4.0	4.0
Fleet Management	44.0	45.0	45.0	45.0
<b>Total Full-Time Equivalent Positions</b>	<b>56.0</b>	<b>58.0</b>	<b>59.0</b>	<b>60.0</b>



Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 5,190	\$ 5,084	\$ 5,445	\$ 6,234
Contractual Services	8,925	9,367	8,484	8,011
Materials and Supplies	3,613	5,197	4,798	4,977
Other Charges	-	-	-	-
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 17,728</b>	<b>\$ 19,648</b>	<b>\$ 18,727</b>	<b>\$ 19,222</b>
Capitalized Cost	(1,007)	(606)	(1,030)	(555)
<b>Total O&amp;M</b>	<b>\$ 16,721</b>	<b>\$ 19,042</b>	<b>\$ 17,697</b>	<b>\$ 18,667</b>
<b>Capital Outlay</b>	<b>\$ 7,071</b>	<b>\$ 5,837</b>	<b>\$ 7,254</b>	<b>\$ 10,801</b>

## PRODUCTION AND TREATMENT

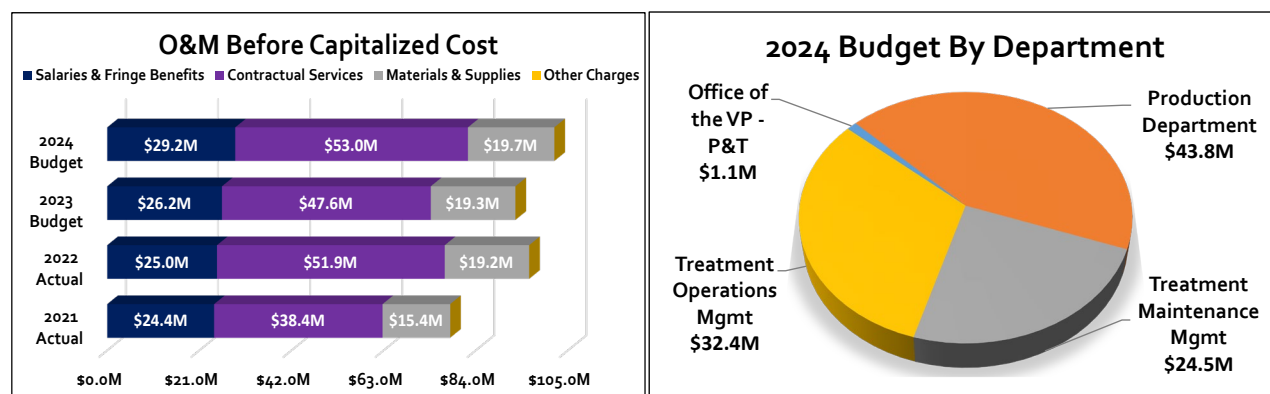
The Production and Treatment (P&T) Group provides the essential function of managing the 24-hour-a-day operation of the water and wastewater system. The group is responsible for the production of potable water; treatment of wastewater for distribution in the recycle system or discharge; processing of wastewater biosolids for ultimate disposal; distribution of recycled water for reuse purposes; management of system-wide odor control program; wastewater lift station maintenance, instrumentation and controls maintenance for treatment, production, lift station and chilled water; electrical maintenance for treatment, lift stations, production, chilled water and all facilities.



- **Production** – Manages the production of potable water across SAWS service area. Operates SAWS potable water facilities, recycled water distribution, Aqua Vista Facility, and H<sub>2</sub>Oaks Facility operation, including the Aquifer Storage and Recovery operations. Also manages the Production Mechanical Maintenance unit and Instrumentation and Controls.
- **Treatment**
  - *Centralized Electrical Maintenance* – Manages maintenance of electrical systems for all SAWS production, treatment, lift station, facilities and chilled water.
  - *Predictive Maintenance* – Performs analysis to reduce critical infrastructure failures and ultimately improve systems for production, treatment, cooling, and lift stations.
  - *Lift Station Maintenance* – Manages the maintenance of all wastewater lift station facilities.
  - *Treatment Maintenance Management* – The department is responsible for maintenance of the wastewater treatment plants (water recycling centers), recycled water outfalls, and special construction and repair projects across the system.
  - *Treatment Operations Management* – Oversees all operations of the three water recycling centers, which includes biosolids processing to ensure proper recycling or disposal in compliance with state and federal regulations. Also manages the Waste Hauler program and the Odor Control program. Additionally, operates recycled water outfalls and environmental flows into rivers.

## PRODUCTION AND TREATMENT

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Office of the VP - Production and Treatment	3.0	5.0	5.0	6.0
Office of Director - Production and Treatment Operations	1.0	-	1.0	-
Production Department	98.0	99.0	105.0	101.0
Treatment Maintenance Management	113.0	112.0	113.0	112.0
Treatment Operations Management	77.0	80.0	78.0	89.0
<b>Total Full-Time Equivalent Positions</b>	<b>292.0</b>	<b>296.0</b>	<b>302.0</b>	<b>308.0</b>

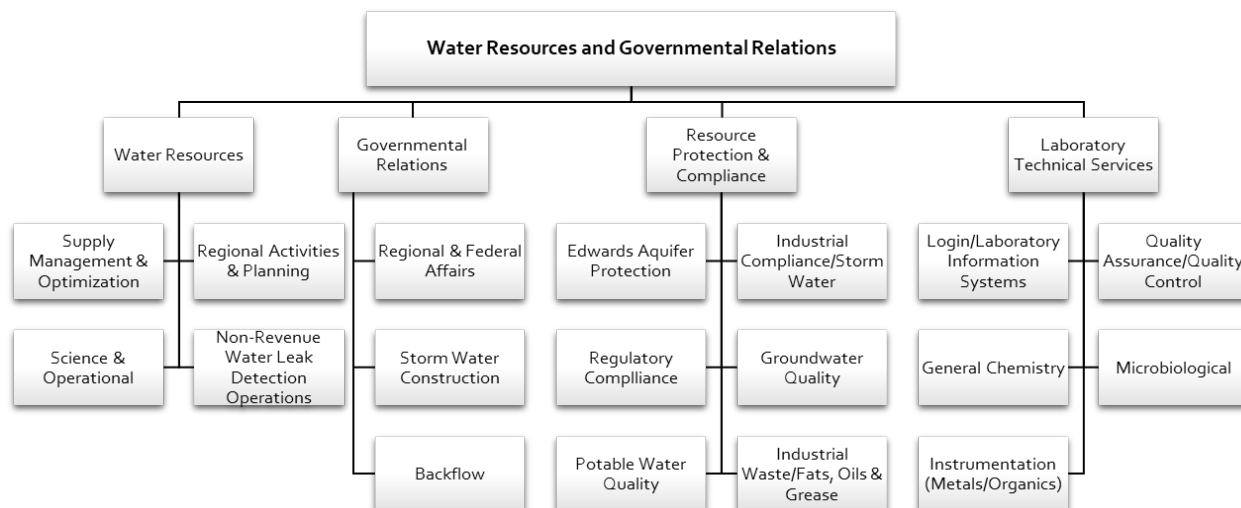


Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 24,361	\$ 25,010	\$ 26,156	\$ 29,177
Contractual Services	38,393	51,918	47,590	53,029
Materials and Supplies	15,402	19,237	19,286	19,689
Other Charges	-	-	-	-
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 78,156</b>	<b>\$ 96,165</b>	<b>\$ 93,032</b>	<b>\$ 101,895</b>
Capitalized Cost	(614)	(803)	(646)	(768)
<b>Total O&amp;M</b>	<b>\$ 77,542</b>	<b>\$ 95,362</b>	<b>\$ 92,386</b>	<b>\$ 101,127</b>
<b>Capital Outlay</b>	<b>\$ 954</b>	<b>\$ 2,056</b>	<b>\$ 1,693</b>	<b>\$ 1,470</b>



## WATER RESOURCES AND GOVERNMENTAL RELATIONS

The Water Resources and Governmental Relations (WRGR) Group is primarily responsible for development and management of water supplies, drought management and water rights acquisitions, as well as management of the Mitchell Lake Expanded Wetlands.

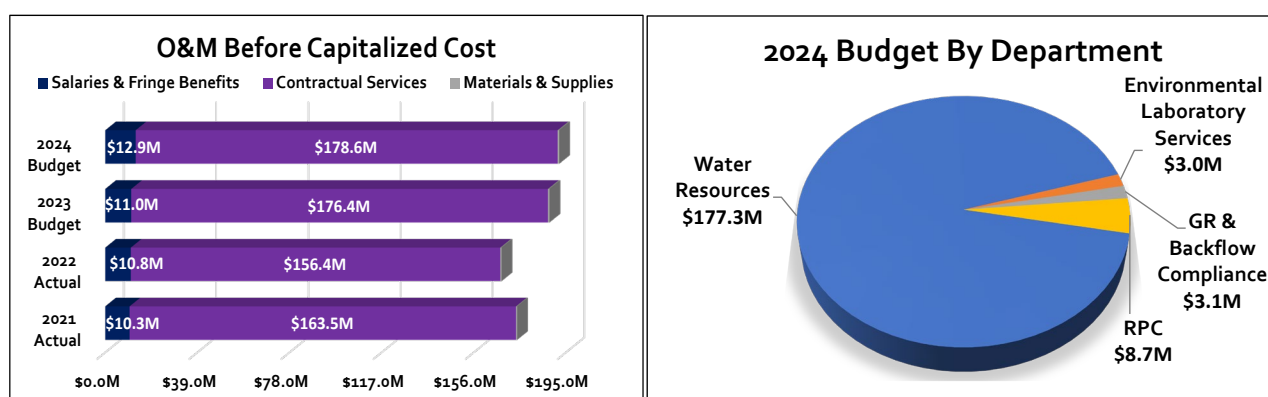


- Water Resources** – Implements the SAWS’ long-range Water Management Plan, through proactively managing existing supplies to ensure customer needs are met and leading efforts in the planning and development of new water supply opportunities to meet SAWS service area population growth. The Department has added the daily activities associated with overseeing the contract with Vista Ridge LLC, SAWS newest and largest water supply project. Water Resources is also responsible for the marketing of the direct recycled water program as well as directing efforts to minimize non-revenue water and ensuring efficient use of water supplies.
  - As part of the minimization of non-revenue water (NRW), leak detection operations are part of Water Resources - Supply, Management and Optimization functions. Leak detection consists of finding and sending hidden leakage for repair. Periodically we are requested by the Distribution and Collections Group to assist using specialized tools for expediting and narrowing down excavations for leak repairs.
- Governmental Relations (GR) & Backflow Compliance** – Identifies and manages critical governmental issues that have public impact and require the attention of executive management. Manages key strategic policy issues and relationships with elected officials and agencies at the regional, state, and federal levels. Responsible for the backflow compliance monitoring program that includes customer backflow compliance and testing activities. Also responsible for the stormwater construction inspection monitoring program.
- Resource Protection & Compliance (RPC)** – Ensures the water we serve our customers meets all federal and state standards. This is done by monitoring our various water resources, how those sources react together in distribution, and enforcing state and local regulations first adopted under the federal Clean Water Act. The Department also permits and monitors the quality of wastewater discharges to our water recycling centers in order to protect their operation, meet our permit and protect SAWS discharges to state waterways. SAWS is a co-permittee with the City of San Antonio on its stormwater permit to protect the waterways that flow through Bexar County. Besides being a regulator, the department also monitors and ensures that SAWS is meeting its requirements as a public utility.

## WATER RESOURCES AND GOVERNMENTAL RELATIONS

- Laboratory Technical Services** – Supports the environmental protection function of SAWS by providing chemical and bacteriological analyses of environmental samples including wastewater and drinking water activities. The Lab is accredited by the Texas Commission on Environmental Quality (TCEQ) under the National Environmental Laboratory Accreditation Program.

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Environmental Laboratory Services	23.0	23.0	25.0	25.0
Governmental Relations and Compliance	21.0	20.0	22.0	24.0
Resource Protection and Compliance	59.0	59.0	60.0	61.0
Water Resources	15.0	15.0	15.0	21.0
<b>Total Full-Time Equivalent Positions</b>	<b>118.0</b>	<b>117.0</b>	<b>122.0</b>	<b>131.0</b>



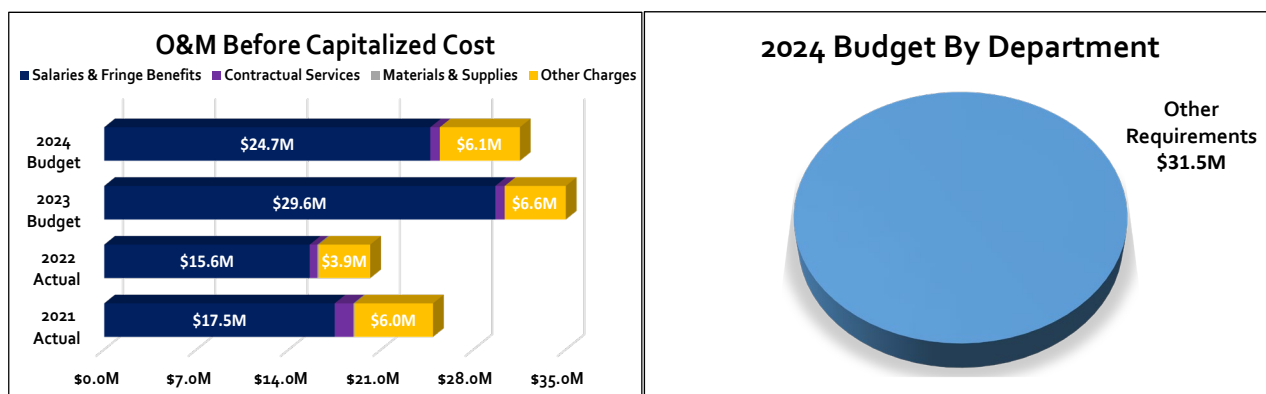
Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 10,331	\$ 10,825	\$ 11,028	\$ 12,874
Contractual Services	163,548	156,359	176,359	178,619
State Lobbying Contracts*	242	280	254	254
Materials and Supplies	506	600	682	696
Other Charges	-	-	-	1
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 174,385</b>	<b>\$ 167,784</b>	<b>\$ 188,069</b>	<b>\$ 192,190</b>
Capitalized Cost	(1)	(1)	-	(15)
<b>Total O&amp;M</b>	<b>\$ 174,384</b>	<b>\$ 167,783</b>	<b>\$ 188,069</b>	<b>\$ 192,175</b>
<b>Capital Outlay</b>	<b>\$ 253</b>	<b>\$ 158</b>	<b>\$ 563</b>	<b>\$ 372</b>

\*In accordance with 86R House Bill 1495

## OTHER REQUIREMENTS

Other Requirements has been established to account for operations and maintenance expenses that relate to the overall organization and are difficult to associate with specific departments. These expenses affect all departments across the organization and are accumulated within this department to facilitate the budgeting and accounting process. Specifically, they include funds for performance pay adjustments, dependent medical insurance, workers' compensation, unemployment compensation, accrued vacation leave, leave buyback and post-retirement medical benefits.

Full-Time Equivalent Positions	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Other Requirements	2.0	-	1.0	1.0
<b>Total Full-Time Equivalent Positions</b>	<b>2.0</b>	<b>-</b>	<b>1.0</b>	<b>1.0</b>



Expenditures by Type (\$ in thousands)	2021 Actual	2022 Actual	2023 Budget	2024 Budget
<b>O&amp;M Before Capitalized Cost</b>				
Salaries and Fringe Benefits	\$ 17,472	\$ 15,576	\$ 29,649	\$ 24,726
Contractual Services	1,418	584	715	715
Materials and Supplies	85	99	-	-
Other Charges	5,955	3,903	6,588	6,077
<b>O&amp;M Before Capitalized Cost Total</b>	<b>\$ 24,930</b>	<b>\$ 20,162</b>	<b>\$ 36,952</b>	<b>\$ 31,518</b>
Capitalized Cost	(727)	(754)	(752)	(800)
<b>Total O&amp;M</b>	<b>\$ 24,203</b>	<b>\$ 19,408</b>	<b>\$ 36,200</b>	<b>\$ 30,718</b>
<b>Capital Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## FULL TIME EQUIVALENT POSITIONS

The 2024 Budget includes funding for 2,150 full-time equivalent (FTE) positions. This reflects a net increase of 189 authorized FTE positions from the 1,961 FTE positions budgeted in 2023.

A total of 195 FTE positions were added to the 2024 Budget:

- 1 Senior Business Data Analyst to complement the IT Audit & Analytics team that was formed in 2023.
- 1 Senior Internal Auditor to fund an over-hire position that was created to support Internal Audit.
- 3 Technical Field Investigators to ensure compliance with existing irrigation and landscape standards in the SAWS service area for new customers.
- 105 new positions to support the installation of 550K electronic meters in connection with the Connect H2O Program.
  - 74 Meter Technicians
  - 14 Senior Meter Technicians
  - 7 Forepersons
  - 1 Superintendent
  - 3 Warehouse Workers
  - 3 Customer Service Associates
  - 1 Human Resources Business Partner
  - 1 Safety and Environmental Health Specialist
  - 1 Associate Corporate Counsel
- 2 Custodians to support the new Northeast Operations Center Campus and 16 SAWS facilities.
- 1 Building & Refrigeration Technician to support the new Northeast Operations Campus along with 715 SAWS sites across San Antonio and 1,800 pieces of HVAC equipment.
- 1 Facilities Maintenance Technician to support the new Northeast Operations Campus and 16 SAWS facilities.
- 1 Maintenance Inspector to support in-house grounds maintenance staff performing additional mowing, landscaping, and tree-trimming at SAWS facilities in between the monthly contracted mowing cycle.
- 3 Field Service Representatives to pick up meter reads for move-in and move-outs and perform disconnection and restoration for delinquent customers.
- 39 Utility Technicians, 4 Senior Utility Technicians and 5 Equipment Operators were converted from over-hires to budgeted FTE's. These positions have allowed D&C Operations to increase distribution system maintenance crew counts from 40 to 54 and to staff up 3 construction crews for sewer point repairs and 2 concrete/asphalt restoration crews.
- 1 Graduate Engineer to support the expansion of the pressure logging program which has been instrumental in locating broken mains and closed valves in the distribution system, researching customer pressure complaints and providing data to avoid TCEQ boil water notices.
- 1 GIS Technician to perform the daily GIS related modeling, data entry and data management in support of the Water Main Asset Management Program.
- 2 Graduate Engineers to provide support to the Project Engineers in the execution of CIP commitments.

- 1 Graduate Engineer to provide daily junior level engineering support for the Operations Support Engineering team which is responsible for overseeing the tank rehabilitation program and the execution of O&M funded improvement and replacement projects.
- 1 Human Resources Business Partner I to support the Talent Acquisition team who will help with the onboarding of new hires, assist with job fairs and assist with exit interviews
- 2 Information Security Analysts to provide more capacity to respond to and investigate security incidents in a timely manner.
- 1 Enterprise Data Director to oversee enterprise data-related functions of data management, data quality, and establish a corporate data governance and resource allocation strategy.
- 1 Desktop Support Technician who will be responsible for maintaining, analyzing, troubleshooting and repairing employee computer systems, hardware, software and computer peripherals.
- 4 Wastewater Technicians to support the water recycling centers by responding to emergency events, keeping up with daily operator responsibilities and assist in process optimization and proactive maintenance that would decrease corrective maintenance.
- 3 Leak Detection Technicians to strengthen the group in support of the CEO's directive to address the 18-20 billion gallons of water loss recorded in 2022.
- 1 Plant Engineer to support the Chilled Water system by monitoring plant control sequences and operations, providing engineering recommendations for plant optimization and control sequence modifications to improve electrical and hydraulic efficiencies, and tracking and reporting operational metrics.
- 1 Group Operations Officer in Water Resources to work with senior management and executives to align fiscal responsibility, contract compliance, technology solutions, process improvement and efficiency strategies to achieve maximum productivity.
- 6 Forepersons and 4 Field Utility Coordinators to support the Water Leak Management Plan.

A total of 11 FTE positions were removed in the 2024 Budget:

- 10 Intern positions (counted as 0.5 FTE each) have been removed from the budgeted FTE headcount. Starting in 2024, interns will not be included as budgeted FTE's and will instead be funded through O&M savings.
- 2 full-time Customer Service Associates were converted to part-time which resulted in a net decrease of 1 FTE as part-time positions count as 0.5 FTE.

The following table shows the distribution of funded FTE positions within each SAWS organizational unit authorized in each budget year from 2021 through 2024. Periodically, FTE positions and resources are reallocated among different areas of the organization to better meet changing needs. In such instances, where possible, prior year authorized FTE position levels have been restated, as reflected in the table shown below, to be consistent with the current year organizational structure.

FTEs by Organizational Unit	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Board of Trustees and Pres/CEO	14.0	14.0	14.0	15.0
Communications and External Affairs	52.0	51.0	53.0	56.0
Customer Experience and Strategic Initiatives	383.5	412.0	415.0	527.0
Distribution and Collection	525.5	525.5	524.5	575.0
Engineering and Construction	196.0	199.0	198.0	201.0
Financial Services	64.0	64.0	65.0	65.0
Human Resources	51.0	53.0	56.0	59.0
Information Security	3.0	2.0	2.0	10.0
Information Systems	101.5	105.5	107.5	103.0
Legal	38.0	38.0	38.0	39.0
Operations	4.0	4.0	4.0	-
Operations Support	56.0	58.0	59.0	60.0
Production and Treatment	292.0	296.0	302.0	308.0
Water Resources and Governmental Relations	118.0	117.0	122.0	131.0
Other Requirements	2.0	-	1.0	1.0
<b>Grand Total</b>	<b>1,900.5</b>	<b>1,939.0</b>	<b>1,961.0</b>	<b>2,150.0</b>

# CAPITAL IMPROVEMENT PROGRAM

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## CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) is a planning and budgeting tool that provides information about SAWS infrastructure needs. It identifies requirements for sustaining, restoring and modernizing the facilities and infrastructure that support water supply and delivery, wastewater collection and treatment, and chilled water requirements in the SAWS service area. It also prioritizes and schedules projects for funding and execution through a multi-year plan.

The CIP supports four core businesses: Water Supply, Water Delivery, Wastewater and Chilled Water. Water Supply CIP consists of projects to develop long-term water supplies from surface and groundwater sources, including any transmission pipelines required to deliver these water supplies to SAWS service area. Water Delivery provides for the expansion, improvement and replacement of infrastructure required to produce and deliver water to the customer while wastewater CIP focuses on infrastructure for the collection and treatment of wastewater. Chilled Water CIP provides for the expansion, improvement and replacement of infrastructure required to generate and deliver chilled water to customers in the downtown and Port San Antonio areas.

The 2024 CIP program totals \$567.6 million and is summarized in the table below.

(\$ in millions)	Water Supply	Water Delivery	Wastewater	Chilled Water	Total
<b>Sources of Funds</b>					
System Revenues	\$ 10.5	\$ 44.5	\$ 69.3	\$ -	\$ 124.3
Capital Recovery Fees	7.0	34.0	38.0	-	79.0
New Debt Proceeds	-	221.0	130.1	-	351.1
Existing Debt Proceeds	-	-	-	13.2	13.2
<b>Total Sources of Funds</b>	<b>\$ 17.5</b>	<b>\$ 299.5</b>	<b>\$ 237.4</b>	<b>\$ 13.2</b>	<b>\$ 567.6</b>
<b>Uses of Funds</b>					
Corporate	1.1	21.9	12.7	-	35.7
Governmental	-	42.0	21.0	-	63.0
Mains - New	-	42.1	162.2	-	204.3
Mains - Replacements	-	43.4	20.4	-	63.8
Water Resources	5.4	-	-	-	5.4
Production	-	138.3	-	-	138.3
Treatment	-	-	9.8	-	9.8
Chilled Water	-	-	-	13.2	13.2
Recycled Water	1.0	-	-	-	1.0
Overhead	10.0	11.8	11.3	-	33.1
<b>Total Uses of Funds</b>	<b>\$ 17.5</b>	<b>\$ 299.5</b>	<b>\$ 237.4</b>	<b>\$ 13.2</b>	<b>\$ 567.6</b>

The 2024 Water Supply program totals \$17.5 million and includes \$10.0 million in overhead costs, which primarily cover direct costs associated with SAWS personnel that will support the ConnectH2O Program and \$5.4 million for improvements to the Aquifer Storage and Recovery (ASR) lime storage system.

The 2024 Water Delivery program totals \$299.5 million for production facilities upgrades, infrastructure replacements and new water main extensions. Overall, the total level of CIP investment in Water Delivery infrastructure for 2024 is 41.0% higher than SAWS average annual investment in Water Delivery infrastructure over the last five years, reflecting the need to begin investing more in Water Delivery as the Wastewater Consent Decree capital requirements begin to lessen.

The 2024 Wastewater program totals \$237.4 million. The Wastewater CIP amount includes \$115.9 million (48.8% of the total), to support the rehabilitation and replacement of wastewater mains identified through the SAWS Sanitary Sewer Overflow Reduction Program (SSORP). These projects have been prioritized and scheduled to meet the requirements of SAWS Consent Decree with the federal government.

The overall funding split for the 2024 water production and delivery and the wastewater collection and treatment program is 66% repairs and replacements and 34% additional capacity to support new growth and development.

### **SIGNIFICANT NON-ROUTINE CAPITAL EXPENDITURES**

The majority of SAWS' CIP projects provide for routine, ongoing expenditures for major repair or replacement of infrastructure. Projects that are typically "one-time" in nature and involve the development of a new water supply, the construction of new water production or wastewater treatment facilities or the acquisition of new technology that enhances service delivery could be considered significant non-routine capital expenditures.

The following project fits the above criteria and is not considered a routine expenditure:

- (1) Pump Station Generators & Resiliency Measures (\$64.3 million). As required by state law, this project would implement improvements to harden water pump stations and provide for on-site generators to ensure continuity of water services during an extreme weather emergency such as Winter Storm Uri experienced in February 2021.

## 2024 CAPITAL IMPROVEMENT PLAN SUMMARY

<i>Core Business</i>	<i>CIP Category / Project Title</i>	<i>Phase</i>	<i>Programmed Amount<sup>1</sup></i>
<b>Water Delivery</b>			
<b>Corporate</b>			
	Eastside Operations Center Fuel Facility	Construction	5,250,000
	General Legal Services - WD	Acquisition	151,404
	Water Delivery OCCC	Construction	16,531,316
	Water Delivery Overhead	Overhead	11,750,000
	<b>Corporate Total</b>		<b>33,682,719</b>
<b>Mains - Replacement</b>			
	Dead-End Water Main Elimination	Construction	6,615,000
	Governmental Water Mains	Construction	42,000,000
	Highland-Goliad Water Main Replacement	Construction	13,000,428
	Valves, Services and Meter Replacements	Construction	17,850,000
	Water Main Replacement Engineering Contract	Design	4,462,500
	Water Main Replacement Geotechnical Services Contract	Design	210,000
	<b>Mains - Replacement Total</b>		<b>84,137,928</b>
<b>Mains - New</b>			
	Mathis Rd. - Hardy Rd. to Waterwood Pass Approach Main	Construction	4,250,400
	Water Main Oversizing	Construction	38,474,008
	West Groesenbacher Road New Water Main	Design	709,458
	<b>Mains - New Total</b>		<b>43,433,866</b>
<b>Production</b>			
	Evans PZ 1258 Booster Station Improvements Project	Design	787,500
	Indian Hills and Verano Elevated Storage Tanks	Construction	33,591,577
	King Street Pump Station Rehabilitation and New Well #6	Construction	5,565,087
	Knights Cross Standpipe No. 2	Construction	8,925,000
	Marbach Pump Station Rehabilitation (Phase 9)	Construction	11,709,294
	Old Pearsall Pump Station Test Well	Construction	525,000
	Patton 2.0 MG Elevated Storage Tank	Design	2,940,000
	Production Facilities Engineering Contract	Design	1,575,000
	Pump Station Generators and Resiliency Measures	Design/Construction	64,251,906
	Silver Mountain Pump Station Upgrades	Construction	8,400,000
	<b>Production Total</b>		<b>138,270,364</b>
<b>Water Delivery Total</b>			<b>\$ 299,524,877</b>
<b>Wastewater</b>			
<b>Corporate</b>			
	Eastside Operations Center Fuel Facility	Construction	5,250,000
	General Legal Services - WW	Acquisition	417,054
	Wastewater OCCC	Construction	7,087,500
	Wastewater Overhead	Overhead	11,250,000
	<b>Corporate Total</b>		<b>24,004,554</b>
<b>Mains - Replacement</b>			
	Governmental Wastewater Mains	Construction	21,000,000
	Main Replacements - Wastewater	Construction	3,675,000
	Wastewater Laterals	Construction	5,565,000
	Wastewater Main Replacement Construction (CMOM)	Construction	32,360,079
	Wastewater Main Replacement Engineering Contract	Design	4,474,889
	Wastewater Main Replacement Geotechnical Services Contract	Design	210,000
	W-52 Culebra Creek Sewer Capacity Relief Project	Construction	37,947,397
	W-9 Upper Leon Creek Sewer Capacity Storage and Relief Project	Construction	77,988,095
	<b>Mains - Replacement Total</b>		<b>183,220,460</b>
<b>Mains - New</b>			
	Wastewater Main Oversizing	Construction	20,373,360
	<b>Mains - New Total</b>		<b>20,373,360</b>

<sup>1</sup> Includes 5.0% projected inflation

## 2024 CAPITAL IMPROVEMENT PLAN SUMMARY

<i>Core Business</i>	<i>CIP Category / Project Title</i>	<i>Phase</i>	<i>Programmed Amount<sup>1</sup></i>
<b>Wastewater, continued</b>			
<b>Treatment</b>			
	Medio Creek WRC Control System Upgrades	Design	1,775,550
	Medio Creek WRC Influent Lift Station Improvements	Design	1,620,150
	Salado Creek WRC Flow Management Upgrades	Design	3,855,600
	Steven M. Clouse WRC Flow Management Upgrades	Design	1,036,350
	Treatment Facilities Engineering Contract	Design	1,575,000
	<b>Treatment Total</b>		<b>9,862,650</b>
<b>Wastewater Total</b>			<b>\$ 237,461,023</b>
<b>Water Supply</b>			
<b>Recycled Water</b>			
	Recycled Water OCCC	Construction	262,500
	Recycled Water Governmental Adjustments	Construction	420,000
	Recycled Water Overhead	Overhead	325,000
	<b>Recycled Water Total</b>		<b>1,007,500</b>
<b>Water Resources</b>			
	General Legal Services - WR	Acquisition	26,250
	H2Oaks ASR Lime System Improvements Project	Construction	5,418,000
	Water Resources OCCC	Construction	1,050,000
	Water Resources Overhead	Overhead	10,000,000
	<b>Water Resources Total</b>		<b>16,494,250</b>
<b>Water Supply Total</b>			<b>\$ 17,501,750</b>
<b>Chilled Water</b>			
<b>Chilled Water</b>			
	Central Plant Electrical, Cooling Tower, and Metering Upgrades	Construction	7,120,850
	Chilled Water OCCC	Construction	134,400
	Chilled Water Overhead	Overhead	325,000
	General Legal Services - CW	Acquisition	52,500
	Port SA Building 1625 Plant Chiller #1 Replacement	Construction	903,310
	Port SA Building 1625 Plant Controls	Construction	1,155,127
	Port SA Building 356 Plant Electrical Upgrades and Controls	Construction	3,465,382
	<b>Chilled Water Total</b>		<b>\$ 13,156,569</b>
<b>Grand Total</b>			<b>\$ 567,644,219</b>

<sup>1</sup> Includes 5.0% projected inflation

## CIP PROJECT DATA



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## **WATER DELIVERY**





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**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
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<b>Project:</b>	<b>Eastside Operations Center Fuel Facility</b>	
<b>Project ID:</b>	Pro-11533	
<b>Programmed Amount:</b>	\$5,250,000	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Corporate WD	
<b>Phase:</b>	Construction	
<b>Council District:</b>	District 02	
<p><b>Description and Scope:</b></p> <p>This project will construct a new fueling facility at the Eastside Operations Center (ESOC) using above-ground fuel storage tanks (AGTs), a new ice and water station for SAWS crews, a new waste oil collection system with above-ground waste oil tanks for fleet services, a new emergency generator to provide emergency power for the service center, relocation of an existing emergency generator to power the supply building and new fuel station. This project also includes removal of the existing fuel station, site grading improvements, fencing, lighting, and paving work.</p> <p><b>Justification:</b></p> <p>ESOC is one of SAWS main hubs for emergency response for Distribution and Collection. The fuel station at ESOC is currently in poor condition and unreliable. The UGTs are more than 30 years old and have reached the end of their service life. If the fuel station goes down, crews must drive to Mission Road Service Center, Steven M. Clouse Water Recycling Center, or Northeast Operations Center to refuel. The emergency generator serving ESOC is also not large enough to adequately serve the new Operations Center so electrical service to some critical components are not available in the event we lose power at the facility.</p>		
<b>Project:</b>	<b>General Legal Services - WD - 2024</b>	
<b>Project ID:</b>	Pro-12319	
<b>Programmed Amount:</b>	\$151,404	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Corporate WD	
<b>Phase:</b>	Acquisition	
<b>Council District:</b>	System Wide	
<p><b>Description and Scope:</b></p> <p>Specialized legal support is required for critical projects.</p> <p><b>Justification:</b></p> <p>External legal support is sought only when there is insufficient internal legal staff to support the effort, or specialized legal expertise is required.</p>		



**SAN ANTONIO WATER SYSTEM**  
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<b>Project:</b>	Water Delivery OCCC - 2024																			
<b>Project ID:</b>	Pro-12324																			
<b>Programmed Amount:</b>	\$16,531,316																			
<b>Core Business:</b>	Water Delivery																			
<b>Category:</b>	Corporate WD																			
<b>Phase:</b>	Construction																			
<b>Council District:</b>	System Wide																			
<p><b>Description and Scope:</b></p> <p>The Owner Controlled Construction Changes (OCCC) fund was established to improve monitoring and efficiency of construction requested by SAWS. Funding amounts are determined by reviewing historical data and project schedules to determine the estimated amount needed for present and future years.</p> <p><b>Justification:</b></p> <p>Changes that occur on construction projects must be approved by SAWS Board of Trustees if over \$100,000.</p>																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Project:</b></td> <td style="width: 40%;">Water Delivery Overhead - 2024</td> <td rowspan="7" style="width: 40%; text-align: center; vertical-align: middle;">  </td> </tr> <tr> <td><b>Project ID:</b></td> <td>Pro-12325</td> </tr> <tr> <td><b>Programmed Amount:</b></td> <td>\$11,750,000</td> </tr> <tr> <td><b>Core Business:</b></td> <td>Water Delivery</td> </tr> <tr> <td><b>Category:</b></td> <td>Corporate WD</td> </tr> <tr> <td><b>Phase:</b></td> <td>Overhead</td> </tr> <tr> <td><b>Council District:</b></td> <td>System Wide</td> </tr> <tr> <td colspan="3" style="padding: 10px;"> <p><b>Description and Scope:</b></p> <p>SAWS overhead costs cover the direct costs associated with SAWS personnel that manage and support CIP projects during the capitalizable phases of the project. The overhead costs were calculated primarily using the capitalized costs from staff time charged using the CIP Time Tracker on an annualized basis and analyzing the remaining 2023 and prior year CIP projects and the future 2024 CIP projects.</p> <p><b>Justification:</b></p> <p>Overhead costs are applied to SAWS personnel costs to capture direct incremental costs associated with SAWS personnel that support the development and construction of CIP projects.</p> </td> </tr> </table>			<b>Project:</b>	Water Delivery Overhead - 2024		<b>Project ID:</b>	Pro-12325	<b>Programmed Amount:</b>	\$11,750,000	<b>Core Business:</b>	Water Delivery	<b>Category:</b>	Corporate WD	<b>Phase:</b>	Overhead	<b>Council District:</b>	System Wide	<p><b>Description and Scope:</b></p> <p>SAWS overhead costs cover the direct costs associated with SAWS personnel that manage and support CIP projects during the capitalizable phases of the project. The overhead costs were calculated primarily using the capitalized costs from staff time charged using the CIP Time Tracker on an annualized basis and analyzing the remaining 2023 and prior year CIP projects and the future 2024 CIP projects.</p> <p><b>Justification:</b></p> <p>Overhead costs are applied to SAWS personnel costs to capture direct incremental costs associated with SAWS personnel that support the development and construction of CIP projects.</p>		
<b>Project:</b>	Water Delivery Overhead - 2024																			
<b>Project ID:</b>	Pro-12325																			
<b>Programmed Amount:</b>	\$11,750,000																			
<b>Core Business:</b>	Water Delivery																			
<b>Category:</b>	Corporate WD																			
<b>Phase:</b>	Overhead																			
<b>Council District:</b>	System Wide																			
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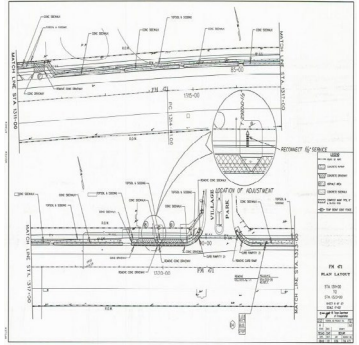
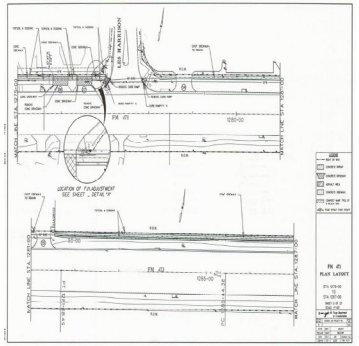
**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
**PROJECT DATA SHEET**

<p><b>Project:</b> Dead-End Water Main Elimination - 2024</p> <p><b>Project ID:</b> Pro-12335</p> <p><b>Programmed Amount:</b> \$6,615,000</p> <p><b>Core Business:</b> Water Delivery</p> <p><b>Category:</b> Main Replacement - Water</p> <p><b>Phase:</b> Construction</p> <p><b>Council District:</b> System Wide</p>	
<p><b>Description and Scope:</b></p> <p>The Dead-End Main (DEM) Flushing Program is a required program to meet Texas Commission on Environmental Quality (TCEQ) regulations. There are approximately 10,397 DEMs in the SAWS distribution system. DEM locations are reviewed for abandonment or elimination due to potential quality issues resulting from the mains not holding chlorine residual, which cannot be solved with auto-flushers. The design consultant for this project prepared design plans to eliminate 34 dead-end water mains that are the most practical to eliminate. This funding is for construction work associated with eliminating these DEMs that were designed in 2022. This is part of an on-going program to satisfy TCEQ requirements.</p> <p><b>Justification:</b></p> <p>TCEQ highly encourages DEM's to be eliminated where practical. Implementation of the DEM Elimination Project will reduce the overall number of DEMs required to be flushed. Eliminating the DEMs where feasible will reduce staff time and resources in flushing these sites.</p>	
<p><b>Project:</b> Governmental Water Mains - 2024</p> <p><b>Project ID:</b> Pro-12339</p> <p><b>Programmed Amount:</b> \$42,000,000</p> <p><b>Core Business:</b> Water Delivery</p> <p><b>Category:</b> Governmental Water</p> <p><b>Phase:</b> Construction</p> <p><b>Council District:</b> System Wide</p>	
<p><b>Description and Scope:</b></p> <p>The governmental water mains program consists of projects implemented in conjunction with other government agencies infrastructure work. The program includes replacement of water mains in poor condition, adjustment of water mains whose existing alignment conflicts with proposed new street alignment, and installation of new water mains needed to provide additional capacity.</p> <p>SAWS participates in the Utility Coordination Council and jointly plans and reviews infrastructure improvements with COSA, Bexar County, CPS, TXDOT, AT&amp;T, and other agencies, to maximize effectiveness of public infrastructure.</p> <p><b>Justification:</b></p> <p>Replacing and/or adjusting aging infrastructure in conjunction with other agencies planned street work is the most cost-effective approach to infrastructure management. It minimizes the cost of construction and the potential of utility failure under a new street.</p>	

**SAN ANTONIO WATER SYSTEM**  
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<b>Project:</b>	Highland-Goliad Water Main Replacement	
<b>Project ID:</b>	Pro-11628	
<b>Programmed Amount:</b>	\$13,000,428	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Main Replacement - Water	
<b>Phase:</b>	Construction	
<b>Council District:</b>	District 03	
<p><b>Description and Scope:</b></p> <p>The Highland-Goliad Water Main Replacement Project will install approximately 3.3 miles of new 8-inch and 12-inch water mains in the neighborhood northwest of the Goliad Road and East Southcross Boulevard intersection. The existing pipes will be abandoned in the alleys and the new main will be installed in the streets. Yard piping will be installed to connect existing services to the new water mains.</p> <p><b>Justification:</b></p> <p>The purpose of this project is to replace deteriorating water mains that have a high probability of failure and are near the end of their useful life. The mains are made of Asbestos Cement pipe, Cast Iron, Ductile Iron and Concrete Pressure pipe with a maximum age of 72 years. Additionally, these mains have a history of water main failure and service line failure work orders over the past 10 years. Most of the mains are in alleys and will require alley services to be rerouted to new mains replaced in the streets.</p>		
<b>Project:</b>	Valves, Services and Meter Replacements - 2024	
<b>Project ID:</b>	Pro-12337	
<b>Programmed Amount:</b>	\$17,850,000	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Main Replacement - Water	
<b>Phase:</b>	Construction	
<b>Council District:</b>	System Wide	
<p><b>Description and Scope:</b></p> <p>This project funds the replacement of water mains, valves, hydrants, and meters within the SAWS distribution system. When infrastructure fails, it is evaluated to determine the best repair method. When replacement is necessary, it is evaluated to determine whether replacement by SAWS crews or a contractor would be more effective and efficient.</p> <p><b>Justification:</b></p> <p>Replacement work is necessary to restore service and is more efficient than repair.</p>		

**SAN ANTONIO WATER SYSTEM**  
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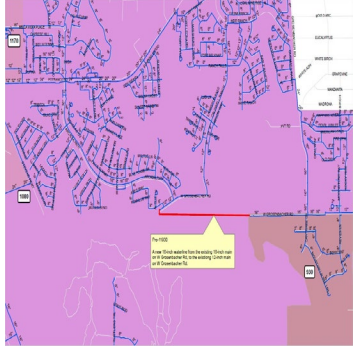

<b>Project:</b>	<b>Water Main Replacement Engineering Contract - 2024</b>	
<b>Project ID:</b>	Pro-12338	
<b>Programmed Amount:</b>	\$4,462,500	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Main Replacement - Water	
<b>Phase:</b>	Design	
<b>Council District:</b>	System Wide	
<p><b>Description and Scope:</b></p> <p>This project funds design services to replace water mains that have experienced a high rate of main failure. These projects vary in size and location and may require the solicitation of contractor construction services on an urgent basis. The projects will replace sub-standard or deteriorated water mains requiring immediate replacements.</p> <p><b>Justification:</b></p> <p>Design of mains to be replaced is necessary to restore and maintain water service. This line item includes funding for design of projects identified as part of the Water Risk and Condition Assessment.</p>		
<b>Project:</b>	<b>Water Main Replacement Geotechnical Services Contract - 2024</b>	
<b>Project ID:</b>	Pro-12344	
<b>Programmed Amount:</b>	\$210,000	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Main Replacement - Water	
<b>Phase:</b>	Design	
<b>Council District:</b>	System Wide	
<p><b>Description and Scope:</b></p> <p>SAWS is pursuing professional engineering services related to geotechnical and construction materials testing and reporting.</p> <p><b>Justification:</b></p> <p>The geotechnical and construction materials testing will improve quality control and assurance of SAWS construction projects.</p>		

**SAN ANTONIO WATER SYSTEM**  
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<b>Project:</b>	Mathis Rd. - Hardy Rd. to Waterwood Pass Approach Main	
<b>Project ID:</b>	Pro-00174	
<b>Programmed Amount:</b>	\$4,250,400	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Mains New - Water	
<b>Phase:</b>	Construction	
<b>Council District:</b>	OCL	
<p><b>Description and Scope:</b></p> <p>This project will upgrade the existing 4-inch and 6-inch water lines along Mathis Rd from Hardy Rd. to the existing 16-inch water main near Waterwood Pass Dr. In total, the project will install 11,400 feet of new 12-inch water main, upgrading the existing lines to current SAWS standards.</p> <p><b>Justification:</b></p> <p>This 12- inch water main will replace the undersized existing 4-inch water mains and supply redundancy for approximately 1,500 customers within the far east pressure zone 830 area. This project will also serve projected growth in southern pressure zone 830. Service laterals will be relayed and connected to existing meters and new unmetered services will be provided to vacant lots.</p>		
<b>Project:</b>	Water Main Oversizing - 2024	
<b>Project ID:</b>	Pro-12350	
<b>Programmed Amount:</b>	\$38,474,008	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Mains New - Water	
<b>Phase:</b>	Construction	
<b>Council District:</b>	System Wide	
<p><b>Description and Scope:</b></p> <p>This project funds SAWS proportionate share of the cost of mains which are necessary to serve anticipated growth but are larger than the size main required by a developer or single customer. Developers are required to build necessary offsite infrastructure to meet the needs of their development. When growth is projected in adjacent tracts, SAWS contributes money to increase the size of the mains to serve the additional growth. Sharing in the cost is beneficial to both SAWS and the developer and prevents the construction of parallel smaller sized mains.</p> <p><b>Justification:</b></p> <p>Participating in oversized is a cost-effective way to meet the needs of growth. It is funded by impact fees collected from new development.</p>		



**SAN ANTONIO WATER SYSTEM**  
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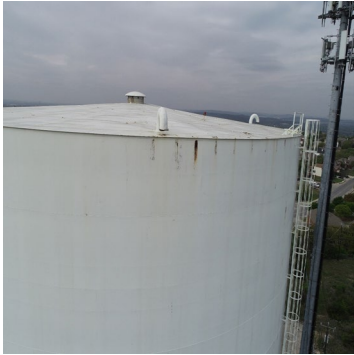
<b>Project:</b>	West Grosenbacher Road New Water Main	
<b>Project ID:</b>	Pro-11930	
<b>Programmed Amount:</b>	\$709,458	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Mains New - Water	
<b>Phase:</b>	Design	
<b>Council District:</b>	OCL	
<p><b>Description and Scope:</b></p> <p>This project will design a new 16-inch water main from the existing 16-inch main on W Grosenbacher Rd to the existing 12-inch main on W Grosenbacher Rd. A portion of this new main serves as a border main for the Dickerson Tract Subdivision (USA-15652). This main will create a loop for Pressure Zone 1080 from the existing 16-inch main heading south on Grosenbacher Rd. A future project will extend the main to the west and connect it to the 24-inch main on Stevens Parkway.</p> <p><b>Justification:</b></p> <p>The project will provide redundancy to approximately 1,800 existing customers and approximately 1,000 new customers. In addition, the project will help stabilize pressures for a future Pressure Reducing Valve to eliminate the Mountain Laurel facility.</p>		
<b>Project:</b>	Evans PZ 1258 Booster Station Improvements Project	
<b>Project ID:</b>	Pro-11473	
<b>Programmed Amount:</b>	\$787,500	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Production	
<b>Phase:</b>	Design	
<b>Council District:</b>	District 09	
<p><b>Description and Scope:</b></p> <p>This project will provide additional pumping capacity at the Evans Booster Station by replacing the existing pressure zone (PZ) 1258 high service pumps (HSP) #1 and #3 with new 2,800 gallons per minute (GPM) pumps. Additionally, the project includes new motors, flow meters, combination air valve, concrete foundations, drain lines, modifications to electrical cabinets, and SCADA programming services for a complete in place facility. For PZ 1258 HSP, two Mercoid pressure switches need to be replaced. The pump, motor, and base for PZ 1258 HSP 2 needs to be blasted and recoated. All above ground piping and electrical cabinets for PZ 1258 High Service pumps 1, 2, 3, and surge relief need to be blasted and recoated. All above ground piping, valves, and electrical at tank inlet valve station needs to be blasted and recoated.</p> <p><b>Justification:</b></p> <p>Pressure zone 1258 is currently deficient in terms of high service pumping capacity given the number of customer connections. An additional 4 million gallons per day (MGD) is required at the Evans Booster Station. This project to provide additional pumping capacity is mandatory given the PZ does not currently meet TCEQ requirements for high service pumping capacity.</p>		

**SAN ANTONIO WATER SYSTEM**  
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<b>Project:</b>	Indian Hills and Verano Elevated Storage Tanks	
<b>Project ID:</b>	Pro-11471	
<b>Programmed Amount:</b>	\$33,591,577	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Production	
<b>Phase:</b>	Construction	
<b>Council District:</b>	OCL	
<p><b>Description and Scope:</b></p> <p>This project will construct two elevated storage tanks (EST), a 2.5-million-gallon (MG) EST on Indian Hills Lane on the north side of San Antonio and a 3.0-MG EST on S. Zarzamora Street on the south side of San Antonio. In addition to construction of two elevated composite water storage tanks, this project will install piping, fencing, pavement, SCADA controls, electrical and security features.</p> <p><b>Justification:</b></p> <p>The 2017 Water Master Plan indicated pressure zone (PZ) 1400W and 790 did not meet TCEQ elevated storage requirements. To overcome this deficit, and to deal with aging infrastructure, the new Indian Hills 2.5-MG EST and Verano 3.0-MG EST is recommended. In addition, the project will alleviate areas of low pressure in the northern part of PZ 1400W observed in existing system modeling and it will supply storage for the existing Indian Hills Booster Pump Station.</p>		
<b>Project:</b>	King Street Pump Station Rehabilitation and New Well #6	
<b>Project ID:</b>	Pro-00413	
<b>Programmed Amount:</b>	\$5,565,087	
<b>Core Business:</b>	Water Delivery	
<b>Category:</b>	Production	
<b>Phase:</b>	Construction	
<b>Council District:</b>	District 04	
<p><b>Description and Scope:</b></p> <p>This project was previously budgeted in 2022 for \$18,941,467. Additional funds are needed for the project in 2024 to cover increased project costs due to inflation and material cost increases. The new total for this project is \$24,506,555. King Street Pump Station is a former Bexar-Met primary pump station. This pump station includes three wells, three high service pumps, and a 500,000-gallon ground storage tank. This project will be performed as a part of SAWS' continued work to improve and upgrade former Bexar-Met Water Production Facilities. The scope of this project includes the evaluation and replacement of the well pumps, high service pumps, electrical and communication equipment, and necessary site improvements such as grading, fencing, lighting, pavement, security, and yard piping. This project will also drill an additional production well #6 at the King Street Pump Station. This will include drilling, construction, developing, and testing of the well and the installation of a well pump, motor, well appurtenances, electrical, SCADA, collection piping and drainage piping.</p> <p><b>Justification:</b></p> <p>King Street Pump Station's mechanical and electrical components are aging and difficult to operate. These components need to be upgraded to improve the reliability and efficiency of the operation of this pump station. All the existing water wells located at the King Street Pump Station are over 60 years old and prone to failures. The additional well will provide redundancy should any of the existing wells fail and a new well is required to maintain current pump capacity. Additional production wells are required at this pump station to adequately deliver water to the customers in the future. Installation of the new production well will help meet peak water demand.</p>		



**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
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<b>Project:</b>	Knights Cross Standpipe No. 2															
<b>Project ID:</b>	Pro-11499															
<b>Programmed Amount:</b>	\$8,925,000															
<b>Core Business:</b>	Water Delivery															
<b>Category:</b>	Production															
<b>Phase:</b>	Construction															
<b>Council District:</b>	District 09															
<p><b>Description and Scope:</b></p> <p>This project will construct a second standpipe within the existing site. The project includes all associated piping and valves, tank level controls and associated SCADA, tank overflow piping, and fencing. The project will help to mitigate current erosion issues associated with tank overflow events.</p> <p><b>Justification:</b></p> <p>Knights Cross is the primary source of water for pressure zone (PZ) 1295 and 1400. The existing tank is not accessible to SAWS personnel due to safety concerns and does not meet TCEQ requirements. Should there be a tank leak, the entire facility must be taken out of service. The additional standpipe will provide redundancy and additional storage for PZ 1295 and 1400. This redundancy also allows SAWS to rehabilitate the existing standpipe (Standpipe No. 1) that is currently in poor shape.</p>																
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Project:</b></td> <td style="width: 40%;">Marbach Pump Station Improvements Project - Phase 9</td> </tr> <tr> <td><b>Project ID:</b></td> <td>Pro-00225</td> </tr> <tr> <td><b>Programmed Amount:</b></td> <td>\$11,709,294</td> </tr> <tr> <td><b>Core Business:</b></td> <td>Water Delivery</td> </tr> <tr> <td><b>Category:</b></td> <td>Production</td> </tr> <tr> <td><b>Phase:</b></td> <td>Construction</td> </tr> <tr> <td><b>Council District:</b></td> <td>District 04</td> </tr> </table>			<b>Project:</b>	Marbach Pump Station Improvements Project - Phase 9	<b>Project ID:</b>	Pro-00225	<b>Programmed Amount:</b>	\$11,709,294	<b>Core Business:</b>	Water Delivery	<b>Category:</b>	Production	<b>Phase:</b>	Construction	<b>Council District:</b>	District 04
<b>Project:</b>	Marbach Pump Station Improvements Project - Phase 9															
<b>Project ID:</b>	Pro-00225															
<b>Programmed Amount:</b>	\$11,709,294															
<b>Core Business:</b>	Water Delivery															
<b>Category:</b>	Production															
<b>Phase:</b>	Construction															
<b>Council District:</b>	District 04															
<p><b>Description and Scope:</b></p> <p>This project was previously budgeted in 2023 for \$20,208,816. Additional funds are needed for the project in 2024 to cover increased project costs due to inflation and substantial material cost increases. The new total for this project is \$31,918,110. This facility is a primary pump station for SAWS and supplies water to the west side service areas along Loop 410. The pump station has a total well pumping capacity of 36.75 million gallons per day and a firm high service pumping capacity of 42 million gallons per day. This project is Phase 9 of the multi-year pump station improvements program, and it will replace high service pumps, well pumps, and electrical and SCADA equipment at the Marbach pump station. The project will also include necessary site improvements such as grading, fencing, lighting, pavement, security, and yard piping.</p> <p><b>Justification:</b></p> <p>This primary pump station was built in 1973. In 1991, an additional well and high service pumps were installed. Most of the existing electrical and mechanical equipment of the pump station exceeds the 20-25 year life expectancy. To meet the current codes, and to improve the efficiency of the pump station, mechanical and electrical components of the pump station need to be replaced.</p>																

**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
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<b>Project:</b>	<b>Old Pearsall Pump Station Test Well</b>		
<b>Project ID:</b>	Pro-12408		
<b>Programmed Amount:</b>	\$525,000		
<b>Core Business:</b>	Water Delivery		
<b>Category:</b>	Production		
<b>Phase:</b>	Construction		
<b>Council District:</b>	Unknown		

**Description and Scope:**

Additional production is needed to supplement and/or replace the water produced from the Anderson Pump Station (PS). The current rated well capacity at Anderson PS is 40 million gallons per day (MGD) total, 30 MGD firm, with a realized total capacity of about 33 MGD.

**Justification:**

A test well is needed at Old Pearsall PS to determine if this site is a viable candidate for additional well capacity.

<b>Project:</b>	<b>Patton 2.0 MG Elevated Storage Tank</b>		
<b>Project ID:</b>	Pro-12207		
<b>Programmed Amount:</b>	\$2,940,000		
<b>Core Business:</b>	Water Delivery		
<b>Category:</b>	Production		
<b>Phase:</b>	Design		
<b>Council District:</b>	District 03		



**Description and Scope:**

This project will design a 2 million gallon (MG) Elevated Storage Tank (EST) in Pressure Zone (PZ) 823 (soon to be integrated into PZ 828) to replace the existing McMullen EST. The project will include installing piping, fencing, pavement, SCADA controls, electrical and security features and will connect directly to the existing on-site 12-inch water main. The tank will be constructed near Hwy 90 and S. Gen McMullen.

**Justification:**

PZ 828 is in risk of violating TCEQ elevated storage requirements due to extensive growth in the east as well as the future integration of PZ 823. To meet TCEQ criteria for elevated storage SAWS needs an immediate increase in elevated storage capacity. In addition, PZ 828 also supplies water to PZ 750 through two Pressure Reducing Valves (PRV). The heavy reliance on these PRVs is causing pressure concerns in the western portion of 828 as more water is being transmitted to the east to feed PZ 750. The current General McMullen EST is significantly undersized and needs additional capacity to keep pace with the growth in PZ 750 and maintain reliable service. This project will stabilize pressures in the western portion of PZ 828 and provide additional storage once SAWS integrates PZ 828 with PZ 846 and ensure that SAWS meets TCEQ criteria. A future PZ 750 tank will support projected growth in PZ 750 and reduce its reliance on the PRVs.

**SAN ANTONIO WATER SYSTEM**  
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**Project:** Production Facilities Engineering Contract 2024

**Project ID:** Pro-12336

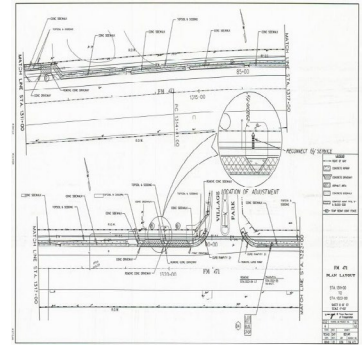
**Programmed Amount:** \$1,575,000

**Core Business:** Water Delivery

**Category:** Production

**Phase:** Design

**Council District:** System Wide



**Description and Scope:**

SAWS periodically has a need for general types of projects that entail evaluation, rehabilitation, improvement upgrades, addition/demolition, replacement/expansion of equipment and facilities. These project covers engineering services related to water production primary and secondary pump station facilities, elevated storage tank and ground storage tank sites, transmission mains (20-inch diameter and larger), valve and control valve replacement, yard piping, electrical upgrades, SCADA, programming, and other related projects of similar nature.

**Justification:**

A work order contract is created on an "as-needed" basis, and the scope of the services depends on the nature of each individual project. A work order will be issued upon identification of a project and determination of its scope and schedule.

**Project:** Pump Station Generators and Resiliency Measures

**Project ID:** Pro-11743

**Programmed Amount:** \$64,251,906

**Core Business:** Water Delivery

**Category:** Production

**Phase:** Construction

**Council District:** System Wide



**Description and Scope:**

This project will provide funding to design, purchase, and install generators and implement other resiliency measures at multiple selected pump stations.

**Justification:**

Senate Bill 3 required water utilities, such as SAWS, to submit an emergency preparedness plan to the Texas Commission on Environmental Quality (TCEQ) by March 1, 2022. The Emergency Preparedness Plan must demonstrate a utility's ability to provide emergency operation of its water system during an extended power outage at a minimum water pressure of 20 pounds per square inch or at a water pressure level, as approved by TCEQ, as soon as safe and practicable following the occurrence of a natural disaster.

**SAN ANTONIO WATER SYSTEM**  
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**Project:** Silver Mountain Pump Station Upgrades

**Project ID:** Pro-11945

**Programmed Amount:** \$8,400,000

**Core Business:** Water Delivery

**Category:** Production

**Phase:** Construction

**Council District:** OCL



**Description and Scope:**

Silver Mountain Pump Station is a secondary pump station located on the City of San Antonio's southeast side. This project includes the demolition of existing concrete slabs, skid-mounted pump station, underground piping, electrical service lines, poles, equipment, duct banks, cabinets, and conduits. It will also install a new 1.0-million-gallon ground storage tank, a 3 million gallon per day (MGD) booster station and building, a 30,000-gallon hydro-pneumatic tank, a new electrical and instrumentation and controls system which will include a power generator, SCADA system and site security. The new tank will serve as ground storage for pressure zone (PZ) 920. The project will also include miscellaneous site improvements such as access driveways, fencing, grading, drainage, and the installation of a 4,100-ft long 12-inch water main along Silver Mountain Dr.





**Justification:**

The pumps, motors, electrical gear, and instrumentation and controls equipment have exceeded their life expectancy at the existing pump station. In addition, this area is anticipated to experience growth in the near future and a new tank and pump station is necessary to overcome the deficit that will be created by the growth. Lastly, the project is needed to alleviate areas of low pressure in the northern part of the PZ 920 observed in existing system modeling.



# WASTEWATER

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**SAN ANTONIO WATER SYSTEM**  
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<b>Project:</b>	Eastside Operations Center Fuel Facility																			
<b>Project ID:</b>	Pro-11533																			
<b>Programmed Amount:</b>	\$5,250,000																			
<b>Core Business:</b>	Wastewater																			
<b>Category:</b>	Corporate WW																			
<b>Phase:</b>	Construction																			
<b>Council District:</b>	District 02																			
<p><b>Description and Scope:</b></p> <p>This project will construct a new fueling facility at the Eastside Operations Center (ESOC) using above-ground fuel storage tanks (AGTs), a new ice and water station for SAWS crews, a new waste oil collection system with above-ground waste oil tanks for fleet services, a new emergency generator to provide emergency power for the service center, relocation of an existing emergency generator to power the supply building and new fuel station. This project also includes removal of the existing fuel station, site grading improvements, fencing, lighting, and paving work.</p> <p><b>Justification:</b></p> <p>ESOC is one of SAWS main hubs for emergency response for Distribution and Collection. The fuel station at ESOC is currently in poor condition and unreliable. The UGTs are more than 30 years old and have reached the end of their service life. If the fuel station goes down, crews must drive to Mission Road Service Center, Steven M. Clouse Water Recycling Center, or Northeast Operations Center to refuel. The emergency generator serving ESOC is also not large enough to adequately serve the new Operations Center so electrical service to some critical components are not available in the event we lose power at the facility.</p>																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Project:</b></td> <td style="width: 40%;">General Legal Services - WW 2024</td> <td rowspan="7" style="width: 40%; text-align: center; vertical-align: middle;">  </td> </tr> <tr> <td><b>Project ID:</b></td> <td>Pro-12321</td> </tr> <tr> <td><b>Programmed Amount:</b></td> <td>\$417,054</td> </tr> <tr> <td><b>Core Business:</b></td> <td>Wastewater</td> </tr> <tr> <td><b>Category:</b></td> <td>Corporate WW</td> </tr> <tr> <td><b>Phase:</b></td> <td>Acquisition</td> </tr> <tr> <td><b>Council District:</b></td> <td>System Wide</td> </tr> <tr> <td colspan="3" style="padding: 10px;"> <p><b>Description and Scope:</b></p> <p>Specialized legal support is required for critical projects.</p> <p><b>Justification:</b></p> <p>External legal support is sought only when there is insufficient internal legal staff to support the effort, or specialized legal expertise is required.</p> </td> </tr> </table>			<b>Project:</b>	General Legal Services - WW 2024		<b>Project ID:</b>	Pro-12321	<b>Programmed Amount:</b>	\$417,054	<b>Core Business:</b>	Wastewater	<b>Category:</b>	Corporate WW	<b>Phase:</b>	Acquisition	<b>Council District:</b>	System Wide	<p><b>Description and Scope:</b></p> <p>Specialized legal support is required for critical projects.</p> <p><b>Justification:</b></p> <p>External legal support is sought only when there is insufficient internal legal staff to support the effort, or specialized legal expertise is required.</p>		
<b>Project:</b>	General Legal Services - WW 2024																			
<b>Project ID:</b>	Pro-12321																			
<b>Programmed Amount:</b>	\$417,054																			
<b>Core Business:</b>	Wastewater																			
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<b>Project:</b> <b>Project ID:</b> <b>Programmed Amount:</b> <b>Core Business:</b> <b>Category:</b> <b>Phase:</b> <b>Council District:</b>	<b>Wastewater OCCC - 2024</b> Pro-12322 \$7,087,500 Wastewater Corporate WW Construction System Wide	
<b>Description and Scope:</b> <p>The Owner Controlled Construction Changes (OCCC) fund was established to improve monitoring and efficiency of construction requested by SAWS. Funding amounts are determined by reviewing historical data and project schedules to determine the estimated amount needed for present and future years.</p>		
<b>Justification:</b> <p>Changes that occur on construction projects must be approved by SAWS Board of Trustees if over \$100,000.</p>		
<b>Project:</b> <b>Project ID:</b> <b>Programmed Amount:</b> <b>Core Business:</b> <b>Category:</b> <b>Phase:</b> <b>Council District:</b>	<b>Wastewater Overhead - 2024</b> Pro-12323 \$11,250,000 Wastewater Corporate WW Overhead System Wide	
<b>Description and Scope:</b> <p>SAWS overhead costs cover the direct costs associated with SAWS personnel that manage and support CIP projects during the capitalizable phases of the project. The overhead costs were calculated primarily using the capitalized costs from staff time charged using the CIP Time Tracker on an annualized basis and analyzing the remaining 2023 and prior year CIP projects and the future 2024 CIP projects.</p>		
<b>Justification:</b> <p>Overhead costs are applied to SAWS personnel costs to capture direct incremental costs associated with SAWS personnel that support the development and construction of CIP projects.</p>		



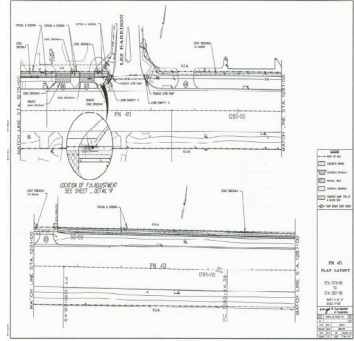
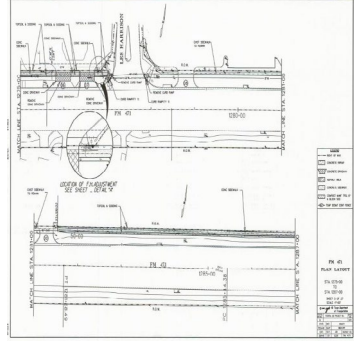
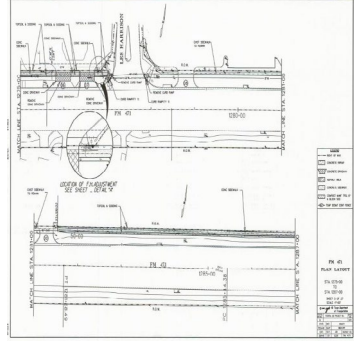
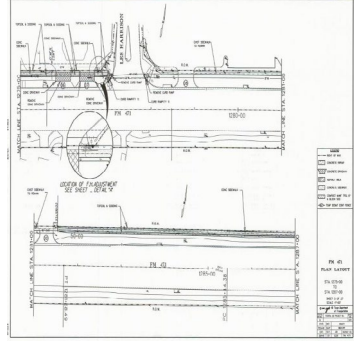
**SAN ANTONIO WATER SYSTEM**  
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<b>Project:</b> <b>Project ID:</b> <b>Programmed Amount:</b> <b>Core Business:</b> <b>Category:</b> <b>Phase:</b> <b>Council District:</b>	<b>Governmental Wastewater Mains - 2024</b> Pro-10933 \$21,000,000 Wastewater Governmental Sewer Construction System Wide	
<p><b>Description and Scope:</b></p> <p>The governmental sewer mains program consists of projects implemented in conjunction with other government agencies infrastructure work. The program includes replacement of sewer mains in poor condition, adjustment of sewer mains whose existing alignment conflicts with proposed new street alignment, and installation of new sewer mains needed to provide additional capacity.</p> <p>SAWS participates in the Utility Coordination Council, and jointly plans and reviews infrastructure improvements with COSA, Bexar County, CPS, TXDOT, AT&amp;T, and other agencies, to maximize effectiveness of public infrastructure.</p> <p><b>Justification:</b></p> <p>Replacing and/or adjusting aging infrastructure in conjunction with other agencies planned street work is the most cost-effective approach to infrastructure management. It minimizes the cost of construction and the potential of utility failure under a new street.</p>		
<b>Project:</b> <b>Project ID:</b> <b>Programmed Amount:</b> <b>Core Business:</b> <b>Category:</b> <b>Phase:</b> <b>Council District:</b>	<b>Main Replacements - Wastewater</b> Pro-12341 \$3,675,000 Wastewater Main Replacement - Sewer Construction System Wide	
<p><b>Description and Scope:</b></p> <p>This project captures costs of the replacement of sewer mains when failures in the sewer system are encountered. SAWS crews determine the best method to restore service. If portions of the system must be replaced the project is evaluated to determine if SAWS crews, or contractors, will be the most effective or efficient means to complete the replacement.</p> <p><b>Justification:</b></p> <p>The replacement work is necessary to restore service and is required to comply with the EPA Consent Decree.</p>		



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<b>Project:</b> <b>Project ID:</b> <b>Programmed Amount:</b> <b>Core Business:</b> <b>Category:</b> <b>Phase:</b> <b>Council District:</b>	<b>Wastewater Laterals - 2024</b> Pro-12342 \$5,565,000 Wastewater Main Replacement - Sewer Construction System Wide	
<b>Description and Scope:</b> This project replaces deteriorated customer sewer upper laterals from the sewer main to the customer's property line. Each year SAWS crews replace customer laterals when either televising or a reported problem indicates the lateral has become unserviceable.		
<b>Justification:</b> Replacement of sewer laterals is necessary to restore service and reduces inflow and infiltration, which reduces sewer overflows.		
<b>Project:</b> <b>Project ID:</b> <b>Programmed Amount:</b> <b>Core Business:</b> <b>Category:</b> <b>Phase:</b> <b>Council District:</b>	<b>Wastewater Main Replacement Construction (CMOM)</b> Pro-12340 \$32,360,079 Wastewater Main Replacement - Sewer Construction System Wide	
<b>Description and Scope:</b> This project replaces urgent/emergency sewer mains identified in the Capacity, Management, Operation and Maintenance (CMOM) Program. The sewer mains identified for replacement are in poor and very poor condition.		
<b>Justification:</b> Sewer mains in poor and very poor condition are currently part of the CMOM program under monitoring. The condition of these assets will continue to degrade over time and may reach urgent or emergency status requiring expedited design and construction to ensure the protection of public health and safety.		

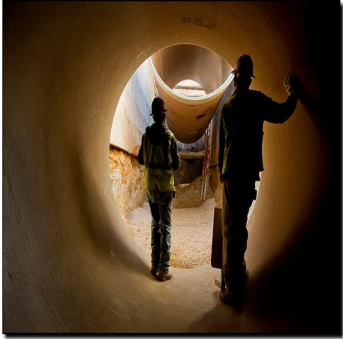
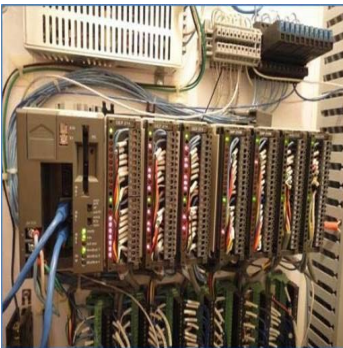
**SAN ANTONIO WATER SYSTEM**  
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<b>Project:</b>	<b>Wastewater Main Replacement Engineering Contract - 2024</b>																			
<b>Project ID:</b>	Pro-12345																			
<b>Programmed Amount:</b>	\$4,474,889																			
<b>Core Business:</b>	Wastewater																			
<b>Category:</b>	Main Replacement - Sewer																			
<b>Phase:</b>	Design																			
<b>Council District:</b>	System Wide																			
<p><b>Description and Scope:</b></p> <p>This project funds design services to repair/replace sewer mains that have experienced or will experience cave-ins and overflows. These projects vary in size and location and may require the solicitation of contractor construction services on an urgent basis. These projects will be constructed to correct unsanitary and potentially hazardous conditions that pose a threat to public health and safety and are primarily projects required by the EPA Consent Decree as part of the Capacity, Management, Operation and Maintenance (CMOM) Program.</p> <p><b>Justification:</b></p> <p>Design of replacement/repair mains is necessary to restore and maintain wastewater service.</p>																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Project:</b></td> <td style="width: 40%;"><b>Wastewater Main Replacement Geotechnical Services Contract - 2024</b></td> <td rowspan="7" style="width: 40%; text-align: center; vertical-align: middle;">  </td> </tr> <tr> <td><b>Project ID:</b></td> <td>Pro-12343</td> </tr> <tr> <td><b>Programmed Amount:</b></td> <td>\$210,000</td> </tr> <tr> <td><b>Core Business:</b></td> <td>Wastewater</td> </tr> <tr> <td><b>Category:</b></td> <td>Main Replacement - Sewer</td> </tr> <tr> <td><b>Phase:</b></td> <td>Design</td> </tr> <tr> <td><b>Council District:</b></td> <td>System Wide</td> </tr> <tr> <td colspan="3" style="padding: 10px;"> <p><b>Description and Scope:</b></p> <p>SAWS is pursuing professional engineering services related to geotechnical and construction materials testing and reporting.</p> <p><b>Justification:</b></p> <p>The geotechnical and construction materials testing will improve quality control and assurance of SAWS construction projects.</p> </td> </tr> </table>			<b>Project:</b>	<b>Wastewater Main Replacement Geotechnical Services Contract - 2024</b>		<b>Project ID:</b>	Pro-12343	<b>Programmed Amount:</b>	\$210,000	<b>Core Business:</b>	Wastewater	<b>Category:</b>	Main Replacement - Sewer	<b>Phase:</b>	Design	<b>Council District:</b>	System Wide	<p><b>Description and Scope:</b></p> <p>SAWS is pursuing professional engineering services related to geotechnical and construction materials testing and reporting.</p> <p><b>Justification:</b></p> <p>The geotechnical and construction materials testing will improve quality control and assurance of SAWS construction projects.</p>		
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<b>Project ID:</b>	Pro-12343																			
<b>Programmed Amount:</b>	\$210,000																			
<b>Core Business:</b>	Wastewater																			
<b>Category:</b>	Main Replacement - Sewer																			
<b>Phase:</b>	Design																			
<b>Council District:</b>	System Wide																			
<p><b>Description and Scope:</b></p> <p>SAWS is pursuing professional engineering services related to geotechnical and construction materials testing and reporting.</p> <p><b>Justification:</b></p> <p>The geotechnical and construction materials testing will improve quality control and assurance of SAWS construction projects.</p>																				


**SAN ANTONIO WATER SYSTEM**  
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<b>Project:</b>	<b>W-52 Culebra Creek Sewer Capacity Relief Project</b>	
<b>Project ID:</b>	Pro-00395	
<b>Programmed Amount:</b>	\$37,947,397	
<b>Core Business:</b>	Wastewater	
<b>Category:</b>	Main Replacement - Sewer	
<b>Phase:</b>	Construction	
<b>Council District:</b>	District 06	
<p><b>Description and Scope:</b></p> <p>The W-52 Culebra Creek Sewer Capacity Relief Project will be constructed in northwest San Antonio. The project will replace approximately one mile of undersized 30-inch and 33-inch sewer main with 36-inch, 42-inch, and 60-inch diameter sanitary sewer pipe and related structures. Located south of Old Grissom Road within Culebra Creek, the project generally follows the creek to the intersection of Culebra and Leon Creek (adjacent to the W-9 Project).</p> <p><b>Justification:</b></p> <p>The W-52 Culebra Creek Sewer project will resolve the undersizing issue and reduce the likelihood of sanitary sewer overflows (SSOs) within the W-52 Culebra Creek Sewer Capacity Constraint Area. This project is required by the consent decree with the EPA.</p>		
<b>Project:</b>	<b>W-9 Upper Leon Creek Sewer Capacity Storage and Relief Project</b>	
<b>Project ID:</b>	Pro-00280	
<b>Programmed Amount:</b>	\$77,988,095	
<b>Core Business:</b>	Wastewater	
<b>Category:</b>	Main Replacement - Sewer	
<b>Phase:</b>	Construction	
<b>Council District:</b>	District 06, District 07	
<p><b>Description and Scope:</b></p> <p>The W-9 Upper Leon Creek Capacity Storage and Relief Project will be constructed in northwest San Antonio and consist of approximately 4.1 miles of 42-inch and 48-inch-diameter sewer pipe, and approximately one-quarter mile of 8-inch, 12-inch and 27-inch diameter sanitary sewer pipe and related structures. The limits of the W-9 project begins at the W-52 capacity constraint project near the confluence of Leon Creek and Culebra Creek. Construction will proceed upstream across Grissom and Bandera roads to the connection with the existing sewer system approximately three-quarters of a mile northeast of Bandera Road. The proposed improvements are aligned along Leon Creek stream banks and the City of San Antonio Leon Creek Greenway Park hike and bike trails.</p> <p><b>Justification:</b></p> <p>The W-9 Upper Leon Creek Capacity Constraint Area was identified as a capacity constraint project that will improve sanitary sewer system capacity, abandon poor condition pipeline segments, and relocate the alignment to reduce sanitary sewer overflows. This project is required by the consent decree with the EPA.</p>		

**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
**PROJECT DATA SHEET**


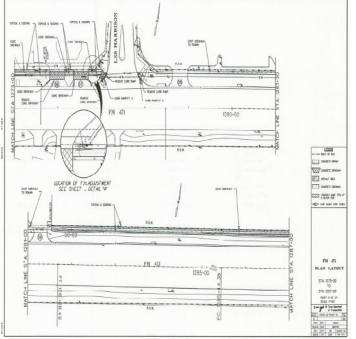
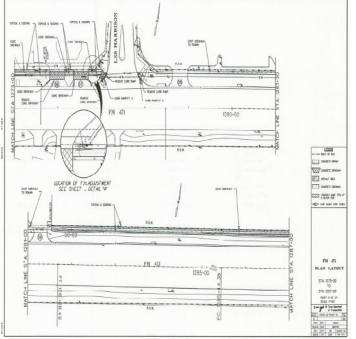
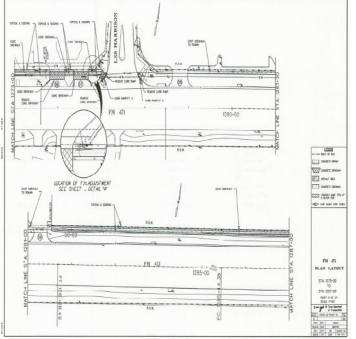
<b>Project:</b>	<b>Sewer Main Oversizing - 2024</b>	
<b>Project ID:</b>	Pro-12351	
<b>Programmed Amount:</b>	\$20,373,360	
<b>Core Business:</b>	Wastewater	
<b>Category:</b>	Mains New - Sewer	
<b>Phase:</b>	Construction	
<b>Council District:</b>	System Wide	
<p><b>Description and Scope:</b></p> <p>This project funds SAWS' proportionate share of the cost of mains which are necessary to serve anticipated growth but are larger than the size main required by a developer or single customer. Developers are required to build necessary offsite infrastructure to meet the needs of their development. When growth is projected in adjacent tracts, SAWS contributes money to increase the size of the mains to serve the additional growth. Sharing in the cost is beneficial to both SAWS and the developer and prevents the construction of parallel smaller sized mains.</p> <p><b>Justification:</b></p> <p>Participating in oversizing is a cost-effective way to meet the needs of growth. It is funded by impact fees collected from new development.</p>		
<b>Project:</b>	<b>Medio Creek WRC Control System Upgrades</b>	
<b>Project ID:</b>	Pro-12300	
<b>Programmed Amount:</b>	\$1,775,550	
<b>Core Business:</b>	Wastewater	
<b>Category:</b>	Treatment	
<b>Phase:</b>	Design	
<b>Council District:</b>	District 04	
<p><b>Description and Scope:</b></p> <p>This project includes upgrading the existing Emerson Distributed Control System (DCS) to SAWS new standard programmable logic controller (PLC) based Allen Bradley System as well as upgrading the human-machine interface, PLCs, switches etc. at the Medio Creek Water Recycling Center (WRC).</p> <p><b>Justification:</b></p> <p>To meet SAWS updated standards and replace Emerson DCS with a PLCs based system.</p>		

**SAN ANTONIO WATER SYSTEM**  
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<b>Project:</b>	Medio Creek WRC Influent Lift Station Improvements	
<b>Project ID:</b>	Pro-12306	
<b>Programmed Amount:</b>	\$1,620,150	
<b>Core Business:</b>	Wastewater	
<b>Category:</b>	Treatment	
<b>Phase:</b>	Design	
<b>Council District:</b>	District 04	
<p><b>Description and Scope:</b></p> <p>This project will construct dedicated lift stations that service the Medio Creek Water Recycling Center (WRC). The current Medio Creek WRC lift station services both Plant 1 and Plant 2, splitting the flow via a manual valve. The current lift station pumps are mismatched in size, which complicates the operation. Additionally, the existing wet well is too shallow and has issues with overflowing during heavy/longer duration storm events.</p> <p><b>Justification:</b></p> <p>The lift stations will be built to ease the complexity that operators experience when trying to split flow accurately between the two plants. By constructing two lift stations this project will also add a layer of redundancy, as opposed to relying solely on a single lift station.</p>		
<b>Project:</b>	Salado Creek WRC Flow Management Upgrades	
<b>Project ID:</b>	Pro-11981	
<b>Programmed Amount:</b>	\$3,855,600	
<b>Core Business:</b>	Wastewater	
<b>Category:</b>	Treatment	
<b>Phase:</b>	Design	
<b>Council District:</b>	District 03	
<p><b>Description and Scope:</b></p> <p>The operation of the Salado Creek Water Recycling Center (SC WRC) Flow Equalization Basins (FEBs) is pivotal in managing the projected peak 2-hour flow in the East Sewershed in the year 2050. The proposed Salado Creek WRC FEB diversion structure will allow SAWS a level of flexibility when transferring and holding flows before they reach the Steven M. Clouse Water Recycling Center (SMC WRC).</p> <p><b>Justification:</b></p> <p>Wastewater flows from the East Sewershed flow to the SC WRC before continuing to the SMC WRC. The SC WRC has limited primary treatment capabilities and has no outfall discharge. The SC WRC has onsite FEBs that have a total storage volume of 22 MG, which are utilized during wet weather flow events. Flows that are treated at SC WRC or diverted for storage at SC WRC FEBs are returned to the East Sewershed and continue to the SMC WRC for processing. The 22 MG Salado Creek FEBs can reduce the East Sewershed peak flows by approximately 50 MGD. The Salado Creek FEBs would be triggered when East Sewershed flows increase above 79 MGD. Flows above 79 MGD would be diverted to the Salado Creek FEBs, resulting in a maximum fill rate of 50 MGD to the Salado Creek FEBs, allowing the East Sewershed peak flow to be capped at 79 MGD sent to the SMCWRC. The operation of the diversion structure and the FEBs is pivotal in developing an effective wet weather flow management strategy.</p>		



**SAN ANTONIO WATER SYSTEM**  
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<b>Project:</b>	Steven M. Clouse WRC Flow Management Upgrades																			
<b>Project ID:</b>	Pro-11975																			
<b>Programmed Amount:</b>	\$1,036,350																			
<b>Core Business:</b>	Wastewater																			
<b>Category:</b>	Treatment																			
<b>Phase:</b>	Design																			
<b>Council District:</b>	District 03																			
<p><b>Description and Scope:</b></p> <p>Currently, the flow diversion line from the Leon Creek Water Recycling Center (LC WRC) does not have the ability to transfer directly to the Steven M. Clouse Water Recycling Center (SMC WRC) Flow Equalization Basin (FEB). A diversion box is proposed that will allow the flow to move to the SMC WRC FEBs or the headworks. This structure will improve the operational flexibility when managing flows at the LC WRC and SMC WRC. This project also incorporates electrical and instrumentation and controls related components, such as providing automated controls for gates and valves to fill or empty basins and transfer flows.</p> <p><b>Justification:</b></p> <p>The existing FEB diversion structure is limited in ways that it can receive and distribute flows. Currently, flows from the South Sewershed flow directly to the SMC WRC headworks facility for processing. There are no FEBs associated with this sewershed flow. To support the transfer of peak flows from LC WRC to the SMC WRC FEBs, a new diversion structure would have to be constructed on the existing SBSP to divert and discharge flows to SMC WRC FEBs. Improvements to flow management capabilities of the SMC WRC FEBs will help the entire system manage and process wastewater flows.</p>																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Project:</b></td> <td style="width: 40%;">Treatment Facilities Engineering Contract - 2024</td> <td rowspan="7" style="width: 40%; text-align: center; vertical-align: middle;">  </td> </tr> <tr> <td><b>Project ID:</b></td> <td>Pro-12346</td> </tr> <tr> <td><b>Programmed Amount:</b></td> <td>\$1,575,000</td> </tr> <tr> <td><b>Core Business:</b></td> <td>Wastewater</td> </tr> <tr> <td><b>Category:</b></td> <td>Treatment</td> </tr> <tr> <td><b>Phase:</b></td> <td>Design</td> </tr> <tr> <td><b>Council District:</b></td> <td>System Wide</td> </tr> <tr> <td colspan="3" style="padding: 10px;"> <p><b>Description and Scope:</b></p> <p>This project will use work order contracts for engineering services of small but urgent projects. These contracts allow flexibility to execute projects without pulling funds from budgeted projects and avoid delays associated with conventional bid processes.</p> <p><b>Justification:</b></p> <p>This work order contract will be on an "as-needed" basis, and the scope of the construction will depend on the nature of each individual project. A work order will be issued upon identification of a need for a construction activity and determination of its scope and schedule.</p> </td> </tr> </table>			<b>Project:</b>	Treatment Facilities Engineering Contract - 2024		<b>Project ID:</b>	Pro-12346	<b>Programmed Amount:</b>	\$1,575,000	<b>Core Business:</b>	Wastewater	<b>Category:</b>	Treatment	<b>Phase:</b>	Design	<b>Council District:</b>	System Wide	<p><b>Description and Scope:</b></p> <p>This project will use work order contracts for engineering services of small but urgent projects. These contracts allow flexibility to execute projects without pulling funds from budgeted projects and avoid delays associated with conventional bid processes.</p> <p><b>Justification:</b></p> <p>This work order contract will be on an "as-needed" basis, and the scope of the construction will depend on the nature of each individual project. A work order will be issued upon identification of a need for a construction activity and determination of its scope and schedule.</p>		
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<b>Project ID:</b>	Pro-12346																			
<b>Programmed Amount:</b>	\$1,575,000																			
<b>Core Business:</b>	Wastewater																			
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## **WATER SUPPLY**

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**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
**PROJECT DATA SHEET**

<b>Project:</b> <b>Project ID:</b> <b>Programmed Amount:</b> <b>Core Business:</b> <b>Category:</b> <b>Phase:</b> <b>Council District:</b>	<b>Recycled Water Governmental Adjustments - 2024</b> Pro-12329 \$420,000 Water Supply Recycled Water Construction System Wide	
<b>Description and Scope:</b> <p>The governmental recycled water program consists of projects implemented in conjunction with other government agencies when they implement maintenance and/or capital improvement projects. Through this program, SAWS participates in the relocation and replacement of recycled water facilities, when appropriate or required. SAWS participates in the Utility Coordination Council and jointly plans and reviews infrastructure improvements with COSA, Bexar County, CPS, TXDOT, AT&amp;T, and other agencies, to maximize effectiveness of public infrastructure.</p> <b>Justification:</b> <p>Replacing aging infrastructure in conjunction with other agencies planned street work is the most cost-effective approach to infrastructure management. It minimizes the cost of construction and minimizes the potential of utility failure under a new street.</p>		
<b>Project:</b> <b>Project ID:</b> <b>Programmed Amount:</b> <b>Core Business:</b> <b>Category:</b> <b>Phase:</b> <b>Council District:</b>	<b>Recycled Water OCCC - 2024</b> Pro-12347 \$262,500 Water Supply Recycled Water Construction System Wide	
<b>Description and Scope:</b> <p>The Owner Controlled Construction Changes (OCCC) fund was established to improve monitoring and efficiency of construction requested by SAWS. Funding amounts are determined by reviewing historical data and project schedules to determine the estimated amount needed for present and future years.</p> <b>Justification:</b> <p>Changes that occur on construction projects must be approved by SAWS Board of Trustees if over \$100,000.</p>		

**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
**PROJECT DATA SHEET**

<b>Project:</b>	<b>Recycled Water Overhead 2024</b>		
<b>Project ID:</b>	Pro-12331		
<b>Programmed Amount:</b>	\$325,000		
<b>Core Business:</b>	Water Supply		
<b>Category:</b>	Recycled Water		
<b>Phase:</b>	Overhead		
<b>Council District:</b>	System Wide		

**Description and Scope:**

SAWS overhead costs cover the direct costs associated with SAWS personnel that manage and support CIP projects during the capitalizable phases of the project. The overhead costs were calculated primarily using the capitalized costs from staff time charged using the CIP Time Tracker on an annualized basis and analyzing the remaining 2023 and prior year CIP projects and the future 2024 CIP projects.

**Justification:**

Overhead costs are applied to SAWS personnel costs to capture direct incremental costs associated with SAWS personnel that support the development and construction of CIP projects.

<b>Project:</b>	<b>General Legal Services - WR 2024</b>		
<b>Project ID:</b>	Pro-12320		
<b>Programmed Amount:</b>	\$26,250		
<b>Core Business:</b>	Water Supply		
<b>Category:</b>	Water Resources		
<b>Phase:</b>	Acquisition		
<b>Council District:</b>	System Wide		

**Description and Scope:**

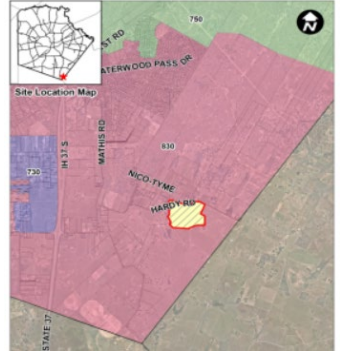

Specialized legal support is required for critical projects.

**Justification:**

External legal support is sought only when there is insufficient internal legal staff to support the effort, or specialized legal expertise is required.




**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
**PROJECT DATA SHEET**

<b>Project:</b>	H2Oaks ASR Lime System Improvements Project	
<b>Project ID:</b>	Pro-00413	
<b>Programmed Amount:</b>	\$5,418,000	
<b>Core Business:</b>	Water Supply	
<b>Category:</b>	Water Resources	
<b>Phase:</b>	Construction	
<b>Council District:</b>	OCL	
<p><b>Description and Scope:</b></p> <p>This project will consist of improvements to the Aquifer Storage and Recovery (ASR) lime storage system located at the H2Oaks Facility in south Bexar County near the Atascosa and Wilson County lines. The proposed upgrades at this site include the existing hydrated limes storage and feed system, restoration of the plant SCADA system, replacement/repair drainage lines to solve clogging issues, replacement of the raw water booster pumps to achieve the desired pressure for system flushing, slurry tank and associated piping and equipment, a new spiral access staircase for the existing silos, and improvements and automation of the existing CO2 system. This project was previously included in the 2022 CIP budget, however the funds were used to cover overages in the Arteria Pump Station Pumps &amp; Motors project.</p> <p><b>Justification:</b></p> <p>The existing lime system at the H2Oaks ASR Plant is approaching 20 years old and is at the end of its useful service life. Additionally, the existing lime slurry hoses have been prone to clogging and a new lime slurry loop system will be installed to prevent unnecessary maintenance.</p>		
<b>Project:</b>	Water Resources OCCC - 2024	
<b>Project ID:</b>	Pro-12326	
<b>Programmed Amount:</b>	\$1,050,000	
<b>Core Business:</b>	Water Supply	
<b>Category:</b>	Water Resources	
<b>Phase:</b>	Construction	
<b>Council District:</b>	System Wide	
<p><b>Description and Scope:</b></p> <p>The Owner Controlled Construction Changes (OCCC) fund was established to improve monitoring and efficiency of construction requested by SAWS. Funding amounts are determined by reviewing historical data and project schedules to determine the estimated amount needed for present and future years.</p> <p><b>Justification:</b></p> <p>Changes that occur on construction projects must be approved by SAWS Board of Trustees if over \$100,000.</p>		

SAN ANTONIO WATER SYSTEM  
2024 CAPITAL IMPROVEMENT PROGRAM  
PROJECT DATA SHEET

Project:	Water Resources Overhead - 2024
Project ID:	Pro-12327
Programmed Amount:	\$10,000,000
Core Business:	Water Resources
Category:	Corporate WR
Phase:	Construction
Council District:	System Wide



**Description and Scope:**

SAWS overhead costs cover the direct costs associated with SAWS personnel that manage and support CIP projects during the capitalizable phases of the project. The overhead costs were calculated primarily using the capitalized costs from staff time charged using the CIP Time Tracker on an annualized basis and analyzing the remaining 2023 and prior year CIP projects and the future 2024 CIP projects.

**Justification:**



Overhead costs are applied to SAWS personnel costs to capture direct incremental costs associated with SAWS personnel that support the development and construction of CIP projects.

**CHILLED WATER**



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**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
**PROJECT DATA SHEET**

<b>Project:</b>	Central Plant Electrical, Cooling Tower, and Metering Upgrades	
<b>Project ID:</b>	Pro-12365	
<b>Programmed Amount:</b>	\$7,120,850	
<b>Core Business:</b>	Chilled Water	
<b>Category:</b>	Chilled Water	
<b>Phase:</b>	Construction	
<b>Council District:</b>	District 01	
<p><b>Description and Scope:</b></p> <p>This project will replace existing electrical distribution equipment, gear boxes, motors, and fans for cooling towers 3, 4, and 5, and replace existing cooling tower fill at the downtown Central Cooling Plant. It will also replace metering instrumentation in both the Central Plant and customer mechanical rooms.</p> <p><b>Justification:</b></p> <p>The electrical distribution equipment at the Central chilled water plant is past its useful life. As a result, reliability is a concern and replacement parts are difficult to acquire. The electrical equipment is also limiting the future cooling capacity of the plant at full buildout. Replacing the electrical equipment will help with reliability and ensure the plant can accommodate future cooling loads. These projects will improve the performance and reliability of the Central Plant which serves critical loads including the Convention Center, Alamodome, Grand Hyatt, Palacio Del Rio and more.</p>		
<b>Project:</b>	Chilled Water OCCC - 2024	
<b>Project ID:</b>	Pro-12332	
<b>Programmed Amount:</b>	\$134,400	
<b>Core Business:</b>	Chilled Water	
<b>Category:</b>	Chilled Water	
<b>Phase:</b>	Construction	
<b>Council District:</b>	System Wide	
<p><b>Description and Scope:</b></p> <p>The Owner Controlled Construction Changes (OCCC) fund was established to improve monitoring and efficiency of construction requested by SAWS. Funding amounts are determined by reviewing historical data and project schedules to determine the estimated amount needed for present and future years.</p> <p><b>Justification:</b></p> <p>Changes that occur on construction projects must be approved by SAWS Board of Trustees if over \$100,000.</p>		


**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
**PROJECT DATA SHEET**

<b>Project:</b>	Chilled Water Overhead - 2024	
<b>Project ID:</b>	Pro-12333	
<b>Programmed Amount:</b>	\$325,000	
<b>Core Business:</b>	Chilled Water	
<b>Category:</b>	Chilled Water	
<b>Phase:</b>	Overhead	
<b>Council District:</b>	System Wide	
<p><b>Description and Scope:</b></p> <p>SAWS overhead costs cover the direct costs associated with SAWS personnel that manage and support CIP projects during the capitalizable phases of the project. The overhead costs were calculated primarily using the capitalized costs from staff time charged using the CIP Time Tracker on an annualized basis and analyzing the remaining 2023 and prior year CIP projects and the future 2024 CIP projects.</p> <p><b>Justification:</b></p> <p>Overhead costs are applied to SAWS personnel costs to capture direct incremental costs associated with SAWS personnel that support the development and construction of CIP projects.</p>		
<b>Project:</b>	General Legal Services - CW 2024	
<b>Project ID:</b>	Pro-12334	
<b>Programmed Amount:</b>	\$52,500	
<b>Core Business:</b>	Chilled Water	
<b>Category:</b>	Chilled Water	
<b>Phase:</b>	Acquisition	
<b>Council District:</b>	System Wide	
<p><b>Description and Scope:</b></p> <p>Specialized legal support is required for critical projects.</p> <p><b>Justification:</b></p> <p>External legal support is sought only when there is insufficient internal legal staff to support the effort, or specialized legal expertise is required.</p>		

**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
**PROJECT DATA SHEET**

<b>Project:</b>	Port SA Building 1625 Plant Chiller #1 Replacement	
<b>Project ID:</b>	Pro-12368	
<b>Programmed Amount:</b>	\$903,310	
<b>Core Business:</b>	Chilled Water	
<b>Category:</b>	Chilled Water	
<b>Phase:</b>	Construction	
<b>Council District:</b>	District 04	
<p><b>Description and Scope:</b></p> <p>Replace chiller #1 at the Port San Antonio (SA) Building 1625 chilled water plant.</p> <p><b>Justification:</b></p> <p>Chiller #1 at the Port SA Building 1625 chilled water plant is past its useful life and more than 10% of the chiller's tubes have been plugged due to failure. Replacing this chiller will ensure the plant can reliably meet the cooling load requirements of Port San Antonio and US Air Force facilities.</p>		
<b>Project:</b>	Port SA Building 1625 Plant Controls	
<b>Project ID:</b>	Pro-12367	
<b>Programmed Amount:</b>	\$1,155,127	
<b>Core Business:</b>	Chilled Water	
<b>Category:</b>	Chilled Water	
<b>Phase:</b>	Construction	
<b>Council District:</b>	District 04	
<p><b>Description and Scope:</b></p> <p>This project will install an automation system to control operation of the plant. There are no automated controls in place at the Port San Antonio (SA) Building 1625 chilled water plant. All equipment must be operated manually and onsite which is inefficient from both a management and energy standpoint.</p> <p><b>Justification:</b></p> <p>Installing an automated controls system will allow staff to operate the plant remotely and incorporate optimization, which will improve energy efficiency. This project will allow SAWS to pass energy savings on to Port SA and US Airforce customers.</p>		

**SAN ANTONIO WATER SYSTEM**  
**2024 CAPITAL IMPROVEMENT PROGRAM**  
**PROJECT DATA SHEET**

<b>Project:</b>	Port SA Building 356 Plant Electrical Upgrades and Controls	
<b>Project ID:</b>	Pro-12366	
<b>Programmed Amount:</b>	\$3,465,382	
<b>Core Business:</b>	Chilled Water	
<b>Category:</b>	Chilled Water	
<b>Phase:</b>	Construction	
<b>Council District:</b>	District 04	
<p><b>Description and Scope:</b></p> <p>This project will replace all existing electrical distribution equipment and install an automation system to control operation of the plant. The Port San Antonio (SA) Building 356 chilled water plant serves critical customers including Standard Aero, Boeing, and Chromalloy.</p> <p><b>Justification:</b></p> <p>The electrical distribution equipment at the Port SA Building 356 chilled water plant is past its useful life. As a result, reliability is a concern and replacement parts are difficult to acquire. Replacing the electrical equipment will ensure reliability moving forward. There are no automated controls in place at the Port SA Building 356 chilled water plant. All equipment must be operated manually and onsite which is inefficient from both a management and energy standpoint. Installing an automated controls system will allow staff to operate the plant remotely and incorporate optimization which will improve energy efficiency.</p>		

## **SUPPLEMENTAL INFORMATION**

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## WATER SUPPLY FEE

Effective for all potable water consumption on or about January 1, 2023. This fee directly funds the acquisition of new water supplies to reduce dependence on the Edwards Aquifer. The Water Supply Fee shall be assessed on all potable water service for water usage, measured per 1,000 gallons for each month or fraction thereof, according to the schedule below:

### WATER SUPPLY FEE

RATE CLASS	USAGE GALLON - BLOCK THRESHOLD	ASSESSED FEE RATE PER 1,000 GALLONS
Approved 2023		
Residential	4,000	\$1.631
	7,000	\$3.018
	12,000	\$5.464
	20,000	\$7.177
	Over 20,000	\$10.194
General	Base*	\$3.079
	125% of Base	\$3.541
	175% of Base	\$4.619
	Over 175% of Base	\$5.389
Wholesale	Base**	\$3.567
	Over Base	\$7.134
Irrigation	8,000	\$3.813
	18,000	\$5.339
	160,000	\$6.864
	Over 160,000	\$8.770
Uplift Assistance Program Residential	2,000	\$0.000
	6,000	\$1.650
	10,000	\$2.475
	15,000	\$4.125
	Over 15,000	\$5.775

\* The Base Use for General Class is defined as 100% of the prior year's average monthly consumption.

\*\*The Base Use for the Wholesale Class is defined as 100% of the prior year's average monthly consumption or as agreed to by the wholesale customer and approved by the SAWS Board of Trustees.

## RESIDENTIAL WATER AND SEWER RATES

### RESIDENTIAL WATER RATES

Effective for all potable water consumption on or about January 1, 2023. The Service Availability Charge (minimum bill) is assessed for all residential water service furnished through meters of the following sizes together with the Monthly Water Volume Charge and the Water ADP Discount Program Recovery Rate volumetric rate, measured per 1,000 gallons of water usage for each month or fraction thereof, shall be as follows:

MONTHLY SERVICE AVAILABILITY CHARGE			MONTHLY WATER DELIVERY VOLUME CHARGE		
METER SIZE	INSIDE CITY LIMITS *	OUTSIDE CITY LIMITS **		INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	Approved 2023	Approved 2023		RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
			Usage Gallons Block Threshold	Approved 2023	Approved 2023
5/8"	\$9.00	\$11.70	4,000	\$0.907	\$1.180
3/4"	11.93	15.51	7,000	\$1.678	\$2.182
1"	17.79	23.13	12,000	\$3.039	\$3.951
1-1/2"	32.44	42.18	20,000	\$3.991	\$5.189
2"	50.02	65.03	Over 20,000	\$5.669	\$7.370
3"	96.90	125.97			
4"	149.64	194.54			
6"	296.14	384.99			
8"	471.94	613.53			
10"	589.14	765.89			
12"	823.54	1,070.61			

Water Uplift Assistance Program Fee Rate		
	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
	Approved 2024	Approved 2024
All Volumes	\$0.130	\$0.130

\* For Inside City Limits customers, the Water Service Availability Charge shall be increased by \$2.00 if monthly usage exceeds 4,000 gallons.

\*\* For Outside City Limits customers, the Water Service Availability Charge shall be increased by \$2.60 if monthly usage exceeds 4,000 gallons.



## RESIDENTIAL SEWER RATES

Effective for all sewer usage on or about January 1, 2023. The below Monthly Sewer Service Availability Charge, the Monthly Sewer Volume Charge and the Sewer ADP Discount Program Recovery Rate volume charge are assessed for all metered residential connections. The charges are computed based on average water usage for 90 days during three consecutive billing periods beginning after November 15 and ending on or about March 15 of each year and are billed according to the rate schedules below.

### MONTHLY SERVICE AVAILABILITY CHARGE

METER SIZE	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	Approved 2023	Approved 2023
5/8"	\$10.00	\$12.00
3/4"	13.89	16.67
1"	21.66	26.00
1-1/2"	41.08	49.30
2"	64.39	77.27
3"	126.55	151.86
4"	196.48	235.78
6"	390.73	468.88
8"	623.83	748.60
10"	779.23	935.08
12"	1,090.03	1,308.04

Customers who do not have a winter record of water usage or an interim average will be billed for sewer service assuming 5,985 gallons monthly sewer usage. Customers with no San Antonio Water System water meter will be charged the Sewer Service Availability Charge based on a 5/8" meter size.

### MONTHLY SEWER VOLUME CHARGE

	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
Usage Gallons Block Threshold	Approved 2023	Approved 2023
4,000	\$2.539	\$3.047
Over 4,000	\$4.444	\$5.333

### Sewer Uplift Assistance Program Fee Rate

	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
	Approved 2024	Approved 2024
All Volumes	\$0.150	\$0.150

## UPLIFT ASSISTANCE PROGRAM (UAP) RATES

Households inside the City Limits or outside the City Limits with income at or below 125 percent of the Federal Poverty Level (FPL) are eligible to apply to be subject to the below Uplift Assistance Program water and sewer rates. Rates are effective for consumption on or about January 1, 2023.

### UAP RESIDENTIAL WATER RATES

The Uplift Assistance Program (UAP) Residential Service Availability Charge (minimum bill) is assessed for all residential water service exceeding 2,000 gallons per month of usage furnished through meters of the following sizes together with the Monthly Volume Charge measured per 1,000 gallons of water usage for each month or fraction thereof shall be as follows:

MONTHLY SERVICE AVAILABILITY CHARGE			MONTHLY WATER DELIVERY VOLUME CHARGE		
METER SIZE	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS		INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	Approved 2023	Approved 2023		RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
Tier 1 *	\$0.00	\$0.00			
Tiers 2-5	3.00	3.90	Usage Gallons Block Threshold	Approved 2023	Approved 2023
			2,000	\$0.000	\$0.000
			6,000	\$1.000	\$1.300
			10,000	\$1.500	\$1.950
			15,000	\$2.500	\$3.250
			Over 15,000	\$3.500	\$4.550

\* The UAP Water Service Availability Charge is zero if monthly consumption does not exceed the Tier 1 usage block threshold of 2,000 gallons.

### UAP RESIDENTIAL SEWER RATES

Effective for all potable water consumption on or about January 1, 2023. UAP sewer service volumetric charges for all metered residential connections are computed on the basis of average water usage for 90 days during three consecutive billing periods beginning after November 15 and ending on or about March 15 of each year and are billed according to the rate schedules below.

MONTHLY SEWER VOLUME CHARGE		
	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
Usage Gallons Block Threshold	Approved 2023	Approved 2023
2,000	\$0.000	\$0.000
Over 2,000	\$2.700	\$3.240

Customers who do not have a winter record of water usage or an interim average will be billed for sewer service assuming 5,985 gallons monthly sewer usage.

## GENERAL CLASS WATER SERVICE AND SEWER RATES

*Including Apartment, Commercial, Industrial and Municipal*

Effective for consumption on or about January 1, 2023. For business customers, a multi-step, base-excess use structure has been developed called the General Class. The base amount for General Class customers is 100% of customer's prior year's average monthly usage. Increased unit rates apply as usage exceeds each customer's base amount.

### GENERAL CLASS WATER RATES

Effective for all potable water consumption on or about January 1, 2023. The below Water Service Availability Charge, the Monthly Water Volume Charge and the Water ADP Discount Program Recovery Rate volume charge are assessed for all metered General Class connections. The charges are computed based on actual water consumption and are billed according to the rate schedules below.

MONTHLY SERVICE AVAILABILITY CHARGE			MONTHLY WATER DELIVERY VOLUME CHARGE		
METER SIZE	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS		INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	Approved 2023	Approved 2023		RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
5/8"	\$12.70	\$16.00	Usage Gallons Block Threshold	Approved 2023	Approved 2023
3/4"	16.48	20.66	Base*	\$1.958	\$2.546
1"	24.04	29.98	>100-125% of Base	\$2.252	\$2.928
1-1/2"	42.94	53.28	>125-175% of Base	\$2.937	\$3.819
2"	65.62	81.23	>175% of Base	\$3.427	\$4.456
3"	126.10	155.77			
4"	194.14	239.64			
6"	383.14	472.59			
8"	609.94	752.13			
10"	761.14	938.49			
12"	1,063.54	1,311.21			

\*The Base Use is defined as 100% of the Annual Average Consumption.

Water Uplift Assistance Program Fee Rate		
	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
	Approved 2024	Approved 2024
All Volumes	\$0.130	\$0.130

For a new General Class water customer who does not have a record of prior-year consumption history, in order to establish a base use for the assessment of the above volumetric rates, a default base amount shall be assigned using the average monthly consumption for the prior calendar year for the average apartment, general or industrial account (as applicable) having the same meter size and sub-classification as the customer. A table of average monthly consumptions by general class sub-classification and meter size shall be updated annually with actual prior calendar year consumption history information to serve as the source of default base amount assignments.

## GENERAL CLASS SEWER RATES

Effective for all sewer usage on or about January 1, 2023. The below Sewer Service Availability Charge, the Monthly Sewer Volume Charge and the Sewer ADP Discount Program Recovery Rate volume charge are assessed for all metered General Class connections. The charges are computed based on actual water consumption and are billed according to the rate schedules below.

MONTHLY SERVICE AVAILABILITY CHARGE			MONTHLY SEWER VOLUME CHARGE		
METER SIZE	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS		INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	Approved 2023	Approved 2023		RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
5/8"	\$10.00	\$12.00	Usage Gallons Block Threshold	Approved 2023	Approved 2023
3/4"	13.89	16.67			
1"	21.66	26.00	All Volumes	\$4.368	\$5.242
1-1/2"	41.08	49.30			
2"	64.39	77.27			
3"	126.55	151.86			
4"	196.48	235.78			
6"	390.73	468.88			
8"	623.83	748.60			
10"	779.23	935.08			
12"	1,090.03	1,308.04			

Sewer Uplift Assistance Program Fee Rate		
	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
	Approved 2024	Approved 2024
All Volumes	\$0.150	\$0.150

Customers who do not have a San Antonio Water System water meter will be charged the Sewer Service Availability Charge based on a 2" meter size.

## LANDSCAPE IRRIGATION SERVICE RATES

Effective for consumption on or about January 1, 2023. The landscape irrigation rate applies to all "landscape irrigation" accounts. These exclude irrigation meters using water as part of their business function (e.g. process water and nurseries) as well as when used for health and safety purposes (e.g. school athletic fields). New commercial businesses are required to install separate landscape irrigation meters. Existing accounts will be retrofitted where possible. Accounts not retrofitted will be prorated based on estimated irrigation water use.

The Monthly Service Availability Charge (minimum bill) for all irrigation water service furnished through meters of the following sizes together with the Monthly Volume Charge and the Water ADP Discount Program Recovery Rate volumetric charge, measured per 1,000 gallons for water usage in every instance of service for each month or fraction thereof, shall be as follows:

MONTHLY SERVICE AVAILABILITY CHARGE			MONTHLY WATER DELIVERY VOLUME CHARGE		
METER SIZE	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS		INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	Approved 2023	Approved 2023		RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
5/8"	\$12.70	\$16.00	Usage Gallons Block Threshold	Approved 2023	Approved 2023
3/4"	16.48	20.66	8,000	\$3.475	\$4.518
1"	24.04	29.98	18,000	\$4.865	\$6.325
1-1/2"	42.94	53.28	160,000	\$6.255	\$8.132
2"	65.62	81.23	Over 160,000	\$7.993	\$10.391
3"	126.10	155.77			
4"	194.14	239.64			
6"	383.14	472.59			
8"	609.94	752.13			
10"	761.14	938.49			
12"	1,063.54	1,311.21			

Water Uplift Assistance Program Fee Rate		
	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
	RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
	Approved 2024	Approved 2024
All Volumes	\$0.130	\$0.130

## WHOLESALE WATER SERVICE AND SEWER RATES

Effective for consumption on or about January 1, 2023.

Water service charges for all metered wholesale water connections shall be the sum of the appropriate Water and Sewer Service Availability Charges and the application of the Water and Sewer Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below.

### MONTHLY SERVICE AVAILABILITY CHARGES

METER SIZE *	WATER	SEWER
	Approved 2023	Approved 2023
6"	\$298.14	\$340.07
8"	473.94	340.07
10"	591.14	340.07
12"	825.54	340.07

\* Wholesale service will not be provided through a meter smaller than 6" in order to comply with fire-flow requirements and the "Criteria for Water Supply and Distribution in the City of San Antonio and its Extraterritorial Jurisdiction."

### MONTHLY WATER DELIVERY VOLUME CHARGE

WATER	
RATE PER 1,000 GALLONS	
Usage Gallons Block Threshold	Approved 2023
Base**	\$2.723
Over Base	\$5.446

### MONTHLY SEWER VOLUME CHARGE

SEWER	
RATE PER 1,000 GALLONS	
Approved 2023	
All Volumes	\$4.256

\*\*The Base Use is defined as 100% of the Annual Average Consumption or as agreed to by the wholesale customer and approved by the SAWS Board of Trustees.

## EDWARDS AQUIFER AUTHORITY PERMIT FEE

Ordinance No. 87042 provides for the establishment and assessment of a pass-through charge of the Edwards Aquifer Authority (EAA) Permit Fee to all San Antonio Water System water customers. Fee is assessed on all potable water usage. Any changes to the pass-through fee for 2024 will be evaluated at the end of 2023.

### 2023 EAA PASS THROUGH FEE (per 1,000 gallons)

Monthly Rate  
\$0.2992

## TCEQ FEE

San Antonio Water System works cooperatively with government agencies to comply with local, state and federal regulations. As the state-level environmental agency, the Texas Commission on Environmental Quality (TCEQ) generates part of its operating revenue from fees charged to utilities like SAWS.

To help recover the fees assessed by TCEQ, SAWS charges every customer a TCEQ pass-through fee.

The pass-through fee applies to all residential, commercial, and wholesale accounts. Any changes to the pass-through fees for 2024 will be evaluated at the end of 2023.

### 2023 TCEQ PASS-THROUGH FEE

Service Type	Monthly Rate
Water Fee	\$0.21
Wastewater Fee	\$0.06

## RECYCLED WATER SERVICE

Effective for all recycled water consumption on or about January 1, 2024. The Monthly Service Availability Charge (minimum bill) for all recycled water service furnished through meters of the following sizes together with the Monthly Volume Charge measured per 1,000 gallons for water usage in every instance of service for each month of fraction thereof shall be as follows:

### EDWARDS EXCHANGE CUSTOMERS

#### MONTHLY SERVICE AVAILABILITY CHARGE

METER SIZE	Approved 2024
5/8"	\$18.61
3/4"	24.20
1"	31.56
1-1/2"	50.13
2"	73.28
3"	194.93
4"	289.74
6"	552.68
8"	833.11
10"	1,142.37
12"	1,409.50

#### MONTHLY VOLUME CHARGE

	STANDARD	SEASONAL
	RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
Usage in Gallons	Approved 2024	Approved 2024
Transferred Amount	\$0.4906	\$0.4906
>100-125% of Base	\$1.8370	\$1.9514

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

## NON-EDWARDS EXCHANGE CUSTOMERS

MONTHLY SERVICE  
AVAILABILITY CHARGE

METER SIZE	Approved 2024
5/8"	\$18.61
3/4"	24.20
1"	31.56
1-1/2"	50.13
2"	73.28
3"	194.93
4"	289.74
6"	552.68
8"	833.11
10"	1,142.37
12"	1,409.50

## MONTHLY VOLUME CHARGE

	STANDARD	SEASONAL
	RATE PER 1,000 GALLONS	RATE PER 1,000 GALLONS
Usage Gallons Block Threshold	Approved 2024	Approved 2024
748,000	\$1.9646	\$2.1131
Over 748,000	\$2.0097	\$2.1307

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

## CHILLED WATER SERVICE

Effective for all chilled water demand on or about January 1, 2024.

	Downtown Area Approved 2024	Port San Antonio Approved 2024
Capacity Charge per ton hour	\$25.39	\$28.31



## GLOSSARY

**Acre-Foot/Acre-Feet** – The volume of water that would cover one acre to a depth of one foot. It is equal to 325,851 gallons

**Affordability Discount** – Customer assistance program designed to provide a discount to customers who meet income eligibility requirements.

**Annual Budget** – A financial plan for a specified period of time (fiscal year) that assigns resources to each activity in sufficient amounts so as to reasonably expect accomplishment of the objectives in the most cost-effective manner.

**Aquifer** – A wet underground layer of water-bearing permeable rock or unconsolidated materials (gravel, sand, or silt) from which groundwater can be usefully extracted using a water well.

**Average Winter Consumption** – Average water usage during three consecutive billing periods beginning after November 15 and ending on or about March 15 of each year.

**Balanced Budget** – A budget in which planned revenues generated from various user fees and receipts are sufficient to fund planned expenditures.

**Board** – Board of Trustees of the San Antonio Water System

**Bonds** – City of San Antonio, Texas Water System Revenue and Refunding Bonds

**Brackish Groundwater** – Either slightly or moderately saline water containing between 1,000 and 10,000 milligrams per liter (mg/L) of total dissolved solids (TDS).

**Build America Bonds** – Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. Build America Bonds were created under the American Recovery and Reinvestment Act on February 17, 2009.

**Capital Improvement Program** – The Capital Improvement Program (CIP) is a planning and budgeting tool that provides information about SAWS' infrastructure needs. It identifies facility and equipment requirements for sustaining, restoring and modernizing the facilities and infrastructure that support water supply and delivery, wastewater collection and treatment, and heating and cooling requirements in the SAWS service area. It also prioritizes and schedules them for funding and implementation through a multi-year plan.

**Capital Expenditure** – An expenditure that:

- results in additions or improvements of a permanent nature
- is in an amount exceeding \$5,000
- adds value and has a useful life of more than one year
- prolongs the life of the improved or enhanced property
- is necessary to establish or implement the use of a capital asset such that the modification of other existing assets makes the new asset operational.

**City** – The City of San Antonio (COSA), located in the State of Texas.

**City Council** – The current elected officials of the City of San Antonio, as set forth in the City's Charter. Unless otherwise stated, the Mayor is considered part of the City Council.

**Commercial Paper** – An unsecured, short-term debt instrument maturing between 1 and 270 days, that provides the debt holders (bondholders) exemption from at least some taxes on the earnings at a local, state or federal level, or a combination thereof. The debt is usually issued at a discount, reflecting prevailing market interest rates. Tax-Exempt commercial paper is typically backed only by the issuer's promise to pay the face amount on the maturity date specified on the note.

**ConnectH2O** – SAWS Advanced Metering Infrastructure (AMI) project installing electronic meters.

**Consent Decree** – A legal agreement between SAWS and the U.S. Environmental Protection Agency (EPA) whereby SAWS agreed to make significant upgrades to reduce overflows from its sewer system and pay a civil penalty to resolve Clean Water Act (CWA) violations stemming from illegal discharges of raw sewage.

**COVID-19** – Coronavirus Pandemic

**CPS Energy** – Municipally owned utility providing electric and gas to the San Antonio and Bexar County area - formerly City Public Service (CPS).

**CPS Contract/CPS Energy Contract** – The Wastewater Contract executed on September 15, 1990 between the Alamo Conservation and Reuse District and the City Public Service Board of San Antonio.

**Desalination** – Brackish groundwater desalination

**Debt** – All indebtedness payable from Pledged Revenues and/or Net Revenues incurred or assumed by the City for borrowed money and all other SAWS financing obligations payable from Pledged Revenues and/or net Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet.

**Debt Service Requirements** – As of any particular date of computation, with respect to any obligation and with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations.

**Encumbrance** – Amount for which there is a legal obligation to spend in the future. A purchase order is a typical encumbrance transaction

**Edwards Aquifer HCP** – Edwards Aquifer Habitat Conservation Program

**Fiscal Year** – The twelve- month accounting period used by SAWS in connection with the operation of the System, currently ending on December 31 of each year, which may be any twelve consecutive month period established by the Board, but in no event may the Fiscal Year be changed more than one time in any period of three calendar years.

**Gross Revenues** – All revenue during such period in respect or on account of the operation or ownership of the System, excluding refundable meter deposits, restricted gifts, grants in aid of construction, any amounts payable to the United States as rebate, any impact fees charged by the System, payments received pursuant to the CPS Contract together with earnings and interest thereon, and earnings and income derived from the investment or deposit of money in the Construction Fund.

**H2Oaks** – H2Oaks Center, located in far south Bexar County at the site formerly known as SAWS Twin Oaks Aquifer Storage and Recovery. The location is now home to three water supplies, all operated from the H2Oaks control room: desalinated water, aquifer storage and recovery, and local Carrizo Aquifer

**Incidental Take Permit** – A permit issued by the U.S. Fish and Wildlife Service which allows the permit-holder to legally proceed with an activity that would otherwise result in the unlawful take of a listed wildlife species.

**J-17 Index Well** – This well is situated on a major Edwards Aquifer recharge flow path and responds quickly to pumpage and recharge. The well has been used for many decades to record changes in the level of the aquifer in the San Antonio area

**Junior Lien Obligations** – Bonds, Previously Issued Junior Lien Obligations, and any Additional Junior Lien Obligations hereafter issued by the City, or bonds issued to refund any of the foregoing (as determined within the sole discretion of the City Council in accordance with applicable law) if issued in a manner so as to be payable from and equally and ratably secured by a junior lien on and pledge of SAWS' Net Revenues

**Lift Station** – Lift stations are facilities designed to move wastewater from lower to higher elevation, particularly where the elevation of the source is not sufficient for gravity flow and/or when the use of gravity conveyance will result in excessive excavation depths and high sewer construction costs.

**Net Revenues** – Gross Revenues of the System, with respect to any period, after deducting the System's Operating and Maintenance Expenses during such period.

**Operations and Maintenance Expense** – All current expenses of operating and maintaining the System not paid from the proceeds of any Debt, including:

- (1) The cost of all salaries, labor, materials, repairs, and extensions necessary to render efficient service, but only if, in the case of repairs and extensions, that are, in the judgment of the Board, necessary to maintain operation of the System and render adequate service to the City and the inhabitants thereof and other customers of the System, or are necessary to meet some physical accident or condition which would otherwise impair the payment of Debt,
- (2) Payments to pension, retirement, health hospitalization, and other employee benefit funds for employees of the Board engaged in the operation or maintenance of the System,
- (3) Payments under contracts for the purchase of water supply, treatment of sewage, or other materials, goods or services for the System to the extent authorized by law and the provisions of such contract,
- (4) Payments to auditors, attorneys, and other consultants incurred in complying with the obligations of the City or the Board,
- (5) The payments made on or in respect of obtaining and maintaining any Credit Facility, and
- (6) Any legal liability of the City or the Board arising out of the operation, maintenance, or condition of the System, but excluding any allowance for depreciation, property retirement, depletion, obsolescence, and other items not requiring an outlay of cash and any interest on Bonds or any Debt.

**Ordinance** – Ordinance No. 75686 adopted by the City Council on April 30, 1992. This ordinance outlines important financial requirements and calculations to use for determining rates and charges, flow of funds, pledged revenues toward debt service, debt coverage ratios and fund requirements

**Pledged Revenues** – The Net Revenues, plus any additional revenues, income, receipts, or other resources, including, without limitation any grants, donations, or income received or to be received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the City to the payment of the Senior Lien Obligations, and excluding those revenues excluded from Gross Revenues.

**Potable Water** – Water fit to drink.

**SAWS 2017 Water Management Plan** – A plan which addresses the San Antonio's future needs by calling for investment in new supplies and a continued commitment to water conservation.

**Senior Lien Obligations** – The outstanding and unpaid obligations of the City that are payable solely from and equally and ratably secured by a prior and first lien on and pledge of the Pledged Revenues of the System.

**Sewershed** – An area where the rain runoff flows are determined by curbs, storm drains, settling basins, pipes and outfalls to streams.

**Sanitary Sewer Overflow (SSO)** – A condition whereby untreated sewage is discharged into the environment prior to reaching sewage treatment facilities.

**Strategic Plan** – Strategic plan is a process of identifying corporate goals and priorities. The Strategic Plan becomes a management tool used to help an organization ensure that members of the organization are working toward the same goals, and to assess and adjust the organization's direction in response to a changing environment. Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future.

**Subordinate Lien Obligations** – The currently outstanding and unpaid obligations of the City that are payable wholly or in part from a lien on and pledge of the Net Revenues that is subordinate and inferior to the pledge thereof securing payment of the currently outstanding Senior Lien Obligations and the Junior Lien Obligations.

**Swap** – An exchange of streams of payments over time according to specified terms. The most common type is an interest rate swap, in which one party agrees to pay a fixed interest rate in return for receiving an adjustable rate from another party.

**Tax Exempt Commercial Paper** – An unsecured, short-term debt instrument maturing between 1 and 270 days, that provides the debt holders (bondholders) exemption from at least some taxes on the earnings at a local, state or federal level, or a combination thereof. The debt is usually issued at a discount, reflecting prevailing market interest rates. Tax-Exempt commercial paper is typically backed only by the issuer's promise to pay the face amount on the maturity date specified on the note.

**Uplift Assistance Program** – Households inside the City Limits or outside the City Limits with income at or below 125 percent of the Federal Poverty Level (FPL) are eligible to apply to be subject to the Uplift Assistance Program residential rates.

**Uplift Assistance Program Fee** – Water and sewer volumetric fee rates assessed Residential, General, and Irrigation customers to support the Uplift Program Assistance Program.

**Watershed** – An area or ridge of land that separates waters flowing to different rivers and basins

**Water Supply Fee** – A consumption-based fee that funds the acquisition of new water sources to reduce San Antonio's dependence on the Edwards Aquifer.

## GLOSSARY OF ABBREVIATIONS

<b>ADP</b>	Affordability Discount Program	<b>ITP</b>	Incidental Take Permit
<b>AMI</b>	Advanced Metering Infrastructure	<b>JBSA</b>	Joint Base San Antonio
<b>ASR</b>	Aquifer Storage and Recovery	<b>LS</b>	Lift Station
<b>AWC</b>	Average Winter Consumption	<b>MGD</b>	Million Gallons per Day
<b>BGD</b>	Brackish Groundwater Desalination	<b>MSA</b>	Metropolitan Statistical Area
<b>CCN</b>	Certificates of Convenience and Necessity	<b>MYFP</b>	Multi-Year Financial Plan
<b>CIP</b>	Capital Improvement Program	<b>O&amp;M</b>	Operations and Maintenance
<b>COSA</b>	City of San Antonio	<b>OSCC</b>	Owner Controlled Construction Changes
<b>CCTV</b>	Closed Circuit Television	<b>OPEB</b>	Other Post-Employment Benefits
<b>CFO</b>	Chief Financial Officer	<b>PLC</b>	Programmable Logic Controllers
<b>CMOM</b>	Capacity Management Operation and Maintenance	<b>PZ</b>	Pressure Zone
<b>COO</b>	Chief Operating Officer	<b>R&amp;R</b>	Renewal and Replacement
<b>COVID-19</b>	Coronavirus Pandemic	<b>RAC</b>	Rate Advisory Committee
<b>CP</b>	Commercial Paper Program	<b>SAWS</b>	San Antonio Water System
<b>CPMS</b>	Capital Project Management System	<b>SCADA</b>	Supervisory Control and Data Acquisition System
<b>CPS</b>	City Public Service Energy	<b>SIFMA</b>	Securities Industry and Financial Markets Association
<b>CWIP</b>	Central Water Integration Pipeline	<b>SSLGC</b>	Schertz-Seguin Local Governmental Corporation
<b>DEM</b>	Dead-End Main	<b>SSO</b>	Sanitary Sewer Overflow
<b>DSP</b>	District Special Project (Formerly Bexar Metropolitan Water District)	<b>SSORP</b>	Sanitary Sewer Overflow Reduction Program
<b>EAA</b>	Edwards Aquifer Authority	<b>TCEQ</b>	Texas Commission on Environmental Quality
<b>EAHCP</b>	Edwards Aquifer Habitat Conservation Program	<b>TECP</b>	Tax Exempt Commercial Paper
<b>EARIP</b>	Edwards Aquifer Recovery Implementation Program	<b>TXDOT</b>	Texas Department of Transportation
<b>EMT</b>	SAWS Executive Management Team	<b>UAP</b>	Uplift Assistance Program
<b>EPA</b>	U.S. Environmental Protection Agency	<b>USFWS</b>	U.S. Fish and Wildlife Service
<b>EST</b>	Elevated Storage Tank	<b>WCTS</b>	Wastewater Collection and Transmission System
<b>FTE</b>	Full-Time Equivalent	<b>WD</b>	Water Delivery
<b>GASB</b>	Government Accounting Standards Board	<b>WRC</b>	Water Recycling Center
<b>GDP</b>	Gross Domestic Product	<b>WTPA</b>	Water Transmission and Purchase Agreement
<b>GFOA</b>	Government Finance Officers Association	<b>WW</b>	Wastewater
<b>GIS</b>	Geographic Information System		
<b>GPCD</b>	Gallons per Capita per Day		
<b>I/I</b>	Inflow and Infiltration		

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