



# Comprehensive Annual Financial Report

For the Years Ended  
December 31, 2015 and 2014

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A Component Unit of the  
City of San Antonio, Texas

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***COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
SAN ANTONIO WATER SYSTEM  
A COMPONENT UNIT OF THE  
CITY OF SAN ANTONIO, TEXAS  
For the Years Ended December 31, 2015 and 2014***

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Vice President – Business Planning & Controller*

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## ***INTRODUCTION***

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## SAN ANTONIO WATER SYSTEM

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March 30, 2016

Mr. Berto Guerra, Jr., Chairman  
Ms. Pat Jasso, Vice-Chairman  
Mr. Ernesto Arrellano, Secretary  
Mr. Louis E. Rowe, Assistant Secretary  
Ms. Pat Merritt, Trustee  
Mr. David McGee, Trustee  
Hon. Ivy Taylor, Mayor

Trustees:

In accordance with the requirements of City Ordinance No. 75686, we are pleased to submit herewith the Comprehensive Annual Financial Report (CAFR) of the San Antonio Water System (SAWS) for the year ended December 31, 2015. We believe that the financial and statistical information presented in the report is accurate in all material respects and that all disclosures necessary to enable the reader to gain an understanding of SAWS' financial status have been included.

The information contained in this report is the responsibility of management. Management assumes this responsibility based upon a comprehensive framework of internal control that it has established for this purpose. This internal control structure has been designed to ensure that the assets of SAWS are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that the objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

City Ordinance No. 75686 also requires that the annual financial report be submitted for audit by an independent accountant. The report of our independent auditors, Padgett, Stratemann & Co., LLP is included in the financial section of the 2015 CAFR. Their report expresses an unmodified or "clean" opinion as to the fairness of the presentation of our financial statements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The results of the audit of SAWS for the year ended December 31, 2015, provided no instances of material weaknesses in the internal control structure. The independent auditor's report on internal control compliance with applicable laws and regulations can be found in the Federal Awards section of this report.

The Management's Discussion and Analysis (MD&A) beginning on page 4 provides a narrative introduction, overview, and analysis of the basic financial statements. This transmittal letter complements the MD&A and should be read in conjunction with it.

## **PROFILE OF SAN ANTONIO WATER SYSTEM**

On February 13, 1992, the City Council determined that it was in the best interest of the citizens of San Antonio (the City) and the customers served by the water and wastewater systems to consolidate all water systems, agencies and activities into one institution. This action was taken due to the myriad of issues confronting the City related to the development and protection of its water resources. Such consolidation provided the City a singular voice of representation when promoting or defending the City's goals and objectives related to water resource planning and development with local, regional, state and federal water authorities and officials.

Final City Council approval for such consolidation was given on April 30, 1992 with the approval of Ordinance No. 75686 which provided for the consolidation of all city owned utilities related to water, including the water, wastewater, and water reuse systems, into the San Antonio Water System.

The City, which is the county seat of Bexar County, is located in south central Texas, approximately 75 miles south of the state capital of Austin and 145 miles from the Mexican border. The most recent population estimate from the U. S. Census Bureau is 1,436,697 for San Antonio and 1,897,753 for Bexar County. The U.S. Census Bureau currently ranks San Antonio as the second largest city in Texas and the seventh largest city in the United States. The climate in San Antonio is characterized by warm summers with mild winters. Based on data observed over a thirty year period, the average high temperature in August is 96 degrees Fahrenheit, with the average low temperature in January of 41 degrees. Precipitation for the City averages approximately 32 inches annually.

SAWS includes all water resources, properties, facilities, and plants owned, operated and maintained by the City relating to supply, storage, treatment, transmission, and distribution of treated potable water; collection and treatment of wastewater; and treatment and recycling of wastewater. Additionally, SAWS owns and operates five thermal energy facilities providing chilled water services to governmental and private entities. In 2015, SAWS provided potable water service to over 376,000 customer connections which represents about 78% of the water utility customers in Bexar County, while providing wastewater services to more than 427,000 customer connections representing approximately 93% of the wastewater customers in Bexar County. As of December 31, 2015, SAWS had 1,509 employees and provided maintenance for more than 10,600 miles of water and sewer mains.

The complete management and control of SAWS has been vested in the San Antonio Water System Board of Trustees ("the Board"). The Board consists of the Mayor and six Trustees who are residents of the City of San Antonio or reside within the area serviced by SAWS. With the exception of the Mayor, all other trustees are appointed by the City Council for four year staggered terms and are eligible for reappointment for one additional four-year term. Four trustees must be appointed from four different quadrants in the City and two trustees are appointed from the north and south sides of the City. In addition to appointing the SAWS trustees, City Council must approve all changes in SAWS rates and any debt issued by SAWS. The general operations of SAWS are under the supervision of the President/Chief Executive Officer who is employed by the Board. The financial statements of SAWS are presented in the CAFR of the City of San Antonio as a major discretely presented component unit.

On January 28, 2012 all assets, liabilities, rights, duties and obligations of Bexar Metropolitan Water District were transferred to an entity known as the San Antonio Water System District Special Project (SAWS DSP). Management and control of SAWS DSP is vested in the Board, however, SAWS DSP is not considered to be a part of SAWS in 2015. Instead, SAWS DSP will be reported as a discrete component unit of the City of San Antonio for 2015. In February 2016, all outstanding SAWS DSP debt was refunded with SAWS debt, all assets and liabilities of SAWS DSP were transferred to SAWS and SAWS DSP was dissolved. More information about SAWS DSP is presented in Note C and Note N to the financial statements.

The mission, vision and values of the San Antonio Water System are as follows:

***Mission***  
***Sustainable, Affordable, Water Services***

***Vision***  
***To be leaders in delivering responsible water services for life***

***Values***  
***Excellence, Integrity and Respect***

## ECONOMIC CONDITIONS AND OUTLOOK

### LOCAL ECONOMY

The San Antonio economy has experienced robust, sustained growth since the mid-1990's. This economic growth coupled with the net in-migration trends experienced in many areas of Texas has resulted in population growth that has exceeded national averages. While job growth slowed significantly during the national downturn experienced from 2008-2011, job growth has been steadily increasing since 2011. The increase in employment during 2014 was 3.3% and during 2015 employment increased by 3.5%. While not immune to the challenges being faced within the global economy, the diversity of the San Antonio economy provides some stability through economic cycles. Specifically, San Antonio's strategic positions in key employment sectors including government and military, biomedical sciences, medical services, tourism, and hospitality contribute to this stability. San Antonio's favorable economic position relative to the nation is reflected in the fact that, according to the U.S. Bureau of Labor Statistics, as of December 2015, the San Antonio MSA unemployment rate was 3.5% (preliminary estimate), while the nation's was 5%.

A summary of San Antonio's nonagricultural employment by industry since 2006 is as follows:

**San Antonio MSA Non-Farm Employment by Industry (2006 - 2015)**  
*as of December of each year*

	2015 *	2014	2013	2012	2011	2010	2009	2008	2007	2006
Natural Resources, Mining and Construction	60,400	55,800	50,900	47,000	44,000	45,200	48,600	55,500	56,200	51,000
Manufacturing	46,200	45,700	46,300	46,900	46,400	45,300	43,500	45,600	49,000	49,800
Trade, Transportation and Utilities	174,100	171,000	165,600	159,000	153,700	149,400	148,500	154,600	157,600	154,600
Information	22,400	21,900	21,500	20,500	19,700	18,400	18,600	21,000	21,800	22,200
Financial Activities	87,400	83,100	78,800	76,300	71,900	69,800	67,100	67,400	66,700	65,700
Professional and Business Services	131,100	123,400	117,300	114,100	108,200	104,300	105,800	107,800	110,800	107,300
Educational and Health Services	155,200	149,200	142,200	138,700	137,100	131,900	127,100	122,900	117,400	112,300
Leisure and Hospitality	119,600	114,900	114,200	110,800	105,600	101,200	97,500	99,300	95,900	91,500
Other Services	35,400	34,700	34,100	33,200	31,600	31,800	30,900	30,700	30,200	28,500
Government	167,100	165,600	163,700	162,200	161,600	164,200	161,900	158,200	154,100	150,000
<b>Total Non-Farm Employment</b>	<b>998,900</b>	<b>965,300</b>	<b>934,600</b>	<b>908,700</b>	<b>879,800</b>	<b>861,500</b>	<b>849,500</b>	<b>863,000</b>	<b>859,700</b>	<b>832,900</b>

Source: U.S. Bureau of Labor Statistics

\* Preliminary as of Dec. 2015

Additional information regarding demographic and economic conditions for San Antonio can be found in the Statistical Section of this report on pages 117 and 118.

## LONG-RANGE FINANCIAL PLANNING

Long-range financial planning is critical for SAWS to accomplish its mission. The overriding goal of financial planning, analysis, and strategy development is to improve the SAWS financial position in order to meet the short-term and long-term operational and strategic objectives of SAWS. 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.

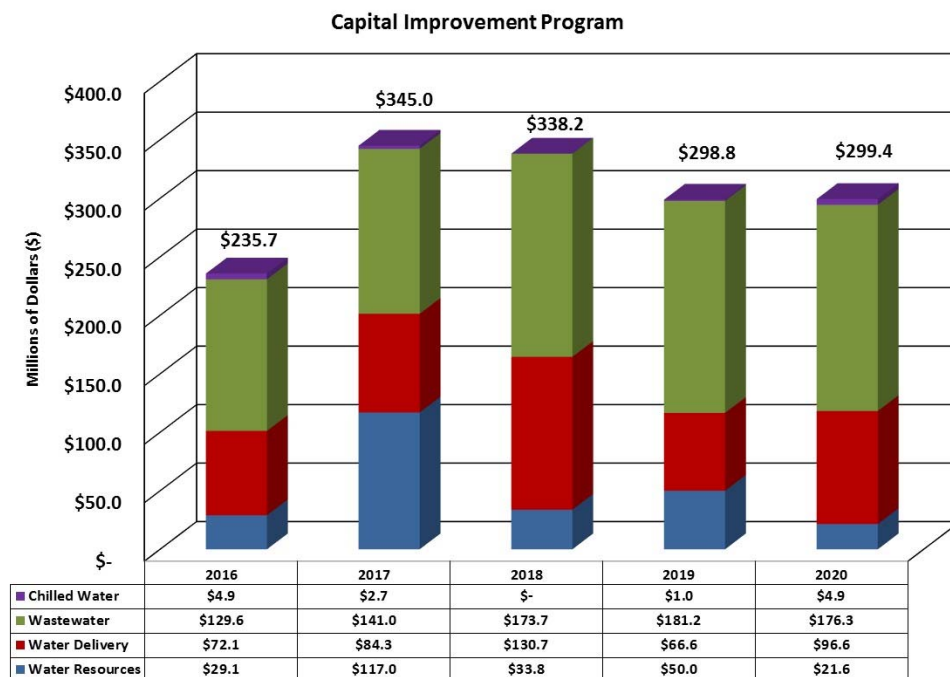
The short-term planning horizon of five years is the basis for implementing, through the formalized budget, short-term goals and objectives in support of the strategic plan. The long-term planning process covers twenty years in length and sets the course of the overall direction of financial, operational,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

Major strategic policy guidelines emphasized are long-term water supply needs and infrastructure replacement goals. 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.

All potential rate adjustments are evaluated in the context of customer affordability measures and key financial statistics. The affordability of the customer bills are evaluated relative to the income of the system's customers and price competitiveness with other utilities. Key financial statistics include: debt coverage ratios on all debt; percentage of capital financed with cash; and overall level of cash balances.

### Capital Improvement Program

The five year Capital Improvement Program (CIP) is a critical component of SAWS' short-term financial plan. Capital expenditures for the next five years are projected to total in excess of \$1.5 billion.



Key components of the CIP over this five year horizon include:

#### *Water Supply*

- Integration Pipeline & Pump Station – Phase 2 (\$87 million) – Design services and construction for the second phase of pump station facilities and pipelines necessary to integrate water supplies originating south and east of San Antonio, including water produced and treated at the Aquifer Storage and Recovery facility and the Brackish Desalination facility, into the western portion of SAWS’ service area.
- Brackish Groundwater Desalination (\$12 million) – Includes drilling services for an additional injection well in 2020 and funds for additional land acquisition for the production well field.
- Vista Ridge Integration Improvements (\$146 million) – In order to integrate the 50,000 acre-feet of water expected to be provided from the Vista Ridge Project, SAWS will need to make certain improvements in its distribution system including adding storage capacity and upgrading pumping stations. More information about the Vista Ridge Project is provided in the Major Initiatives section of this letter.

#### *Water and Wastewater Infrastructure*

- Water Distribution Mains (\$252 million) – Replacing existing mains with larger pipe to increase the capacity of the system, extending mains to developing areas and the planned and emergency replacement of mains.
- Wastewater Mains and Collection Facilities (\$707 million) – Planned and emergency rehabilitation and replacement of wastewater mains and elimination or rehabilitation of wastewater lift stations throughout SAWS’ service area. Planned replacements are determined based on a combination of factors such as age, level of deterioration and estimated failure rate. Included in this category are the ongoing capital improvements necessary to reduce the occurrence of sanitary sewer overflows.
- Wastewater Treatment Plant Improvements and Rehabilitation (\$85 million) - improvements and rehabilitation work at all three of SAWS treatment plants to upgrade, replace or rehabilitate existing infrastructure. Much of the work is at Dos Rios water recycling center and consists of improvements to settling tanks to handle increased flow and rehabilitation of sludge digesters to improve operating efficiency. Improvements at Leon Creek will focus on the removal of nutrient to improve the quality of the recycled water that is reused and compliance with future nutrient permit limits. Improvements at Medio Creek will focus on Plant #1 improvements and control system upgrades.
- Water Production Improvements and Rehabilitation (\$181 million) – improvements and rehabilitation of SAWS water production facilities, including the construction of additional storage tanks and pump station rehabilitations, bringing them to current standards.

### **Rate Adjustments**

#### *2016 Rate Adjustment*

To support the revenue requirements for 2016 as determined by the 2016 Budget, a 7.5% rate adjustment is required for the average residential customer (assumes 7,092 gallons of water and 5,668 gallons wastewater per month).

While the combined water delivery, water supply and wastewater rate adjustment for the average residential customer is 7.5%, separate, individual rate adjustments are needed for each of the SAWS core businesses as shown in the table below. The rate adjustment for recycled water service is not factored into the combined adjustment for the average residential customer.

Rate Category	2016 SAWS Rate Adjustments
Wastewater	5.3%
Water Delivery	9.9%
Water Supply	9.3%
<b>Total</b>	<b>7.5%</b>
Recycled	9.6%

Average based on restructured rates assuming 7,092 gals water/  
5,668 gallons sewer usage before EAA and TCEQ pass-through.  
Excludes City of San Antonio Storm Water Fee.

### *2017 - 2020 Rate Projection*

To support revenue requirements beyond 2016, the Board of Trustees and the City Council further approved a rate adjustment plan affecting charges in 2017, 2018, 2019 and 2020. The maximum authorized rate percentage adjustments for 2017 and beyond are highlighted in the table below. The percentages shown represent the impact on the average SAWS residential customer's bill. In addition to the approved water supply fee rate plan for 2018-2020, SAWS anticipates that additional adjustments will be required to water delivery and wastewater rates during that same time period. An estimate of those rate adjustments has also been included in the following table. All rate adjustments shown assume that DSP is fully integrated with SAWS beginning in 2017.

	2017	2018	2019	2020
<b>Water Supply Fee</b>	<b>3.2%</b>	<b>1.3%</b>	<b>4.5%</b>	<b>9.9%</b>
<b>Water Delivery &amp; Wastewater</b>	<b>4.7%</b>	<b>4.9%</b>	<b>4.2%</b>	<b>3.8%</b>
<b>Total</b>	<b>7.9%</b>	<b>6.2%</b>	<b>8.7%</b>	<b>13.7%</b>

The approved Water Supply Fee rate plan will fully fund projected costs associated with the Vista Ridge Water Supply Project as well as provide funding for Phase 2 of the Water Resources Integration Pipeline. The advance authorization of water supply fee rate adjustments through 2020 provides assurance that SAWS has the ability to meet its financial obligations under the Vista Ridge agreement. The final price of the Vista Ridge water may be less than the maximum price assumed for this rate plan. Additionally, the rate adjustments assume that none of the Vista Ridge water is sold to communities along the pipeline path. If the actual price of the water is less than the maximum price assumed and/or some portion of the Vista Ridge water is sold on a wholesale basis, the actual water supply fee rate adjustment implemented will be less than the rate adjustments approved in the rate plan.

As SAWS develops its 2017 Annual Budget, staff will work with the City's Public Utilities Office to conduct a review of the 2017 final rate adjustments. The 2017 final rate adjustments will be subject to Board approval in late 2016. As long as the 2017 final rate adjustments approved by the Board do not exceed the rate plan approved by City Council for 2017 and the Public Utilities Office is in agreement with the determination of the 2017 final rate adjustments, no further action by Council will be required for the final rate adjustments to take effect on January 1, 2017. Should there be any disagreement between SAWS and the Public Utilities Office

regarding the 2017 final rate adjustments, City Council may need to take additional action to determine which rates will go into effect for 2017. The same procedure will be followed for 2018, 2019 and 2020 budget cycles, respectively, to finalize the water supply fee rate adjustments for each of those fiscal years.

As reflected in the table above, additional rate adjustments to the water delivery and wastewater rates will likely be necessary for 2018 through 2020. SAWS did not submit a rate plan for water delivery and wastewater rates beyond 2017 due to uncertainties associated with capital infrastructure requirements, particularly related to the EPA consent decree. Staff will bring forward any future rate adjustments needed to these rates for 2018 and beyond at a later date for Board and Council approval.

## **FINANCIAL POLICIES**

### **Rates and Charges**

During the development of the Annual Budget, SAWS develops revenue budgets and related rates and charges sufficient to:

- a. Pay operating and maintenance expenses;
- b. Produce pledged revenues sufficient to pay:
  - i. 1.25 times the annual debt service requirements and
  - ii. The amounts required to be deposited in any reserve fund created for the payment and security of senior lien obligations;
- c. pay outstanding debt service obligations;
- d. fund transfers to the City of San Antonio; and
- e. pay any other debt payable from the net revenues.

SAWS' revenue budgets are based on projected customer growth as well as water and wastewater usage patterns during periods of normal precipitation. During years where rainfall is lower than normal, water usage increases and SAWS' operating revenues generally exceed forecasted amounts. SAWS uses these excess revenues to minimize future debt financing of its capital projects and to buffer the impact of wetter than normal years on revenues. 2015 was one of those wetter than normal years with more than 44 inches of rainfall compared to normal rainfall of 32 inches. Average water usage per customer bill fell to an all-time SAWS low of 11,625 gallons, contributing to a \$27.9 million or 5.4% shortfall in operating revenues from the 2015 budget. Favorable variances in operating and non-operating expenses in 2015 help to fully offset the unfavorable variance in operating revenues.

### **Capital Funding**

The funding of SAWS' capital program consists of cash and proceeds from the issuance of debt. Cash funding is defined as all sources of funding other than debt proceeds and includes unrestricted fund balances, developer contributions, investment earnings and certain grant proceeds. Debt proceeds are provided through the issuance of commercial paper and revenue bonds. In general, SAWS uses commercial paper as just-in-time debt financing which helps to reduce interest costs during the construction phase of capital projects. Eventually, revenue bonds are issued to term out the commercial paper borrowings.

Historically, SAWS' goal has been to fund approximately one-third of annual capital expenditures with cash sources. This level varies based on the availability of funds. During 2015, SAWS' capital expenditures totaled \$285.6 million with 39% or \$111.1 million of those expenditures having been funded with cash sources. In the future, SAWS will move toward a goal of funding approximately 50% of capital expenditures with non-debt sources by 2020.

## MAJOR INITIATIVES

### Brackish Groundwater Desalination

In August 2011, the SAWS Board of Trustees approved proceeding on the Brackish Groundwater Desalination (BGD) program. The BGD program involves the production of brackish water from the Wilcox Aquifer in southern Bexar County and treatment to drinking water quality standards. Design was completed in early 2014 and construction of the treatment plant, pipelines, remaining wells, and other facilities began in mid-2014, with the plant commissioning/testing expected in 2016. Full operation will begin in late 2016, providing 13,440 acre-feet per year of drought-proof desalinated groundwater to San Antonio's taps. Future phases will eventually bring the total supply from this program to 33,600 acre-feet per year; making it the nation's largest inland desalination plant.

### Vista Ridge – Regional Water Supply



In the fall of 2014, SAWS' Board and San Antonio City Council unanimously approved a contract with Abengoa Vista Ridge, LLC (AVR) that provides for delivery of up to 50,000 acre-feet (16.3 billion gallons) of water per year for 30 years beginning as early as 2019. The water will be produced from wells in Burleson County and pumped to San Antonio. At the end of the 30-year term, ownership of the pipeline will be transferred to SAWS and a separate contract with Blue Water Vista Ridge, the owner of the groundwater leases, gives SAWS the right to pump water for an additional 30 years. Under the terms of the contract, San Antonio will not pay for any water that is not made available for delivery, shifting major regulatory risks to the private developer instead of San Antonio ratepayers.

The Development Phase of the project began with signing of the contracts on November 4, 2014 and involves preliminary design, property acquisition, and permitting that lay the foundation for obtaining the necessary debt proceeds to finance construction of the infrastructure. AVR has until May 2017 to arrange financing, followed by 42-54 months to construct the project. SAWS payments to AVR will not begin until the project is delivering water. However, once AVR achieves financial closure, SAWS will need to construct approximately \$147 million of improvements to its infrastructure to integrate the water received from AVR into the SAWS distribution system.



In the fall of 2015, the SAWS' Board and San Antonio City Council approved a water supply fee rate plan for 2018 through 2020 in addition to rate adjustments for 2016 and 2017. The advance authorization of water supply fee rate adjustments through 2020 provides assurance that SAWS has the ability to meet its financial obligations under the Vista Ridge agreement.

For more information on the Vista Ridge Project see notes J and N to the financial statements.

## Conservation

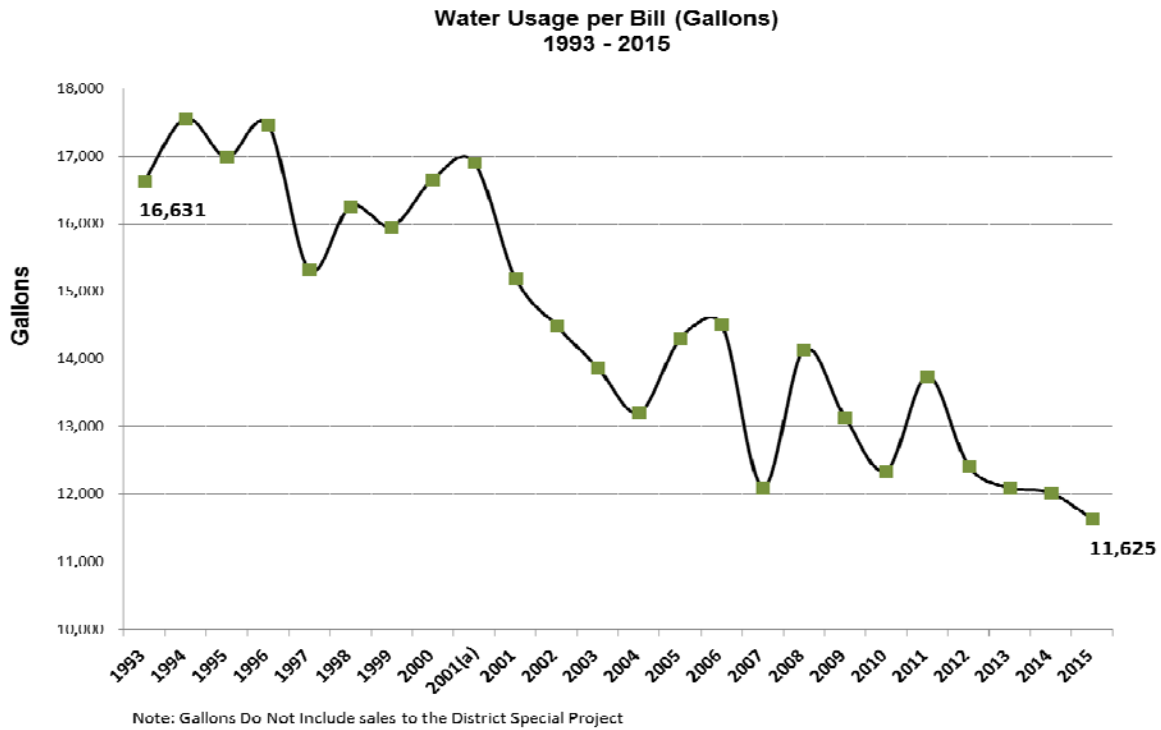
The cost of developing and acquiring additional water supplies to meet the increased water demands of San Antonio's projected future population is significant. SAWS recognizes that efforts to promote conservation are a cost-efficient approach to minimizing the increase in demand for water caused by population growth. Beginning in 1994, SAWS implemented progressive water conservation programs aimed at reducing the total amount of water used. These programs target both indoor and outdoor residential, commercial and industrial uses.

Residential programs in 2015 included landscape and irrigation reduction rebates, patio and landscape coupons to offset the cost of hardscape and drought-tolerant landscape installations, providing potable water leak repairs and retrofits to qualified low-income customers and providing free irrigation system consultations for ratepayers to determine maintenance needs and make suggestions for improving efficiency. Commercial programs include custom rebates to improve water using processes, smart irrigation system upgrades and other water conserving equipment, landscape consultations and irrigation audits to identify opportunities for water savings.

Some highlights of SAWS' conservation initiatives during 2015 included:

- total annual water savings of approximately 2,189 acre-feet with 1,116 acre-feet of peak savings achieved through:
  - 12 custom rebate projects for business customers
  - 192 commercial and residential irrigation and landscape rebate projects
  - 782 low-income plumbing assistance visits
  - 5,653 WaterSaver Patio and Landscape coupons redeemed
    - 1,130,600 square feet or 25.95 acres of turf grass converted
  - 2,412 commercial and residential consultations for customers
- Community education programs, reaching 139,875 people
- Garden Style SA website, with over 185,541 views

SAWS' conservation efforts over time have had a dramatic impact on water usage per customer since SAWS was created in 1992. While years with dry weather can result in spikes in the gallons used per bill, the following chart shows that the trend in gallons used per bill has been steadily declining. During the recent 2011 to 2014 drought, a high level of customer cooperation with moderate drought regulations helped to avoid the need for more stringent restrictions or depletion of reserve supplies of water.



(a) Data for 7 months ending Dec. 31, 2001. In 2001, the Board approved a change in the fiscal year end from May 31st to Dec. 31st.

### Sanitary Sewer Collection System

In 2013, SAWS entered into a Consent Decree (CD) with the United States of America and the State of Texas, thereby agreeing to certain requirements aimed at reducing sanitary sewer overflows (SSOs). The term of the CD is expected to last 10 – 12 years and SAWS estimates the costs to perform the operating and maintenance requirements of the CD will be approximately \$250 million and that additional capital investments of approximately \$850 million will be required during the term of the CD.

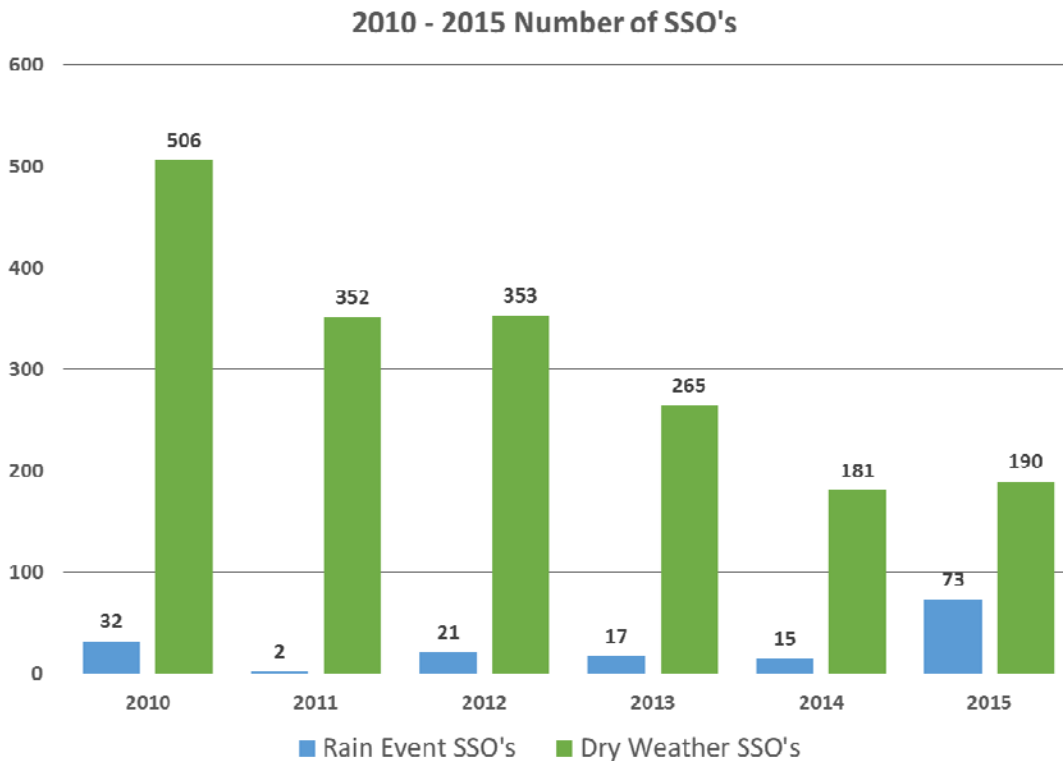
During the first four years of the CD, condition and capacity assessments are being performed to identify defects and possible capacity constraints, which have caused or significantly contributed to previous SSOs, and that may likely cause or significantly contribute to the future occurrence of SSOs. Subsequently, identified defects and confirmed capacity constraints will be managed and prioritized based on a comprehensive program to determine if additional maintenance, monitoring, rehabilitation or replacement of the sewer infrastructure is required.

As of December 31, 2015, SAWS was in compliance with all requirements of the CD. Some key CD compliance requirements are listed below:

- System-Wide Cleaning Program:** SAWS is required to clean all small diameter gravity sewer mains on a 10-year cycle. Problematic mains may need to be cleaned more often than once every 10 years. Therefore, the CD requires that SAWS clean a minimum of 12% of all small diameter mains annually. Large diameter mains are required to be cleaned on a 10-year cleaning cycle if the debris in any part of the pipe segment exceeds twenty (20%) of the pipe diameter unless the hydraulic modeling confirms it will not constitute a capacity constraint. SAWS will continue the Repeat (Hot Spot) Cleaning Program in areas that are determined to require a more frequent cleaning schedule based on historical information. SAWS cleaned over 1,700 miles of sewer mains in 2015.

- **Capacity Assessment:** SAWS is required to conduct a system-wide capacity assessment to identify capacity constraints within the sewer system. SAWS will continue modeling activities to calibrate the existing hydraulic model using data from 270 flow meters, evaluate wet weather SSOs, and perform field investigations on potential wet weather SSOs.
- **Condition Assessment:** SAWS is required to conduct a system-wide inspection and assessment of the structural condition of its gravity sewer mains and manholes. SAWS completed 650 miles of CCTV and/or sonar inspections, over 100 miles of pole camera inspections and over 11,800 manhole inspections in 2015.
- **Early Action Program:** While SAWS conducts capacity and condition assessments, continued capital investment in the rehabilitation or replacement of sanitary sewer mains is required to address previously identified structural defects or confirmed capacity constraints.
- **Fats, Oil and Grease (FOG) Control Program:** In May 2011, the City Council adopted a program intended to reduce adverse effects to the sewer system from the discharge of FOG by food service establishments (FSE). As part of the Capacity, Management, Operation and Maintenance (CMOM) Program, SAWS will continue the FOG Control Program to include the inspection of FSEs and subsequent enforcement program to ensure compliance. SAWS completed 3,559 FSE inspections in 2015.

As a result of efforts taken over the past few years to reduce SSOs, SAWS has experienced a reduction in the number of dry weather SSOs. However, 2015 was an extremely wet year and as a result, our SSOs associated with wet weather increased. The following chart shows the total number of SSOs by year since 2010.



## Rate Study

In May 2015, SAWS completed a comprehensive cost of service and rate design analysis (“Rate Study”). The Rate Study was conducted with the assistance of a national rate consultant, Black & Veatch, and a citizens’ advisory committee (“Rate Advisory Committee”). The purpose of the Rate Study was to ensure that:

1. Rates charged to SAWS customers conformed to cost of service principles.
2. Rates produced revenues adequate to meet the financial needs of SAWS.
3. Rates were designed to send appropriate conservation price signals, incentivizing the efficient usage of water.
4. Life essential uses of water were made as affordable as possible.

After an 18 month process that involved significant community involvement, the Rate Advisory Committee unanimously approved a series of rate structure recommendations that included:

- Creating a life-line supply rate block, significantly reducing the cost for a life sustaining amount of water (up to 2,992 gallons)
- Expanding the current water rate blocks from four to eight, further incentivizing conservation efforts by sending pricing signals sooner
- Eliminating the seasonal rate structure for all rate classes except recycled water to reduce revenue volatility and encourage customers to efficiently use water throughout the year

Both the SAWS Board and City Council approved all Rate Advisory Committee recommendations in the fall of 2015 along with the rate adjustments necessary to meet SAWS financial requirements for 2016.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SAWS for its Comprehensive Annual Financial Report for the year ended December 31, 2014. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. SAWS has received this recognition for its comprehensive annual financial report for twenty-two consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to GFOA.

SAWS also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2015. This is the eleventh consecutive year that SAWS has received this award. In order to receive this award, SAWS 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.

The timely preparation of the CAFR for the year ended December 31, 2015 could not have been accomplished without the cooperation and dedicated services of the Accounting Department under the direction of Mary Bailey, Vice President of Business Planning & Controller. We also wish to express sincere appreciation to each member of the Board for the interest and support provided in conducting the financial affairs of SAWS in a sound and progressive manner.

Respectfully submitted,



Robert R. Puente  
President/Chief Executive Officer



Douglas P. Evanson  
Sr. Vice President/Chief Financial Officer

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**SAN ANTONIO WATER SYSTEM**

**BOARD OF TRUSTEES**

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Berto Guerra, Jr.  
Chairman



Pat Jasso  
Vice Chairman



Ernesto Arrellano, Jr.  
Secretary



Louis E. Rowe  
Assistant Secretary



Pat Merritt



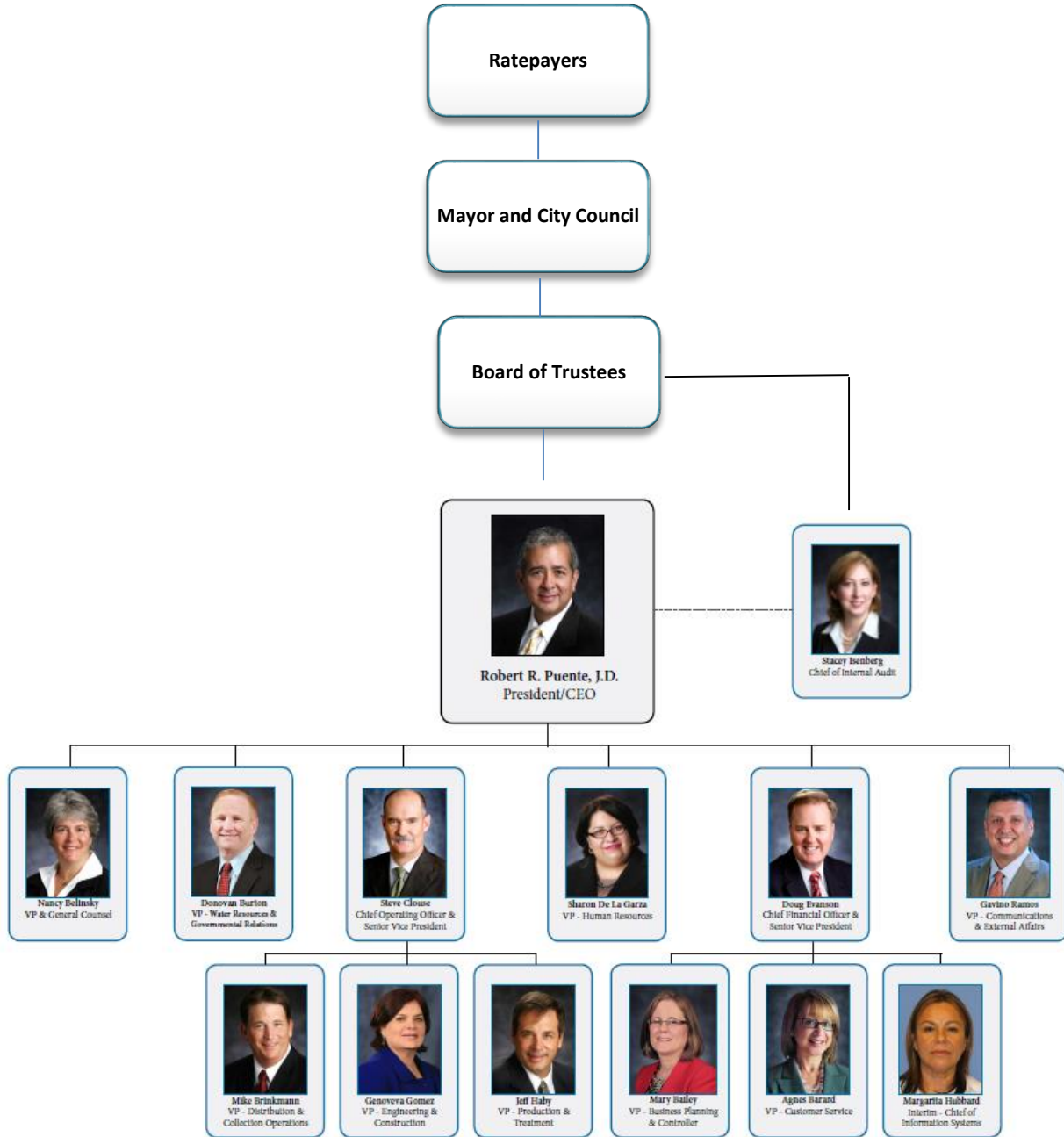
David McGee



Ivy R. Taylor, ex Officio

# SAN ANTONIO WATER SYSTEM

## ORGANIZATION CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**San Antonio Water System  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO



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***FINANCIAL SECTION***



# Padgett Stratemann

## Independent Auditor's Report

To the Board of Trustees  
San Antonio Water System  
San Antonio, Texas

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of San Antonio Water System ("SAWS"), a component unit of the City of San Antonio, Texas, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise SAWS' basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of SAWS, as of December 31, 2015 and 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note A to the financial statements, effective January 1, 2015, SAWS implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pension – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. As noted in Note M to the financial statements, net position as of January 1, 2015 was restated as a result of the adoption of these statements; in accordance with GASB Statement No. 68, the adoption was not retroactively applied since information for previous years was not available. Our opinions are not modified with respect to these matters.

As described in Note N to the financial statements, effective February 25, 2016, the SAWS District Special Project “(SAWS DSP)” was dissolved. Starting January 1, 2016, SAWS DSP will be merged with the financial statements of SAWS. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, San Antonio Water System Retirement Plan – Defined Benefit Component – Schedule of Changes in Net Pension Liability and Related Ratios, San Antonio Water System Retirement Plan – Defined Benefit Component – Schedule of Contributions, San Antonio Water System Retirement Plan – Defined Benefit Component – Schedule of Investment Returns, Texas Municipal Retirement System – San Antonio Water System Schedule of Changes in Net Pension Liability and Related Ratios, Texas Municipal Retirement System – Schedule of Contributions, Other Post Employment Benefit Plan – Schedule of Funding Progress, and Other Post Employment Benefit Plan – Schedule of Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise SAWS' basic financial statements. The Description of Funds and Combining Schedules, Supplemental Schedules, and the Schedule of Expenditures of Federal Awards, as required by the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (Uniform Guidance), and the other information, such as the Introductory Section, Statistical Section, and Bonded Debt Schedules and Analyses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Description of Funds and Combining Schedules, Supplemental Schedules, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Description of Funds and Combining Schedules, Supplemental Schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section, Statistical Section, and Bonded Debt Schedules and Analyses have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2016 on our consideration of SAWS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SAWS' internal control over financial reporting and compliance.

*Padgett, Statemann + Co., L.L.P.*

San Antonio, Texas  
March 30, 2016

## Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and provides a narrative overview and analysis of financial activities and performance as detailed in the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending December 31, 2015. Please read it in conjunction with the transmittal letter at the front of this report and SAWS' financial statements including the notes to the financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- SAWS' net position increased by \$113.6 million during 2015.
- Total assets increased \$223.5 million from 2014 to 2015, reflecting net capital asset growth of \$250.9 million.
- Taking advantage of the low interest rate environment, SAWS refunded \$268.4 million in long-term debt, reducing future debt service payments by nearly \$82 million and resulting in an economic gain of \$46.9 million.
- As a result of heavy rainfall during 2015, operating revenues decreased from \$499.6 million in 2014 to \$491.8 million in 2015.
- At the end of 2015, SAWS maintained unrestricted cash and investments of \$196.5 million with an additional \$44.3 million of cash and investments restricted as an operating reserve equal to two months of budgeted operation and maintenance expenses.
- Current year total debt coverage ratio was 1.53x for 2015 compared to 1.69x for 2014 while current senior lien debt coverage ratio was 2.86x for 2015 compared to 2.60x for 2014.

### OVERVIEW OF THE FINANCIAL STATEMENTS

MD&A is intended to serve as an introduction to the basic financial statements, which are comprised of the following components:

- *Statements of Net Position* - present information on all of SAWS' assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the end of each calendar year, with the net amount reported as SAWS' net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SAWS is improving or deteriorating.
- *Statements of Revenues, Expenses and Changes in Net Position* - present information showing how SAWS' net position changed during the years presented on an accrual basis. This statement measures the success of SAWS' activities and can be used to determine whether SAWS has successfully recovered all its costs through its rates and other charges.
- *Statements of Cash Flows* - reflect cash receipts and payments for operating, non-capital financing, capital and related financing, and investing activities for the years presented.
- *San Antonio Water System Fiduciary Funds Statements of Net Position* - present information on SAWS single-employer postretirement benefit plans' assets and liabilities, with the difference between the two reported as net position held in trust for pension and other postemployment benefits.
- *San Antonio Water System Fiduciary Funds Statements of Changes in Net Position* - present information showing how the fiduciary funds' net position changed during the years presented on an accrual basis.
- *Notes to financial statements* - provide additional information that is essential to a full understanding of the data provided in the financial statements, such as SAWS' accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

- *Required Supplemental Information* – Historical information is presented concerning SAWS’ defined benefit pension plans including changes in the net pension liabilities, annual contributions made to pension plans, annual investment returns, and SAWS’ progress in funding its obligations to provide pension and other postemployment benefits to its employees.

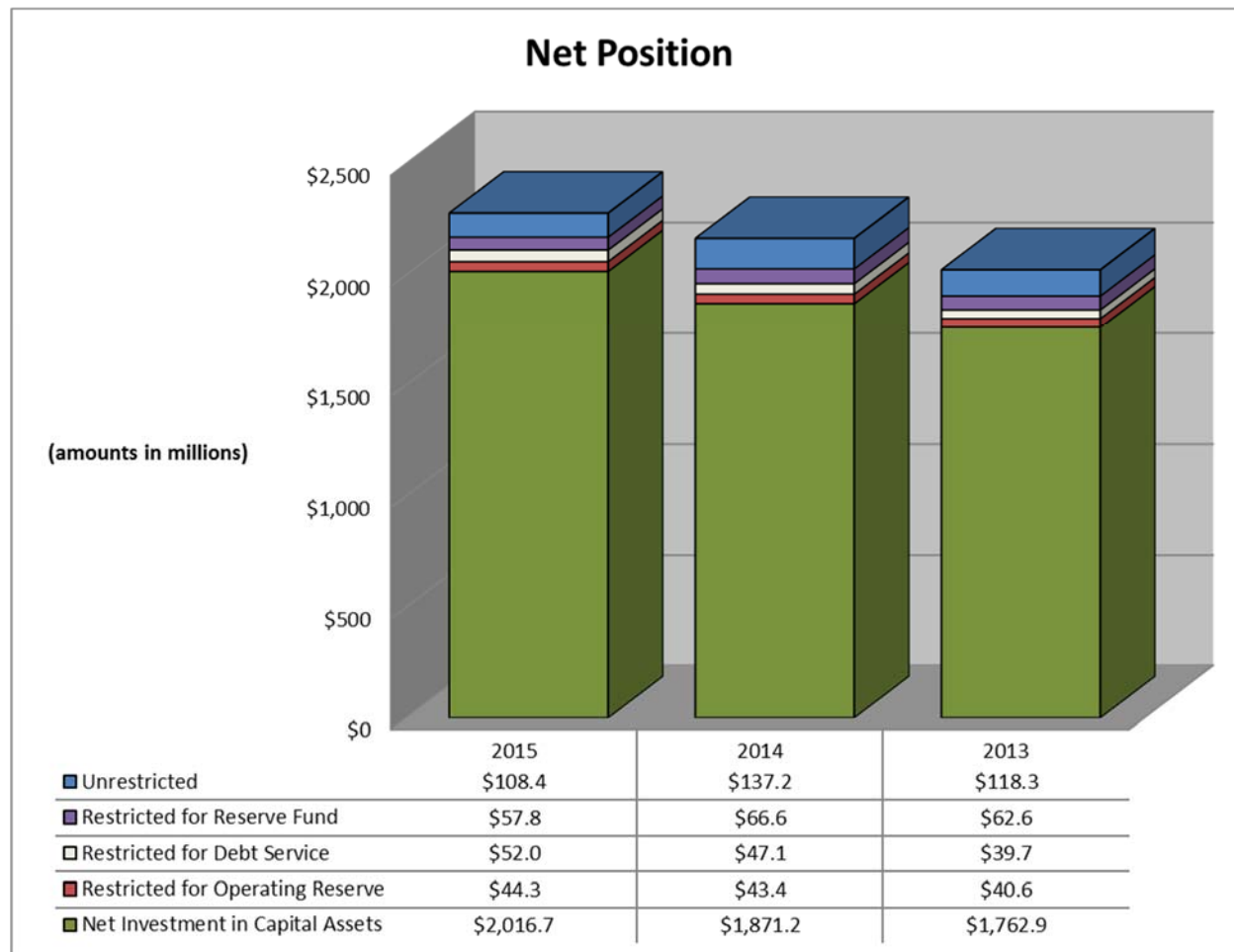
Other supplemental information is presented for additional analysis and is not a required part of the basic financial statements.

- *Description of Funds and Combining Schedules* – SAWS has established certain self-balancing funds to comply with state law and bond covenants for purposes of internal control and reporting. The fund financial schedules keep track of specific sources of funding and spending for particular purposes and provide more detailed information about SAWS’ most significant funds.
- *Supplemental Schedules* – Includes schedules that provide information relative to the sources and uses of funds in accordance with SAWS’ founding ordinance and budgetary information.
- *Statistical Section* – Presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about SAWS’ overall financial health.
- *Bonded Debt Schedules and Analyses* – Includes detailed schedules that provide information relative to SAWS’ various bond obligations.
- *Federal Award Section* – Information is presented related to the single audit act in conformity with the provisions of Title 2 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

## FINANCIAL ANALYSIS – FINANCIAL POSITION

CONDENSED NET POSITION INFORMATION				2015-2014		2014-2013	
<i>(amounts in thousands)</i>	As of December 31,			Increase	%	Increase	%
	2015	2014	2013	(Decrease)	Change	(Decrease)	Change
Current assets	\$ 446,005	\$ 423,745	\$ 388,310	\$ 22,260	5%	\$ 35,435	9%
Capital assets, net	4,340,365	4,089,478	3,964,000	250,887	6%	125,478	3%
Other non-current assets	425,306	474,965	377,171	(49,659)	(10%)	97,794	26%
Total Assets	5,211,676	4,988,188	4,729,481	223,488	4%	258,707	5%
Deferred outflows of resources	59,039	44,606	39,315	14,433	32%	5,291	13%
Total Assets and Deferred Outflows of Resources	5,270,715	5,032,794	4,768,796	237,921	5%	263,998	6%
Current liabilities	203,808	178,235	164,943	25,573	14%	13,292	8%
Non-current liabilities	2,781,015	2,688,977	2,579,786	92,038	3%	109,191	4%
Total Liabilities	2,984,823	2,867,212	2,744,729	117,611	4%	122,483	4%
Deferred inflows of resources	6,726	-	-	6,726	-	-	-
Total Liabilities and Deferred Inflows of Resources	2,991,549	2,867,212	2,744,729	124,337	4%	122,483	4%
Net Position:							
Net investment in capital assets	2,016,701	1,871,202	1,762,856	145,499	8%	108,346	6%
Restricted	154,116	157,173	142,926	(3,057)	(2%)	14,247	10%
Unrestricted	108,349	137,207	118,285	(28,858)	(21%)	18,922	16%
Total Net Position	\$ 2,279,166	\$ 2,165,582	\$ 2,024,067	\$ 113,584	5%	\$ 141,515	7%

**Net Position:** Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SAWS is improving or deteriorating. SAWS' net position increased \$113.6 million from 2014 to 2015 and increased \$141.5 million from 2013 to 2014. Other considerations, both financial and non-financial, should also be evaluated such as economic conditions, population growth, availability of water supplies and credit ratings. These considerations are addressed in MD&A or other sections of this CAFR.



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. Any cash and investment amounts restricted for construction purposes are also reflected in these totals. 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. SAWS' net investment in capital assets increased by \$145.5 million between 2014 and 2015 and \$108.3 million from 2013 to 2014.

Funds that have been restricted for a specific purpose by legally enforceable legislation and bond covenants are classified as restricted net position. The components of restricted net position include funds Restricted for Operating Reserve, Restricted for Debt Service and Restricted for Reserve Fund.

As of December 31, 2015, \$44.3 million of cash and investments was classified as Restricted for Operating Reserve. This amount is restricted in accordance with the requirements of City of San Antonio Ordinance 75686 that calls for the establishment and maintenance of an operating reserve equal to two months of the

annual maintenance and operations budget. The amount of cash and investments restricted for this purpose will vary from year to year with any changes in the budgeted level of maintenance and operations expense.

In connection with bond covenants, SAWS is required to transfer funds each month into restricted accounts in amounts sufficient to provide for the next annual principal and semi-annual interest payments due on outstanding bonds. The amount restricted for debt service increased \$4.9 million from 2014 to 2015 and \$7.4 million from 2013 to 2014 due to annual debt service requirements associated with bonds issued during 2014 and 2015, net of any refunding savings.

The requirements of Ordinance 75686 stipulate that SAWS must accumulate and maintain a reserve equal to 100% of the maximum annual debt service requirements for senior lien debt obligations. Additional City ordinances require SAWS to maintain a reserve fund equal to the average annual debt service on all junior lien debt obligations secured by a reserve fund. Not all SAWS junior lien debt obligations require the security of a reserve fund. Increases in the required reserve amount may be deposited into the Reserve Fund over a five year period. Ordinance 75686 allows for SAWS to provide surety policies equal to all or part of the required reserve. Prior to 2008, SAWS acquired surety policies on debt issuances in lieu of depositing cash in its Reserve Fund. Due to downgrades in the credit ratings of certain of these surety policy providers during 2008 and 2009, SAWS has been required to make deposits into its Reserve Fund related to certain bonds outstanding at the time. Additional deposits to the Reserve Fund were also required as a result of debt issued without surety policies since 2008. SAWS may use bond proceeds to make the required deposits related to new debt issued. SAWS made cash deposits to the Reserve Fund totaling \$2 million in 2015 and \$3.7 in 2014. Bond proceeds were also used to deposit an additional \$2.6 million in 2015 and \$2.2 million in 2014. Reserve Fund deposits are required to be maintained until a) the revenue bonds mature, b) the surety policy provider's credit ratings improve to the minimum ratings required under SAWS bond ordinance, or c) new surety policies are provided that meet the requirements of the bond ordinance. In 2015, \$11.2 million of Reserve Fund deposits were released as a result of bonds refunded during the year.

The remaining balance of SAWS' net position is unrestricted and may be used for any allowable purpose as outlined in Ordinance 75686. Unrestricted net position decreased \$28.9 million from 2014 to 2015 largely as a result of the impact of certain accounting changes. Effective January 1, 2015, SAWS adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment to GASB Statement No. 68*. These changes in accounting for pension resulted in a charged to unrestricted net position of \$31.4 as of January 1, 2015. Sufficient data was not available for the pension plans to restate the financial statements for periods prior to 2015, therefore, as permitted by GASB Statement No. 68, only the financial statement information for the year ended December 31, 2015 reflects the requirements of the new accounting pronouncements for pensions. For more information about the restatement of net position related to the adoption of GASB Statement No. 68 and No. 71 see Note M.

Unrestricted net position increased \$18.9 million from 2013 to 2014 as funds provided by operations exceeded the transfers to the Reserve Fund and capital expenditures paid with renewal and replacement funds.

## **FINANCIAL ANALYSIS – REVENUES, EXPENSES AND CHANGES IN NET POSITION**

During 2015, SAWS' net position increased by \$113.6 million which consisted of income before capital contributions of \$25.1 million, capital contributions of \$119.9 million and a charge to net position of \$31.4 million as a result of the adoption of GASB Statements No. 68 and No. 71. In 2014, SAWS' net position increased by \$141.5 million which consisted of income before capital contributions of \$40.4 million and capital contributions of \$101.1 million.



CONDENSED REVENUES, EXPENSES AND CHANGES IN NET POSITION INFORMATION							
(amounts in thousands)	As of December 31,			2015-2014		2014-2013	
	2015	2014	2013	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Operating revenues							
Water delivery system	\$ 123,895	\$ 127,708	\$ 119,767	\$ (3,813)	(3%)	\$ 7,941	7%
Water supply system	142,950	150,079	134,367	(7,129)	(5%)	15,712	12%
Wastewater system	213,833	210,704	195,584	3,129	1%	15,120	8%
Chilled water and steam system	11,102	11,152	12,621	(50)	0%	(1,469)	(12%)
Total operating revenues	491,780	499,643	462,339	(7,863)	(2%)	37,304	8%
Non-operating revenues	6,097	5,792	5,410	305	5%	382	7%
Total Revenues	497,877	505,435	467,749	(7,558)	(1%)	37,686	8%
Operating expenses							
Salaries and fringe benefits	\$ 117,067	\$ 115,049	\$ 125,210	\$ 2,018	2%	\$ (10,161)	(8%)
Contractual services	132,510	127,685	107,194	4,825	4%	20,491	19%
Materials and supplies	21,158	20,930	23,355	228	1%	(2,425)	(10%)
Other charges	7,871	12,355	20,423	(4,484)	(36%)	(8,068)	(40%)
Less costs capitalized to construction in progress	(32,151)	(30,964)	(31,834)	(1,187)	4%	870	(3%)
Depreciation expense	130,602	123,111	111,375	7,491	6%	11,736	11%
Total operating expenses	377,057	368,166	355,723	8,891	2%	12,443	3%
Non-operating expenses							
Interest expense	80,746	78,049	75,606	2,697	3%	2,443	3%
Debt issue costs	3,831	2,914	4,112	917	31%	(1,198)	(29%)
Other finance charges	1,906	2,726	2,361	(820)	(30%)	365	15%
Gain on sale of capital assets	(3,520)	(23)	(1,075)	(3,497)	15204%	1,052	(98%)
Payments to City of San Antonio	12,683	13,089	11,528	(406)	(3%)	1,561	14%
Payments to other entities	106	114	130	(8)	(7%)	(16)	(12%)
Total non-operating expenses	95,752	96,869	92,662	(1,117)	(1%)	4,207	5%
Total Expenses	472,809	465,035	448,385	7,774	2%	16,650	4%
Increase in net position before capital contributions	25,068	40,400	19,364	(15,332)	(38%)	21,036	109%
Capital Contributions	119,889	101,115	70,725	18,774	19%	30,390	43%
Change in Net Position	144,957	141,515	90,089	3,442	2%	51,426	57%
Net Position, beginning of year*	2,134,209	2,024,067	1,933,978	110,142	5%	90,089	5%
Net Position, end of year	\$ 2,279,166	\$ 2,165,582	\$ 2,024,067	\$ 113,584	5%	\$ 141,515	7%

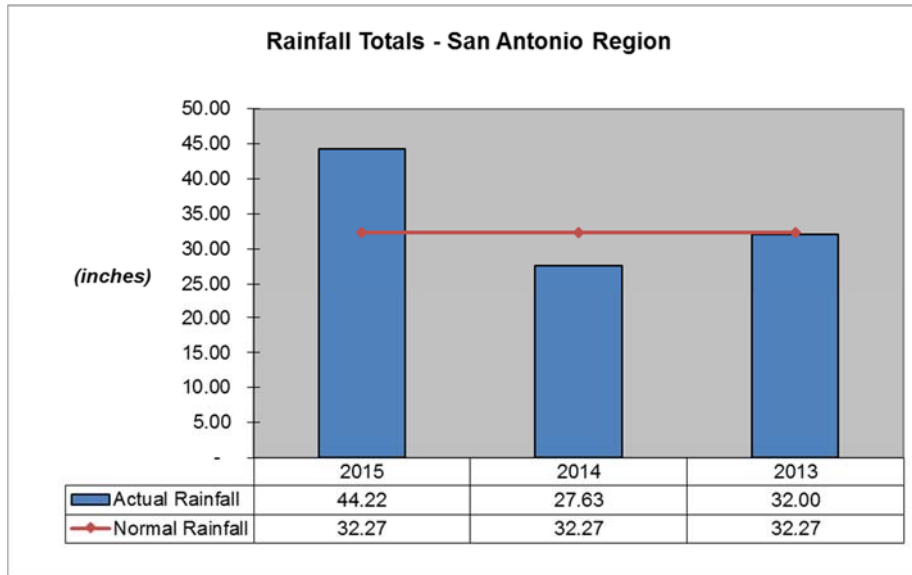
\*Net position as of January 1, 2015 was reduced by \$31,373,000 related to the adoption of GASB Statements No. 68 and No. 71. Periods prior to 2015 do not reflect the requirements of these statements.

**Operating Revenues:** SAWS' operating revenues are provided by its four core businesses: Water Delivery, Water Supply, Wastewater, and Chilled Water and Steam. Changes in operating revenues from year to year are largely the result of weather conditions, customer growth and changes in rates for service. SAWS' operating revenues decreased from \$499.6 million in 2014 to \$491.8 million in 2015. Above average rainfall during 2015 resulted in an 8.3% reduction in water usage which more than offset an average rate increase of 5.3% that went into effect in January 2015, and average customer growth of 1.2% during the year.

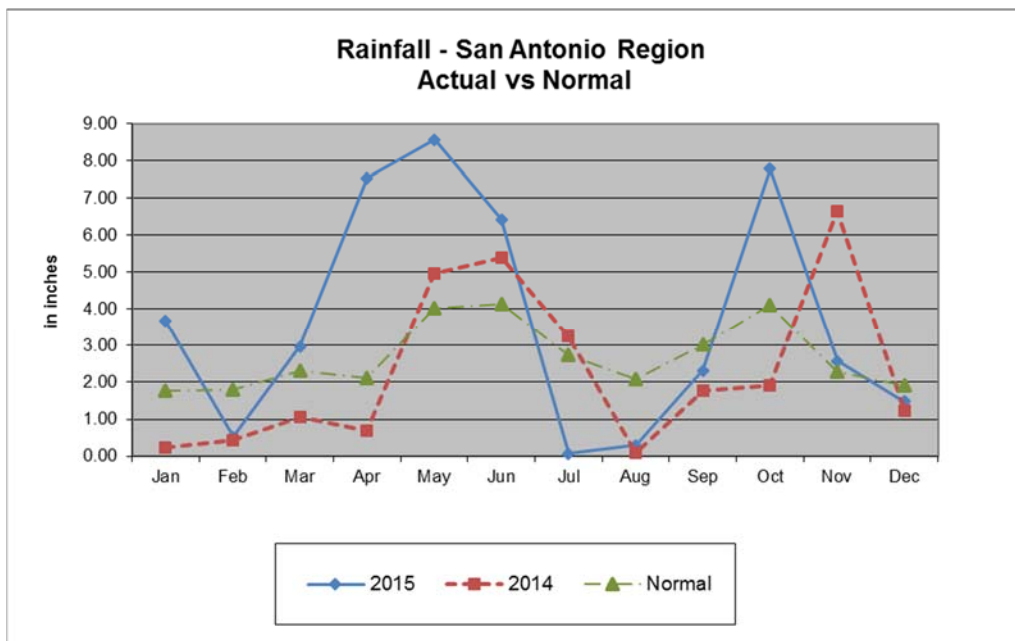
Operating revenues increased from \$462.3 million in 2013 to \$499.6 million in 2014 due to an average rate increase of 5.1% that went into effect in January 2014, a 3.9% increase in metered water usage and average customer growth of 1.8% during the year.

The Water Delivery core business is responsible for the actual distribution of water from its source to the customer's premises. Operating revenues for this business are derived through a combination of a monthly service charge that is dependent upon the size of the customer's water meter and a volume charge that relates

to the customer's metered water usage. Water Delivery operating revenues decreased \$3.8 million or 3% to \$123.9 million for 2015 as the impact of lower water usage, more than offset the impact of customer growth and the 2015 rate increase. Water delivery operating revenues increased \$7.9 million or 6.6% to \$127.7 million for 2014 due to increased usage, customer growth and the 2014 rate increase.



Total rainfall for 2015 of 44.22 inches was significantly above normal and was concentrated during months when customer demand for water is usually strong. As a result, billed water usage dropped 8.3% to 52.5 billion gallons for the year, the lowest customer demand since 2007. Rainfall during 2014 was slightly below normal levels. Restrictions on outdoor water use were in place throughout 2014 keeping water usage close to 2013 levels with the exception of water sold to SAWS DSP, which doubled in 2014.



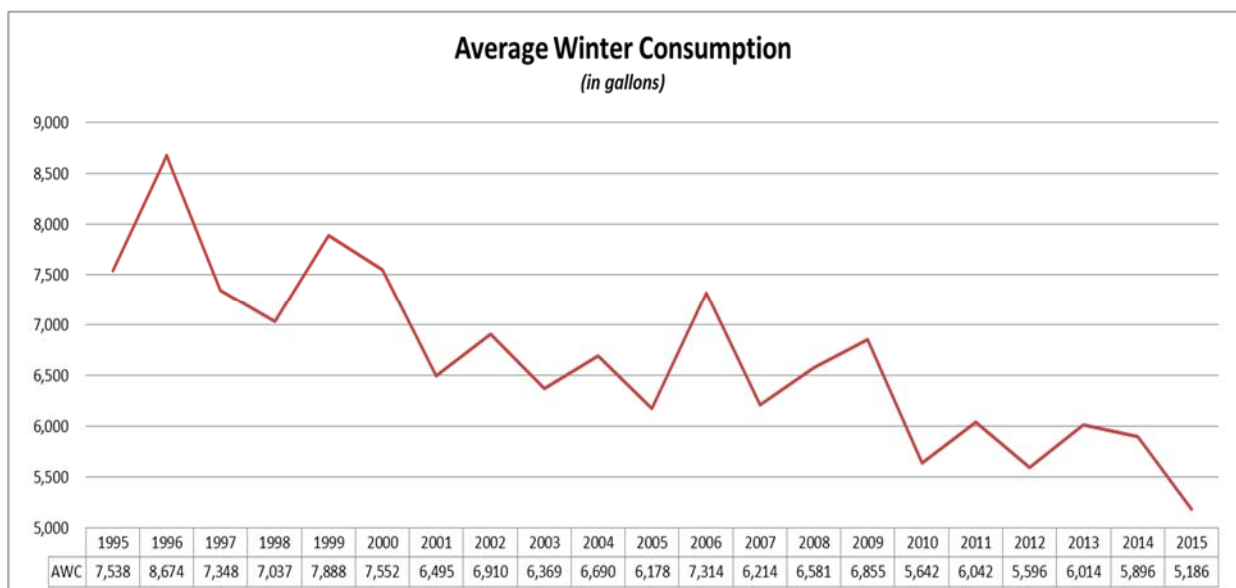
The Water Supply core business is responsible for all functions related to the development and provision of additional water resources. In order to support the costs associated with these initiatives, in 2000, SAWS implemented a separate funding mechanism, known as the Water Supply Fee, for water supply development and water quality protection. In addition to the volumetrically based Water Supply Fee, other charges included in Water Supply operating revenues are the following:

- pass-through fee designed to recoup the annual fees paid to the Edwards Aquifer Authority (EAA) for permitted water rights
- meter fees and volumetric charges to customers utilizing recycled water for industrial or irrigation purposes
- allocated portions of water delivery revenues designed to fund residential and commercial conservation programs and debt service associated with water supply and recycle projects in progress prior to the implementation of a separate Water Supply Fee

Water Supply operating revenues decreased \$7.1 million or 4.8% from 2014 to \$143 million for 2015, as the impact of reduced water usage more than offset the 2015 rate increase and impact of customer growth. Water Supply operating revenues increased \$15.7 million or 11.7% from 2013 to \$150.1 million in 2014 primarily due to the 2014 rate increase.

The collection and treatment of wastewater is the primary function of the Wastewater core business. Approximately 60% of Wastewater operating revenues are generated by residential customers. The residential portion of Wastewater operating revenue is calculated based upon the average metered water usage of each residential wastewater customer during a three consecutive month billing period from November 15<sup>th</sup> through March 15<sup>th</sup>. This average, referred to as the average winter consumption (AWC) goes into effect with the April billing each year and continues for a period of twelve months.

The following chart depicts SAWS AWC since 1994. While periods of extremely dry weather lead to spikes in the AWC, water conservation efforts have resulted in an overall downward trend in the AWC over the past 20 years. Due to heavy rainfall in 2015, the AWC that went into effect in April decreased 12% from the previous year and fell to 5,186 gallons which is the lowest level in SAWS' history.

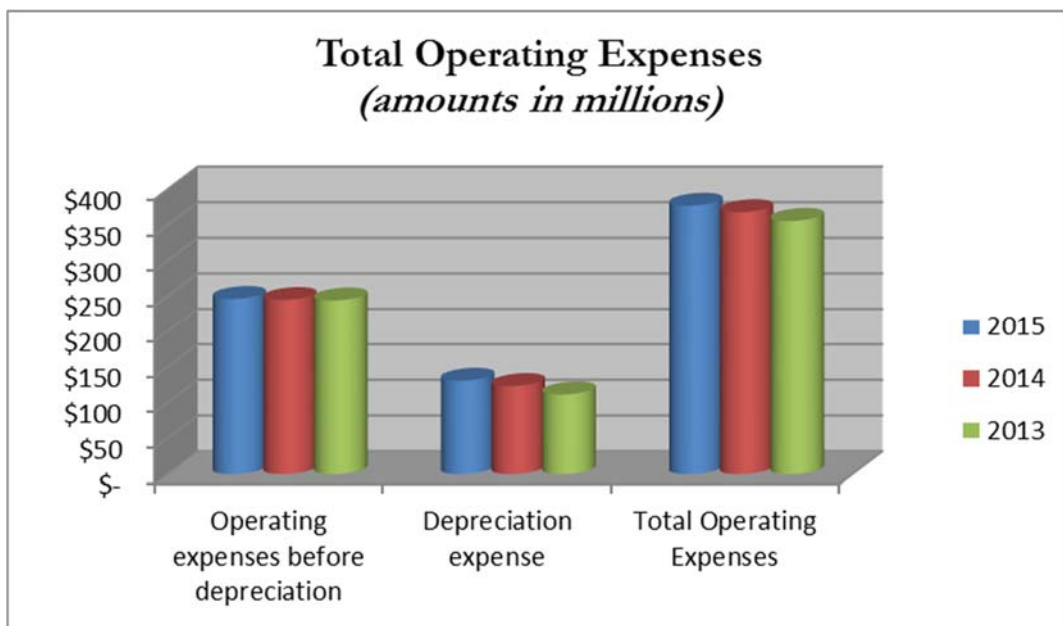


Wastewater operating revenues increased \$3.1 million or 1.5% to \$213.8 million in 2015. The rate adjustment that went into effect in January 2015 combined with customer growth to more than offset the reduction in the AWC. In 2014, wastewater operating revenues were \$210.7 million, an increase of \$15.1 million or 7.7% from 2013. While the AWC that went into effect in April 2014 decreased 2% from the previous AWC, total billed wastewater usage increased slightly from 2013.

The Chilled Water and Steam core business is responsible for providing heating and cooling services to customers, including various downtown hotels, City of San Antonio facilities, the Alamodome, Port Authority of San Antonio tenants and Hemisfair Plaza tenants. Operating revenues for this core business consist of a fixed base load demand charge for each customer and a pass-through charge to recover utility costs. In May 2014, SAWS stopped providing steam service due to a system evaluation that concluded that these services could no longer be offered in a cost efficient manner. Operating revenues for this core business were \$11.1 million for both 2014 and 2015. In 2014, operating revenues decreased \$1.5 million from 2013 primarily due to the elimination of steam service.

**Non-operating revenues:** Non-operating revenues, which primarily represent interest income earned on investments and the federal interest subsidy on SAWS Build America Bonds (BABs), increased \$.3 million due to an increase in investment income as the growth in investments more than offset slightly lower investment yields. The average investment balance increased from \$722.2 million in 2014 to \$821.9 million in 2015 while the average yield on SAWS’s portfolio decreased from .23% in 2014 to .22% in 2015. Non-operating revenues increased \$.4 million in 2014 as the average investment balance increased from \$530.9 million in 2013 to \$722.2 million in 2014. The average yield on SAWS’s portfolio decreased from .25% in 2013 to .23% in 2014.

**Operating Expenses:** Total 2015 operating expenses of \$377.1 million increased \$8.9 million or 2.4% from 2014 levels primarily due to an increase in depreciation expense.



Salary and benefit related costs increased \$2 million or 1.8% from 2014 to 2015. Increases in wages and health related costs were partially offset by a decrease in pension related costs. Wage increases are attributed to a 1% increase in the number of employees as well as annual wage adjustments given to employees.

Contractual services increased \$4.8 million or 3.8% in 2015 primarily due to an increase in purchased water payments associated with bringing the Regional Carrizo program fully online in 2015 and the elimination of conservation rebates granted by the Edwards Aquifer Authority. Other charges decreased \$4.5 million or 36% in 2015 primarily due to costs associated with retiree medical benefits and a previously awarded legal judgement that was reversed on appeal in 2015. Depreciation expense increased \$7.5 million or 6.1% from 2014 as a result of the \$286 million in capital assets placed into service during 2015.

Total operating expenses were \$368.2 million in 2014, as decreases in salary and benefit costs and other charges were more than offset by increases in contractual services and depreciation. Salary and benefit related costs decreased \$10.2 million from 2013 primarily as a result of an 11% reduction in the number of employees over the two year period from 2012 to 2014. These reductions resulted from efficiency improvements implemented and synergies associated with integrating the operations of Bexar Metropolitan Water District with SAWS. Contractual services increased \$20.5 million as a result of increased spending related to SAWS' program to reduce sanitary sewer overflows (SSO Program) as well as increases in water purchase payments and drought related costs. Depreciation expense increased \$11.7 million from 2013 as a result of the \$390.4 million in capital assets placed into service during 2014.

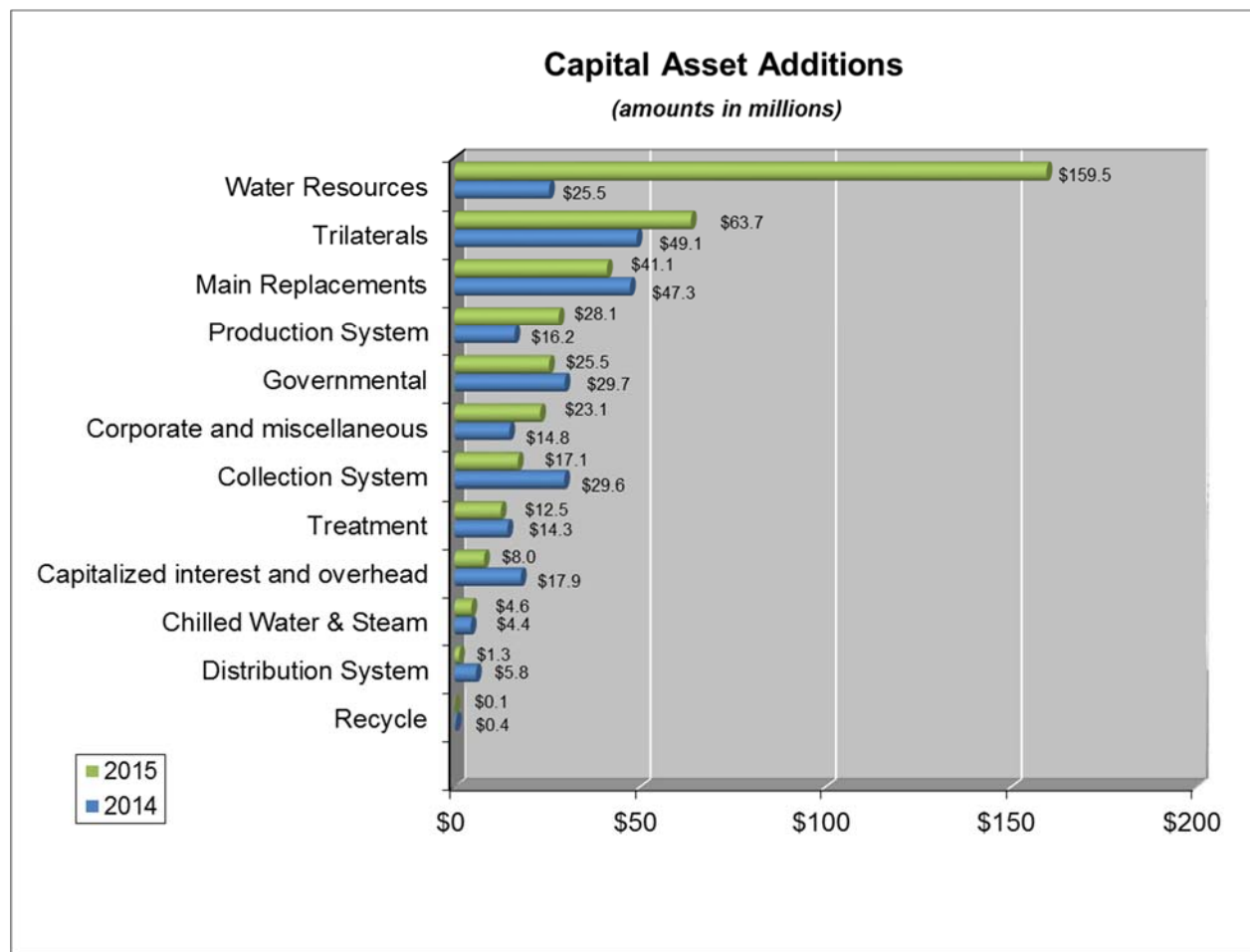
**Non-operating Expenses:** 2015 non-operating expenses decreased \$1.1 million or 1.2% from 2014 as gains from the sale of capital assets more that offset increases in interest expenses and debt issue costs. Average debt outstanding increased 4.8% in support of SAWS capital improvement program. The average cost of debt decreased from 3.38% in 2014 to 3.18% in 2015 as a result of debt refundings and lower interest costs on new debt. During 2014, non-operating expenses increased \$4.2 million or 4.5% from 2013 primarily due to an increase in interest expense, smaller gains on the sale of capital assets, and an increase in the payments to the City of San Antonio. While the average debt outstanding increased 10.5%, the average cost of debt before capitalized interest decreased from 3.59% in 2013 to 3.38% in 2014.

**Capital Contributions:** Capital contributions for 2015 totaled \$119.9 million which represents an increase of \$18.8 million from 2014. Development activity continued to be robust in 2015 as reflected by a 14% increase in plant contributions and a 23% increase in capital recovery fees. Additionally, in June 2014 City Council approved changes to the capital recovery fees charged by SAWS for new water and wastewater service, increasing the average amount paid by 14%. In 2014, capital contributions totaled \$101.1 million, an increase of \$30.4 million from 2013. Development activity increased significantly in 2014 and resulted in a 49% increase in plant contributions and a 39% increase in capital recovery fees.

CAPITAL CONTRIBUTIONS							
(\$ in thousands)	As of December 31,			2015-2014		2014-2013	
	2015	2014	2013	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Plant Contributions	\$ 56,153	\$ 49,082	\$ 32,891	\$ 7,071	14%	\$ 16,191	49%
Capital Recovery Fees	63,736	51,973	37,289	11,763	23%	14,684	39%
Grant Revenue	-	60	545	(60)	(100%)	(485)	(89%)
Total Capital Contributions	\$ 119,889	\$ 101,115	\$ 70,725	\$ 18,774	19%	\$ 30,390	43%

## CAPITAL ASSET ACTIVITY

During 2015 SAWS' total capital assets (net of accumulated depreciation) grew from \$4.1 billion to \$4.3 billion, while during 2014, net capital assets increased from \$4 billion to \$4.1 billion. Capital asset additions were \$384.6 million in 2014 and \$255 million in 2015. The significant increase in capital asset additions for 2014 to 2015 was due to spending on the construction of the brackish groundwater desalination plant and a transmission pipeline necessary to distribute the desalinated water to SAWS' service area. The graph below shows the additions for each year by general category.



SAWS is committed under various contracts for completion of construction or acquisition of capital assets totaling \$384.4 million as of December 31, 2015. For further detail information on capital assets, refer to Note F.

## LONG-TERM DEBT ACTIVITY

In 2015, SAWS issued a total of \$379.2 million in bonds through two transactions. All bonds issued during 2015 were at the junior lien level. The proceeds of the bonds, including premiums, were used to refund \$268.4 million in bonds; pay the cost of insurance; make deposits to the Reserve Fund; and provide \$152.2 million in funds for capital improvement projects.

During 2014, SAWS issued a total of \$264.6 million in bonds through four transactions. All bonds issued during 2014 were at the junior lien level. The proceeds of the bonds, including premiums, were used to refund \$49.1 million in bonds and \$60 million of outstanding commercial paper; pay the cost of issuance; make deposits to the Reserve Fund; and provide \$164.7 million in funds for capital improvement projects. During the course of the year, SAWS also issued \$15 million in new commercial paper notes to finance capital improvements.

SAWS intends to reissue maturing commercial paper and ultimately refund such maturities with proceeds from the issuance of long-term revenue bonds. Consistent with this intent, SAWS classifies outstanding commercial paper notes as long-term debt.

In January 2015, the three major credit rating agencies, Standard & Poor's Rating Service, Moody's Investors Services, and Fitch Ratings, affirmed SAWS' credit ratings. SAWS' high quality credit ratings are based on its large and diverse service area, sound financial management, long-term planning of water supply and infrastructure needs, and competitive water and sewer rates. SAWS' commercial paper ratings were updated in June and July 2015 based on new revolving credit agreements with Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York branch, and Wells Fargo Bank, N.A. For additional information on the commercial paper program, refer to Note I.

<b>BOND AND COMMERCIAL PAPER RATINGS</b>				
	Senior Lien Debt	Junior Lien Debt	Tax-Exempt Commercial Paper	
			Series A	Series B
Fitch Ratings	AA+	AA	F1	F1+
Moody's Investors Service, Inc.	Aa1	Aa2	P-1	P-1
Standard & Poor's Ratings Service	AA+	AA	A-1+	A-1+

SAWS' bond ordinance requires the maintenance of a debt coverage ratio of at least 1.25x the current annual debt service on outstanding senior lien debt. As of December 31, 2015 and 2014 SAWS was in compliance with the terms and provisions of the ordinances and documents related to its outstanding bonds and commercial paper.

<b>FINANCIAL RATIOS</b>			
	2015	2014	2013
Current Year Debt Coverage‡:			
Senior Lien Debt	2.86x	2.60x	2.15x
All Debt	1.53x	1.69x	1.62x
Maximum Annual Debt Coverage‡:			
Senior Lien Debt	2.30x	2.16x	1.85x
All Debt	1.49x	1.58x	1.42x
Net Position Ratio			
<i>(net position / total liabilities + net position)</i>	43.2%	43.0%	42.4%
‡ Debt service is net of federal interest subsidy.			

## ECONOMIC OUTLOOK FOR THE FUTURE

In November 2015, City Council approved changes to SAWS' rate structure as a result of recommendations resulting from a comprehensive cost of service analysis and rate study. The changes to the rate structure were designed in a way to be revenue neutral. At the same time, City Council approved an average rate increase of 7.5%. Both the rate structure changes and rate increases will go into effect January 1, 2016. Additionally, City Council pre-approved rate adjustments based on the average residential customer's bill in the amounts not to exceed 7.9% for 2017, 1.3% for 2018, 4.5% for 2019 and 9.9% for 2020. These rate adjustments will provide additional funding to address aging infrastructure issues, reduce sanitary sewer overflows and meet other operational requirements for 2016 and 2017 and support the continued development of additional water supplies, including the Vista Ridge project, during the period 2016-2020.

During 2015 customer connections grew 1.2% compared to 1.8% during 2014 and 0.9% during 2013. The San Antonio region is positioned to see continued growth levels during the next few years. While customer growth can help offset increasing operating costs, continuing costs to address infrastructure issues will likely require rate adjustments in the future in addition to those adjustments pre-approved by City Council for 2018-2020..

## CONTACTING SAWS' FINANCIAL MANAGEMENT

This Comprehensive Annual Financial Report is provided to our citizens, customers, investors and creditors as a general overview of SAWS' financial condition and results of operation with a general explanation of the factors affecting the finances of the organization. It is provided to demonstrate SAWS' accountability for the revenues it collects and the expenditures it makes for the services provided. If you have questions about this report or need additional financial information, contact either of the following:

Mary Bailey  
Vice President – Business Planning & Controller  
Email: [Mary.Bailey@saws.org](mailto:Mary.Bailey@saws.org)

Douglas P. Evanson  
Sr.Vice President/Chief Financial Officer  
Email: [Doug.Evanson@saws.org](mailto:Doug.Evanson@saws.org)

Mailing address:  
San Antonio Water System  
PO Box 2449  
San Antonio, TX 78298

Information about the San Antonio Water System can also be obtained through the Internet at [www.saws.org](http://www.saws.org).



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***BASIC FINANCIAL STATEMENTS***

**San Antonio Water System**  
**STATEMENTS OF NET POSITION**  
*(amounts in thousands)*

	December 31,	
	2015	2014
<b>CURRENT ASSETS</b>		
Unrestricted Current Assets		
Cash and cash equivalents	\$ 60,706	\$ 64,791
Investments	135,797	147,773
Accounts receivable, net of allowances for uncollectible accounts	64,868	60,521
Other current assets	12,649	13,905
Total unrestricted current assets	274,020	286,990
Restricted Current Assets:		
Investments	171,985	136,755
Total restricted current assets	171,985	136,755
<b>Total Current Assets</b>	446,005	423,745
<b>NONCURRENT ASSETS</b>		
Unrestricted Noncurrent Assets		
Accounts receivable, non current	3,867	5,052
Restricted Noncurrent Assets:		
Cash and cash equivalents	156,605	159,598
Investments	264,834	310,315
<b>Capital Assets:</b>		
Utility plant in service	5,263,494	4,980,589
Less allowance for depreciation	1,715,335	1,587,715
	3,548,159	3,392,874
Land, water rights and other intangible assets	335,792	327,916
Construction in progress	456,414	368,688
Total capital assets (net of accumulated depreciation)	4,340,365	4,089,478
<b>Total Noncurrent Assets</b>	4,765,671	4,564,443
<b>TOTAL ASSETS</b>	5,211,676	4,988,188
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on bond refunding	27,008	29,086
Deferred outflows - pension	15,637	-
Accumulated decrease in fair value of hedging derivative	16,394	15,520
	59,039	44,606
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 5,270,715	\$ 5,032,794

The accompanying notes to financial statements form an integral part of this statement.

**San Antonio Water System**  
**STATEMENTS OF NET POSITION (continued)**  
*(amounts in thousands)*

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>CURRENT LIABILITIES</b>		
<b>Current Liabilities To Be Paid From Unrestricted Assets</b>		
Accounts payable	\$ 38,449	\$ 47,589
Accrued vacation payable	5,385	4,844
Accrued payroll and benefits	3,257	2,741
Accrued claims payable	4,787	7,054
Sundry payables and accruals	1,433	1,675
Total unrestricted current liabilities	53,311	63,903
<b>Current Liabilities To Be Paid From Restricted Assets</b>		
Accrued interest payable	14,520	14,431
Payables under construction contracts	50,087	21,501
Customers' deposits	11,080	10,315
Commercial paper notes	3,395	3,245
Revenue bonds payable within one year	71,415	64,840
Total restricted current liabilities	150,497	114,332
<b>Total Current Liabilities</b>	203,808	178,235
<b>NONCURRENT LIABILITIES</b>		
Accrued vacation payable	3,421	3,728
Net pension obligation	-	3,470
Net pension liability	41,367	-
Net OPEB obligation	80,350	83,734
Derivative instrument	20,660	20,161
Commercial paper notes	131,910	135,305
Revenue bonds payable after one year, net of unamortized premiums and discounts	2,503,307	2,442,579
<b>Total Noncurrent Liabilities</b>	2,781,015	2,688,977
<b>TOTAL LIABILITIES</b>	2,984,823	2,867,212
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pension	6,726	-
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>	2,991,549	2,867,212
<b>NET POSITION</b>		
Net investment in capital assets	2,016,701	1,871,202
Restricted for operating reserve	44,297	43,385
Restricted for debt service fund	52,001	47,123
Restricted for reserve fund	57,818	66,665
Unrestricted	108,349	137,207
<b>TOTAL NET POSITION</b>	\$ 2,279,166	\$ 2,165,582

The accompanying notes to financial statements form an integral part of this statement.

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**San Antonio Water System**  
**STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the Years Ended December 31,**  
*(amounts in thousands)*

<b>OPERATING REVENUES</b>	<b>2015</b>	<b>2014</b>
Water delivery system	\$ 123,895	\$ 127,708
Water supply system	142,950	150,079
Wastewater system	213,833	210,704
Chilled water and steam system	11,102	11,152
Total operating revenues	491,780	499,643
<b>OPERATING EXPENSES</b>		
Salaries and fringe benefits	117,067	115,049
Contractual services	132,510	127,685
Material and supplies	21,158	20,930
Other charges	7,871	12,355
Less costs capitalized to construction in progress	(32,151)	(30,964)
Total operating expenses before depreciation	246,455	245,055
Depreciation expense	130,602	123,111
Total operating expenses	377,057	368,166
Operating income	114,723	131,477
<b>NONOPERATING REVENUES</b>		
Interest earned and miscellaneous	6,097	5,792
<b>NONOPERATING EXPENSES</b>		
Interest expense	80,746	78,049
Debt issue costs	3,831	2,914
Other finance charges	1,906	2,726
Gain on sale of capital assets	(3,520)	(23)
Payments to the City of San Antonio	12,683	13,089
Payments to other entities	106	114
Total nonoperating expenses	95,752	96,869
Increase in net position, before capital contributions	25,068	40,400
Capital contributions	119,889	101,115
<b>CHANGE IN NET POSITION</b>	144,957	141,515
<b>NET POSITION, BEGINNING OF YEAR (restated)</b>	2,134,209	2,024,067
<b>NET POSITION, END OF YEAR</b>	\$ 2,279,166	\$ 2,165,582

The accompanying notes to financial statements form an integral part of this statement.

**San Antonio Water System**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31,  
*(amounts in thousands)*

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 488,799	\$ 497,854
Cash paid to vendors for operations	(158,048)	(136,688)
Cash paid to employees for services	(105,635)	(99,030)
Net cash provided by operating activities	225,116	262,136
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Payments to the City of San Antonio	(8,898)	(9,615)
Payments to other entities	(114)	(112)
Net cash used for noncapital financing activities	(9,012)	(9,727)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of capital assets	5,305	4,634
Proceeds from developers for plant construction	56,153	51,973
Proceeds from grants	-	632
Payments to employees for construction of plant	(18,306)	(17,554)
Payments to vendors for construction of plant	(13,845)	(13,410)
Payments for acquisition of equipment and furniture	(8,092)	(8,887)
Payments for acquisition of property and plant	(245,344)	(164,397)
Proceeds from commercial paper	-	15,000
Payments for retirement of commercial paper	(3,245)	(3,105)
Proceeds from revenue bonds	150,294	172,262
Payments for retirement of revenue bonds	(64,530)	(57,850)
Payments of interest on commercial paper	(3,940)	(3,746)
Payments of interest on revenue bonds	(99,757)	(98,223)
Payments for bond related expenses	(3,831)	(2,914)
Payments for bank charges	(2,106)	(2,435)
Net cash used for capital and related financing activities	(251,244)	(128,020)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(764,661)	(952,412)
Maturity of investments	786,807	777,078
Interest income and other	5,916	5,421
Net cash provided by/(used for) investing activities	28,062	(169,913)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(7,078)	(45,524)
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	224,389	269,913
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR</b>	\$ 217,311	\$ 224,389

The accompanying notes to financial statements form an integral part of this statement.

**San Antonio Water System**  
**STATEMENTS OF CASH FLOWS (continued)**  
**For the years ended December 31,**  
*(amounts in thousands)*

	2015	2014
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENTS OF CASH FLOWS TO STATEMENTS OF NET POSITION</b>		
Cash and Cash Equivalents		
Unrestricted	\$ 60,706	\$ 64,791
Restricted - Noncurrent	156,605	159,598
	\$ 217,311	\$ 224,389
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 114,723	\$ 131,477
Adjustments to reconcile operating income to net cash provided by operating activities:		
Non-cash revenues from City of San Antonio	(3,777)	(3,476)
Provision for uncollectible accounts	5,093	4,166
Charge-off of prior year construction expenditures to operating expense	-	1,527
Depreciation expense	130,602	123,111
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Increase in accounts receivable	(6,940)	(3,818)
Decrease/(increase) in other current assets	1,518	(3,970)
Increase in deferred outflows - pension	(1,577)	-
Increase/(decrease) in accounts payable	(9,363)	15,408
Increase in accrued vacation payable	234	394
Increase in accrued payroll and benefits	516	259
Decrease in claims payables	(2,267)	(256)
Increase/(decrease) in sundry payables and accruals	(242)	336
Increase in net pension obligation	-	24
Decrease in net pension liability	(7,511)	-
Decrease in net OPEB obligation	(3,384)	(3,914)
Increase in customers' deposits	765	868
Increase in deferred inflows - pension	6,726	-
Total adjustments	110,393	130,659
Net cash provided by operating activities	\$ 225,116	\$ 262,136
<b>NONCASH CAPITAL AND FINANCING ACTIVITIES</b>		
Plant contributions received from developers	\$ 63,736	\$ 49,082
Bond proceeds deposited into an escrow account for purposes of refunding:		
Revenue Bonds	268,445	49,100
Commercial Paper	-	60,000
Receivable from sale of capital assets	1,315	-
Total noncash capital and financing activities	\$ 333,496	\$ 158,182

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**San Antonio Water System Fiduciary Funds**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
*(amounts in thousands)*

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 857	\$ 498
Investments, at fair value		
Mutual funds - stock	141,892	135,832
Mutual funds - bonds	57,627	51,082
Total Investments	199,519	186,914
<b>TOTAL ASSETS</b>	200,376	187,412
<b>LIABILITIES</b>		
	-	-
<b>NET POSITION RESTRICTED FOR POST EMPLOYMENT BENEFITS</b>	\$ 200,376	\$ 187,412

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
For the years ended December 31,  
*(amounts in thousands)*

	<b>2015</b>	<b>2014</b>
<b>ADDITIONS</b>		
Employer contributions	\$ 15,664	\$ 16,383
Employee contributions	2,750	33
Investment income, net of investment expense	1,077	17,088
Total additions	19,491	33,504
<b>DEDUCTIONS</b>		
Pension payments	6,420	5,796
Administrative expenses	107	76
Total deductions	6,527	5,872
<b>NET INCREASE IN NET POSITION</b>	12,964	27,632
<b>NET POSITION RESTRICTED FOR POST EMPLOYMENT BENEFITS - BEGINNING</b>	187,412	159,780
<b>NET POSITION RESTRICTED FOR POST EMPLOYMENT BENEFITS - ENDING</b>	\$ 200,376	\$ 187,412

The accompanying notes to financial statements form an integral part of these statements.

## **NOTES TO FINANCIAL STATEMENTS**

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## ***NOTES TO FINANCIAL STATEMENTS***

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### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity:** On April 30, 1992, the San Antonio City Council approved Ordinance No. 75686 which provided for the consolidation of all city owned utilities related to water including the water, wastewater, and water reuse systems as the San Antonio Water System (SAWS). Management and control of SAWS is vested in the SAWS Board of Trustees (Board) consisting of the Mayor of San Antonio and six members who are appointed by the San Antonio City Council. In addition to the Board, the City Council must approve all changes in SAWS rates and any debt issued by SAWS.

SAWS has been defined in City Ordinance No. 75686 (City Ordinance) as all properties, facilities, and plants currently owned, operated and maintained by the City and/or the Board, for the supply, treatment, transmission and distribution of treated potable water, chilled water and steam, for the collection and treatment of wastewater and for water reuse, together with all future extensions, improvements, purchases, repairs, replacements and additions thereto, and any other projects and programs of SAWS.

The City of San Antonio, Texas (the City) currently manages a storm water system. The City has not incorporated the storm water system within SAWS; however, SAWS administers certain aspects of the storm water program on behalf of the City, including billing accounts and providing certain technical services, for a fee.

The fiduciary financial statements include two fiduciary funds related to SAWS employee benefit plans: the San Antonio Water System Retirement Plan (SAWSRP) and the San Antonio Water System Retiree Health Trust (OPEB Trust). Both plans are governed by the Board which may amend plan provisions, and which is responsible for the management of plan assets. SAWSRP is a single-employer pension plan. SAWSRP is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. OPEB Trust is a trust established under the provisions of the Internal Revenue Code of 1986 Section 115.

SAWS has no component units, however, the operations of SAWS as reported herewith are included as a discretely presented component unit of the City.

**Basis of Accounting:** The financial statements of SAWS 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 a proprietary 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 outflow of resources, liabilities and deferred inflows of resources of SAWS are reported in the statement of net position, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

## ***NOTES TO FINANCIAL STATEMENTS***

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The fiduciary fund financial statements are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefit payments and plan expenses are recognized when due and payable in accordance with the terms of the plan.

In 2015, SAWS implemented the following new GASB pronouncements:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employer* as well as the requirements of Statement No. 50, *Pension Disclosures* as they relate to pension plans that are administered through trusts or equivalent arrangements. The major provisions of GASB 68 include:
  - ◊ The difference between the actuarial present value of projected benefit payments and the pension plan’s fiduciary net position at the measurement date is to be reported on the employer’s statement of net position as either a net pension asset or liability.
  - ◊ The majority of the changes in the net pension asset or liability are to be recognized immediately as pension expense. Some changes are to be reported as deferred inflows and/or deferred outflows of resources and amortized to pension expense over prescribed periods of time, based on the nature of the deferred item.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. This statement addresses application of the transition provisions of Statement No. 68 as they relate to contributions made by the employer to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. SAWS incorporated the guidance provided by recording a deferred outflow of resources as of January 1, 2015 equal to contributions made after the measurement date.

SAWS implemented these new pronouncements effective January 1, 2015, resulting in restatement of unrestricted net position as of January 1, 2015. For more information about this restatement see Note M.

**Recognition of Revenues:** Revenues are recognized as goods or services are provided. Customers’ 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.

**Revenue and Expense Classification:** Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of SAWS are charges to customers for water supply, water delivery, wastewater, and chilled water and steam services. Operating expenses include costs

## ***NOTES TO FINANCIAL STATEMENTS***

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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.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SAWSRP and TMRS plans and additions to/from the SAWSRP and TMRS fiduciary net position have been determined on the same basis as they are reported by SAWSRP and TMRS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**Annual Budget:** Approximately sixty days prior to the beginning of each fiscal year, an annual budget is presented to the Board for consideration. This budget is prepared on an accrual basis and serves 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 (See Note B). Once the annual budget has been approved by the Board, the budget is submitted to City Council for review and consultation.

**Fund Accounting:** 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. Interfund receivable and payable accounts have been eliminated in the financial statements.

**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 resources
- 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:** It is generally SAWS' policy to use restricted resources first when an expenditure is made for purposes for which both restricted and unrestricted resources are available.

**Cash Equivalents:** SAWS considers investments with an original maturity of three months or less at the time of purchase and all bank certificates of deposit 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

## ***NOTES TO FINANCIAL STATEMENTS***

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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, which approximates fair value. Investments other than money market investments are reported at fair value which is based on quoted market prices or quotes from bond broker dealers.

**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. SAWS wrote off account balances totaling \$4.4 million in 2015 and \$3.6 million in 2014. A provision to increase the allowance for uncollectible accounts is recorded as an offset to operating revenue. The provision for uncollectible accounts was \$5.1 million in 2015 and \$4.2 million in 2014.

**Inventory:** Inventories are valued at the lower of weighted average cost or market.

**Restricted Assets:** Assets restricted by City Ordinance to pay current liabilities are reported as current assets in the Statement 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 Statement 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, overhead, and interest capitalized during construction. Included in capital assets are intangible assets, which consist of purchased water rights and 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. Overhead consists of internal costs that are clearly related to the acquisition of capital assets. 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 fair value at date of donation. Maintenance, repairs, and minor renewals are charged to operating expense; major plant replacements are capitalized. Capital assets are depreciated and property under capital lease is amortized 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 using rates estimated to fully depreciate the costs of the asset group over their estimated average useful lives. 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. The following table shows an estimated range of useful lives used in providing for depreciation of capital assets:

## NOTES TO FINANCIAL STATEMENTS

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Structures and improvements	25 - 50	years
Pumping and purification equipment	10 - 50	years
Distribution and transmission system	17.5 - 50	years
Collection system	50	years
Treatment facilities	25	years
Equipment and machinery	5 - 20	years
Furniture and fixtures	3 - 10	years
Computer equipment	5	years
Software	3 - 10	years
Intangible assets (definite useful life)	20	years

**Capitalized Interest:** Interest expense during the construction period is capitalized as part of the cost of capital assets. SAWS capitalized \$6.3 million of interest in 2015 and \$10.1 million in 2014.

**Capital Contributions:** Capital Contributions consist of plant contributions from developers, capital recovery fees, and grant proceeds received from governmental agencies for facility expansion. Capital Contributions are recognized in the Statement 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 and may be used only for additional 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 grants credits to the developer equal to the estimated fair value of the excess capacity of the infrastructure contributed. These credits may only be used to offset future capital recovery fees owed by the developer. At December 31, 2015, SAWS had granted \$26.5 million in unused capital recovery fee credits to developers. The use of these capital recovery fee credits is conditional based on the type of development and in certain instances, time requirements and geographic restrictions.

**Deferred Outflows and Inflows of Resources:** In addition to assets, the Statement of Net Position includes separate sections for deferred outflows and inflows of resources. A deferred outflow of resources represents a consumption of net position that applies to a future period(s) and therefore, will not be recognized as an outflow of resources until the applicable future period. A deferred inflow of resources is an acquisition of net position that is applicable to future reporting period(s) and therefore, will not be recognized as an inflow of resources until the applicable future period.

## **NOTES TO FINANCIAL STATEMENTS**

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*Deferred charge on bond refunding* results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized to interest expense over the shorter of the life of the refunded or refunding debt.

*Deferred outflows – pension* and *Deferred inflows – pension* result from contributions made by SAWS to its defined benefit pension plans after the measurement date of net pension liability as well as changes in the net pension liability not yet reflected in pension expense. Changes in the net pension liability not yet reflected in pension expense include differences between projected and actual earnings on pension plan investments, expected and actual experience with regard to economic or demographic factors and changes in assumptions about future economic or demographic factors. Differences between projected and actual earnings are recognized in pension expense over a closed five year period. Other changes are recognized in pension expense using a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees participating in the plans.

SAWS is a party to an interest rate swap agreement which serves to hedge interest rates on a portion of SAWS' variable rate debt. The agreement qualifies as a derivative instrument in accordance with GASB Statements No. 53 and 64. Using the methodology set forth in those GASB Statements, the interest rate swap agreement has been deemed an effective hedge. As a result, hedge accounting is used to account for the changes in the fair value of the swap agreement. *Accumulated decrease in fair value of hedging derivative* represents the change in the fair value of the interest rate swap that has not been recognized in the Statement of Revenues, Expenses and Changes in Net Position due to the use of hedge accounting. For more information about this derivative instrument see Note H.

**Compensated Absences:** It is SAWS' policy to accrue employee vacation pay as earned as well as the employer portion of Social Security taxes and required pension contributions related to the accrued vacation pay. Sick leave is not accrued as 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 has been 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.

**Derivative Instruments:** As noted above, SAWS is a party to an interest rate swap agreement that qualifies as a derivative instrument. Additionally, SAWSRP's investments in separate accounts held at The Principal Financial Group may use derivatives as part of their investment strategy. These accounts are comingled pools, rather than individual securities.

**Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.



## ***NOTES TO FINANCIAL STATEMENTS***

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Accordingly, actual results could differ from those estimates.

**Reclassifications:** Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

### **NOTE B - CITY ORDINANCE NO. 75686**

**Funds Flow:** City Ordinance requires that SAWS' gross revenues be applied in sequence to: (1) System Fund for payment of current maintenance and operating expenses including a reserve equal to two months of budgeted maintenance and operating expenses for the current fiscal year; (2) Debt Service Fund requirements of Senior Lien Obligations; (3) Reserve Fund requirements of Senior Lien Obligations; (4) Interest and Sinking Fund and Reserve Fund requirements of Junior Lien Obligations; (5) Interest and Sinking Fund and Reserve Fund requirements of Subordinate Lien Obligations; (6) Payment of amounts required on Inferior Lien Obligations, and (7) Transfers to the City's General Fund and to the Renewal and Replacement Fund.

**Payments to the City's General Fund:** The City Ordinance 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%. Currently SAWS pays 2.7% of Gross Revenues to the City. Payments to the City are reported as non-operating expense in the Statement of Revenues, Expenses and Changes in Net Position.

**Reuse Contract:** SAWS has a contract with CPS Energy, the city owned electricity and gas utility, for the provision of reuse water. According to the City Ordinance, the revenues derived from the contract have been restricted in use to only reuse activities and are excluded from gross revenue for purposes of calculating any payments to the City's General Fund.

**Pledged Revenues:** Net Revenues of SAWS have been pledged to the payment and security of its debt obligations. Net Revenues are defined by the City Ordinance as SAWS' Gross Revenues after deducting operating expenses before depreciation. SAWS' Gross Revenues consist of all revenue with respect to the operation and ownership of SAWS with the exception of capital contributions, payments received under the CPS Energy contract, the federal subsidy of interest on Build America Bonds and earnings on funds deposited in the Project Fund and Reserve Fund until the Reserve Fund contains the required reserve amount.

**No Free Service:** The City Ordinance also provides for no free services except for municipal fire-fighting purposes.

### **NOTE C – SAN ANTONIO WATER SYSTEM DISTRICT SPECIAL PROJECT**

In May 2011, the Texas Legislature passed Senate Bill 341 (SB 341) calling for an election by Bexar Metropolitan Water District (BexarMet) ratepayers to vote on the dissolution of BexarMet and consolidation with SAWS. At that time, BexarMet provided water service to approximately 92,000 customers in Bexar County and several surrounding

## ***NOTES TO FINANCIAL STATEMENTS***

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counties. Many of BexarMet's customers were also SAWS wastewater customers. The election was held in November 2011 and the BexarMet ratepayers voted in favor of dissolution. The election results were certified on November 18, 2011. Preclearance of the election results by the United States Department of Justice was received on January 27, 2012.

SAWS, acting by and through the City of San Antonio, took action to accommodate the assumption of BexarMet in accordance with the requirements and specifications of SB 341. In October 2011, the City Council adopted Ordinance No. 2011-10-20-0845 (District Special Project Ordinance) creating a "special project", as authorized by SB 341 and pursuant to SAWS senior lien bond ordinances. In accordance with the District Special Project Ordinance, on January 28, 2012 all assets, liabilities, rights, duties and obligations of BexarMet were transferred to an entity known as the San Antonio Water System District Special Project (SAWS DSP). Management and control of SAWS DSP is vested in the SAWS Board; however, in accordance with the District Special Project Ordinance, SAWS DSP is not a part of SAWS. Instead, SAWS DSP is reported as a discrete component unit of the City of San Antonio until full integration with SAWS has been completed. Full integration with SAWS will be considered to have occurred when the rates paid by SAWS DSP customers for water service are the same as those paid by SAWS customers and SAWS DSP no longer remains in existence. In accordance with the District Special Project Ordinance, SAWS DSP will not materially and adversely interfere with the operation of SAWS but will be fully integrated into SAWS' system within 5 years of the certification of the election results. If requested, the Texas Commission on Environmental Quality (TCEQ) may approve a maximum three year extension of the deadline for full integration.

In order to improve service to SAWS DSP customers and improve the operational efficiency of both the SAWS and SAWS DSP systems, a series of interconnects have been established between the two systems allowing water to flow more freely between the systems and provide redundancy. Due to the extended drought that began in 2011, available SAWS DSP water supplies were inadequate to meet the demand of the SAWS DSP customers during 2014. In order to meet SAWS DSP customer demand, SAWS provided 3.7 billion gallons of water through the interconnects in 2014. Above average rainfall in 2015 reduced the drought reductions imposed by the Edward Aquifer Authority on permitted water rights, thereby increasing SAWS DSP available water supplies. As a result, SAWS DSP water supplies were sufficient to meet the demand of the SAWS DSP water customers in 2015.

In August 2012, SAWS purchased the water treatment plant owned by Bexar Metropolitan Water Development Corporation (BMWDC), a component unit of SAWS DSP. The purchase price of \$18.7 million was used to extinguish BMWDC's outstanding debt after which BMWDC was dissolved. The plant is utilized to treat Medina Lake water permitted to SAWS DSP and SAWS DSP is responsible for all operating and capital replacement costs associated with the plant. SAWS charges fees to SAWS DSP for the use of the treatment plant.

## NOTES TO FINANCIAL STATEMENTS

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In accordance with the District Special Project Ordinance, the Board may allocate assets and expenses between SAWS and SAWS DSP to ensure that all activities and transactions are properly stated in the books and records of each entity. Joint costs benefiting both SAWS and SAWS DSP systems are allocated in a rational manner that approximates the benefits received by each system.

The following table summarizes the transactions between SAWS and SAWS DSP.

<i>(amounts in thousands)</i>	Year Ended December 31,	
	2015	2014
Operating Revenue		
Water sold to SAWS DSP	\$ -	\$ 11,146
Non-operating Revenue		
Treatment plant use	\$ 96	\$ 106
Operating Expenses		
Expenses allocated to SAWS DSP	\$ 18,441	\$ 19,109

### NOTE D – DEPOSITS, INVESTMENTS AND SECURITIES LENDING

#### San Antonio Water System:

**Deposits:** As of December 31, 2015, SAWS' funds are deposited in demand and savings accounts at Frost Bank, SAWS' general depository bank. As required by state law, all SAWS' deposits are fully collateralized and/or are covered by federal depository insurance. At December 31, 2015, the collateral pledged is being held by the Federal Reserve Bank of Boston under SAWS' name so SAWS incurs no custodial credit risk. At December 31, 2015, the bank balance of SAWS' demand and savings accounts was \$52,393,000 and the reported amount was \$50,693,000 which included \$30,000 of cash on hand. At December 31, 2014, the bank balance of SAWS' demand and savings accounts was \$56,717,000 and the reported amount was \$54,785,000 which included \$30,000 of cash on hand.

**Investments:** As of December 31, 2015, investments include securities issued by the United States government and its agencies and instrumentalities along with funds held in escrow. Securities issued by the U.S. government and its agencies and instrumentalities are held in safekeeping by SAWS' depository bank, Frost Bank and registered as securities of SAWS. Funds held in escrow are Money Market Funds managed by Frost Bank and Bank of New York Mellon and are invested in securities issued by the U.S. government or by U.S. Agencies.

## NOTES TO FINANCIAL STATEMENTS

SAWS had the following investments and remaining maturities at December 31, 2015 and 2014:

December 31, 2015						
<i>(amounts in thousands)</i>						
Investment Type	Investment Maturities (in Days)				Fair Value	Reported Amount
	90 days or less	91 to 180	181 to 365	Greater Than 365		
U.S. Treasury Securities	\$ 18,003	\$ 13,855	\$ 85,849	\$ 9,235	\$ 126,942	\$ 126,972
U.S. Agency Discount Notes	36,107	85,860	14,957	-	136,924	136,985
U.S. Agency Coupon Notes	119,195	107,963	79,461	1,900	308,518	308,659
Money Market Funds held in Escrow:						
Bank of New York Mellon	141,507	-	-	-	141,507	141,507
Frost Bank	25,111	-	-	-	25,111	25,111
	<u>\$ 339,922</u>	<u>\$ 207,677</u>	<u>\$ 180,267</u>	<u>\$ 11,134</u>	<u>\$ 739,001</u>	<u>\$ 739,234</u>

December 31, 2014						
<i>(amounts in thousands)</i>						
Investment Type	Investment Maturities (in Days)				Fair Value	Reported Amount
	90 days or less	91 to 180	181 to 365	Greater Than 365		
U.S. Treasury Securities	\$ -	\$ -	\$ -	\$ 9,960	\$ 9,960	\$ 9,960
U.S. Agency Discount Notes	15,004	69,563	5,995	-	90,562	90,574
U.S. Agency Coupon Notes	150,836	125,792	192,449	21,110	490,187	490,285
Municipal Bonds	4,024	-	-	-	4,024	4,024
Money Market Funds held in Escrow:						
Bank of New York Mellon	130,337	-	-	-	130,337	130,337
Frost Bank	39,267	-	-	-	39,267	39,267
	<u>\$ 339,468</u>	<u>\$ 195,355</u>	<u>\$ 198,444</u>	<u>\$ 31,070</u>	<u>\$ 764,337</u>	<u>\$ 764,447</u>

**Interest Rate Risk:** As a means of limiting its exposure to fair value losses due to rising interest rates, SAWS' investment policy limits its investments maturities to no more than five years. At December 31, 2015 and 2014 SAWS investment maturities as a percent of the portfolio were as follows:

Maturities	December 31,	
	2015	2014
Zero to 90 days	46%	44%
91 to 180 days	28%	26%
181 to 365 days	24%	26%
More than one year and less than 5 years	2%	4%

## NOTES TO FINANCIAL STATEMENTS

**Credit Risk:** In accordance with its investment policies, SAWS manages exposure to credit risk by limiting its investments in long-term obligations of other states and cities to those with a credit rating of “A” or better. Additionally, any short-term investments require a rating of at least “A-1” or “P-1”. As of December 31, 2015 and 2014, SAWS held no direct investments with a credit rating below “AA”.

Credit Rating	Rating Agency	<i>(amount in thousands)</i>		Allocation	Investment Policy Limit
		Carrying Value	Fair Value		
December 31, 2015					
A-1+/AAA	S&P	\$ 303,603	\$ 303,542	41.1%	Max. = 100%
AA+	S&P	435,631	435,459	58.9%	Max. = 100%
AA	S&P	-	-	0.0%	Max. = 100%
Total Portfolio		<u>\$ 739,234</u>	<u>\$ 739,001</u>	<u>100.0%</u>	
December 31, 2014					
A-1+/AAA	S&P	\$ 260,178	\$ 260,166	34.0%	Max. = 100%
AA+	S&P	500,245	500,147	65.4%	Max. = 100%
AA	S&P	4,024	4,024	0.5%	Max. = 100%
Total Portfolio		<u>\$ 764,447</u>	<u>\$ 764,337</u>	<u>100.0%</u>	

**Concentration of Credit Risk:** SAWS’ investment policy does not limit the amount it may invest in U.S. Treasury securities, government-guaranteed securities, or government-sponsored entity securities. However, in order to manage its exposure to concentration of credit risk, the investment policy does limit the amount that can be invested in any one government-sponsored issuer to no more than 50% of the total investment portfolio, and no more than 30% of the total investment portfolio in any non-government issuer unless it is fully collateralized.

At December 31, 2015 and 2014, the following investments in any one organization that represent more than five percent of total SAWS investments are:

	December 31,	
	2015	2014
Federal Home Loan Bank	33%	44%
Federal National Mortgage Association	12%	10%
Federal Home Loan Mortgage Corporation	15%	12%

## NOTES TO FINANCIAL STATEMENTS

The following is a reconciliation of deposits and investments disclosed in this note to the amounts presented for cash and investments in the Statements of Net Position for 2015 and 2014:

<i>(amounts in thousands)</i>	December 31,	
	2015	2014
Reported amounts in note for:		
Deposits, including certificates of deposit	\$ 50,693	\$ 54,785
Investments	739,234	764,447
Total Deposits & Investments	<u>\$ 789,927</u>	<u>\$ 819,232</u>
Totals from Statement of Net Position:		
Cash and Cash Equivalents:		
Unrestricted	\$ 60,706	\$ 64,791
Restricted - noncurrent	156,605	159,598
Total cash and cash equivalents	<u>217,311</u>	<u>224,389</u>
Investments:		
Unrestricted	135,797	147,773
Restricted - current	171,985	136,755
Restricted - noncurrent	264,834	310,315
Total investments	<u>572,616</u>	<u>594,843</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 789,927</u>	<u>\$ 819,232</u>

The requirements of City Ordinance 75686 stipulate that SAWS must accumulate and maintain a reserve equal to 100% of the maximum annual debt service requirements for senior lien debt obligations. Additional City ordinances require SAWS to maintain a reserve fund equal to the average annual debt service on all junior lien debt obligations secured by a reserve fund. Not all SAWS junior lien debt obligations require the security of a reserve fund. Increases in the required reserve amount may be deposited into the Reserve Fund over a five year period. Ordinance 75686 allows for SAWS to provide surety policies equal to all or part of the required reserve. Prior to 2008, SAWS acquired surety policies on debt issuances in lieu of depositing cash in its Reserve Fund. Due to downgrades in the credit ratings of certain of these surety policy providers during 2008 and 2009, SAWS has been required to make deposits into its Reserve Fund. Additional deposits to the Reserve Fund were also required as a result of debt issued without surety policies since 2008. SAWS may use bond proceeds to make the required deposits related to new debt issued. Reserve fund deposits are required to be maintained until a) the revenue bonds mature, b) the surety policy provider's credit ratings improve to the minimum ratings required under SAWS bond ordinance, or c) new surety policies are provided that meet the requirements of the bond ordinance.

## NOTES TO FINANCIAL STATEMENTS

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The following table summarizes the Reserve Fund accounts that are included in restricted cash and investments at December 31, 2015 and 2014.

<i>(amounts in thousands)</i>	December 31,	
	2015	2014
Cash & Cash Equivalents	\$ 85	\$ 11,796
Investments:		
Junior Lien Bonds	20,386	17,907
Senior Lien Bonds	67,241	65,623
Total Investments	<u>87,627</u>	<u>83,530</u>
Total Cash & Investments - Reserve Fund	<u>\$ 87,712</u>	<u>\$ 95,326</u>

### San Antonio Water System Retirement Plan (SAWSRP):

At December 31, 2015 and 2014 the SAWSRP held no deposits and had the following investments:

<i>(amounts in thousands)</i>	2015	2014
Defined Benefit Component Investments:		
Mutual funds - stock	\$ 120,920	\$ 119,513
Mutual funds - bonds	44,966	41,246
	<u>165,886</u>	<u>160,759</u>
Defined Contribution Component Investments:		
Mutual funds - stock	632	77
Mutual funds - bonds	-	1
	<u>632</u>	<u>78</u>
Total Investments	<u>\$ 166,518</u>	<u>\$ 160,837</u>

While there is no specific policy relating to plan investments, plan trustees have instituted a plan to invest approximately 60% of the defined benefit component investments in equity securities and the remainder in fixed income securities. The SAWSRP investments are not automatically rebalanced, however, contributions to the plan are invested in a manner to adhere to the investment policy. The bond mutual funds are unrated. The effective duration of the bond funds was 5.51 years at December 31, 2015 and 5.43 years at December, 31, 2014.

### San Antonio Water System Retiree Health Trust (OPEB Trust):

In 2012, SAWS established an OPEB Trust for the exclusive purpose of providing benefits to eligible retirees and their dependents. At December 31, 2015 and 2014 the OPEB Trust held no deposits and had the following investments:

## NOTES TO FINANCIAL STATEMENTS

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<i>(amounts in thousands)</i>	Decmeber 31,	
	2015	2014
Cash and Cash Equivalents:		
Money Market Account	\$ 857	\$ 498
Investments:		
Mutual funds - stock	20,340	16,242
Mutual funds - bonds	12,661	9,835
	<u>\$ 33,858</u>	<u>\$ 26,575</u>

It is the policy of the OPEB Trust to invest 50% - 70% of its assets in equity securities, 25% - 50% in fixed income securities and 0% - 5% in cash. OPEB Trust utilizes an investment manager to make recommendations as to the appropriate target portfolio weightings among major asset classes. Additionally, the investment manager has full discretionary authority to buy, hold, and sell investments subject to the guidelines as defined in the OPEB Trust's investment policy. Investments in mutual funds traded on national or international exchanges are valued at the last reported sales price. Investments in the trust at December 31, 2015 are unrated. The effective duration of the bond mutual funds was 4.84 years at December 31, 2015 and 4.76 years at December 31, 2014.

**Securities Lending:** During 2014 and a portion of 2015, SAWS engaged in securities lending transactions under a contract with its lending agent, Frost Bank. Authority to engage in these transactions is authorized under the Texas Public Funds Investment Act (PFIA) and SAWS Investment Policy. SAWS authorized Frost Bank to loan up to 100% of the par value of its eligible investments in securities lending transactions. On March 31, 2015, Frost Bank terminated its securities lending program.

In securities lending transactions, SAWS through its lending agent, transferred securities to approved borrowers in exchange for collateral and simultaneously agreed to return the collateral for the same securities in the future. Cash received as collateral from borrowers was invested in 'AAA' rated money market mutual funds or investments that adhere to the PFIA and SAWS investment policy. The liquidity provided by the money market mutual funds allowed for the easy return of collateral upon termination of a security loan. Securities Lending income was earned if the return on the cash collateral invested exceeded the rebate paid to borrowers of the securities. The income was then split with the lending agent to cover its fees based on a contractually negotiated rate split. Loans that were collateralized with securities, rather than cash, generated income when the borrower paid a loan premium for the securities borrowed. This income was split at the same rate as the earnings for cash collateral. All collateral received was required to have a fair value of 102% of the loaned securities. Securities were marked to market daily and additional cash or securities was required from the borrower if the collateral fell below 102%.

GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, provides guidance for reporting and disclosing securities lending transactions. This guidance includes reporting securities lending cash



## NOTES TO FINANCIAL STATEMENTS

collateral on the Statement of Net Position as an asset, with a corresponding liability for the obligation to repay the collateral.

At December 31, 2015, there were no securities out on loan to borrowers. At December 31, 2014, \$347 million in securities, or 59% of SAWS lendable investments was out on loan to borrowers. In exchange, SAWS received \$354 million in securities collateral, or 102% of the fair value of the corresponding securities loaned. No securities loaned at December 31, 2014 were secured by cash collateral.

At December 31, 2014, SAWS had no custodial credit risk exposure to borrowers because the amount of collateral held by SAWS exceeded the amount of the securities loaned to the borrowers. At December 31, 2014, SAWS had no credit risk exposure to borrowers because the amounts that SAWS owed to borrowers, in the form of pledged collateral from the borrower, exceeded the amounts the borrowers owed.

There were no violations of legal or contractual provisions nor were there any borrower or lending agent default losses related to securities lending during 2014 and 2015.

Income generated from securities lending transactions amounted to \$262,000 and \$823,000 for the year ended December 31, 2015 and 2014, respectively, of which 30% was paid as fees to the lending agent.

### NOTE E – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31, 2015 and 2014:

<i>(amounts in thousands)</i>	2015	2014
Current:		
Receivable from customers	\$ 41,268	\$ 32,782
Unbilled revenue	18,753	25,692
Receivable from SAWS DSP	6,802	4,674
Receivable from other governmental agencies	2,789	1,426
Less: Allowance for doubtful accounts	(4,744)	(4,053)
	64,868	60,521
Noncurrent:		
Receivable from other governmental agencies	3,867	5,052
Total accounts receivable	\$ 68,735	\$ 65,573

In connection with a settlement agreement, Lower Colorado River Authority (LCRA) is required to make eight annual payments of \$1.4 million to SAWS beginning November 1, 2012 through November 1, 2019. The discounted value of the payments to be received from LCRA in the future is reported in accounts receivable, of which \$3.9 million and \$5.1 million was classified as noncurrent at December 31, 2015 and 2014, respectively.

## NOTES TO FINANCIAL STATEMENTS

### NOTE F – CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2015 is as follows:

<i>(amounts in thousands)</i>	December 31, 2014	Increases	Transfers	Decreases	December 31, 2015
Capital Assets, not being depreciated:					
Land	\$ 83,800	\$ -	\$ 10,471	\$ 2,946	\$ 91,325
Water rights purchased	243,739	-	358	-	244,097
Other intangible assets	377	-	(7)	-	370
Construction in progress	368,688	377,163	(289,437)	-	456,414
Total capital assets, not being depreciated/amortized	696,604	377,163	(278,615)	2,946	792,206
Capital assets, being depreciated					
Structures and improvements	671,127	-	32,844	-	703,971
Pumping and purification equipment	168,723	937	22,332	-	191,992
Distribution and transmission system	1,943,315	-	100,735	-	2,044,050
Treatment facilities	1,967,212	-	114,509	-	2,081,721
Equipment and machinery	154,526	4,346	8,058	2,222	164,708
Furniture and fixtures	5,108	-	-	97	5,011
Computer equipment	17,713	1,686	-	817	18,582
Software	51,518	457	130	-	52,105
Other intangible assets	1,347	-	7	-	1,354
Total capital assets being depreciated/amortized	4,980,589	7,426	278,615	3,136	5,263,494
Less accumulated depreciation					
Structures and improvements	(157,570)	(18,242)	-	-	(175,812)
Pumping and purification equipment	(45,333)	(6,240)	-	-	(51,573)
Distribution and transmission system	(596,883)	(44,818)	-	-	(641,701)
Treatment facilities	(661,818)	(39,469)	-	-	(701,287)
Equipment and machinery	(84,841)	(15,096)	-	(2,071)	(97,866)
Furniture and fixtures	(4,897)	(128)	-	(97)	(4,928)
Computer equipment	(12,354)	(1,923)	-	(814)	(13,463)
Software	(23,714)	(4,618)	-	-	(28,332)
Other intangible assets	(305)	(68)	-	-	(373)
Total accumulated depreciation	(1,587,715)	(130,602)	-	(2,982)	(1,715,335)
Total capital assets, being depreciated/amortized	3,392,874	(123,176)	278,615	154	3,548,159
Capital assets, net	\$ 4,089,478	\$ 253,987	\$ -	\$ 3,100	\$ 4,340,365

## NOTES TO FINANCIAL STATEMENTS

A summary of capital asset activity for the year ended December 31, 2014 is as follows:

<i>(amounts in thousands)</i>	December 31, 2013	Increases	Transfers	Decreases	December 31, 2014
Capital Assets, not being depreciated:					
Land	\$ 85,813	\$ 259	\$ (35)	\$ 2,237	\$ 83,800
Water rights purchased	242,736	-	1,003	-	243,739
Other intangible assets	370	-	7	-	377
Construction in progress	506,829	245,310	(381,924)	1,527	368,688
Total capital assets, not being depreciated/amortized	835,748	245,569	(380,949)	3,764	696,604
Capital assets, being depreciated					
Structures and improvements	606,339	-	68,724	3,936	671,127
Pumping and purification equipment	156,082	522	12,119	-	168,723
Distribution and transmission system	1,832,666	-	112,971	2,322	1,943,315
Treatment facilities	1,813,250	-	153,962	-	1,967,212
Equipment and machinery	144,110	7,380	6,847	3,811	154,526
Furniture and fixtures	5,108	-	-	-	5,108
Computer equipment	15,636	1,222	1,242	387	17,713
Software	26,143	291	25,084	-	51,518
Other intangible assets	1,347	-	-	-	1,347
Total capital assets being depreciated/amortized	4,600,681	9,415	380,949	10,456	4,980,589
Less accumulated depreciation					
Structures and improvements	(144,091)	(14,800)	-	(1,321)	(157,570)
Pumping and purification equipment	(41,238)	(4,095)	-	-	(45,333)
Distribution and transmission system	(556,200)	(43,005)	-	(2,322)	(596,883)
Treatment facilities	(621,460)	(40,358)	-	-	(661,818)
Equipment and machinery	(74,482)	(14,159)	-	(3,800)	(84,841)
Furniture and fixtures	(4,726)	(171)	-	-	(4,897)
Computer equipment	(10,736)	(2,000)	-	(382)	(12,354)
Software	(19,260)	(4,454)	-	-	(23,714)
Other intangible assets	(236)	(69)	-	-	(305)
Total accumulated depreciation	(1,472,429)	(123,111)	-	(7,825)	(1,587,715)
Total capital assets, being depreciated/amortized	3,128,252	(113,696)	380,949	2,631	3,392,874
Capital assets, net	\$ 3,964,000	\$ 131,873	\$ -	\$ 6,395	\$ 4,089,478

## NOTES TO FINANCIAL STATEMENTS

**Asset Impairment:** SAWS periodically reviews its capital assets for possible impairment. As part of SAWS' capital improvement program, SAWS incurs costs to design capital improvement projects. These costs are included in capital assets as Construction in Progress. Periodically the actual construction of these projects may not occur due to changes in plans. Once it has been determined that construction will not proceed, any capitalized costs are charged off to operating expenses. No design and other project costs were charged off in 2015 and \$1.5 million were charged off in 2014.

SAWS owns a water treatment plant in southwest Bexar County. The treatment plant is operated by SAWS DSP to treat water supplied from the Medina Lake and River. During the height of the recent drought, Medina Lake capacity was greatly diminished leading to poor water quality. As a result, the treatment plant was temporarily idled from April 2013 through August 2015. As a result of heavy rainfall during the summer of 2015, lake levels increased to a peak of nearly 80% of capacity. SAWS DSP restarted the treatment plant on September 1, 2015 and treated approximately 500 acre-feet of Medina River water. Water quality concerns persisted and SAWS elected to temporarily idle the treatment plant in October 2015. Additional investments in the treatment process may be required in order to eliminate these water quality concerns in the future. Current available water supplies are expected to be sufficient to meet customers' demand in the foreseeable future without utilizing the Medina supplies. The book value of the treatment plant at December 31, 2015 was \$15 million. SAWS is continuing to depreciate the Plant and does not currently believe the Plant has been permanently impaired.

### NOTE G – OTHER LIABILITIES

**Accrued Vacation Payable:** SAWS records an accrual for vacation payable for all full time employees and pays unused vacation hours available at the end of employment with the final paycheck. Changes in the liability amount for 2015 and 2014 were as follows:

<i>(amounts in thousands)</i>						
	Balance at Beginning of Year	Current-Year Accruals	Payments	Balance at End of Year	Estimated Due Within One Year	
Year Ended						
December 31, 2015	\$ 8,572	\$ 5,619	\$ (5,385)	\$ 8,806	\$ 5,385	
Year Ended						
December 31, 2014	\$ 8,178	\$ 5,238	\$ (4,844)	\$ 8,572	\$ 4,844	

## NOTES TO FINANCIAL STATEMENTS

### Risk Management:

#### Health Care Benefits:

SAWS provides health care benefits to eligible employees and retirees through a self-insured plan that includes medical, prescription drug and dental benefits. The payment of claims associated with these benefits is handled by third party administrators. Plan participants contribute a portion of the cost of providing these benefits through payroll deductions or monthly premiums, annual deductibles and other co-payments. SAWS was self-insured for the first \$300,000 of medical claims per person during 2015 and the first \$250,000 during 2014.

#### Other Risks:

SAWS is exposed to various risks of financial loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SAWS is self-administered and self-insured for the first \$2,000,000 of each workers compensation and general liability claim, and is fully self-insured for automobile liability. Claims that exceed the self-insured retention limit for workers' compensation and general liability are covered through SAWS' comprehensive commercial insurance program (CCIP). Additionally, under the CCIP, SAWS maintains deductible programs for public officials and employment practices liability, fiduciary liability, pollution legal liability, and crime with varying deductibles. Property coverage is on a replacement cost basis with a deductible of \$250,000 per occurrence. Settled claims during the last three years have not exceeded the insurance coverage in any year.

The claims liability for health care benefits and other risks, including incurred but not reported claims, is based on the estimated ultimate cost of settling the claims. Changes in the liability amount for the last three fiscal years were as follows:

<i>(amounts in thousands)</i>						
	Balance at Beginning of Year	Current-Year Accruals	Payments	Balance at End of Year	Estimated Due Within One Year	
Year Ended December 31, 2015	\$ 7,054	\$ 20,367	\$ (22,634)	\$ 4,787	\$ 4,787	
Year Ended December 31, 2014	\$ 7,310	\$ 21,291	\$ (21,547)	\$ 7,054	\$ 7,054	
Year Ended December 31, 2013	\$ 9,956	\$ 22,801	\$ (25,447)	\$ 7,310	\$ 7,310	

## ***NOTES TO FINANCIAL STATEMENTS***

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### **NOTE H – DERIVATIVE INSTRUMENT**

In 2003, SAWS entered into an interest rate swap agreement in connection with its City of San Antonio, Texas, Water System Subordinate Lien Revenue and Refunding Bonds, Series 2003-A and 2003-B (the “Series 2003 Bonds”) issued in a variable interest rate mode. The Series 2003 Bonds were issued to provide funds for SAWS’ capital improvements program and to refund certain outstanding commercial paper notes.

**Objective of the Interest Rate Swap:** The swap was used to hedge interest rates on the Series 2003 Bonds to a synthetic fixed rate that produced a lower interest rate cost than a traditional long term fixed rate bond issued at that time. In August 2008, SAWS used commercial paper notes to redeem \$110,615,000 of the \$111,615,000 outstanding principal of the Series 2003 Bonds due to unfavorable market conditions relating to the ratings downgrade of the 2003 Bond insurer, MBIA Insurance Corporation. In 2009, SAWS redeemed the remaining \$1 million of the Series 2003 Bonds through the issuance of additional commercial paper. The interest rate swap agreement was not terminated upon the redemption of the 2003 Bonds and instead serves as an off-market hedge for that portion of the commercial paper notes outstanding which pertain to the redemption of the 2003 Bonds. SAWS currently intends to maintain a portion of its outstanding commercial paper in amounts matching the notional amounts of the swap. SAWS did not recognize any economic gain or loss as a result of this refunding since the debt service requirements of the commercial paper notes are expected to closely match the debt service requirements of the refunded debt. At December 31, 2015, \$91,650,000 of commercial paper notes are hedged by the interest rate swap agreement.

**Terms:** The swap agreement contains scheduled reductions to the outstanding notional amounts that are expected to follow the original scheduled reductions of the Series 2003 Bonds. The Series 2003 Bonds were issued on March 27, 2003, with a principal amount of \$122,500,000. The swap agreement matures on May 1, 2033. At the time the swap was entered into, the counterparty was Bear Stearns Financial Products, Inc. (“Bear Stearns FPI”), with the index for the variable rate leg of the SWAP being the Securities Industry and Financial Markets Association (“SIFMA”) Municipal Swap Index.

In 2008, JPMorgan Chase & Co. announced its acquisition of The Bear Stearns Companies Inc., the parent of Bear Stearns FPI. JPMorgan Chase guaranteed the trading obligations of Bear Stearns and its subsidiaries. Effective June 16, 2009, the swap agreement was amended between SAWS, JPMorgan Chase & Co, and MBIA to provide for JPMorgan Chase Bank N.A. to become the swap counterparty and allow for the remainder of outstanding Series 2003 Bonds to be redeemed, while maintaining the swap agreement as an obligation to all parties. The amendment provides for the conditional release of MBIA’s swap insurance policy upon the occurrence of certain future events.

The combination of commercial paper notes and a floating-to-fixed swap creates a synthetic fixed-rate of 4.18%. The synthetic fixed-rate protects against the potential of rising interest rates.

## ***NOTES TO FINANCIAL STATEMENTS***

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**Fair Value:** The swap had a fair value of approximately negative \$20.7 million at December 31, 2015 and negative \$20.2 million at December 31, 2014. This value was calculated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These net payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The swap agreement meets the criteria of an effective hedge under GASB Statement 53 and therefore qualifies for hedge accounting treatment. Since the fair value is negative, the fair value is recorded as a non-current liability. Changes in the swap's fair value are recorded as a deferred outflow of resources and included on the Statement of Net Position. At the time the 2003 Bonds were redeemed in 2008, the fair value of the swap was negative \$6.2 million. The deferred outflow at the time of redemption was included in the carrying value of the 2003 Bonds and resulted in a loss on redemption of \$6.2 million. This loss is included in the deferred charge on bond refunding on the Statement of Net Position and is being amortized over the remaining life of the 2003 Bonds. The unamortized deferred charge on bond refunding related to the swap was \$4,266,000 at December 31, 2015 and \$4,641,000 at December 31, 2014.

**Credit Risk:** SAWS was not exposed to credit risk on its outstanding swap at December 31, 2014 and 2015 because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, SAWS would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty, JPMorgan Chase Bank, N.A. was rated Aa3 by Moody's Investors Services, A+ by Standard and Poor's, and AA- by Fitch Ratings as of December 31, 2015. The amended swap agreement contains a credit support annex which will become effective upon the release of MBIA from the swap insurance policy. Collateralization would be required by either party should the fair value of the swap reach applicable thresholds as stated in the amended swap agreement.

**Basis Risk:** SAWS is exposed to basis risk to the extent that the interest payments on its hedged commercial paper notes do not match the variable-rate payments received on the associated swap. SAWS attempts to mitigate this risk by (a) matching the outstanding hedged commercial paper notes associated with the redemption of the variable-rate debt to the notional amount and amortization schedule of the swap and (b) selecting an index for the variable-rate leg of the swap that is reasonably expected to closely match the interest rate on the hedged commercial paper notes.

**Termination Risk:** SAWS may terminate the Swap at any time for any reason. JPMorgan Chase may terminate the swap if SAWS fails to perform under the terms of the agreement. SAWS' ongoing payment obligations under the swap are insured as provided for in the swap amendment and JPMorgan Chase cannot terminate as long as the insurer does not fail to perform. Also, if at the time of the termination the swap has a negative fair value, SAWS would be liable to the counterparty for a payment equal to the swap's fair value.

## NOTES TO FINANCIAL STATEMENTS

**Market-access Risk:** SAWS is subject to market-access risk as \$91,650,000 of variable-rate debt hedged by the swap is outstanding in commercial paper notes with current maturities of approximately 35 days. As previously noted, SAWS intends to reissue the commercial paper notes in amounts matching the notional amounts of the swap.

**Swap Payments and Associated Debt:** As of December 31, 2015, debt service requirements of the hedged commercial paper notes and net swap payments, assuming current interest rates remain the same, are as detailed below. As rates vary, variable-rate interest payments and net swap payments will vary. Principal payments assume that commercial paper notes will be repaid in accordance with the amortization schedule of the swap.

<b>Pay-Fixed, Receive-Variable Interest Rate Swap</b>					
<b>Estimated Debt Service Requirements of Variable-Rate</b>					
<b>Debt Outstanding and Net Swap Payments</b>					
<i>(amounts in thousands)</i>					
Year	Principal	Interest Paid on Debt	Interest Rate Swap, Net	Total	
2016	\$ 3,395	\$ 27	\$ 3,727	\$ 7,149	
2017	3,550	26	3,581	7,157	
2018	3,710	25	3,429	7,164	
2019	3,880	24	3,269	7,173	
2020	4,055	22	3,103	7,180	
2021 - 2025	23,235	92	12,735	36,062	
2026 - 2030	29,035	52	7,268	36,355	
2031 - 2033	20,790	9	1,181	21,980	
Total	<u>\$ 91,650</u>	<u>\$ 277</u>	<u>\$ 38,293</u>	<u>\$ 130,220</u>	

### NOTE I – LONG TERM DEBT

#### REVENUE BONDS

On January 21, 2015 SAWS issued \$75,920,000 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2015A through the Texas Water Development Board. The bonds were sold under the Drinking Water State Revolving Fund program. The proceeds from the sale of the bonds were used to (i) finance capital improvement projects which qualify under the Texas Water Development Board Program, and (ii) pay the cost of issuance. The bonds are secured together with other currently outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

On February 18, 2015, SAWS issued \$303,235,000 City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2015B (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) refund the City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2004; the



## ***NOTES TO FINANCIAL STATEMENTS***

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City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2004-A; and the City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2005 (together the “Refunded Bonds”), (ii) finance capital improvements, and (iii) pay the cost of issuance. The refunding of the Refunded Bonds reduced total future debt service payments by approximately \$81.8 million and resulted in an economic gain of \$46.9 million. The bonds are secured together with other currently outstanding Junior Lien Obligations solely by a lien on pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

Senior lien water system revenue bonds, comprised of Series 2007, Series 2009, Series 2009B, Series 2010B, Series 2011, Series 2011A, Series 2012, and Series 2012A, outstanding in the amount of \$1,157,305,000 at December 31, 2015, are collateralized by a senior lien and pledge of the gross revenues of SAWS after deducting and paying the current expenses of operation and maintenance of SAWS and maintaining a two-month operating reserve for such expenses. Interest rates range from 2.756% to 6.220%, exclusive of any federal interest subsidy on the Series 2009B and 2010B Build America Bonds.

The junior lien water system revenue bonds are composed of two categories of debt: fixed-interest-rate debt and variable-interest-rate debt. The junior lien fixed-interest-rate debt is similar to the senior lien bonds, as they have fixed and set interest rates for the life of the bonds. The junior lien variable rate bonds have variable-interest-rates that are reset periodically. All the junior lien water system revenue bonds are collateralized by a junior lien and pledge of the gross revenues of SAWS after deducting the current expenses of operation and maintenance of SAWS, maintaining a two-month operating reserve for such expenses, and paying debt service on senior lien debt.

The junior lien fixed-interest-rate bonds, comprised of Series 2007, Series 2007A, Series 2008, Series 2008A, Series 2009, Series 2009A, Series 2010, Series 2010A, Series 2011, Series 2011A, Series 2012 (No Reserve Fund), Series 2012, Series 2013A, Series 2013B (No Reserve Fund), Series 2013C, Series 2013D, Series 2013E (No Reserve Fund), Series 2014A (No Reserve Fund), Series 2014C, Series 2014D, Series 2015A, and Series 2015B (No Reserve Fund) is outstanding in the amount of \$1,087,430,000 at December 31, 2015. Interest rates range from 0.000% to 5.000%

The junior lien variable-interest-rate bonds, comprised of the Series 2013F (No Reserve Fund) (the “Series 2013F Bonds”) and the Series 2014B (No Reserve Fund) (the “Series 2014B Bonds”) (together the “Bonds”), is outstanding in the amount of \$200,000,000 at December 31, 2015. The Series 2013F Bonds are tax-exempt variable-interest-rate notes initially issued in a SIFMA Index Mode, with the interest rate reset weekly, through the initial interest period expiring October 31, 2016, at a spread of 0.68% over the Securities Industry and Financial Markets Association (SIFMA) Swap Index. The average interest rate at December 31, 2015 was 0.71%. The ending interest rate at December 31, 2015 was 0.69%. The Series 2014B Bonds are tax-exempt variable-interest-rate notes initially issued in a SIFMA Index Mode, with the interest rate reset weekly, through the initial interest period expiring October 31, 2017, at a spread of 0.40% over the SIFMA Swap Index. The average interest rate at December 31, 2015 was 0.43%. The ending interest rate at December 31, 2015 was 0.41%. Upon conclusion of the initial interest period of the

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## NOTES TO FINANCIAL STATEMENTS

Bonds, SAWS is permitted to change the mode for all or any portion of the Bonds to a different mode or to a SIFMA Index Mode of different duration. The Bonds are subject to a mandatory tender without right of retention at the conclusion of the initial interest period. During the initial interest period, the Bonds are not subject to the benefit of a liquidity facility provided by a third party. Accordingly, a failure to remarket the Bonds at the end of the initial interest period will result in the rescission of the notice of mandatory tender with respect to the Bonds and the SAWS has no obligation to purchase the Bonds at such time. The occurrence of a failed remarketing will not result in an event of default under the ordinance. Until the SAWS redeems or remarkets the Bonds that had a failed remarketing, the Bonds shall bear interest at the stepped rate of 8.0%.

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. A liability is recorded once payment appears to be probable. As of December 31, 2015, SAWS has no arbitrage rebate liability associated with any outstanding bonds.

The following tables summarize revenue bond transactions for the years ended December 31, 2015 and 2014.

<i>(amounts in thousands)</i>	Balance Jan. 1, 2015	Additions	Reductions/ Amortization	Balance Dec. 31, 2015	Due Within One Year
Bonds Payable	\$ 2,398,555	\$ 379,155	\$ 332,975	\$ 2,444,735	\$ 71,415
Unamortized premium	112,672	39,585	19,566	132,691	
Unamortized discount	(3,808)	-	(1,104)	(2,704)	
Total Bonds Payable, Net	<u>\$ 2,507,419</u>	<u>\$ 418,740</u>	<u>\$ 351,437</u>	<u>\$ 2,574,722</u>	<u>\$ 71,415</u>

<i>(amounts in thousands)</i>	Balance Jan. 1, 2014	Additions/ Transfers	Reductions/ Amortization	Balance Dec. 31, 2014	Due Within One Year
Bonds Payable	\$ 2,240,915	\$ 264,590	\$ 106,950	\$ 2,398,555	\$ 64,840
Unamortized premium	111,920	16,772	16,020	112,672	
Unamortized discount	(4,001)	-	(193)	(3,808)	
Total Bonds Payable, Net	<u>\$ 2,348,834</u>	<u>\$ 281,362</u>	<u>\$ 122,777</u>	<u>\$ 2,507,419</u>	<u>\$ 64,840</u>

## NOTES TO FINANCIAL STATEMENTS

The following table shows the annual debt service requirements on SAWS' debt obligations for each of the next five years and then in five year increments after that.

<u>Year Ended</u> <u>December 31,</u>	<u>Annual Debt Service Requirements</u> <u>Revenue and Refunding Bonds</u> <i>(amounts in thousands)</i>					
	<u>Fixed Rate</u>				<u>Variable Rate</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Subsidy</u> ‡	<u>Net Interest</u>	<u>Principal</u>	<u>Interest*</u>
2016	\$ 71,415	\$ 94,198	\$ 3,786	\$ 90,412	\$ -	\$ 1,100
2017	74,795	91,674	3,863	87,811	-	1,100
2018	77,320	88,934	3,798	85,136	-	1,100
2019	78,640	86,139	3,727	82,412	-	1,100
2020	82,330	83,122	3,652	79,470	-	1,100
2021 - 2025	455,145	360,381	16,934	343,447	-	5,500
2026 - 2030	473,275	255,466	14,006	241,460	7,950	5,475
2031 - 2035	428,300	163,107	9,375	153,732	67,160	4,317
2036 - 2040	427,895	58,795	2,274	56,521	71,925	2,369
2041 - 2045	75,620	4,367	-	4,367	52,965	440
	<u>\$2,244,735</u>	<u>\$1,286,183</u>	<u>\$ 61,415</u>	<u>\$1,224,768</u>	<u>\$ 200,000</u>	<u>\$ 23,601</u>

‡ Federal interest rate subsidy on Build America Bonds (BAB) is utilized to pay interest on those bonds but is reported as nonoperating revenue. The federal budgeted approved by the U. S. Congress for the fiscal year ending September 30, 2016, reduced the BAB subsidy paid during the fiscal year by 6.8%. The BAB subsidy to be received by SAWS in May 2016 reflects this reduction. BAB subsidy payments in future periods are reflected at the full amount with no reductions.

\*The variable rate bonds were initially issued in a SIFMA Index Mode with interest rates reset weekly based on the sum of the SIFMA Swap Index and a spread of 0.54%. Interest listed above is based on the interest rate as of December 31, 2015 of 0.55%. Actual interest paid will fluctuate based on the SIFMA Swap Index. The interest amount shown above is on an annual basis.

### COMMERCIAL PAPER PROGRAM

SAWS maintains a commercial paper program that is used to provide funds for the interim financing of a portion of its capital improvements. The City Council of the City of San Antonio has authorized the commercial paper program in an amount of \$500 million. Notes payable under the program cannot exceed maturities of 270 days.

The City has covenanted in the Ordinance authorizing the commercial paper program (the "Note Ordinance") the issuance of "City of San Antonio, Texas Water System Commercial Paper Notes, Series A" (the "Series A Notes"), the issuance of "City of San Antonio, Texas Water System Commercial Paper Notes, Series B" (the "Series B Notes"), and the maintenance at all times of credit facilities with banks or other financial institutions which would

## ***NOTES TO FINANCIAL STATEMENTS***

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provide available borrowing capacity sufficient to pay the principal of the commercial paper program. The credit facility is maintained under the terms of a revolving credit agreement.

The issuance of commercial paper is further supported by the following agreements and related participants:

- Dealer Agreements with Goldman, Sachs & Co., J.P. Morgan Securities LLC., Ramirez & Co., Inc., and Mitsubishi UFJ Securities (USA), Inc.
- A Revolving Credit Agreement with Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York branch, supporting the Series A Notes in the amount of \$350,000,000.
- A Revolving Credit Agreement with Wells Fargo Bank, N.A, supporting the Series B Notes in the amount of \$100,000,000.
- Issuing and Paying Agency Agreement with The Bank of New York Mellon Trust Company, N.A.

The borrowings under the commercial paper program are equally and ratably secured by and are payable from (i) the proceeds from the sale of bonds or additional borrowing under the commercial paper program and (ii) borrowing under and pursuant to the revolving credit agreement. The capacity of the combined revolving credit agreements is \$450 million with the Revolving Credit Agreement with Bank of Tokyo-Mitsubishi UFJ, Ltd, supporting the Series A Notes expiring October 4, 2018; and the Revolving Credit Agreement with Wells Fargo Bank, N.A., supporting the Series B Notes expiring January 15, 2018.

Commercial paper notes of \$135,305,000 are outstanding as of December 31, 2015. Of this balance, \$91,650,000 relates to the refunding of the Series 2003 Bonds; \$18,655,000 relates to the redemption of the Bexar Metropolitan Development Corporation Water Facility Contract Revenue Bonds, Series 1998; while the remaining \$25,000,000 in proceeds were used solely for financing of capital improvements. Interest rates on the notes outstanding at December 31, 2015 range from 0.03% to 0.08% and maturities range from 28 to 122 days. The outstanding notes had an average rate of 0.04% and averaged 51 days to maturity.

SAWS intends to reissue maturing commercial paper, in accordance with the refinancing terms of the revolving credit agreement, and ultimately refund such maturities with proceeds from the issuance of long-term revenue bonds. Consistent with this intent, and since SAWS has the available \$450 million revolving credit agreement described above, SAWS has classified nearly all outstanding commercial paper notes as long-term debt. In accordance with the amortization schedule of the interest rate swap agreement discussed in Note H, SAWS intends to redeem \$3,395,000 of commercial paper in 2016. Therefore, this portion of the commercial paper is classified as a current liability.

The following table summarizes transactions of the commercial paper program for the years ended December 31, 2015 and 2014.

## NOTES TO FINANCIAL STATEMENTS

<i>(amounts in thousands)</i>	Outstanding Notes at Beginning of Year	Notes Issued	Notes Retired	Outstanding Notes at End of Year	Payable Within One Year
Year Ended December 31, 2015	\$ 138,550	\$ -	\$ 3,245	\$ 135,305	\$ 3,395
Year Ended December 31, 2014	\$ 186,655	\$ 15,000	\$ 63,105	\$ 138,550	\$ 3,245

### OTHER DEBT MATTERS

**Debt Covenants:** SAWS is required to comply with various provisions included in the ordinances which authorized the bond issuances. SAWS management believes it is in compliance with all significant provisions of the ordinances.

### NOTE J - CONTINGENCIES AND COMMITMENTS

#### *Water Agreements*

As of December 31, 2015, SAWS has entered into various water leases to obtain rights to pump water from the Edwards Aquifer. The term of these agreements vary, with some expiring as early as 2016 and others continuing until 2023. Some of the leases include price escalations and the annual cost per acre foot ranges from \$115 to \$140. The future commitments under these leases are as follows:

<i>(dollars in thousands)</i>	2016	2017	2018	2019	2020	Thereafter
Edwards Aquifer - lease payments	\$ 3,430	\$ 3,509	\$ 3,764	\$ 2,920	\$ 2,793	\$ 5,267
Edwards Aquifer - acre feet leased	28,029	27,904	27,673	20,858	19,948	37,620

SAWS also has commitments to purchase water supplies under various contracts. All water provided under these contracts is subject to availability.

Under a contract with Guadalupe Blanco River Authority (GBRA), SAWS will receive 6,000 acre feet of water annually through the end of the contract in 2037. Additionally, SAWS must purchase water not sold by GBRA to other third parties. The additional amount of water available in 2016 is estimated to be 3,000 acre feet and will decline over the remaining term of the contract as the demand of GBRA's other customer's increases. The cost of the water escalates over time with projected prices ranging from \$952 per acre foot in 2016 to approximately \$1,538 per acre foot by 2037. SAWS has an option to extend this contract until 2077 under new payment terms.

## ***NOTES TO FINANCIAL STATEMENTS***

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Under a contract with the Massah Development Corporation, SAWS has a minimum take or pay commitment to purchase 100 acre-feet per month or 1,200 acre-feet per year of raw water from the Lower Glen Rose/Cow Creek formations of the Trinity Aquifer in northern Bexar County at projected prices ranging from \$624 to \$815 per acre foot. This agreement expires in 2025 and SAWS has an option to extend the contract for 10 years.

Under a contract with Sneekner Partners, Ltd., SAWS has a take or pay commitment to purchase 1,500 acre-feet of water annually from the Trinity Aquifer at a minimum annual cost of \$225 per acre-foot through 2020. SAWS has an option to extend the contract through 2026. As part of this contract, SAWS agreed to make quarterly defined payments for any residential customers that are connected to the system within a defined geographical area that begin taking water service from SAWS. SAWS began making these payments during 2012 as the area has begun to experience some development. SAWS has made payments totaling \$270,000 for new customer connections under the terms of this contract. While it is impossible to estimate the exact amount of any potential future payments associated with this provision of the agreement, management estimate of this potential contingent liability is less than \$5 million.

In 2012, SAWS entered into an agreement with Water Exploration Company, Ltd. (WECO) to purchase groundwater produced by WECO from the Trinity Aquifer. In connection with this agreement, two prior water purchase agreements between SAWS DSP and WECO were terminated. The new agreement has a term of 15 years, with two optional 5 year extensions. SAWS is obligated to purchase up to 17,000 acre-feet per year in monthly increments not to exceed 1,417 acre-feet if water is available to be produced. SAWS only pays for delivered water meeting all state and federal drinking water standards. Pumping by WECO may not reduce the Trinity Aquifer below 600 feet Mean Sea Level at test wells on the tracts. The projected price to be paid per acre-foot of raw water ranges from \$916 in 2016 to \$1,138 by 2027.

In 2010, SAWS was granted a permit by the Gonzales County Underground Water Conservation District (“District”) to produce 11,688 acre feet of water from the Carrizo Aquifer in Gonzales County. SAWS has entered into 23 separate agreements with land owners to produce water under that permit. These agreements remain in force indefinitely as long as SAWS continues to make payments in accordance with the terms of the agreements. SAWS makes payments to the landowners based on actual water produced. SAWS expects to produce the maximum water available under its permit in 2016 and projects payments to landowners will be \$1,100,850. These payments escalate annually based on the average of the increase in the Consumer Price Index and Producers Price Index.

In 2011, SAWS entered into an agreement with the Schertz Seguin Local Government Corporation (SSLGC) to 1) treat water produced by SAWS under its permit with the District at its treatment plant in Guadalupe County and transport that water through SSLGC’s existing transportation pipeline to a SAWS facility in Schertz, Texas and 2) purchase up to 5,000 acre feet of wholesale water annually from SSLGC. As part of this agreement, SSLGC agreed to expand its treatment facilities to handle the volume of water supplied by SAWS. SSLGC issued contract revenue

## NOTES TO FINANCIAL STATEMENTS

bonds in 2012 to finance the expansion. SAWS is unconditionally obligated to make monthly payments to SSLGC beginning in December 2014 equal to 1/12<sup>th</sup> the annual debt service payment owed by SSLGC on the contract revenue bonds regardless of the amount of water actually provided by SAWS to SSLGC for treatment and transportation. In addition to the payment made to SSLGC for the expansion of the treatment plant, SAWS makes payments to SSLGC for treating and transporting the SAWS produced water.

The initial term of the agreement with SSLGC expires in 2050 and can be renewed for successive terms of 5 years. The projected price paid to SSLGC treated and transport water provided by SAWS is projected to be \$476 per acre foot in 2016 and includes the debt service associated with the expansion of SSLGC's treatment plan. Payments for any wholesale water purchased from SSLGC is based on SSLGC's wholesale water rates.

A summary of all estimated payments under all these water purchase commitments is provided in the following table. The summary does not assume the extension of any of these water purchase agreements. As with any estimate, the actual amounts paid could differ materially.

<i>(dollars in thousands)</i>	2016	2017	2018	2019	2020	Thereafter
Purchased water payments - fixed	\$ 15,930	\$ 16,367	\$ 16,447	\$ 16,532	\$ 16,626	\$ 397,347
Acre feet purchased - fixed	22,570	22,472	22,295	22,122	21,953	452,187
Purchased water payments - variable	\$ 9,438	\$ 14,734	\$ 15,055	\$ 15,381	\$ 15,490	\$ 227,474
Acre feet purchased - variable	10,562	14,849	14,849	14,849	14,621	157,050

### *Other Contingencies and Commitments*

SAWS is also committed under various contracts for completion of construction or acquisition of utility plant totaling approximately \$384.4 million as of December 31, 2015. Funding of this amount will come from excess revenues, contributions from developers, restricted assets and available commercial paper capacity.

In connection with desalination injection well permits obtained by SAWS from the Texas Commission on Environmental Quality (TCEQ), SAWS has an obligation to plug the injection wells once the wells are no longer in service. At December 31, 2015, SAWS has recorded a liability of \$456,899 related to this post-closure obligation.

In March 2007, SAWS was orally notified by Region 6 of the United States Environmental Protection Agency (the "EPA") of alleged failures to comply with the Clean Water Act due to the occurrence of sanitary sewer overflows (SSOs). The EPA subsequently referred the matter to the United States Department of Justice (the "DOJ") for enforcement action. SAWS engaged in settlement negotiations with the EPA and the DOJ to resolve the allegations. On June 4, 2013, the Board approved a Consent Decree between SAWS and the United States of America and the State of Texas to resolve this enforcement action. SAWS signed the Consent Decree on June 5, 2013 and the Consent Decree was subsequently executed by the United States of America and the State of Texas. On September 13, 2013,

## ***NOTES TO FINANCIAL STATEMENTS***

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after consideration of the comments received, the United States of America filed its Motion for entry of the Consent Decree, requesting the Court to approve the Consent Decree by signing and entering it. The Consent Decree was signed and entered by the Court on October 15, 2013. During the 10 to 12 year term of the Consent Decree, SAWS estimates the cost to perform the operating and maintenance requirements of the Consent Decree will be approximately \$250 million. Additionally, SAWS estimates that capital investments of approximately \$850 million will be required over the Consent Decree term. As with any estimate, the actual amounts incurred could differ materially. Since entry into the Consent Decree, SAWS has performed its obligations under terms of the Consent Decree and management believes SAWS is in material compliance with such terms, conditions and requirements. Since 2010, SAWS has seen a significant reduction in SSOs, from 538 in 2010 to 262 in 2015.

In an effort to achieve significant diversification of the City's water supply, in 2011 the Board solicited requests for competitive sealed proposals for the provision and delivery of alternative water supplies for the purpose of meeting the System's water supply needs (the "Solicitation"). In response to the Solicitation, the Board received nine responses, from which three finalists were selected and reviewed prior to determining that the proposal of the Abengoa Vista Ridge, LLC ("AVR" or "Project Company") presented the most advantageous possibility for the City obtaining an alternative water source. On July 1, 2014, the Board formally selected the water supply proposal of AVR as the most advantageous to the System, subject to negotiation of an acceptable contract and City Council support.

On September 29, 2014 and October 15, 2014 the Board adopted resolutions, and on October 30, 2014 the City Council adopted an ordinance, approving the execution of a Water Transmission and Purchase Agreement (the "Agreement") between the City, acting by and through SAWS, and AVR, pursuant to which AVR has committed to make available to SAWS, and SAWS has agreed to pay for, up to 50,000 acre-feet of potable water ("Project Water") per year for an initial period of 30 years plus a limited (10 year) extension period under certain circumstances (hereinafter referred to as the "operational" phase). To produce and deliver the Project Water, AVR will develop 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 construct (or cause to be constructed) a 142-mile pipeline from this well field to northern Bexar County (the well fields and the pipeline, together, the "Project"). The pipeline will be connected to the SAWS distribution system at this delivery point in northern Bexar County (the "Connection Point").

The Agreement is separated into three distinct phases. The "development" phase commenced on November 4, 2014, which was the date of complete execution and delivery of the Agreement, and is scheduled to last between 18 and 30 months. The "development" phase concludes upon satisfaction of certain contractual requirements, the most significant of which is when AVR obtains permanent construction financing for the Project. These events are referred to as "financial closure" and its occurrence results in the conclusion of the "development" phase and



## ***NOTES TO FINANCIAL STATEMENTS***

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commencement of the “construction” phase of the Project by AVR. During the “construction” phase of the Project, SAWS will also begin construction of improvements necessary to accept and integrate Project Water, at an anticipated capital cost to SAWS of approximately \$145 million. This “construction” phase is scheduled to last 42 months and its conclusion will result in the commencement of the aforementioned 30-year “operational” phase, during which period SAWS is obligated to pay for water (up to 50,000 acre-feet annually) made available to it by AVR at the Connection Point.

During the “development” phase, SAWS has retained the right to terminate the Agreement for its convenience, subject to its payment of a termination fee to AVR (determined based on the costs incurred by AVR pursuant to the Agreement from commencement of the “development” phase to the date of termination, such termination fee being capped at \$40.1 million). After “financial closure”, SAWS has also retained the right to terminate the Agreement by purchasing the Project for the aggregate amount of the outstanding Project Company debt, contract breakage costs and return of and on equity contributions by AVR’s principals (no cap is imposed upon such amount as exists if the Agreement is terminated during the “development” phase). At the end of the “operational” phase, ownership of the Project will be transferred to SAWS at no cost. SAWS has also entered into a separate agreement with Blue Water Vista Ridge, LLC, the lessee of the Project Water, to continue to acquire the 50,000 acre-feet of untreated groundwater upon the termination of the Agreement and transfer of the Project to SAWS, and the cost of such water at the end of the Agreement will be tied to prevailing Edwards Aquifer leases.

Pursuant to the terms of the Agreement, SAWS will pay costs arising under the Agreement, as a maintenance and operating expense of the System for rate setting purposes, only for Project Water made available at the Connection Point (which payment will include the costs of operating and maintaining the Project). SAWS will have no obligation to pay for any debt issued by AVR, and any such debt will be non-recourse to SAWS. SAWS anticipates that Project Water (the cost of which is paid directly to AVR), together with Vista Ridge Project operations and maintenance (as a direct pass through under the Agreement) and electricity (paid directly by SAWS to the utility providers), will initially cost approximately \$2,200 per acre foot, resulting in an annual charge to the SAWS system of approximately \$110 million (which amount does not take into account potential revenue increases resultant from Project Water being available to SAWS for sale). On November 19, 2015, the City Council approved a series of increases to the water supply fee to support the acquisition of new water supplies, including the Project.

The execution of the Agreement represents a significant diversification of the City’s water source, as SAWS projects that Project Water, if delivered at the maximum amount (which is the expectation of both SAWS and AVR), will account for approximately 20% of the System’s current annual usage.

AVR is an affiliate of Abengoa S. A. (“Abengoa”), an international company with more than 70 years of experience in sustainable and innovative technology solutions and project financing in the water, energy and environmental sectors. On November 25, 2015, national and international media reported Abengoa’s commencement of insolvency

## ***NOTES TO FINANCIAL STATEMENTS***

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proceedings in Spain, indicating the beginning of an approximately four-month period during which Abengoa will negotiate with its creditors in an effort to reach an accord that will guarantee Abengoa's continued financial viability. Creditors must agree to a restructuring plan with Abengoa prior to March 28, 2016 for Abengoa to avoid filing for insolvency. An inability to reach such an accord could result in additional measures and creditor action resultant from this insolvency proceeding.

On December 18, 2015, Metropolitan Water Company, L.P. ("Met Water") filed a lawsuit in Travis County District Court, 201st Judicial District, styled Metropolitan Water Company, L.P. v. Blue Water Systems, LP; Blue Water Regional Supply Project, LP; Blue Water Vista Ridge LLC; Abengoa Vista Ridge LLC; and Wilmington Trust National Association, Cause No. D-1-GN-15-005774. In this Lawsuit, Met Water alleges that the Blue Water entities breached certain agreements with Met Water and the Blue Water entities have failed to pay Met Water monies owed under said agreements. Met Water also alleges that an assignment of leases to Blue Water Vista Ridge, LLC was entered into based upon a fraudulent inducement. Met Water seeks rescission of the agreements with the Blue Water entities, including the assignment of leases, and/or money damages. The leases that are the subject of the assignment in dispute give AVR, the right to produce the Project Water to be sold to SAWS under the Agreement.

The ultimate impact of these developments on the Project has not yet been determined, but if unresolved, could at a minimum, delay financial close of the Project.

### **NOTE K - PENSION AND RETIREMENT PLANS**

SAWS' pension program includes benefits provided by the Texas Municipal Retirement System, the San Antonio Water System Retirement Plan, the San Antonio Water System Deferred Compensation Plan, and Social Security.

#### **Texas Municipal Retirement System**

SAWS participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com)

## ***NOTES TO FINANCIAL STATEMENTS***

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TMRS provides retirement benefits. At retirement, the benefit is calculated as if the sum of the employee's contribution, with interest, and the SAWS financed monetary credits with interest were used to purchase an annuity. Members choose to receive their benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions that have been adopted by SAWS are within the options available in the governing state statutes of TMRS. Plan provisions for SAWS for the 2015 and 2014 plan years were as follows:

Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, any/20
Updated Service Credit	100% Repeating
Annuity increase (to retirees)	70% of CPI Repeating

All eligible employees of the SAWS are required to participate in TMRS. Membership in TMRS as of the last two actuarial valuation dates is summarized below:

	<u>12/31/2014</u>	<u>12/31/2013</u>
Active employees	1,648	1,617
Retirees and beneficiaries currently receiving benefits	1,060	1,022
Inactive members	<u>423</u>	<u>380</u>
Total	<u><u>3,131</u></u>	<u><u>3,019</u></u>

Under the state law governing TMRS, SAWS' contribution rate is determined annually by the actuary using the Entry Age Normal (EAN) cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Eligible SAWS employees are required to contribute 3% of their annual gross earnings. The employer required contribution rates for SAWS were 3.81% and 4.10% in calendar years 2015 and 2014, respectively. SAWS' contributions to TMRS totaled \$3,953,000 and \$3,721,000 for the years ended December 31, 2015 and 2014, respectively. These contributions equaled or exceeded the required contributions.

SAWS Net Pension Liability for the TMRS plan as of December 31, 2015 was measured as of December 31, 2014 and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

## ***NOTES TO FINANCIAL STATEMENTS***

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The Total Pension Liability calculated in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The TMRS experience study was for the period January 1, 2006 through December 31, 2009 and was first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

***NOTES TO FINANCIAL STATEMENTS***

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	<u>100.0%</u>	

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the TMRS pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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## NOTES TO FINANCIAL STATEMENTS

### Changes in Net Pension Liability - TMRS

(\$ in thousands)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at January 1, 2015	\$ 172,388	\$ 154,158	\$ 18,230
Changes for the year:			
Service Cost	4,379	-	4,379
Interest	11,960	-	11,960
Differences between expected and actual experience	(1,717)	-	(1,717)
Changes in assumptions	-	-	-
Contributions - employee	-	2,722	(2,722)
Contributions - employer	-	3,721	(3,721)
Net investment income	-	8,818	(8,818)
Benefit payments	(7,461)	(7,461)	-
Administrative expense	-	(92)	92
Other charges	-	(8)	8
Net Changes	7,161	7,700	(539)
Balances at December 31, 2015*	\$ 179,549	\$ 161,858	\$ 17,691

\*Based on measurement date of December 31, 2014

Detailed information about the TMRS Fiduciary Net Position is available in a separately issued TMRS financial report. That report is available on the Internet at [www.tmr.com](http://www.tmr.com).

The following presents the Net Pension Liability for the TMRS plan, calculated using the discount rate of 7.0%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	(\$ in thousands)		
	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
	Net pension liability - TMRS	\$ 41,856	\$ 17,691

### San Antonio Water System Retirement Plan

The San Antonio Water System Retirement Plan (SAWSRP) is a single-employer pension plan, which serves as a supplement to TMRS and Social Security. The plan has both a defined benefit and a defined contribution

## NOTES TO FINANCIAL STATEMENTS

component. SAWS has delegated to Principal Financial Group the authority to manage plan assets and administer the payment of benefits under the plan.

The financial information for SAWSRP is reported in the fiduciary funds statements. SAWSRP does not issue separately issued financial statements. A summary of the plan's financial statements for the years ended December 31, 2015 and 2014 is presented in the following tables.

San Antonio Water System Retirement Plan Net Position Restricted for Pension Benefits						
<i>(amounts in thousands)</i>	2015			2014		
	Defined Benefit	Defined Contribution	Total	Defined Benefit	Defined Contribution	Total
Assets						
Investments	\$ 165,886	\$ 632	\$ 166,518	\$ 160,759	\$ 78	\$ 160,837
Liabilities	-	-	-	-	-	-
Net position restricted for pension benefits	<u>\$ 165,886</u>	<u>\$ 632</u>	<u>\$ 166,518</u>	<u>\$ 160,759</u>	<u>\$ 78</u>	<u>\$ 160,837</u>

San Antonio Water System Retirement Plan Changes in Net Position Restricted for Pension Benefits For the years ended December 31,						
<i>(amounts in thousands)</i>	2015			2014		
	Defined Benefit	Defined Contribution	Total	Defined Benefit	Defined Contribution	Total
Additions						
Employer Contributions	\$ 7,890	\$ 274	\$ 8,164	\$ 10,339	\$ 44	\$ 10,383
Employee Contributions	2,453	297	2,750	-	33	33
Investment Income (Loss)	1,215	(10)	1,205	15,695	1	15,696
Total additions	11,558	561	12,119	26,034	78	26,112
Deductions						
Pension payments/distributions	6,414	6	6,420	5,796	-	5,796
Administrative Expenses	17	1	18	-	-	-
	<u>6,431</u>	<u>7</u>	<u>6,438</u>	<u>5,796</u>	<u>-</u>	<u>5,796</u>
Increase in net position	5,127	554	5,681	20,238	78	20,316
Net position restricted for pension benefits - beginning	160,759	78	160,837	140,521	-	140,521
Net position restricted for pension benefits - ending	<u>\$ 165,886</u>	<u>\$ 632</u>	<u>\$ 166,518</u>	<u>\$ 160,759</u>	<u>\$ 78</u>	<u>\$ 160,837</u>

**NOTES TO FINANCIAL STATEMENTS**

*Defined Benefit Component:* Eligible employees hired prior to June 1, 2014 participate in the defined benefit component of the plan. Eligible employees vest in this plan after the completion of five years of service.

Covered employees are eligible to retire upon attaining the normal retirement age of 65. An employee may elect early retirement, with reduced benefits, upon attainment of (i) 20 years of vesting service regardless of age or (ii) five years of vesting service and at least age 60. An employee is automatically 100% vested upon attainment of age 65 or upon becoming totally and permanently disabled.

The normal retirement benefit is based upon two factors, average compensation and years of vesting service. Average Compensation is defined as the monthly average of total compensation received for the three consecutive years ending December 31, out of the last ten compensation years prior to normal retirement date which gives the highest average. The normal retirement benefit under SAWSRP is equal to the following:

1. 1.20% of the Average Compensation, times years of credited service not in excess of 25 years, plus
2. 0.75% of the Average Compensation, times years of credited service in excess of 25 years but not in excess of 35 years, plus
3. 0.375% of the Average Compensation, times years of credited service in excess of 35 years.

Upon retirement, an employee must select from one of seven alternative payment plans. Each payment plan provides for monthly payments as long as the retired employee lives. The options available address how plan benefits are to be distributed to the designated beneficiary of the retired employee. The program also provides death and disability benefits.

Membership in the defined benefit component of the SAWSRP as of the last two actuarial valuation dates is summarized below:

	1/1/2015	1/1/2014
Active employees	1,530	1,612
Retirees and beneficiaries currently receiving benefits	790	744
Inactive members	476	458
Total	2,796	2,814

The funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits when they are due. Contribution requirements are established and may be amended by SAWS Board of Trustees. The actuarially determined contribution for 2014 and 2015 was determined using the Entry Age Normal cost method. The actuarially determined contribution is the estimated amount necessary to finance the cost of benefits earned by participating employees during the year, with an additional amount to finance any unfunded



## ***NOTES TO FINANCIAL STATEMENTS***

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accrued liability. Historically, active members made no contributions to the plan and all obligations with respect to the defined benefit feature of the plan were paid solely by SAWS. On January 1, 2015, active members began sharing in the cost of providing benefits under the plan by contributing 3% of their compensation.

The Net Pension Liability for the defined benefit component of the SAWSRP as of December 31, 2015 was measured as of January 1, 2015 and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability calculated in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.25% per year
Expected Salary Increases	Composed of salary inflation (2.25%) and real wage growth
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Real wage growth is based on a service-related table based on SAWS' experience from 2011 to 2013. Mortality rates for active members, retirees, and beneficiaries were as of 2007 from SOA RP-2014 study. Mortality improvement beyond 2007 is based on the RPEC\_2014 model and assumes a convergence period of 10 years. Long-term mortality improvement is the sex-distinct and the age based assumption calibrated to the annual improvement averages, for the period 2010-2088 published by the Social Security Administration Trustees report for 2014.

The long-term expected rate of return on pension plan investments is 6.75%. The long-term expected rate of return on pension plan investments was developed as a weighted average based on the target asset allocation of the plan and the Long-Term Capital Market Assumptions (CMA) 2014. The capital market assumptions were developed with a primary focus on forward-looking valuation models and market indicators. The key fundamental economic inputs for these models are future inflation, economic growth, and interest rate environment. Due to the long-term nature of pension obligations, the investment horizon for the CMA 2014 is 20-30 years.

## NOTES TO FINANCIAL STATEMENTS

The target allocation and best estimates of arithmetic real rates of return for each major asset class including inflation are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity - Large Cap	60%	8.80%
Core Bond	40%	4.25%

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions will be made based on actuarial determined amounts. Based on that assumption, the SAWSRP defined benefit component's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

### Changes in Net Pension Liability - SAWSRP (*\$ in thousands*)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at January 1, 2015	\$ 171,169	\$ 140,521	\$ 30,648
Changes for the year:			
Service Cost	5,204	-	5,204
Interest	11,709	-	11,709
Differences between expected and actual experience	(622)	-	(622)
Changes in assumptions	2,771	-	2,771
Contributions - employee	-	-	-
Contributions - employer	-	10,339	(10,339)
Net investment income	-	15,695	(15,695)
Benefit payments	(5,796)	(5,796)	-
Administrative expense	-	-	-
Other charges	-	-	-
Net Changes	13,266	20,238	(6,972)
Balances at December 31, 2015*	\$ 184,435	\$ 160,759	\$ 23,676

\*Based on measurement date of January 1, 2015

## NOTES TO FINANCIAL STATEMENTS

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The following table presents the net pension liability associated with the defined benefit component of the SAWSRP calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate of one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	<i>(\$ in thousands)</i>		
	1% Decrease 5.75%	Current Discount 6.75%	1% Increase 7.75%
Net pension liability - SAWSRP	\$ 48,470	\$ 23,676	\$ 2,999

*Defined Contribution Component:* Eligible employees hired on or after June 1, 2014 participate in the defined contribution component of the plan. SAWS contributes 4% of participant's compensation into an individual retirement account. Participants are required to contribute 3% of their compensation into their individual retirement account. Contributions under the defined contribution feature of the plan are made to participants' individual retirement accounts on a bi-weekly basis based on the participants' compensation during the period. An eligible employee totally vests in SAWS contributions to the individual retirement account after one year of service and immediately vests in the employee's contributions to the plan. The employee directs the investments in their individual retirement account. SAWS has no liability for losses under the defined contribution component of the SAWSRP but does have the usual fiduciary responsibilities of a plan sponsor.

At December 31, 2015 there were 339 employees participating in the defined contribution component of the SAWSRP. During the year ended December 31, 2015, SAWS made contributions to participants' individual retirement accounts totaling \$297,000 and employees contributed \$274,000, which included roll-over contributions of \$51,000. During the year ended December 31, 2014, SAWS contributed \$44,000 and employees contributed \$33,000 to participants' individual accounts.

### **San Antonio Water System Deferred Compensation Plan**

SAWS has a deferred compensation plan for its employees, created in accordance with Internal Revenue Code Section 457. The plan, available to all regular employees, permits them to defer a portion of their salary until future years. The compensation deferred under this plan is not available to employees until termination, retirement, death, or qualifying unforeseeable emergency. Participation in the plan is voluntary, and SAWS does not make any contributions. SAWS has no liability for losses under this plan but does have the usual fiduciary responsibilities of a plan sponsor.

## NOTES TO FINANCIAL STATEMENTS

### Pension Expense

For the year ended December 31, 2015, SAWS recognized pension expense under the TMRS and SAWSRP as follows:

Pension Expense	
Year-ended December 31, 2015	
(\$ in thousands)	
TMRS	\$ 2,986
SAWSRP - defined benefit	6,493
SAWSRP - defined contribution	297
	\$ 9,776

### Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At December 31, 2015, SAWS reported deferred outflows of resources and deferred inflows of resources related to TMRS and SAWSRP pension plans from the following sources:

(\$ in thousands)	SAWSRP		TMRS		Combined	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 7,890	\$ -	\$ 3,953	\$ -	\$ 11,843	\$ -
Differences between expected and actual experience	-	497	-	1,384	-	1,881
Effects of changes in assumption	2,216	-	-	-	2,216	-
Net Difference between projected and actual earnings on pension plan investments	-	4,845	1,578	-	1,578	4,845
	\$ 10,106	\$ 5,342	\$ 5,531	\$ 1,384	\$ 15,637	\$ 6,726

Contributions made after the measurement date of \$11,843,000 will be recognized as a reduction of the Net Pension Liability for the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	(\$ in thousands)		
December 31,	SAWSRP	TMRS	Combined
2016	\$ (781)	\$ 62	\$ (719)
2017	(781)	62	(719)
2018	(781)	62	(719)
2019	(785)	62	(723)
2020	-	(53)	(53)
Thereafter	-	-	-

## NOTES TO FINANCIAL STATEMENTS

### Other Pension Disclosures

Because SAWS adopted GASB 68 effective January 1, 2015 the following disclosures are presented for SAWS defined benefit pension plans for the year ended December 31, 2014 in accordance with GASB Statement No. 50, *Pension Disclosures*.

The following table summarizes SAWS' annual pension cost and net pension obligation related to defined benefit pension benefits for the year ended December 31, 2014.

	<b>Annual Pension Cost</b> <i>(amounts in thousands)</i>	
	<u>TMRS</u>	<u>SAWSRP</u>
Annual required contributions	\$ 3,721	\$ 10,339
Interest on net pension obligation	241	-
Adjustment to annual required contribution	(217)	-
Total annual pension cost	3,745	10,339
Contributions made	3,721	10,339
Increase in net pension obligation	24	-
Net pension obligation - January 1, 2014	3,446	-
Net pension obligation - December 31, 2014	<u>\$ 3,470</u>	<u>\$ -</u>

The following table provides three year trend information for each of SAWS' defined benefit plans.

<b>Three Year Trend Information</b>				
<u>Plan</u>	<u>Year Ended</u> <u>December 31,</u>	<u>Annual Pension</u> <u>Cost (APC)</u> <i>(in thousands)</i>	<u>Percentage of</u> <u>APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u> <i>(in thousands)</i>
TMRS	2014	\$ 3,745	99.4%	\$ 3,470
	2013	4,019	99.3%	3,446
	2012	3,674	99.1%	3,417
SAWSRP	2014	\$ 10,339	100%	\$ -
	2013	11,289	100%	-
	2012	10,396	100%	-

**NOTES TO FINANCIAL STATEMENTS**

The following disclosure for the SAWSRP defined benefit component are provided in accordance with GASB 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* since the plan is a single-employer pension plan and included in the financial statements as a fiduciary fund.

The components of the net pension liability for the defined benefit component of the SAWSRP at December 31, 2015 and 2014 were as follows:

	<i>(\$ in thousands)</i>	
	December 31,	
	2015	2014
Total pension liability (a)	\$ 200,206	\$ 184,435
Plan fiduciary net position	<u>165,886</u>	<u>160,759</u>
Net pension liability	<u>\$ 34,320</u>	<u>\$ 23,676</u>
Plan fiduciary net position as a percentage of the total pension liability	82.9%	87.2%

(a) Actuarial valuation performed at January 1, 2015 was rolled forward to December 31, 2015.

**NOTE L – OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

In addition to providing pension benefits described in Note K, SAWS provides certain health care and life insurance benefits for eligible retirees, their spouses, and their dependents through a single-employer defined benefit plan administered by SAWS. The authority to establish and amend the OPEB provisions is vested in the Board.

By state law, any employee that retires under either the TMRS or SAWS retirement plans is eligible, at the time of retirement, to obtain health insurance benefits similar to those offered to active SAWS employees. Contributions made by retirees for health insurance benefits vary based on retirement date, years of service and the health care options selected. Retirees may also purchase coverage for their spouse at group rates partially subsidized by SAWS. After age 65, healthcare benefits under the plan are supplemental to Medicare benefits.

During 2013 and 2014, the Board approved two changes to the OPEB plan that are expected to significantly reduce the costs of these retiree benefits. Employee hired after December 31, 2013 will not be eligible for any subsidized medical benefits upon retirement from SAWS. They may participate in the plan if they meet other eligibility requirements but will be required to pay the full cost of those benefits. Additionally, beginning in 2015 all Medicare eligible retirees and their dependents will be required to enroll in a fully-insured Medicare Advantage plan sponsored by SAWS. An updated actuarial valuation of the plan was performed as of January 1, 2014 and reflects the impact of these changes to the plan.

## ***NOTES TO FINANCIAL STATEMENTS***

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The following is the participant summary as of January 1, 2014 (the most recent actuarial valuation date):

Active employees	1,502
Retired employees	<u>774</u>
Total	<u>2,276</u>

### **Funding Policy**

The contribution requirements of plan members and SAWS are established and may be amended by the Board. Prior to 2012, SAWS funded all obligations arising under these plans on a pay-as-you-go basis. In March 2012, SAWS established an OPEB Trust for the exclusive purpose of providing benefits to eligible retirees and their dependents. SAWS intends to make annual contributions to the OPEB Trust in accordance with a plan that results, at a minimum, in fully funding the actuarially determined annual required contributions for these benefits thereby improving the funded status of the plan over a period of time.

A summary of plan contributions for the years ended December 31, 2015 and 2014 is presented in the following table.

	OPEB Contributions <i>(amounts in thousands)</i>	
	Year Ended December 31,	
	2015	2014
SAWS - OPEB Trust	\$ 7,500	\$ 6,000
SAWS - pay-as-you go	<u>6,261</u>	<u>8,170</u>
Total SAWS ontributions	13,761	14,170
Plan members	<u>672</u>	<u>897</u>
Total OPEB contributions	<u>\$ 14,433</u>	<u>\$ 15,067</u>

### **Annual OPEB Cost and Net OPEB Obligation**

SAWS' annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of time. The following table shows the components of SAWS' annual OPEB cost, the amount actually contributed to the plan and changes in the net OPEB obligation for the years ended December 31, 2015 and 2014:

## NOTES TO FINANCIAL STATEMENTS

<i>(amounts in thousands)</i>	Year Ended December 31,	
	2015	2014
Annual Required Contribution (ARC)	\$ 12,978	\$ 12,978
Interest on net OPEB obligation	3,977	4,163
Adjustment to ARC	(6,578)	(6,885)
Annual OPEB costs	10,377	10,256
Contributions made	\$ (13,761)	\$ (14,170)
Increase/(Decrease) in net OPEB obligation	(3,384)	(3,914)
Net OPEB obligation at beginning of year	83,734	87,648
Net OPEB obligation at end of year	\$ 80,350	\$ 83,734

SAWS' annual OPEB cost and the percentage cost contributed to the plan for the three years ended December 31, 2015, 2014 and 2013 were as follows:

Year Ended December 31,	Annual OPEB Cost <i>(amounts in thousands)</i>	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation <i>(amounts in thousands)</i>
2015	\$ 10,377	132.6%	\$ 80,350
2014	\$ 10,256	138.2%	\$ 83,734
2013	\$ 20,620	60.5%	\$ 87,648

### Funded Status

The funded status of SAWS' OPEB plan as of the last actuarial valuation performed as of January 1, 2014 is as follows:

Actuarial Valuation Date	Value of Assets <i>(in thousands)</i> (a)	Liability (AAL) <i>(in thousands)</i> (b)	AAL (UAAL) <i>(in thousands)</i> (b-a)	Funded Ratio (a/b)	Payroll <i>(in thousands)</i> (c)	Percent of Covered Payroll ((b-a)/c)
January 1, 2014	\$ 19,259	\$ 139,574	\$ 120,315	14%	\$ 88,895	135%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. In accordance with GASB 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, SAWS will obtain new actuarial valuations for its OPEB plan at least biennially.



## ***NOTES TO FINANCIAL STATEMENTS***

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The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The financial information for the OPEB Trust is reported in the fiduciary funds statements. The OPEB Trust does not issue separately issued financial statements. A summary of the plan's financial statements for the years ended December 31, 2015 and 2014 is presented in the following tables.

San Antonio Water System OPEB Trust  
Net Position Restricted for Post Employment Benefits  
*(amounts in thousands)*

	December 31,	
	2015	2014
Assets		
Cash and cash equivalents	\$ 857	\$ 498
Investments	33,001	26,077
Total Assets	33,858	26,575
Liabilities	-	-
Net position restricted for post employment benefits	<u>\$ 33,858</u>	<u>\$ 26,575</u>

Changes in Net Position Restricted for Post Employment Benefits  
For the year ended December 31,  
*(amounts in thousands)*

	2015	2014
Additions		
Employer Contributions	\$ 7,500	\$ 6,000
Investment Income/(Loss)	(128)	1,391
Total additions	7,372	7,391
Deductions		
Administrative expenses	89	75
Increase in Net Position	7,283	7,316
Net position restricted for post employment benefits - beginning	26,575	19,259
Net position restricted for post employment benefits - ending	<u>\$ 33,858</u>	<u>\$ 26,575</u>

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## NOTES TO FINANCIAL STATEMENTS

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**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between SAWS and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following table summarizes the actuarial methods and assumptions used in the most recent actuarial valuation for SAWS' OPEB plan.

### Actuarial Methods and Assumptions

Actuarial Valuation Date	January 1, 2014
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	20 Years - Closed
Actuarial Assumptions:	
Investment Rate of Return	4.75%
Inflation Rate	None

Health care cost trend rates are used to anticipate increases in medical benefit costs expected to be experienced by the retiree health plan in each future year. The trend rates used are as follows:

Year	Medical Trend	Year	Medical Trend
2014	7.50%	2025	5.84%
2015	7.25%	2030	5.97%
2016	7.00%	2035	5.86%
2017	6.75%	2040	5.33%
2018	6.50%	2050	5.03%
2019	6.25%	2060	4.87%
2020	6.17%	2070	4.75%
		Ultimate - 2084	4.24%

### NOTE M – RESTATED NET POSITION

Effective January 1, 2015 SAWS adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment to GASB Statement No. 68*. In accordance with these pronouncements, SAWS recorded a charge to unrestricted net position as of January 1, 2015 of \$31,373,000 to reflect the Net Pension Liability for SAWS defined benefit plans. Sufficient data was not available for the pension plans to restate the financial statements for the year ended December 31, 2014, therefore, as permitted by GASB Statement

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## NOTES TO FINANCIAL STATEMENTS

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No. 68, only the financial statement information for the year ended December 31, 2015 reflects the requirements of these new accounting rules for pensions.

### NOTE N – SUBSEQUENT EVENTS

On January 14, 2016, City Council approved the dissolution of SAWS DSP upon the refunding of all SAWS DSP outstanding debt with SAWS debt. Once SAWS DSP is dissolved all SAWS DSP assets, liabilities, customers and operations are to be transferred to SAWS.

On February 25, 2016, SAWS issued \$173,565,000 City of San Antonio, Texas Water System Junior Lien Revenue Refunding Bonds, Series 2016A (No Reserve Fund) and \$42,775,000 City of San Antonio, Texas Water System Junior Lien Revenue Refunding Bonds, Taxable Series 2016B (No Reserve Fund). The proceeds from the sale of bonds were used to (i) refund the outstanding SAWS DSP bonds as a necessary step toward final and complete integration of the former Bexar Metropolitan Water District into SAWS, which also resulted in debt service savings, (ii) advance refund a portion of the City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2007 (the “Series 2007 Bonds”) for debt service savings, and (iii) pay the cost of issuance. The refunding of the SAWS DSP bonds reduced total future debt service payments by approximately \$32.2 million and resulted in an economic gain of \$17.0 million. The refunding of the Series 2007 Bonds reduced total future debt service payments by approximately \$12.2 million and resulted in an economic gain of \$9.5 million.

At the same time, SAWS issued \$88,700,000 under its Tax-Exempt Commercial Paper Program to retire the SAWS DSP Flexible Rate Revolving Note Program. There was no economic gain or loss on this transaction.

With these two debt transactions, all SAWS DSP debt was effectively retired and SAWS DSP was dissolved. In accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, the dissolution of SAWS DSP and transfer of SAWS DSP assets and liabilities to SAWS will be accounted for as a government merger. Accordingly, SAWS will record the transferred assets and liabilities at the DSP’s carrying value as of January 1, 2016. The following tables present condensed SAWS DSP financial statements for the years-ended December 31, 2015 and 2014.

#### Condensed Statements of Net Position

*(\$ in thousands)*

	December 31,	
	2015	2014
Assets	\$ 378,218	\$ 354,204
Deferred Outflows of Resources	3,541	3,661
Liabilities	(260,964)	(254,065)
Deferred Inflows of Resources	(57)	-
Net Position	<u>\$ 120,738</u>	<u>\$ 103,800</u>

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## NOTES TO FINANCIAL STATEMENTS

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### Condensed Statements of Revenues, Expenses and Changes in Net Position

(\$ in thousands)

	Year-ended December 31,	
	2015	2014
Operating Revenues	\$ 65,253	\$ 68,663
Operating Expenses	(55,545)	(59,511)
Non-operating Revenues	78	62
Non-operating Expenses	(8,206)	(9,440)
Capital Contributions	16,134	11,462
Increase in Net Position	<u>\$ 17,714</u>	<u>\$ 11,236</u>

*Note: SAWS DSP Net Position as of January 1, 2015 was reduced by \$776,000 related to the adoption of GASB Statements No. 68 and No. 71.*

In early 2016, SAWS became aware that Abengoa was soliciting proposals to sell up to 80% of its equity interest in AVR. Under the terms of the Agreement, SAWS has the right to consent to any assignment or change of control of AVR in SAWS' sole and absolute discretion. SAWS also has the continuing right to terminate the Agreement for convenience (as mentioned above) or cause. On March 22, 2016, SAWS received notice that Garney Companies, Inc. ("Garney") had reached agreement with Abengoa, for the sale and purchase of an 80% equity interest in AVR ("Equity Purchase Agreement"). The Equity Purchase Agreement requires Garney and Abengoa to perform certain obligations and satisfy certain conditions prior to closing of the Equity Purchase Agreement, including obtaining consent from various lenders and SAWS. The deadline for Garney and Abengoa to satisfy all conditions and achieve closing under the Equity Purchase Agreement is June 3, 2016, failing which, the Equity Purchase Agreement terminates. While Garney was identified in the 2014 Agreement between SAWS and AVR as the sub-contractor that would perform the construction, and SAWS has significant experience with Garney as a contractor, SAWS will be conducting its own due diligence on the transaction prior to making a recommendation to the SAWS Board of Trustees regarding approval of the conveyance of the controlling equity interest. If approved, Abengoa will retain a 20% equity interest in AVR. There is no financial impact to SAWS related to any potential sale of equity interest by Abengoa, as SAWS is not responsible for any of the development or construction costs of AVR.

On March 28, Abengoa reported that it had obtained backing from 75 percent of its creditors for a seven-month standstill agreement, which it filed with the court in Seville, Spain as it seeks more time to restructure its debt, and avoiding filing for insolvency. In addition, it was reported on March 29, that Abengoa filed for Chapter 15 bankruptcy protection in the United States Bankruptcy Court in Wilmington Delaware while it continues discussions with banks and bondholders on its restructuring plan. The Chapter 15 filing is a natural extension of the existing pre-insolvency proceeding in Spain. If approved, it is a recognition of the Spanish proceeding by the United States Bankruptcy Court, and will afford certain protections to Abengoa under United States Bankruptcy laws. The Chapter 15 filing has no direct impact on SAWS' rights and obligations.

***NOTES TO FINANCIAL STATEMENTS***

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On March 30, 2016, a petition was filed with the Texas Public Utilities Commission (PUC) by a group of SAWS customers located outside the city limits of San Antonio challenging the SAWS water and sewer rates that became effective on January 1, 2016. The petition alleges that these rates are not just and reasonable and are unreasonably preferential, prejudicial, and discriminatory. This challenge only involves the rates charged to SAWS customers located outside the city limits of San Antonio. Management strongly believes these allegations have no merit and intends to vigorously defend the rates approved by the San Antonio City Council.

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***REQUIRED SUPPLEMENTAL INFORMATION***

## REQUIRED SUPPLEMENTAL INFORMATION

### San Antonio Water System Retirement Plan - Defined Benefit Component Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)

(\$ in thousands)

	2015	2014
<b>Total pension liability</b>		
Service Cost	\$ 5,003	\$ 5,204
Interest	12,596	11,709
Changes of benefit terms	4,339	-
Differences between expected and actual experience	555	(622)
Changes of assumptions	(405)	2,771
Benefit payments	(6,317)	(5,796)
<b>Net change in pension liability</b>	<u>15,771</u>	<u>13,266</u>
<b>Total pension liability at beginning of year</b>	<u>184,435</u>	<u>171,169</u>
<b>Total pension liability at end of year (a)</b>	<u><u>\$ 200,206</u></u>	<u><u>\$ 184,435</u></u>
<b>Plan fiduciary net position</b>		
Contributions - Employer	\$ 7,890	\$ 10,339
Contributions - Employee	2,356	-
Net investment income	1,215	15,695
Benefit payments	(6,317)	(5,796)
Administrative expenses	(17)	-
Other	-	-
<b>Net change in plan fiduciary net position</b>	<u>5,127</u>	<u>20,238</u>
<b>Plan fiduciary net position at beginning of year</b>	<u>160,759</u>	<u>140,521</u>
<b>Plan fiduciary net position at end of year (b)</b>	<u><u>\$ 165,886</u></u>	<u><u>\$ 160,759</u></u>
<b>Net pension liability (a) - (b)</b>	<u><u>\$ 34,320</u></u>	<u><u>\$ 23,676</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	82.9%	87.2%
<b>Covered employee payroll</b>	\$ 85,299	\$ 83,812
<b>Net pension liability as a percentage of total covered employee payroll</b>	40.2%	28.2%

**Notes to Schedule:**

Total pension liability at December 31, 2015 is preliminary and based on a rollforward of the January 1, 2015 actuarial valuation.



## REQUIRED SUPPLEMENTAL INFORMATION

### San Antonio Water System Retirement Plan - Defined Benefit Component Schedule of Changes in Net Pension Liability and Related Ratios (continued)

**Notes to Schedule (continued):**

*Benefit Changes:* Effective June 1, 2014, the defined benefit plan was frozen to new entrants. In 2015, the normal form of distribution changed and a mandatory employee contribution of 3% of payroll was instituted.

*Changes of assumptions:* In 2014, amounts reported as changes of assumptions resulted primarily from a reduction in the assumed long-term rate of return from 7% to 6.75%.

### San Antonio Water System Retirement Plan - Defined Benefit Component Schedule of Contributions (Unaudited)

(\$ in thousands)

	2015	2014
Actuarially determined contribution	\$ 7,890	\$ 10,339
Contributions in relation to the actuarially determined contribution	7,890	10,339
Contribution deficiency/(excess)	\$ -	\$ -
Covered employee payroll	\$ 85,299	\$ 83,812
Contributions as a percentage of covered employee payroll	9.2%	12.3%

**Notes to Schedule:**

*Valuation date:* Actuarially determined contributions are determined as of January 1 of the year in which the contributions are made.

*Methods and assumptions used to determine contributions:*

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	15 years
Asset valuation method	4-year smoothed market
Inflation	2.25%
Salary increases	Scale based on 2011-2013 SAWS experience
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Retirement age	Scale based on 2011-2012 SAWS experience
Mortality	IRS Prescribed Generationally Mortality

### San Antonio Water System Retirement Plan - Defined Benefit Component Schedule of Investment Returns (Unaudited)

	2015	2014
Annual money-weighted rate of return, net of investment expense	0.76%	11.34%

## REQUIRED SUPPLEMENTAL INFORMATION

### Texas Municipal Retirement System - San Antonio Water System Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)

(\$ in thousands)

	2014
<b>Total pension liability</b>	
Service Cost	\$ 4,380
Interest	11,959
Changes of benefit terms	-
Differences between expected and actual experience	(1,717)
Changes of assumptions	-
Benefit payments	(7,461)
<b>Net change in pension liability</b>	7,161
<b>Total pension liability at beginning of year</b>	172,388
<b>Total pension liability at end of year (a)</b>	\$ 179,549
 <b>Plan fiduciary net position</b>	
Contributions - Employer	\$ 3,720
Contributions - Employee	2,722
Net investment income	8,819
Benefit payments	(7,461)
Administrative expenses	(92)
Other	(8)
<b>Net change in plan fiduciary net position</b>	7,700
<b>Plan fiduciary net position at beginning of year</b>	154,158
<b>Plan fiduciary net position at end of year (b)</b>	\$ 161,858
 <b>Net pension liability (a) - (b)</b>	\$ 17,691
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	90.1%
<b>Covered employee payroll</b>	\$ 90,721
 <b>Net pension liability as a percentage of total covered employee payroll</b>	19.5%

## REQUIRED SUPPLEMENTAL INFORMATION

### Texas Municipal Retirement System - San Antonio Water System Schedule of Contributions (Unaudited)

(\$ in thousands)

		2014
Actuarially determined contribution	\$	3,720
Contributions in relation to the actuarially determined contribution		3,720
Contribution deficiency/(excess)	\$	-
Covered employee payroll	\$	90,721
Contributions as a percentage of covered employee payroll		4.10%

**Notes to Schedule:**

*Valuation date:* Actuarially determined contributions are calculated as of December 31st and become effective 12 months later on January 1st.

*Methods and assumptions used to determine contributions:*

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	3.00%
Salary increases	3.5% to 12.0%, including inflation
Investment rate of return	7.00%
Retirement age	Experience-based table of rates that are specific to SAWS plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**REQUIRED SUPPLEMENTAL INFORMATION**

**Other Post Employment Benefit Plan  
Schedule of Funding Progress (Unaudited)**

Actuarial Valuation Date	Actuarial		Unfunded AAL (UAAL) <i>(in thousands)</i>	Funded Ratio <i>(a/b)</i>	Covered Payroll <i>(in thousands)</i>	UAAL as a Percent of Covered Payroll <i>((b-a)/c)</i>
	Value of Assets <i>(in thousands)</i>	Accrued Liability (AAL) <i>(in thousands)</i>				
	(a)	(b)	(b-a)		(c)	
January 1, 2014	\$ 19,259	\$ 139,574	\$ 120,315	14%	\$ 88,895	135%
January 1, 2013	\$ 12,665	\$ 267,567	\$ 254,902	5%	\$ 87,857	290%
January 1, 2011	\$ -	\$ 242,388	\$ 242,388	-	\$ 83,505	290%
January 1, 2009	\$ -	\$ 297,259	\$ 297,259	-	\$ 75,270	395%
January 1, 2007	\$ -	\$ 200,083	\$ 200,083	-	\$ 69,288	289%

**Other Post Employment Benefit Plan  
Schedule of Employer Contributions (Unaudited)**

Year Ended December 31,	Annual Required Contribution <i>(in thousands)</i>	Percentage Contributed	Net OPEB Obligation <i>(in thousands)</i>
2014	\$ 12,978	109%	\$ 83,734
2013	21,869	57%	87,648
2012	21,619	87%	79,493
2011	20,722	33%	77,850
2010	25,759	24%	64,989
2009	25,759	23%	46,027

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***OTHER SUPPLEMENTAL INFORMATION***

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***DESCRIPTION OF FUNDS AND COMBINING SCHEDULES***

**San Antonio Water System  
DESCRIPTION OF FUNDS  
For the Year Ended December 31, 2015**

City Ordinance No. 75686 adopted April 30, 1992 requires that Gross Revenues of the System be applied in sequence to: (a) current expenses of operation and maintenance including a two-month reserve amount; (b) debt service and reserve requirements; (c) transfers to the City and capital expenditures, or unexpected or extraordinary repairs or replacements, or for any other lawful purpose. Accordingly, the System has established certain self-balancing funds within its enterprise fund accounts to demonstrate compliance with City Ordinance No. 75686. In addition the System has established certain other self-balancing funds within its accounting system for purposes of internal management control and reporting. Following is a description of each self-balancing fund maintained by the Board.

**FUNDS ESTABLISHED BY CITY ORDINANCE NO. 75686**

**System Fund** - All Gross Revenues of the System shall be credited to this fund upon receipt, unless otherwise provided in City Ordinance No. 75686. All current expenses of operation and maintenance of the System 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 then current fiscal year for the current maintenance and operation expenses of the System.

**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 of 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

- (1) the proceeds of Senior Lien and Junior Lien Obligations and Commercial Paper Notes
- (2) any premium thereon, and
- (3) investment earnings thereon issued for the purposes of paying the costs of capitalized interest on the Senior Lien Obligations during the extension, construction, improvement, or repair of the System, the costs of issuance of Senior Lien and Junior Lien Obligations and
- (4) any other lawful purpose.

**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 related to the System, or



**San Antonio Water System**  
**DESCRIPTION OF FUNDS**  
**For the Year Ended December 31, 2015**

- (2) paying the costs of unexpected or extraordinary repairs or replacements of the System for which System Funds are not available
- (3) paying unexpected or extraordinary expenses of operation and maintenance of the System for which System Funds are not otherwise available
- (4) depositing any funds received by the System pursuant to the CPS Contract,
- (5) paying bonds or other obligations of the System for which other System revenues are not available
- (6) making up any shortfall in the required Payment to the City General Fund, and
- (7) for any other lawful purpose.

**San Antonio Water System**  
**COMBINING SCHEDULE OF NET POSITION**  
**December 31, 2015**  
*(amounts in thousands)*

	<b>System Fund</b>	<b>Debt Service Fund</b>
<b>CURRENT ASSETS</b>		
Unrestricted Current Assets		
Cash and cash equivalents	\$ 60,616	\$ -
Investments	-	-
Accounts receivable	70,486	-
Other current assets	11,298	-
Interfund receivables	23,271	-
Total unrestricted current assets	165,671	-
Restricted Current Assets		
Investments	55,377	66,521
Total restricted current assets	55,377	66,521
<b>Total Current Assets</b>	221,048	66,521
<b>NONCURRENT ASSETS</b>		
Unrestricted Noncurrent Assets		
Accounts receivable, non current	3,867	-
Restricted Noncurrent Assets		
Cash and cash equivalents	-	-
Investments	-	-
Interfund receivables	-	-
Capital Assets:		
Utility plant in service	5,263,494	-
Less allowance for depreciation	1,715,335	-
	3,548,159	-
Land, water rights and other intangible assets	335,792	-
Construction in progress	456,414	-
Total capital assets (net of accumulated depreciation)	4,340,365	-
<b>Total Noncurrent Assets</b>	4,344,232	-
<b>TOTAL ASSETS</b>	4,565,280	66,521
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on bond refunding	27,008	-
Deferred outflows - pension	15,637	-
Accumulated decrease in fair value of hedging derivative	16,394	-
	59,039	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 4,624,319	\$ 66,521

<u>Reserve Fund</u>	<u>Renewal and Replacement Fund</u>	<u>Project Fund</u>	<u>Combined Total</u>
\$ -	\$ 90	\$ -	\$ 60,706
-	135,797	-	135,797
-	(5,618)	-	64,868
-	1,351	-	12,649
-	(23,271)	-	-
-	108,349	-	274,020
-	17,288	32,799	171,985
-	17,288	32,799	171,985
-	125,637	32,799	446,005
-	-	-	3,867
85	-	156,520	156,605
87,627	155,390	21,817	264,834
1,627	(1,627)	-	-
-	-	-	5,263,494
-	-	-	1,715,335
-	-	-	3,548,159
-	-	-	335,792
-	-	-	456,414
-	-	-	4,340,365
89,339	153,763	178,337	4,765,671
89,339	279,400	211,136	5,211,676
-	-	-	27,008
-	-	-	15,637
-	-	-	16,394
-	-	-	59,039
<u>\$ 89,339</u>	<u>\$ 279,400</u>	<u>\$ 211,136</u>	<u>\$ 5,270,715</u>

**San Antonio Water System**  
**COMBINING SCHEDULE OF NET POSITION**  
**December 31, 2015**  
*(amounts in thousands)*

	<b>System Fund</b>	<b>Debt Service Fund</b>
<b>CURRENT LIABILITIES</b>		
<b>Current Liabilities To Be Paid From Unrestricted Assets</b>		
Accounts payable	\$ 38,449	\$ -
Accrued vacation payable	5,385	-
Accrued payroll and benefits	3,257	-
Accrued claims payable	4,787	-
Sundry payables and accruals	1,433	-
Total unrestricted current liabilities	53,311	-
<b>Current Liabilities To Be Paid From Restricted Assets</b>		
Accrued interest payable	-	14,520
Payables under construction contracts	-	-
Customers' deposits	11,080	-
Commercial paper notes	3,395	-
Revenue bonds payable within one year	71,415	-
Total restricted current liabilities	85,890	14,520
<b>Total Current Liabilities</b>	139,201	14,520
<b>NONCURRENT LIABILITIES</b>		
Accrued vacation payable	3,421	-
Net pension liability	41,367	-
Net OPEB obligation	80,350	-
Derivative instrument	20,660	-
Commercial paper notes	131,910	-
Revenue bonds payable after one year, net of unamortized premiums and discounts	2,471,786	-
<b>Total Noncurrent Liabilities</b>	2,749,494	-
<b>TOTAL LIABILITIES</b>	2,888,695	14,520
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pension	6,726	-
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>	2,895,421	14,520
<b>NET POSITION</b>		
Net investment in capital assets	1,684,601	-
Restricted for operations	44,297	-
Restricted for debt service	-	52,001
Restricted for reserve fund	-	-
Unrestricted	-	-
<b>TOTAL NET POSITION</b>	\$ 1,728,898	\$ 52,001

<u>Reserve Fund</u>	<u>Renewal and Replacement Fund</u>	<u>Project Fund</u>	<u>Combined Total</u>
\$ -	\$ -	\$ -	\$ 38,449
-	-	-	5,385
-	-	-	3,257
-	-	-	4,787
-	-	-	1,433
<u>-</u>	<u>-</u>	<u>-</u>	<u>53,311</u>
-	-	-	14,520
-	17,288	32,799	50,087
-	-	-	11,080
-	-	-	3,395
-	-	-	71,415
<u>-</u>	<u>17,288</u>	<u>32,799</u>	<u>150,497</u>
<u>-</u>	<u>17,288</u>	<u>32,799</u>	<u>203,808</u>
-	-	-	3,421
-	-	-	41,367
-	-	-	80,350
-	-	-	20,660
-	-	-	131,910
<u>31,521</u>	<u>-</u>	<u>-</u>	<u>2,503,307</u>
<u>31,521</u>	<u>-</u>	<u>-</u>	<u>2,781,015</u>
<u>31,521</u>	<u>17,288</u>	<u>32,799</u>	<u>2,984,823</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,726</u>
31,521	17,288	32,799	2,991,549
-	153,763	178,337	2,016,701
-	-	-	44,297
-	-	-	52,001
57,818	-	-	57,818
-	108,349	-	108,349
<u>\$ 57,818</u>	<u>\$ 262,112</u>	<u>\$ 178,337</u>	<u>\$ 2,279,166</u>

**San Antonio Water System**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

	<b>System Fund</b>	<b>Debt Service Fund</b>
<b>OPERATING REVENUES</b>		
Water delivery system	\$ 123,895	\$ -
Water supply system	142,950	-
Wastewater system	213,833	-
Chilled water and steam system	11,102	-
Total operating revenues	491,780	-
<b>OPERATING EXPENSE</b>		
Salaries and fringe benefits	117,067	-
Contractual services	132,510	-
Materials and supplies	21,158	-
Other charges	7,871	-
Less: Costs capitalized to Construction in Progress	(32,151)	-
Total operating expenses before depreciation	246,455	-
Depreciation expense	130,602	-
Total operating expenses	377,057	-
Operating income	114,723	-
<b>NONOPERATING REVENUES:</b>		
Interest earned and miscellaneous	501	3,910
<b>NONOPERATING EXPENSES:</b>		
Interest expense	(19,754)	100,500
Debt issue costs	3,831	-
Other finance charges	1,906	-
Gain on sale of capital assets	(3,520)	-
Payments to the City of San Antonio	12,683	-
Payments to other entities	106	-
Total nonoperating expenses	(4,748)	100,500
Increase/(Decrease) in net position, before capital contributions	119,972	(96,590)
Capital contributions	63,736	-
<b>CHANGE IN NET POSITION - carried forward</b>	<b>\$ 183,708</b>	<b>\$ (96,590)</b>

Reserve Fund	Renewal and Replacement Fund	Project Fund	Combined Total
\$ -	\$ -	\$ -	\$ 123,895
-	-	-	142,950
-	-	-	213,833
-	-	-	11,102
-	-	-	491,780
-	-	-	117,067
-	-	-	132,510
-	-	-	21,158
-	-	-	7,871
-	-	-	(32,151)
-	-	-	246,455
-	-	-	130,602
-	-	-	377,057
-	-	-	114,723
307	834	545	6,097
-	-	-	80,746
-	-	-	3,831
-	-	-	1,906
-	-	-	(3,520)
-	-	-	12,683
-	-	-	106
-	-	-	95,752
307	834	545	25,068
-	56,153	-	119,889
<u>\$ 307</u>	<u>\$ 56,987</u>	<u>\$ 545</u>	<u>\$ 144,957</u>

**San Antonio Water System**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

	<b>System Fund</b>	<b>Debt Service Fund</b>
<b>CHANGE IN NET POSITION - brought forward</b>	\$ 183,708	\$ (96,590)
Net Position, December 31, 2014 (restated)	1,541,271	47,123
Residual equity transfers in (out)	(233,579)	169,243
Commercial paper issued	-	-
Proceeds from Bond Issue	(413,260)	-
Bond issuance costs	3,831	-
Repayment of commercial paper	3,245	(3,245)
Retirement of bonds	332,975	(64,530)
Expenditures for plant additions	310,707	-
Net position, December 31, 2015	\$ 1,728,898	\$ 52,001



<b>Reserve Fund</b>	<b>Renewal and Replacement Fund</b>	<b>Project Fund</b>	<b>Combined Total</b>
\$ 307	\$ 56,987	\$ 545	\$ 144,957
66,665	246,771	232,379	2,134,209
2,015	61,345	976	-
-	-	-	-
-	-	413,260	-
-	-	(3,831)	-
-	-	-	-
(11,169)	-	(257,276)	-
-	(102,991)	(207,716)	-
<u>\$ 57,818</u>	<u>\$ 262,112</u>	<u>\$ 178,337</u>	<u>\$ 2,279,166</u>

San Antonio Water System  
**COMBINING SCHEDULE OF CASH FLOWS**  
For the Year Ended December 31, 2015  
*(amounts in thousands)*

	<b>System Fund</b>	<b>Debt Service Fund</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 488,799	\$ -
Cash paid to vendors for operations	(158,048)	-
Cash paid to employees for services	(105,635)	-
Net cash provided by operating activities	<hr/> 225,116	<hr/> -
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers to the City of San Antonio	(8,898)	-
Transfers to other entities	(114)	-
Transfers in (out)	11,274	375
Equity transfers	(233,573)	169,240
Net cash provided by/(used for) noncapital financing activities	<hr/> (231,311)	<hr/> 169,615
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of capital assets	5,305	-
Proceeds from developers for plant construction	-	-
Proceeds from grants	-	-
Payments to employees for construction of plant	-	-
Payments to vendors for construction of plant	-	-
Payments for acquisition of equipment and furniture	-	-
Payments for acquisition of property and plant	-	-
Proceeds from commercial paper	-	-
Payments on the retirement of commercial paper	-	(3,245)
Proceeds from revenue bonds	-	-
Payments for retirement of revenue bonds	-	(64,530)
Payments of interest on commercial paper	-	(3,940)
Payments of interest on revenue bonds	-	(96,843)
Payments for bond related expenses	-	-
Payments for bank charges	(2,106)	-
Net cash provided by/(used for) capital and related financing	<hr/> 3,199	<hr/> (168,558)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(1,678)	(137,307)
Maturity of investments	-	132,340
Interest income	499	3,910
Net cash provided by/(used for) investing activities	<hr/> (1,179)	<hr/> (1,057)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(4,175)	-
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	64,791	-
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR</b>	<hr/> <b>\$ 60,616</b> <hr/>	<hr/> <b>\$ -</b> <hr/>

Reserve Fund	Renewal and Replacement Fund	Project Fund	Combined Total
\$ -	\$ -	\$ -	\$ 488,799
-	-	-	(158,048)
-	-	-	(105,635)
-	-	-	225,116
-	-	-	(8,898)
-	-	-	(114)
(12,606)	957	-	-
2,017	61,340	976	-
(10,589)	62,297	976	(9,012)
-	-	-	5,305
-	56,153	-	56,153
-	-	-	-
-	(18,306)	-	(18,306)
-	(13,845)	-	(13,845)
-	(8,092)	-	(8,092)
-	(70,814)	(174,530)	(245,344)
-	-	-	-
-	-	-	(3,245)
2,565	-	147,729	150,294
-	-	-	(64,530)
-	-	-	(3,940)
-	-	(2,914)	(99,757)
-	-	(3,831)	(3,831)
-	-	-	(2,106)
2,565	(54,904)	(33,546)	(251,244)
(57,142)	(455,235)	(113,299)	(764,661)
52,946	447,472	154,049	786,807
509	460	538	5,916
(3,687)	(7,303)	41,288	28,062
(11,711)	90	8,718	(7,078)
11,796	-	147,802	224,389
\$ 85	\$ 90	\$ 156,520	\$ 217,311

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***SUPPLEMENTAL SCHEDULES***

**San Antonio Water System**  
**SCHEDULE OF REVENUES AND OTHER**  
**FINANCIAL SOURCES AND THEIR DISPOSITION**  
*(amounts in thousands)*  
**For the years ended December 31,**

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
<b>SOURCES OF FUNDS</b>			
<b>OPERATING REVENUES</b>			
Water delivery system	\$ 123,895	\$ 127,708	\$ (3,813)
Water supply system	142,950	150,079	(7,129)
Wastewater System	213,833	210,704	3,129
Chilled water and steam system	<u>11,102</u>	<u>11,152</u>	<u>(50)</u>
<b>Total operating revenues</b>	<u>491,780</u>	<u>499,643</u>	<u>(7,863)</u>
<b>NONOPERATING REVENUES</b>			
Interest earned and miscellaneous	6,097	5,793	304
Other financing sources (draw on equity)	<u>1,400</u>	<u>1,400</u>	<u>-</u>
<b>Total nonoperating revenues</b>	<u>7,497</u>	<u>7,193</u>	<u>304</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Capital Recovery Fees	56,153	51,973	4,180
Grant Revenue	<u>-</u>	<u>60</u>	<u>(60)</u>
<b>Total capital contributions</b>	<u>56,153</u>	<u>52,033</u>	<u>4,120</u>
<b>TOTAL SOURCES OF FUNDS</b>	<u>\$ 555,430</u>	<u>\$ 558,869</u>	<u>\$ (3,439)</u>
<b>USES OF FUNDS</b>			
<b>OPERATION AND MAINTENANCE</b>			
Salaries and fringe benefits	\$ 123,562	\$ 117,522	\$ 6,040
Contractual services	132,510	127,685	4,825
Materials and supplies	21,158	20,930	228
Other charges	7,243	12,269	(5,026)
Less: Costs capitalized to Construction in Progress	<u>(32,843)</u>	<u>(31,387)</u>	<u>(1,456)</u>
<b>Total operation and maintenance</b>	<u>251,630</u>	<u>247,019</u>	<u>4,611</u>
<b>OPERATING RESERVE REQUIREMENT</b>	912	2,729	(1,817)
<b>DEBT REQUIREMENTS</b>			
Interest costs	100,513	99,661	852
Retirement of bonds	72,399	68,142	4,257
Other debt expense	<u>1,906</u>	<u>2,725</u>	<u>(819)</u>
<b>Total debt requirements</b>	<u>174,818</u>	<u>170,528</u>	<u>4,290</u>
<b>TRANSFER TO THE CITY'S GENERAL FUND</b>	12,683	13,089	(406)
<b>AMOUNT AVAILABLE FOR TRANSFER TO THE RENEWAL AND REPLACEMENT FUND:</b>			
<b>CAPITAL CONTRIBUTIONS</b>	56,153	52,033	4,120
<b>GENERAL</b>	<u>59,234</u>	<u>73,471</u>	<u>(14,237)</u>
<b>Total amount available for Renewal and Replacement Funds</b>	<u>115,387</u>	<u>125,504</u>	<u>(10,117)</u>
<b>TOTAL USES OF FUNDS</b>	<u>\$ 555,430</u>	<u>\$ 558,869</u>	<u>\$ (3,439)</u>

The accompanying notes to the supplemental schedules is an integral part of this schedule.

**San Antonio Water System**  
**SCHEDULE OF REVENUES AND THEIR DISPOSITION**  
**COMPARED TO ANNUAL BUDGET**

*(amounts in thousands)*

For the year ended December 31, 2015

	<u>Actual</u>	<u>Annual Budget</u>	<u>Variance</u>
<b>SOURCES OF FUNDS</b>			
<b>OPERATING REVENUES</b>			
Water delivery system	\$ 123,895	\$ 131,026	\$ (7,131)
Water supply system	142,950	157,369	(14,419)
Wastewater System	213,833	221,024	(7,191)
Chilled water and steam system	11,102	10,236	866
<b>Total operating revenues</b>	<u>491,780</u>	<u>519,655</u>	<u>(27,875)</u>
<b>NONOPERATING REVENUES</b>			
Interest earned and miscellaneous	6,097	5,420	677
Other financing sources (draw on equity)	1,400	1,400	-
<b>Total nonoperating revenues</b>	<u>7,497</u>	<u>6,820</u>	<u>677</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Capital Recovery Fees	56,153	46,403	9,750
Grant Revenue	-	-	-
<b>Total capital contributions</b>	<u>56,153</u>	<u>46,403</u>	<u>9,750</u>
<b>TOTAL SOURCES OF FUNDS</b>	<u>\$ 555,430</u>	<u>\$ 572,878</u>	<u>\$ (17,448)</u>
<b>USES OF FUNDS</b>			
<b>OPERATION AND MAINTENANCE</b>			
Salaries and fringe benefits	\$ 123,562	\$ 126,751	\$ 3,189
Contractual services	132,510	145,168	12,658
Materials and supplies	21,158	19,648	(1,510)
Other charges	7,243	10,382	3,139
Less: Costs capitalized to Construction in Progress	(32,843)	(36,165)	(3,322)
<b>Total operation and maintenance</b>	<u>251,630</u>	<u>265,784</u>	<u>14,154</u>
<b>OPERATING RESERVE REQUIREMENT</b>	912	1,893	981
<b>DEBT REQUIREMENTS</b>			
Interest costs	100,513	110,937	10,424
Retirement of bonds	72,399	74,833	2,434
Other Debt Expense	1,906	2,577	671
<b>Total debt requirements</b>	<u>174,818</u>	<u>188,347</u>	<u>13,529</u>
<b>TRANSFER TO THE CITY'S GENERAL FUND</b>	12,683	13,275	592
<b>AMOUNT AVAILABLE FOR TRANSFER TO THE RENEWAL AND REPLACEMENT FUND:</b>			
<b>CAPITAL CONTRIBUTIONS</b>	56,153	46,403	(9,750)
<b>GENERAL</b>	59,234	57,176	(2,058)
<b>Total amount available for Renewal and Replacement Funds</b>	<u>115,387</u>	<u>103,579</u>	<u>(11,808)</u>
<b>TOTAL USES OF FUNDS</b>	<u>\$ 555,430</u>	<u>\$ 572,878</u>	<u>\$ 17,448</u>

The accompanying notes to the supplemental schedules is an integral part of this schedule.

**San Antonio Water System**  
**SCHEDULE OF OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT (SYSTEM FUND)**  
For the year ended December 31, 2015

Account Code	Classification	<i>(amounts in thousands)</i>			
		Actual	Budget (as amended)	Variance Over/(Under)	%
<b>SALARIES AND FRINGE BENEFITS</b>					
511100	Salaries	\$ 78,055	\$ 81,571	\$ 3,516	4.3%
511140	Overtime Pay	4,833	2,952	(1,881)	-63.7%
511150	On-Call Pay	575	394	(181)	-45.9%
511160	Employee Insurance	13,795	14,946	1,151	7.7%
511162	Employee Retirement	16,903	17,057	154	0.9%
511164	Compensation for Unused Sick Leave	60	31	(29)	-93.5%
511166	Personal Leave Buyback	801	896	95	10.6%
511168	Vacation Pay	873	1,344	471	35.0%
511170	Incentive Pay	82	60	(22)	-36.7%
511175	Other postemployment benefits	7,500	7,500	-	0.0%
511740	Direct labor charged to SAWS District Special Project	85	-	(85)	-
	Total Salaries and Fringe Benefits	123,562	126,751	3,189	2.5%
<b>CONTRACTUAL SERVICES</b>					
511210	Operating Expense	1,784	1,737	(47)	-2.7%
511211	Rental of Facilities	267	303	36	11.9%
511212	Alarm and Security	1,237	986	(251)	-25.5%
511214	Shoe Reimbursement	254	303	49	16.2%
511216	Catering Services	76	78	2	2.6%
511219	Program Rebates	1,472	2,768	1,296	46.8%
511220	Maintenance Expense	11,874	10,804	(1,070)	-9.9%
511221	Street Cut Permit	812	588	(224)	-38.1%
511222	Street Pavement Repair Fees	1,761	1,381	(380)	-27.5%
511223	Preventative Maintenance	88	66	(22)	-33.3%
511224	Corrective Maintenance	1,737	1,279	(458)	-35.8%
511225	Damage Repair	132	155	23	14.8%
511230	Outside Equipment Rental	894	670	(224)	-33.4%
511240	Travel	72	142	70	49.3%
511245	Training	463	559	96	17.2%
511247	Conferences	21	66	45	68.2%
511250	Memberships and Subscriptions	321	331	10	3.0%
511260	Utilities	25,834	25,047	(787)	-3.1%
511261	Water Options & Purchases	23,189	29,081	5,892	20.3%
511265	Groundwater District Payments	21,608	21,840	232	1.1%
511270	Postage	2,093	2,163	70	3.2%
511280	Telemetering Charges	3	2	(1)	-50.0%
511309	Educational Assistance - Books	5	13	8	61.5%
511310	Educational Assistance - Tuition	117	188	71	37.8%
511312	Contractual Professional Services	27,819	31,748	3,929	12.4%
511313	Inspection and Assessment Fees	1,573	1,613	40	2.5%
511315	Temporary Employees	1,084	1,380	296	21.4%
511320	Legal Services	1,140	4,478	3,338	74.5%
511370	Communications	1,147	1,223	76	6.2%
511381	Software and Hardware Maintenance	3,633	4,176	543	13.0%
	Total Contractual Services	132,510	145,168	12,658	8.7%



**San Antonio Water System**  
**SCHEDULE OF OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT (SYSTEM FUND)**  
For the year ended December 31, 2015

		<i>(amounts in thousands)</i>			
Account Code	Classification	Actual	Budget (as amended)	Variance Over/(Under)	%
<b>MATERIALS AND SUPPLIES</b>					
511410	Small Tools	579	548	(31)	-5.7%
511417	Copy and Printing Expense	11	36	25	69.4%
511420	Operating Materials and Supplies	2,196	2,284	88	3.9%
511421	Heating Fuel	27	50	23	46.0%
511422	Chemicals	5,388	5,470	82	1.5%
511425	Education of School Children	20	24	4	16.7%
511426	Public Awareness	-	1	1	100.0%
511427	Enforcement	-	16	16	100.0%
511430	Maintenance Materials and Supplies	8,558	6,484	(2,074)	-32.0%
511440	Safety Materials and Supplies	781	666	(115)	-17.3%
511441	Inventory Variances	933	31	(902)	-2909.7%
511450	Tires and Tubes	549	591	42	7.1%
511451	Motor Fuel and Lubricants	2,116	3,447	1,331	38.6%
	Total Materials and Supplies	<u>21,158</u>	<u>19,648</u>	<u>(1,510)</u>	<u>-7.7%</u>
<b>OTHER CHARGES</b>					
511510	Judgment and Claim Settlements	(1,211)	582	1,793	308.1%
511511	Auto & General Liability Claims - Contingent Liability	(439)	224	663	296.0%
511520	Bank Charges	943	523	(420)	-80.3%
511525	Cash Short/(Over)	(5)	-	5	-
511530	Employee Relations	112	181	69	38.1%
511540	Dependent & Retiree Med Coverage	6,245	6,242	(3)	0.0%
511570	General Liability & Fire Insurance	832	1,415	583	41.2%
511580	Unemployment Compensation	44	72	28	38.9%
511590	Workers' Compensation - Medical Payments	479	896	417	46.5%
511610	Workers' Compensation - Benefits and Payments	213	211	(2)	-0.9%
511620	Workers' Compensation - Misc. Claims Expenditures	30	36	6	16.7%
	Total Other Charges	<u>7,243</u>	<u>10,382</u>	<u>3,139</u>	<u>30.2%</u>
	Subtotal before Transfers	284,473	301,949	17,476	5.8%
511720	Interfund Transfers	(32,843)	(36,165)	(3,322)	9.2%
	Total Interfund Transfers	<u>(32,843)</u>	<u>(36,165)</u>	<u>(3,322)</u>	<u>9.2%</u>
	Total Operation and Maintenance	<u>\$ 251,630</u>	<u>\$ 265,784</u>	<u>\$ 14,154</u>	<u>5.3%</u>

The accompanying notes to the supplemental schedules is an integral part of this schedule.

**San Antonio Water System**  
**Notes to Supplemental Schedules**  
**For the years ended December 31, 2015 and 2014**

**Note 1 - Basis for Presentation**

The Schedule of Revenues and Other Financial Sources and Their Disposition, the Schedule of Revenues and Their Disposition Compared to Annual Budget and the Schedule of Operation and Maintenance Expense by Account (Supplemental Schedules) have all been prepared in accordance with City Ordinance No. 75686 (“City Ordinance”). City Ordinance requires that gross revenues of SAWS be applied in sequence to: (1) System Fund for payment of current maintenance and operating expenses including a two-month reserve amount based upon the budgeted amount of maintenance and operating expenses for the current Fiscal year; (2) Debt Service Fund requirements of Senior Lien Obligations; (3) Reserve Fund requirements of Senior Lien Obligations; (4) Interest and Sinking Fund and Reserve Fund requirements of Junior Lien Obligations; (5) Interest and Sinking Fund and Reserve Fund requirements of Subordinate Lien Obligations; (6) Payment of amounts required on Inferior Lien Obligations, and (7) Transfers to the City's General Fund and to the Renewal and Replacement Fund. Further, City Ordinance stipulates that 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 the City Ordinance.

**Note 2 – Reconciliation to Basic Financial Statements**

City Ordinance defines Operating and Maintenance expenses as consisting of:

- the cost of all salaries, labor, material, repairs, and extensions necessary to maintain operation of the system,
- payments to pension, retirement, health, and other employee benefit plans,
- payments under contracts for the purchase of water supply, treatment of sewage, or other materials, goods or services for the system,
- payments to auditors, attorneys, and other consultants incurred in complying with the obligations of the system,
- payments made on or respect of obtaining and maintaining any credit facility, and
- any legal liability of the system arising out of the operation, maintenance, or condition of the system, but excluding any allowance for depreciation, property retirement, depletion, obsolescence, and any other not requiring an outlay of cash and any interest on any debt.

With regard to the following items, the requirements of City Ordinance are not consistent with generally accepted accounting principles and result in differences between amounts reported in the Basic Financial Statements for operating and maintenance costs and the amounts reported in the Supplemental Schedules.

**San Antonio Water System**  
**Notes to Supplemental Schedules**  
**For the years ended December 31, 2015 and 2014**

SAWS provides certain pension, health care and life insurance benefits for employees upon retirement. The amounts reported for these benefits in the Supplemental Schedules are based on actual payments made for these benefits, including any contributions to trusts established to pre-fund these benefits. Expenses reported in the Basic Financial Statements related to these benefits are determined in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and may be greater or less than actual payments made by SAWS for these benefits in a given year.

Periodically SAWS reviews its capital assets for possible impairment. Impaired assets are written down to their estimated fair value. As these write-offs do not require the outlay of cash, they do not meet the definition of operating and maintenance costs of SAWS in accordance with the City Ordinance. As a result, this expense has been excluded from the Supplemental Schedules.

The operation and maintenance cost reported in the Supplemental Schedules reconciles to the Basic Financial Statements as follows:

	<i>(amounts in thousands)</i>	
	Year Ended December 31,	
	2015	2014
Operating and maintenance costs per Supplemental Schedules	\$ 251,630	\$ 247,019
Unfunded/(overfunded) benefit expense	(5,867)	(3,914)
Write-off of asset impairments	-	1,527
Portion of overfunded/(unfunded) benefits capitalized to Construction in Progress	692	423
Operating expenses before depreciation per Statement of Revenues, Expenses and Changes in Net Position	\$ 246,455	\$ 245,055

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***STATISTICAL SECTION***

**San Antonio Water System  
Statistical Section  
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*This part of the SAWS comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about SAWS' overall financial health.*

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*Sources: Unless otherwise noted, information presented in these schedules was obtained from SAWS' comprehensive annual financial reports or internal information systems.*

**San Antonio Water System**  
**Schedule 1 - Fund Net Position**  
**(accrual basis of accounting)**  
**(amounts in thousands)**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>System Fund:</b>										
Net investment in capital assets	\$ 1,684,601	\$ 1,497,886	\$ 1,482,196	\$ 1,564,406	\$ 1,447,651	\$ 1,291,968	\$ 1,262,840	\$ 1,297,893	\$ 1,104,726	\$ 971,355
Restricted	44,297	43,385	40,656	38,389	35,227	33,955	34,649	32,257	29,567	28,380
Unrestricted	-	-	-	-	-	19,017	19,407	17,937	19,475	27,649
Total net position - System Fund	1,728,898	1,541,271	1,522,852	1,602,795	1,482,878	1,344,940	1,316,896	1,348,087	1,153,768	1,027,384
<b>Internal Service Fund (a):</b>										
Net investment in capital assets	-	-	-	-	-	-	-	-	-	496
Unrestricted	-	-	-	-	-	-	-	-	-	9,371
Total net position - Internal Service Fund	-	-	-	-	-	-	-	-	-	9,867
<b>Debt Service Fund:</b>										
Restricted	52,001	47,123	39,710	34,254	34,862	31,222	27,511	25,790	21,324	18,350
Total net position - Debt Service Fund	52,001	47,123	39,710	34,254	34,862	31,222	27,511	25,790	21,324	18,350
<b>Reserve Fund:</b>										
Restricted	57,818	66,665	62,560	58,681	54,696	50,688	41,479	11,222	-	-
Total net position - Reserve Fund	57,818	66,665	62,560	58,681	54,696	50,688	41,479	11,222	-	-
<b>Renewal &amp; Replacement Fund:</b>										
Net investment in capital assets	153,763	140,937	101,212	83,968	98,455	98,555	89,888	85,191	116,344	114,701
Unrestricted	108,349	137,207	118,285	116,179	120,363	94,402	134,096	171,992	185,220	171,037
Total net position - Renewal & Replacement Fund	262,112	278,144	219,497	200,147	218,818	192,957	223,984	257,183	301,564	285,738
<b>Project Fund:</b>										
Net investment in capital assets	178,337	232,379	179,448	38,101	48,481	159,254	168,738	83,567	93,273	75,673
Total net position - Project Fund	178,337	232,379	179,448	38,101	48,481	159,254	168,738	83,567	93,273	75,673
<b>Total - All Funds:</b>										
Net investment in capital assets	2,016,701	1,871,202	1,762,856	1,686,475	1,594,587	1,549,777	1,521,466	1,466,651	1,314,343	1,162,225
Restricted	154,116	157,173	142,926	131,324	124,785	115,865	103,639	69,269	50,891	46,730
Unrestricted	108,349	137,207	118,285	116,179	120,363	113,419	153,503	189,929	204,695	208,057
Total Net Position	\$ 2,279,166	\$ 2,165,582	\$ 2,024,067	\$ 1,933,978	\$ 1,839,735	\$ 1,779,061	\$ 1,778,608	\$ 1,725,849	\$ 1,569,929	\$ 1,417,012

(a) Internal Service Fund was eliminated in 2007. Fund balances were transferred to the System Fund.

San Antonio Water System  
Schedule 2 - Change in Net Position  
(accrual basis of accounting)  
(amounts in thousands)

	Fiscal Year									
	2015 (a)	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating revenues:										
Water delivery	\$ 123,895	\$ 127,708	\$ 119,767	\$ 121,078	\$ 125,188	\$ 106,864	\$ 105,204	\$ 111,379	\$ 89,991	\$ 104,104
Water supply	142,950	150,079	134,367	136,704	130,755	117,402	113,783	123,167	101,550	117,626
Wastewater	213,833	210,704	195,584	168,368	150,520	132,408	133,641	127,400	123,180	123,780
Chilled water & steam	11,102	11,152	12,621	12,378	11,631	12,223	12,714	12,675	12,997	13,146
	<u>491,780</u>	<u>499,643</u>	<u>462,339</u>	<u>438,528</u>	<u>418,094</u>	<u>368,897</u>	<u>365,342</u>	<u>374,621</u>	<u>327,718</u>	<u>358,656</u>
Operating expenses before depreciation:										
Salaries and fringe benefits	117,067	115,049	125,210	125,295	127,816	121,523	115,177	103,556	95,821	90,857
Contractual services	132,510	127,685	107,194	100,165	66,900	82,708	89,112	89,894	83,243	82,121
Materials and supplies	21,158	20,930	23,355	23,966	24,868	20,320	22,768	22,438	17,947	16,330
Other charges	7,871	12,355	20,423	21,790	21,756	36,883	24,398	20,735	17,884	11,201
Less: Costs capitalized to										
Construction in Progress	(32,151)	(30,964)	(31,834)	(33,640)	(32,282)	(34,945)	(35,643)	(31,137)	(29,334)	(23,244)
Internal Service Fund - net (gain)/loss										
Operating expense before depreciation	<u>246,455</u>	<u>245,055</u>	<u>244,348</u>	<u>237,576</u>	<u>209,058</u>	<u>226,489</u>	<u>215,812</u>	<u>205,486</u>	<u>185,561</u>	<u>177,265</u>
Depreciation	130,602	123,111	111,375	103,034	98,374	107,761	86,535	83,494	78,307	71,312
Total operating expenses	<u>377,057</u>	<u>368,166</u>	<u>355,723</u>	<u>340,610</u>	<u>307,432</u>	<u>334,250</u>	<u>302,347</u>	<u>288,980</u>	<u>263,868</u>	<u>248,577</u>
Operating Income	114,723	131,477	106,616	97,918	110,662	34,647	62,995	85,641	63,850	110,079
Non-operating revenues:										
Interest and miscellaneous	6,097	5,792	5,410	6,149	5,955	3,625	4,511	14,382	24,442	20,716
Non-operating expenses:										
Interest expense	80,746	78,049	75,606	73,987	77,022	76,805	67,686	63,556	63,672	60,612
Debt issue costs/Amortization of debt issuance costs	3,831	2,914	4,112	3,835	2,346	2,081	1,465	1,521	1,015	645
Other finance charges	1,906	2,726	2,361	2,934	2,881	2,936	2,508	1,418	880	1,081
(Gain)/Loss on sale of capital assets	(3,520)	(23)	(1,075)	(430)	(773)	(392)	104	(4,014)	4	(2,266)
Payments to City of San Antonio	12,683	13,089	11,528	11,161	10,926	9,565	9,740	10,448	9,376	10,026
Payments to other entities	106	114	130	122	124	124	119	119	192	211
Total non-operating expense	<u>95,752</u>	<u>96,869</u>	<u>92,662</u>	<u>91,609</u>	<u>92,526</u>	<u>91,119</u>	<u>81,622</u>	<u>73,048</u>	<u>75,139</u>	<u>70,309</u>
Special Items	-	-	-	-	-	-	-	-	-	(4,999)
Increases (decreases) in net position, before capital contributions	25,068	40,400	19,364	12,458	24,091	(52,847)	(14,116)	26,975	13,153	55,487
Capital contributions										
Plant Contributions	63,736	49,081	32,891	44,787	23,263	27,162	42,190	91,827	104,795	81,208
Capital Recovery Fees	56,153	51,973	37,289	36,761	35,872	25,038	23,636	36,842	32,926	45,112
Grant Revenue	-	61	545	237	345	1,100	1,049	276	2,043	103
Total contributions	<u>119,889</u>	<u>101,115</u>	<u>70,725</u>	<u>81,785</u>	<u>59,480</u>	<u>53,300</u>	<u>66,875</u>	<u>128,945</u>	<u>139,764</u>	<u>126,423</u>
Change in net position	<u>\$ 144,957</u>	<u>\$ 141,515</u>	<u>\$ 90,089</u>	<u>\$ 94,243</u>	<u>\$ 83,571</u>	<u>\$ 453</u>	<u>\$ 52,759</u>	<u>\$ 155,920</u>	<u>\$ 152,917</u>	<u>\$ 181,910</u>

(a) Net position as of January 1, 2015 was reduced by \$31,373 related to the adoption of GASB Statement No. 68. This charge is not reflected in the schedule of changes in net position for 2015.



**San Antonio Water System**  
**Schedule 3 - Net Position in System**  
**(accrual basis of accounting)**  
**(amounts in thousands)**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Assets:</b>										
Capital Assets, net of accumulated depreciation	\$ 4,340,365	\$ 4,089,478	\$ 3,964,000	\$ 3,771,228	\$ 3,553,065	\$ 3,362,867	\$ 3,174,264	\$ 2,967,190	\$ 2,697,592	\$ 2,471,129
Cash and Investments	789,927	819,232	689,483	517,876	528,761	575,629	576,652	478,919	480,240	435,543
Other Assets	81,384	79,478	75,998	71,241	63,658	75,578	74,823	71,110	72,796	65,482
Total Assets	5,211,676	4,988,188	4,729,481	4,360,345	4,145,484	4,014,074	3,825,739	3,517,219	3,250,628	2,972,154
<b>Deferred Outflows of Resources</b>										
Deferred Charge on Bond Refunding	27,008	29,086	30,943	30,561	2,494					
Deferred outflows - pension	15,637									
Accumulated Decrease in Fair Value of Hedging Derivatives	16,394	15,520	8,372	19,746	18,380	5,575				
Total Deferred Outflows of Resources	59,039	44,606	39,315	50,307	20,874	5,575				
<b>Liabilities:</b>										
Revenue Bonds Payable (net)	2,574,722	2,507,419	2,348,834	2,083,545	1,898,839	1,832,523	1,743,689	1,408,182	1,492,865	1,257,642
Commercial Paper Notes	135,305	138,550	186,655	170,745	214,930	244,650	173,650	261,115	100,000	237,360
Other Liabilities	274,796	221,243	209,240	222,384	212,854	163,415	129,792	122,073	87,834	60,140
Total Liabilities	2,984,823	2,867,212	2,744,729	2,476,674	2,326,623	2,240,588	2,047,131	1,791,370	1,680,699	1,555,142
<b>Deferred Inflows of Resources</b>										
Deferred inflows - pension	6,726	-	-	-	-	-	-	-	-	-
<b>Net Position in System</b>	<b>\$ 2,279,166</b>	<b>\$ 2,165,582</b>	<b>\$ 2,024,067</b>	<b>\$ 1,933,978</b>	<b>\$ 1,839,735</b>	<b>\$ 1,779,061</b>	<b>\$ 1,778,608</b>	<b>\$ 1,725,849</b>	<b>\$ 1,569,929</b>	<b>\$ 1,417,012</b>
<b>Percentage Net Position in System</b>	<b>43.2%</b>	<b>43.0%</b>	<b>42.4%</b>	<b>43.8%</b>	<b>44.2%</b>	<b>44.3%</b>	<b>46.5%</b>	<b>49.1%</b>	<b>48.3%</b>	<b>47.7%</b>

San Antonio Water System  
Schedule 4 - Water Production, Water Usage and Wastewater Treated  
(gallons in millions)  
Unaudited

Fiscal Year	Gallons of Water Production (a)	Gallons of Water Usage	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated (b)	Total Direct Rate			
						Water		Sewer	
						Base Rate (c)	Usage Rate (d)	Base Rate (e)	Usage Rate (f)
2015	63,957	52,520	11,437	17.88%	48,563	\$ 7.49	\$ 19.73	\$ 12.75	\$ 14.04
2014	68,265	57,261	11,004	16.12%	50,689	7.49	18.99	11.99	13.20
2013	66,391	55,108	11,283	16.99%	50,076	7.31	17.81	11.54	12.71
2012	66,596	55,320	11,276	16.93%	49,055	7.31	17.96	9.92	10.91
2011	70,699	59,133	11,566	16.36%	49,918	7.10	15.72	8.73	9.60
2010	61,272	52,578	8,694	14.19%	48,151	7.10	16.03	8.73	9.60
2009	62,649	55,295	7,354	11.74%	51,987	6.77	18.74	7.76	8.58
2008	68,250	58,828	9,422	13.81%	50,347	6.56	18.60	7.37	8.15
2007	56,813	49,511	7,302	12.85%	49,218	6.56	18.31	7.37	8.15
2006	65,460	57,724	7,736	11.82%	53,268	6.56	18.40	7.37	8.15

- (a) Pumpage is total potable water production less Aquifer Storage and Recovery recharge
- (b) Represents amounts billed to customers. Residential Class customers are billed based on water usage during a consecutive three month billing period from November through March. All other customer classes are billed for wastewater treatment based on actual water usage during each monthly billing period.
- (c) Rate shown is for 5/8" meters. See Schedule 8 for the rates of other meter sizes. Includes the State-Imposed TCEQ fee. See Schedule 13 for additional information.
- (d) Represents standard (non-seasonal) usage charge for monthly residential water usage of 7,092 gallons per month. Includes water supply and EAA fees.
- (e) Minimum service availability charge (includes charge for first 1,496 gallons). Includes the State-Imposed TCEQ fee.
- (f) Represents usage charge for a residential customer based on winter average water consumption of 5,668 gallons per month

**San Antonio Water System**  
**Schedule 5 - Sales by Source**  
 (accrual basis of accounting)  
 (amounts in thousands)  
 Unaudited

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Water Sales:										
Residential Class	\$72,023	\$74,062	\$71,536	\$72,620	\$79,332	\$66,410	\$65,333	\$68,516	\$56,096	\$65,927
General Class	39,420	37,878	35,099	35,504	33,571	32,326	32,943	32,330	29,313	31,606
Wholesale Class	154	3,233	1,640	1,255	234	136	204	179	120	145
Irrigation Class (a)	11,100	11,011	10,893	11,164	11,722	12,909	12,176	16,124	10,659	12,541
Total Water	122,697	126,184	119,168	120,543	124,859	111,781	110,656	117,149	96,188	110,219
Water Supply Fees (b)										
Residential Class	45,966	48,270	43,121	44,163	51,696	45,312	45,909	49,042	39,081	48,403
General Class	41,122	39,355	32,393	32,537	31,586	29,764	30,403	30,140	28,105	29,531
Wholesale Class	199	7,196	3,227	2,294	202	158	178	160	132	166
Irrigation Class	13,950	12,551	12,057	12,058	13,029	7,154	6,288	8,016	5,285	6,152
Total Water Supply Fees	101,237	107,372	90,798	91,052	96,513	82,388	82,778	87,358	72,603	84,252
EAA Pass-through fees (c)										
Residential Class	9,120	9,654	9,905	10,841	4,767	5,423	3,605	5,893	3,561	4,925
General Class	6,888	6,874	6,991	7,352	2,930	3,648	2,387	3,622	2,560	3,005
Wholesale Class	110	1,271	659	509	18	19	14	19	12	17
Irrigation Class	1,069	1,061	1,134	1,242	540	765	494	963	481	626
Total Pass-through fees	17,187	18,860	18,689	19,944	8,255	9,855	6,500	10,497	6,614	8,573
Conservation Fees:										
Residential Class	2,246	1,956	2,454	2,986	3,682	2,814	2,962	3,663	1,986	4,112
General Class	7,004	6,498	6,606	7,040	6,702	4,461	4,008	3,938	3,957	3,637
Total Conservation	9,250	8,454	9,060	10,026	10,384	7,275	6,970	7,601	5,943	7,749
Wastewater Sales:										
Residential Class	124,992	125,051	116,775	98,674	88,702	79,118	81,202	75,752	72,212	72,901
General Class	71,267	68,371	62,300	54,175	48,271	41,768	41,343	40,034	38,554	38,325
Wholesale Class	8,064	7,848	7,599	6,761	6,105	5,044	5,225	5,281	6,469	6,704
Surcharge	5,401	5,450	5,438	5,134	4,815	4,861	4,648	4,614	4,409	4,271
Total Wastewater	209,724	206,720	192,112	164,744	147,893	130,791	132,418	125,681	121,644	122,201
TCEQ Pass-through fees (d)										
Water customers	1,165	1,169	1,086	1,064	1,178	964	-	-	-	-
Wastewater customers	429	433	347	411	464	280	-	-	-	-
	1,594	1,602	1,433	1,475	1,642	1,244	-	-	-	-
Recycled Water Sales	5,097	5,086	5,161	5,074	5,068	3,955	4,393	4,287	3,244	3,795
Stormwater Fees	4,797	4,420	5,058	4,558	4,158	3,745	3,358	3,037	3,056	3,056
Chilled Water & Steam (e)	11,184	11,251	12,719	12,485	11,715	12,337	12,714	12,758	13,101	13,243
Miscellaneous Fees and Charges	14,105	13,860	12,787	12,427	10,418	8,989	9,266	9,541	7,944	8,204
Provision for Uncollectible Accounts	(5,094)	(4,166)	(4,646)	(3,800)	(2,811)	(3,463)	(3,711)	(3,288)	(2,619)	(2,638)
Total Operating Revenue	\$491,780	\$499,643	\$462,339	\$438,528	\$418,094	\$368,897	\$365,342	\$374,621	\$327,718	\$358,656

(a) Effective December 1, 2000, an irrigation rate class was approved for water service provided through separate irrigation meters.

(b) Effective December 1, 2000, a water supply fee was approved on all potable water service.

(c) EAA pass-through fees are designed to recoup fees charged by Edwards Aquifer Authority (EAA). The fee is charged based on water usage. Any previous over or under recovery of fees is considered in determining the fees to be charged each year.

(d) TCEQ pass-through fees are designed to recoup fees charged by the Texas Commission on Environmental Quality (TCEQ). Fee is a per customer charge.

**San Antonio Water System**  
**Schedule 6 - Sales in Gallons**  
(gallons billed, in millions)  
**Unaudited**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Water Sales (a):										
Residential Class	27,868	29,310	29,206	30,070	34,153	28,932	30,667	33,025	26,651	33,162
General Class	21,048	20,870	20,614	20,393	20,986	19,465	20,309	20,297	19,166	20,232
Wholesale Class	337	3,861	1,943	1,412	128	101	119	108	90	114
Irrigation Class	3,267	3,220	3,345	3,445	3,866	4,080	4,200	5,398	3,604	4,216
Total Water	52,520	57,261	55,108	55,320	59,133	52,578	55,295	58,828	49,511	57,724
Wastewater Sales:										
Residential Class	26,048	27,896	27,617	26,572	27,371	26,746	29,825	28,148	27,383	28,859
General Class	20,281	20,502	20,100	20,066	20,134	20,002	20,338	20,352	19,634	21,967
Wholesale Class	2,234	2,291	2,359	2,417	2,413	1,404	1,824	1,847	2,200	2,444
Total Wastewater	48,563	50,689	50,076	49,055	49,918	48,152	51,987	50,347	49,217	53,270
Conservation - Residential Class (b)	2,284	2,296	2,520	3,026	4,106	2,935	3,469	3,948	2,432	4,276
Recycled Water Sales	18,421	18,323	18,359	18,129	18,990	14,968	16,321	16,559	14,148	14,836

(a) Water Supply and EAA fees are billed based on the gallons billed for potable water sales.

(b) Gallons billed for conservation are included in the gallons billed for potable water sales.

**Schedule 7 - Number of Customer Connections**  
(average number billed)  
**Unaudited**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Water (a):										
Residential Class	352,512	347,789	343,667	339,204	335,280	331,853	327,610	323,754	318,270	308,807
General Class	23,954	23,776	23,713	23,582	23,369	23,225	23,242	23,104	22,943	22,662
Wholesale Class	9	8	8	8	7	7	7	7	7	7
Total Water	376,475	371,573	367,388	362,794	358,656	355,085	350,859	346,865	341,220	331,476
Irrigation Class (b)	9,185	8,966	8,821	8,633	8,479	8,350	8,202	7,940	7,602	7,232
Wastewater:										
Residential Class	402,409	395,574	390,256	383,553	378,380	373,755	368,948	361,966	352,038	338,693
General Class	25,181	25,079	25,021	24,824	24,550	24,407	24,285	23,999	23,604	23,408
Wholesale Class	12	12	12	12	12	12	12	13	11	12
Total Wastewater	427,602	420,665	415,289	408,389	402,942	398,174	393,245	385,978	375,653	362,113
Conservation - Residential Class (c)	18,539	20,716	20,867	23,804	33,708	21,791	26,665	29,973	15,548	31,716
Recycled Water	109	102	97	92	80	81	86	76	71	69

(a) Water Supply and EAA fees are billed to water customers with potable water usage.

(b) Represents the number of customers included in Residential, General and Wholesale Classes which also are billed for irrigation usage.

(c) The residential class rate applied to monthly residential usage in excess of 17,205 gallons is designated as Conservation Fees. These customers are included in the residential class for water sales.

**San Antonio Water System**  
**Schedule 8 - Residential Class Rates (Inside City Limits)**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Water</b>										
Service Availability Charge by meter size:										
5/8"	\$7.57	\$7.31	\$7.14	\$7.14	\$6.91	\$6.91	\$6.77	\$6.56	\$6.56	\$6.56
3/4"	10.63	10.26	10.01	10.01	9.68	9.68	8.59	8.32	8.32	8.32
1"	16.72	16.14	15.75	15.75	15.23	15.23	12.49	12.10	12.10	12.10
1-1/2"	31.94	30.83	30.09	30.09	29.10	29.10	22.25	21.56	21.56	21.56
2"	50.18	48.44	47.28	47.28	45.73	45.73	33.95	32.90	32.90	32.90
3"	92.80	89.58	87.44	87.44	84.56	84.56	61.27	59.37	59.37	59.37
4"	153.67	148.33	144.78	144.78	140.02	140.02	100.30	97.19	97.19	97.19
6"	305.86	295.23	288.17	288.17	278.69	278.69	197.89	191.75	191.75	191.75
8"	488.47	471.50	460.22	460.22	445.09	445.09	314.96	305.19	305.19	305.19
10"	701.52	677.14	660.95	660.95	639.22	639.22	451.57	437.57	437.57	437.57
12"	1,310.24	1,264.71	1,234.47	1,234.47	1,193.88	1,193.88	841.86	815.76	815.76	815.76
Usage (per 100 gallons)										
Standard:										
First 7,481 gallons							0.0906	0.0878	0.0878	0.0878
Next 5,236 gallons							0.1309	0.1268	0.1268	0.1268
Next 4,488 gallons							0.2058	0.1994	0.1994	0.1994
Over 17,205 gallons							0.3288	0.3186	0.3186	0.3186
Seasonal:										
First 7,481 gallons							0.0906	0.0878	0.0878	0.0878
Next 5,236 gallons							0.1423	0.1379	0.1379	0.1379
Next 4,488 gallons							0.2217	0.2148	0.2148	0.2148
Over 17,205 gallons							0.4246	0.4114	0.4114	0.4114
Standard:										
First 5,985 gallons	0.1006	0.0971	0.0948	0.0948	0.0917	0.0917				
Next 6,732 gallons	0.1457	0.1406	0.1372	0.1372	0.1327	0.1327				
Next 4,488 gallons	0.2053	0.1982	0.1935	0.1935	0.1871	0.1871				
Over 17,205 gallons	0.3596	0.3471	0.3388	0.3388	0.3277	0.3277				
Seasonal (a):										
First 5,985 gallons	0.1006	0.0971	0.0948	0.0948	0.0917	0.0917				
Next 6,732 gallons	0.1584	0.1529	0.1492	0.1492	0.1443	0.1443				
Next 4,488 gallons	0.2355	0.2273	0.2219	0.2219	0.2146	0.2146				
Over 17,205 gallons	0.4880	0.4710	0.4597	0.4597	0.4446	0.4446				
<b>Sewer</b>										
Service Availability Charge (b)	12.69	11.93	11.49	9.86	8.68	8.68	7.76	7.37	7.37	7.37
Usage (c)	0.3365	0.3163	0.3047	0.2615	0.2302	0.2302	0.2057	0.1953	0.1953	0.1953

- (a) Seasonal rate is applied to all billings beginning May 1 and ending on or about September 30 of each year.  
 At all other times, the Standard rate is applied
- (b) Includes the first 1,496 gallons.
- (c) Per 100 gallons. Residential sewer charges are computed on the basis of average winter usage for 90 days during three consecutive billings periods beginning after November 15 and ending on or before March 15 of each year.

**San Antonio Water System**  
**Schedule 9 - Residential Class Rates (Outside City Limits)**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Water</b>										
Service Availability Charge by meter size:										
5/8"	9.86	9.52	9.29	9.29	8.98	8.98	8.78	8.51	8.51	8.51
3/4"	13.82	13.34	13.02	13.02	12.59	12.59	11.16	10.81	10.81	10.81
1"	21.72	20.97	20.47	20.47	19.80	19.80	16.23	15.73	15.73	15.73
1-1/2"	41.52	40.08	39.12	39.12	37.83	37.83	28.92	28.02	28.02	28.02
2"	65.26	62.99	61.48	61.48	59.46	59.46	44.14	42.77	42.77	42.77
3"	120.66	116.47	113.68	113.68	109.94	109.94	79.65	77.18	77.18	77.18
4"	199.78	192.84	188.23	188.23	182.04	182.04	130.39	126.35	126.35	126.35
6"	397.62	383.80	374.62	374.62	362.30	362.30	257.24	249.26	249.26	249.26
8"	635.03	612.96	598.30	598.30	578.63	578.63	409.45	396.75	396.75	396.75
10"	911.98	880.29	859.24	859.24	830.99	830.99	587.03	568.83	568.83	568.83
12"	1,703.33	1,644.14	1,604.82	1,604.82	1,552.05	1,552.05	1,094.42	1,060.48	1,060.48	1,060.48
Usage (per 100 gallons)										
Standard:										
First 7,481 gallons							0.1176	0.1140	0.1140	0.1140
Next 5,236 gallons							0.1702	0.1649	0.1649	0.1649
Next 4,488 gallons							0.2674	0.2591	0.2591	0.2591
Over 17,205 gallons							0.4274	0.4141	0.4141	0.4141
Seasonal:										
First 7,481 gallons							0.1176	0.1140	0.1140	0.1140
Next 5,236 gallons							0.1850	0.1793	0.1793	0.1793
Next 4,488 gallons							0.2882	0.2793	0.2793	0.2793
Over 17,205 gallons							0.5519	0.5348	0.5348	0.5348
Standard:										
First 5,985 gallons	0.1310	0.1264	0.1234	0.1234	0.1193	0.1193				
Next 6,732 gallons	0.1894	0.1828	0.1784	0.1784	0.1725	0.1725				
Next 4,488 gallons	0.2671	0.2578	0.2516	0.2516	0.2433	0.2433				
Over 17,205 gallons	0.4675	0.4513	0.4405	0.4405	0.4260	0.4260				
Seasonal (a):										
First 5,985 gallons	0.1310	0.1264	0.1234	0.1234	0.1193	0.1193				
Next 6,732 gallons	0.2060	0.1988	0.1940	0.1940	0.1876	0.1876				
Next 4,488 gallons	0.3062	0.2956	0.2885	0.2885	0.2790	0.2790				
Over 17,205 gallons	0.6341	0.6121	0.5975	0.5975	0.5779	0.5779				
<b>Sewer</b>										
Service Availability Charge (b)	15.25	14.33	13.81	11.85	10.43	10.43	9.32	8.85	8.85	8.85
Usage (c)	0.4038	0.3795	0.3656	0.3138	0.2762	0.2762	0.2468	0.2343	0.2343	0.2343

- (a) Seasonal rate is applied to all billings beginning May 1 and ending on or about September 30 of each year.  
 At all other times, the Standard rate is applied
- (b) Includes the first 1,496 gallons.
- (c) Per 100 gallons. Residential sewer charges are computed on the basis of average winter usage for 90 days during three consecutive billings periods beginning after November 15 and ending on or before March 15 of each year.

**San Antonio Water System  
Schedule 10 - General Class Rates**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Water - Inside City Limits</b>										
Service Availability Charge by meter size:										
5/8"	\$10.53	\$10.16	\$9.92	\$9.92	\$9.59	\$9.59	\$9.81	\$9.51	\$9.51	\$9.51
3/4"	15.05	14.53	14.18	14.18	13.71	13.71	13.16	12.75	12.75	12.75
1"	24.08	23.24	22.68	22.68	21.93	21.93	19.21	18.61	18.61	18.61
1-1/2"	46.65	45.03	43.95	43.95	42.50	42.50	35.03	33.94	33.94	33.94
2"	73.74	71.18	69.48	69.48	67.20	67.20	52.83	51.19	51.19	51.19
3"	136.96	132.20	129.04	129.04	124.80	124.80	106.92	103.60	103.60	103.60
4"	227.28	219.38	214.13	214.13	207.09	207.09	176.40	170.93	170.93	170.93
6"	453.06	437.32	426.86	426.86	412.82	412.82	350.03	339.18	339.18	339.18
8"	723.99	698.83	682.12	682.12	659.69	659.69	543.20	526.36	526.36	526.36
10"	1,040.08	1,003.94	979.93	979.93	947.71	947.71	755.89	732.45	732.45	732.45
12"	1,943.21	1,875.69	1,830.83	1,830.83	1,770.63	1,770.63	1,191.85	1,154.89	1,154.89	1,154.89
Usage (per 100 gallons)										
Below base (a)							0.1086	0.1052	0.1052	0.1052
100-125% of base							0.1257	0.1218	0.1218	0.1218
125-150% of base							0.1633	0.1582	0.1582	0.1582
150-200% of base							0.2138	0.2072	0.2072	0.2072
Over 200% of base							0.3160	0.3062	0.3062	0.3062
Usage (per 100 gallons)										
Base (b)	0.1218	0.1176	0.1148	0.1148	0.1110	0.1110				
100-125% of base	0.1457	0.1406	0.1372	0.1372	0.1327	0.1327				
125-175% of base	0.2042	0.1971	0.1924	0.1924	0.1861	0.1861				
Over 175% of base	0.2991	0.2887	0.2818	0.2818	0.2725	0.2725				
<b>Water - Outside City Limits</b>										
Service Availability Charge by meter size:										
5/8"	13.69	13.21	12.89	12.89	12.47	12.47	11.83	11.46	11.46	11.46
3/4"	19.56	18.88	18.43	18.43	17.82	17.82	15.72	15.23	15.23	15.23
1"	31.29	30.20	29.48	29.48	28.51	28.51	22.94	22.23	22.23	22.23
1-1/2"	60.65	58.54	57.14	57.14	55.26	55.26	41.69	40.40	40.40	40.40
2"	95.87	92.54	90.33	90.33	87.36	87.36	63.01	61.06	61.06	61.06
3"	178.06	171.87	167.76	167.76	162.24	162.24	125.31	121.42	121.42	121.42
4"	295.46	285.19	278.37	278.37	269.22	269.22	206.48	200.08	200.08	200.08
6"	588.98	568.51	554.91	554.91	536.66	536.66	409.39	396.70	396.70	396.70
8"	941.20	908.49	886.76	886.76	857.60	857.60	637.69	617.92	617.92	617.92
10"	1,352.11	1,305.13	1,273.92	1,273.92	1,232.03	1,232.03	891.35	863.71	863.71	863.71
12"	2,526.17	2,438.39	2,380.08	2,380.08	2,301.82	2,301.82	1,444.41	1,399.62	1,399.62	1,399.62
Usage (per 100 gallons)										
Below base (a)							0.1410	0.1366	0.1366	0.1366
100-125% of base							0.1635	0.1584	0.1584	0.1584
125-150% of base							0.2121	0.2055	0.2055	0.2055
150-200% of base							0.2778	0.2692	0.2692	0.2692
Over 200% of base							0.4109	0.3982	0.3982	0.3982
Usage (per 100 gallons)										
Base (b)	0.1584	0.1529	0.1492	0.1492	0.1443	0.1443				
100-125% of base	0.1893	0.1827	0.1783	0.1783	0.1724	0.1724				
125-175% of base	0.2654	0.2562	0.2501	0.2501	0.2419	0.2419				
Over 175% of base	0.3887	0.3752	0.3662	0.3662	0.3542	0.3542				
<b>Sewer - Inside City Limits</b>										
Service Availability Charge (c)										
12"	12.69	11.93	11.49	9.86	8.68	8.68	7.76	7.37	7.37	7.37
Usage (per 100 gallons)										
12"	0.3365	0.3163	0.3047	0.2615	0.2302	0.2302	0.2057	0.1953	0.1953	0.1953
<b>Sewer - Outside City Limits</b>										
Service Availability Charge (c)										
12"	15.25	14.33	13.81	11.85	10.43	10.43	9.32	8.85	8.85	8.85
Usage (per 100 gallons)										
12"	0.4038	0.3795	0.3656	0.3138	0.2762	0.2762	0.2468	0.2343	0.2343	0.2343

(a) Base was defined as 90% of the previous average annual usage.  
(b) Base is defined as 100% of the previous average annual usage.  
(c) Per 100 gallons. Includes the first 1,496 gallons.

**San Antonio Water System**  
**Schedule 11 - Wholesale Class Rates**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Water - Inside City Limits</b>										
Service Availability Charge by meter size:										
6"	\$305.86	\$295.23	\$288.17	\$288.17	\$278.69	\$278.69	\$197.89	\$191.75	\$191.75	\$191.75
8"	488.47	471.50	460.22	460.22	445.09	445.09	314.96	305.19	305.19	305.19
10"	701.52	677.14	660.95	660.95	639.22	639.22	451.57	437.57	437.57	437.57
12"	1,310.24	1,264.71	1,234.47	1,234.47	1,193.88	1,193.88	841.86	815.76	815.76	815.76
Usage (per 100 gallons)										
Below base (a)							0.0788	0.0764	0.0764	0.0764
100-125% of base							0.0983	0.0953	0.0953	0.0953
125-150% of base							0.1353	0.1310	0.1310	0.1310
150-200% of base							0.1804	0.1748	0.1748	0.1748
Over 200% of base							0.2365	0.2292	0.2292	0.2292
Usage (per 100 gallons)										
Base (b)	0.0845	0.0816	0.0796	0.0796	0.0770	0.0770				
100-125% of base	0.1269	0.1225	0.1196	0.1196	0.1157	0.1157				
125-175% of base	0.1833	0.1769	0.1727	0.1727	0.1670	0.1670				
Over 175% of base	0.2592	0.2502	0.2442	0.2442	0.2362	0.2362				
<b>Water - Outside City Limits</b>										
Service Availability Charge by meter size:										
6"	397.62	383.80	374.62	374.62	362.30	362.30	257.24	249.26	249.26	249.26
8"	635.03	612.96	598.30	598.30	578.63	578.63	409.45	396.75	396.75	396.75
10"	911.98	880.29	859.24	859.24	830.99	830.99	587.03	568.83	568.83	568.83
12"	1,703.33	1,644.14	1,604.82	1,604.82	1,552.05	1,552.05	1,094.42	1,060.48	1,060.48	1,060.48
Usage (per 100 gallons)										
Below base (a)							0.1025	0.0993	0.0993	0.0993
100-125% of base							0.1279	0.1239	0.1239	0.1239
125-150% of base							0.1760	0.1705	0.1705	0.1705
150-200% of base							0.2346	0.2273	0.2273	0.2273
Over 200% of base							0.3075	0.2980	0.2980	0.2980
Usage (per 100 gallons)										
Base (b)	0.1098	0.1060	0.1035	0.1035	0.1001	0.1001				
100-125% of base	0.1650	0.1593	0.1555	0.1555	0.1504	0.1504				
125-175% of base	0.2383	0.2300	0.2245	0.2245	0.2171	0.2171				
Over 175% of base	0.3369	0.3252	0.3174	0.3174	0.3070	0.3070				
<b>Sewer - Inside City Limits</b>										
Usage (per 100 gallons)	0.3032	0.2850	0.2746	0.2357	0.2075	0.2075	0.1854	0.1760	0.1760	0.1760
<b>Sewer - Outside City Limits</b>										
Service Availability Charge	149.02	140.06	134.93	115.82	101.95	101.95	91.11	86.50	86.50	86.50
Usage (per 100 gallons)	0.3641	0.3422	0.3297	0.2830	0.2491	0.2491	0.2226	0.2113	0.2113	0.2113

(a) Base was defined as 90% of the previous average annual usage.

(b) Base is defined as 100% of the previous average annual usage or (effective June 18, 2015) as agreed to by the wholesale customer and approved by the SAWS Board of Trustees.



**San Antonio Water System**  
**Schedule 12 - Irrigation Class Rates**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Inside City Limits</b>										
Service Availability Charge by meter size:										
5/8"	\$10.53	\$10.16	\$9.92	\$9.92	\$9.59	\$9.59	\$9.81	\$9.51	\$9.51	\$9.51
3/4"	15.05	14.53	14.18	14.18	13.71	13.71	13.16	12.75	12.75	12.75
1"	24.08	23.24	22.68	22.68	21.93	21.93	19.21	18.61	18.61	18.61
1-1/2"	46.65	45.03	43.95	43.95	42.50	42.50	35.03	33.94	33.94	33.94
2"	73.74	71.18	69.48	69.48	67.20	67.20	52.83	51.19	51.19	51.19
3"	136.96	132.20	129.04	129.04	124.80	124.80	106.92	103.60	103.60	103.60
4"	227.28	219.38	214.13	214.13	207.09	207.09	176.40	170.93	170.93	170.93
6"	453.06	437.32	426.86	426.86	412.82	412.82	350.03	339.18	339.18	339.18
8"	723.99	698.83	682.12	682.12	659.69	659.69	543.20	526.36	526.36	526.36
10"	1,040.08	1,003.94	979.93	979.93	947.71	947.71	755.89	732.45	732.45	732.45
12"	1,943.21	1,875.69	1,830.83	1,830.83	1,770.63	1,770.63	1,191.85	1,154.89	1,154.89	1,154.89
Usage (per 100 gallons)										
First 12,717 gallons							0.1526	0.1479	0.1479	0.1479
Next 4,488 gallons							0.2290	0.2219	0.2219	0.2219
Over 17,205 gallons							0.3160	0.3062	0.3062	0.3062
Usage (per 100 gallons)										
Standard:										
Zero gallons	-	-	-	-	-	-	-	-	-	-
Next 6,732 gallons	0.1713	0.1653	0.1613	0.1613	0.1560	0.1560				
Next 10,473 gallons	0.2053	0.1982	0.1935	0.1935	0.1871	0.1871				
Over 17,205 gallons	0.3596	0.3471	0.3388	0.3388	0.3277	0.3277				
Usage (per 100 gallons)										
Seasonal (a):										
Zero gallons	-	-	-	-	-	-				
Next 6,732 gallons	0.1713	0.1653	0.1613	0.1613	0.1560	0.1560				
Next 10,473 gallons	0.2384	0.2301	0.2246	0.2246	0.2172	0.2172				
Over 17,205 gallons	0.4936	0.4764	0.4650	0.4650	0.4497	0.4497				
<b>Outside City Limits</b>										
Service Availability Charge by meter size:										
5/8"	\$13.69	\$13.21	12.89	12.89	12.47	12.47	11.83	11.46	11.46	11.46
3/4"	19.56	18.88	18.43	18.43	17.82	17.82	15.72	15.23	15.23	15.23
1"	31.29	30.20	29.48	29.48	28.51	28.51	22.94	22.23	22.23	22.23
1-1/2"	60.65	58.54	57.14	57.14	55.26	55.26	41.69	40.40	40.40	40.40
2"	95.87	92.54	90.33	90.33	87.36	87.36	63.01	61.06	61.06	61.06
3"	178.06	171.87	167.76	167.76	162.24	162.24	125.31	121.42	121.42	121.42
4"	295.46	285.19	278.37	278.37	269.22	269.22	206.48	200.08	200.08	200.08
6"	588.98	568.51	554.91	554.91	536.66	536.66	409.39	396.70	396.70	396.70
8"	941.20	908.49	886.76	886.76	857.60	857.60	637.69	617.92	617.92	617.92
10"	1,352.11	1,305.13	1,273.92	1,273.92	1,232.03	1,232.03	891.35	863.71	863.71	863.71
12"	2,526.17	2,438.39	2,380.08	2,380.08	2,301.82	2,301.82	1,444.41	1,399.62	1,399.62	1,399.62
Usage (per 100 gallons)										
First 12,717 gallons							0.1982	0.1921	0.1921	0.1921
Next 4,488 gallons							0.2976	0.2884	0.2884	0.2884
Over 17,205 gallons							0.4109	0.3982	0.3982	0.3982
Usage (per 100 gallons)										
Standard:										
Zero gallons	-	-	-	-	-	-				
Next 6,732 gallons	0.2225	0.2148	0.2097	0.2097	0.2028	0.2028				
Next 10,473 gallons	0.2670	0.2577	0.2515	0.2515	0.2432	0.2432				
Over 17,205 gallons	0.4675	0.4513	0.4405	0.4405	0.4260	0.4260				
Usage (per 100 gallons)										
Seasonal (a):										
Zero gallons	-	-	-	-	-	-				
Next 6,732 gallons	0.2225	0.2148	0.2097	0.2097	0.2028	0.2028				
Next 10,473 gallons	0.3100	0.2992	0.2920	0.2920	0.2824	0.2824				
Over 17,205 gallons	0.6416	0.6193	0.6045	0.6045	0.5846	0.5846				

(a) Seasonal rate is applied to all billings beginning May 1 and ending on or about September 30 of each year.  
 At all other time the Standard rate is applied.

San Antonio Water System  
Schedule 13 - Other Fees

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Water Supply Fee (a) (d):										
Residential Class							\$0.1529	\$0.1487	\$0.1487	\$0.1487
First 5,985 gallons	\$0.1285	\$0.1223	\$0.1080	\$0.1054	\$0.1023	\$0.1023				
Next 6,732 gallons	0.1858	0.1768	0.1562	0.1524	0.1480	0.1480				
Next 4,488 gallons	0.2622	0.2495	0.2204	0.2150	0.2087	0.2087				
Over 17,205 gallons	0.4589	0.4366	0.3857	0.3763	0.3653	0.3653				
General Class	0.1976	0.1880	0.1661	0.1620	0.1573	0.1573	0.1529	0.1487	0.1487	0.1487
Wholesale Class	0.1976	0.1880	0.1661	0.1620	0.1573	0.1573	0.1529	0.1487	0.1487	0.1487
Irrigation Class							0.1529	0.1487	0.1487	0.1487
First 6,732 gallons	0.1976	0.1880	0.1661	0.1620	0.1573	0.1573				
Next 10,473 gallons	0.2622	0.2495	0.2204	0.2150	0.2087	0.2087				
Over 17,205 gallons	0.4976	0.4735	0.4183	0.4081	0.3962	0.3962				
EAA Fee (a)	0.03311	0.03295	0.03425	0.03901	0.01407	0.01841	0.01222	0.01769	0.01352	0.01482
State-Imposed TCEQ Fees (b)										
Water Connection Fee	0.18	0.18	0.17	0.17	0.19	0.19				
Wastewater Connection Fee	0.06	0.06	0.06	0.06	0.05	0.05				

(a) Per 100 gallons. Applies to all billed potable water. Purpose of fee is to recover fees paid to Edwards Aquifer Authority for permitted water rights. Annual rate takes into account any cumulative deficit or surplus in the recovery, number of EAA water rights, and projected potable water sales (in gallons) for the year.

(b) Purpose is to recover fees paid to Texas Commission on Environmental Quality (TCEQ). Each fee is assessed monthly to all Residential, General, and Wholesale accounts as well as each apartment account based on the number of units. Annual rate takes into account any cumulative deficit or surplus in the recovery.

Schedule 14 - Recycled Water Rates

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Edwards Exchange Customers (a)</b>										
Service Availability Charge by meter size:										
5/8"	\$9.51	\$9.26	\$9.04	\$9.04	\$8.74	\$8.74	\$8.74	\$8.74	\$8.74	\$8.74
3/4"	12.37	12.05	11.76	11.76	11.37	11.37	11.37	11.37	11.37	11.37
1"	16.11	15.69	15.31	15.31	14.81	14.81	14.81	14.81	14.81	14.81
1-1/2"	25.61	24.95	24.35	24.35	23.55	23.55	23.55	23.55	23.55	23.55
2"	37.45	36.48	35.61	35.61	34.44	34.44	34.44	34.44	34.44	34.44
3"	99.61	97.03	94.71	94.71	91.60	91.60	91.60	91.60	91.60	91.60
4"	148.06	144.22	140.77	140.77	136.14	136.14	136.14	136.14	136.14	136.14
6"	282.44	275.12	268.54	268.54	259.71	259.71	259.71	259.71	259.71	259.71
8"	425.73	414.70	404.78	404.78	391.47	391.47	391.47	391.47	391.47	391.47
10"	583.77	568.64	555.04	555.04	536.79	536.79	536.79	536.79	536.79	536.79
12"	720.27	701.61	684.83	684.83	662.31	662.31	662.31	662.31	662.31	662.31
Usage (per 100 gallons)										
Standard:										
Transferred amount	0.0250	0.0244	0.0238	0.0238	0.0230	0.0230	0.0230	0.0230	0.0230	0.0230
In excess of transferred amount	0.0938	0.0914	0.0892	0.0892	0.0863	0.0863	0.0863	0.0863	0.0863	0.0863
Seasonal (b):										
Transferred amount	0.0250	0.0244	0.0238	0.0238	0.0230	0.0230	0.0230	0.0230	0.0230	0.0230
In excess of transferred amount	0.0997	0.0971	0.0948	0.0948	0.0917	0.0917	0.0917	0.0917	0.0917	0.0917
<b>Non-exchange Customers (c)</b>										
Service Availability Charge by meter size:										
5/8"	\$9.51	\$9.26	\$9.04	\$9.04	\$8.74	\$8.74	\$8.74	\$8.74	\$8.74	\$8.74
3/4"	12.37	12.05	11.76	11.76	11.37	11.37	11.37	11.37	11.37	11.37
1"	16.11	15.69	15.31	15.31	14.81	14.81	14.81	14.81	14.81	14.81
1-1/2"	25.61	24.95	24.35	24.35	23.55	23.55	23.55	23.55	23.55	23.55
2"	37.45	36.48	35.61	35.61	34.44	34.44	34.44	34.44	34.44	34.44
3"	99.61	97.03	94.71	94.71	91.60	91.60	91.60	91.60	91.60	91.60
4"	148.06	144.22	140.77	140.77	136.14	136.14	136.14	136.14	136.14	136.14
6"	282.44	275.12	268.54	268.54	259.71	259.71	259.71	259.71	259.71	259.71
8"	425.73	414.70	404.78	404.78	391.47	391.47	391.47	391.47	391.47	391.47
10"	583.77	568.64	555.04	555.04	536.79	536.79	536.79	536.79	536.79	536.79
12"	720.27	701.61	684.83	684.83	662.31	662.31	662.31	662.31	662.31	662.31
Usage (per 100 gallons)										
Standard:										
First 748,000 gallons	0.1004	0.0978	0.0955	0.0955	0.0924	0.0924	0.0924	0.0924	0.0924	0.0924
Over 748,000 gallons	0.1026	0.0999	0.0975	0.0975	0.0943	0.0943	0.0943	0.0943	0.0943	0.0943
Seasonal (b):										
First 748,000 gallons	0.1079	0.1051	0.1026	0.1026	0.0992	0.0992	0.0992	0.0992	0.0992	0.0992
Over 748,000 gallons	0.1089	0.1061	0.1036	0.1036	0.1002	0.1002	0.1002	0.1002	0.1002	0.1002

(a) Customers that have transferred Edwards Aquifer water rights to SAWS in exchange for recycled water.

(b) Prior to 2012, rate was applied to all billings beginning July 1 and ending on or about October 31 of each year. At all other times the Standard rate was utilized.

Beginning in 2012 rate is applied to all billings beginning May 1 and ending on or about September 30 of each year. At all other times the Standard rate is utilized.

San Antonio Water System  
Schedule 15 - Impact Fees

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Water</b>										
Flow - All Areas	\$1,182.00	\$1,182.00	\$1,247.00	\$1,247.00	\$1,247.00	\$1,098.00	\$1,098.00	\$1,098.00	\$1,098.00	\$1,098.00
System Development:										
Low Elevation Service Area	619.00	619.00	579.00	579.00	579.00	668.00	668.00	668.00	668.00	668.00
Middle Elevation Service Area	799.00	799.00	774.00	774.00	774.00	591.00	591.00	591.00	591.00	591.00
High Elevation Service Area	883.00	883.00	966.00	966.00	966.00	1,356.00	1,356.00	1,356.00	1,356.00	1,356.00
<b>Wastewater</b>										
Treatment:										
Dos Rios/Leon Creek Service Area	786.00	786.00	552.00	552.00	552.00					
Medio Creek	1,429.00	1,429.00	1,379.00	1,379.00	1,379.00					
Upper and Lower Service Areas						453.00	453.00	453.00	453.00	453.00
Far West-Medio Service Areas						901.00	901.00	901.00	901.00	901.00
Inner Service Area										
Outer Service Area										
Far West - Medio Creek Service Area										
Far West - Potranca Creek Service Area										
Far West - Lucas Creek & Big Sours Service Area										
Collection:										
Medio Creek	838.00	838.00	582.00	582.00	582.00					
Upper Medina	1,565.00	1,565.00	1,053.00	1,053.00	1,053.00					
Lower Medina	475.00	475.00	594.00	594.00	594.00					
Upper Collection	2,520.00	2,520.00	1,795.00	1,795.00	1,795.00					
Middle Collection	1,469.00	1,469.00	1,142.00	1,142.00	1,142.00					
Lower Collection	719.00	719.00	552.00	552.00	552.00					
Lower Service Area						413.00	413.00	413.00	413.00	413.00
Upper Service Area						691.00	691.00	691.00	691.00	691.00
Far West-Medio Service Areas						394.00	394.00	394.00	394.00	394.00
Far West-Potranco, Big Sours, & Lucas Service Area						772.00	772.00	772.00	772.00	772.00
<b>Water Supply - All Areas (a)</b>	2,796.00	1,590.00	1,297.00	1,297.00	1,297.00	1,242.00	1,242.00	1,242.00	1,242.00	1,242.00

Impact fees are assessed per equivalent dwelling unit.

Meter Size	EQUIVALENT DWELLING UNITS									
5/8"	1	1	1	1	1	1	1	1	1	1
3/4"	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
1"	2	2	2	2	2	2	2	2	2	2
1-1/2"	5	5	5	5	5	5	5	5	5	5
2"	14	14	14	14	14	14	14	14	14	14
3"	30	30	30	30	30	30	30	30	30	30
4"	50	50	50	50	50	50	50	50	50	50
6"	105	105	105	105	105	105	105	105	105	105
8"	135	135	135	135	135	135	135	135	135	135
10"	190	190	190	190	190	190	190	190	190	190
12"	360	360	360	360	360	360	360	360	360	360

(a) 2015 rate effective June 1, 2015

**San Antonio Water System  
Schedule 16 - Ten Largest Customers - Water  
Current Year and Nine Years Ago**

<b>Customer</b>	<b>Principal Business</b>	<b>Usage (million gallons)</b>	<b>%</b>	<b>Total Revenue (a) (in thousands)</b>	<b>%</b>
<b>Fiscal Year Ended December 31, 2015:</b>					
CITY OF SAN ANTONIO	Municipal Entity	518	0.99%	\$ 2,877	1.14%
H.E. BUTT GROCERY COMPANY	Grocery	496	0.94%	2,121	0.84%
SAN ANTONIO HOUSING AUTHORITY	Public Housing	462	0.88%	2,005	0.80%
BEXAR COUNTY	County Government	388	0.74%	1,534	0.61%
COCA COLA BOTTLING CO	Beverage	80	0.15%	1,342	0.53%
NORTHSIDE INDEPENDENT SCHOOL DISTRICT	School System	238	0.45%	1,223	0.49%
UNIVERSITY OF TEXAS AT SAN ANTONIO	University	225	0.43%	1,030	0.41%
MAXIM INTEGRATED PRODUCT, INC.	Electronics	273	0.52%	987	0.39%
NORTHEAST INDEPENDENT SCHOOL DISTRICT	School System	192	0.37%	977	0.39%
CPS ENERGY	Public Power Utility	242	0.46%	942	0.37%
Subtotal (10 largest)		3,114	5.93	15,038	5.98
Balance from Other Customers		49,406	94.07	236,498	94.02
<b>Total</b>		<b>52,520</b>	<b>100.00</b>	<b>\$ 251,536</b>	<b>100.00</b>
<b>Fiscal Year Ended December 31, 2006:</b>					
CITY OF SAN ANTONIO	Municipal Entity	628	1.09	\$ 2,415	1.15
SAN ANTONIO HOUSING AUTHORITY	Public Housing	562	0.97	1,662	0.79
HEB GROCERY	Grocery	399	0.69	1,127	0.53
NORTHSIDE INDEPENDENT SCHOOL DISTRICT	School System	315	0.55	1,054	0.50
CPS ENERGY	Public Power Utility	257	0.45	769	0.36
SAN ANTONIO INDEPENDENT SCHOOL DISTRICT	School System	210	0.36	767	0.36
MAXIM INTEGRATED PRODUCT INC	Electronics	240	0.42	690	0.33
NORTHEAST INDEPENDENT SCHOOL DISTRICT	School System	172	0.30	620	0.29
UNIVERSITY OF TEXAS AT SAN ANTONIO	University	181	0.31	561	0.27
BEXAR COUNTY	County Government	322	0.56	474	0.22
Subtotal (10 largest)		3,286	5.69	10,139	4.81
Balance from Other Customers		54,438	94.31	200,654	95.19
<b>Total</b>		<b>57,724</b>	<b>100.00</b>	<b>\$ 210,793</b>	<b>100.00</b>

(a) Includes Conservation, Water Supply, EAA fees and TCEQ water fees.

**San Antonio Water System  
Schedule 17 - Ten Largest Customers - Wastewater  
Current Year and Nine Years Ago**

<b>Customer</b>	<b>Principal Business</b>	<b>Usage (million gallons)</b>	<b>%</b>	<b>Total Revenue (in thousands)</b>	<b>%</b>
<b>Fiscal Year Ended December 31, 2015:</b>					
HEB GROCERY	Grocery	443	0.96%	\$ 2,232	1.10%
SAN ANTONIO HOUSING AUTHORITY	Public Housing	469	1.01%	1,587	0.79%
BEXAR COUNTY	County Government	328	0.71%	1,169	0.58%
MAXIM INTEGRATED PRODUCT, INC.	Electronics	242	0.52%	811	0.40%
CITY OF SAN ANTONIO	Municipal Entity	187	0.40%	674	0.33%
FRITO LAY, INC.	Food Manufacturer	71	0.15%	656	0.32%
TOYOTA	Automobile Manufacturer	185	0.40%	629	0.31%
NORTHSIDE INDEPENDENT SCHOOL DISTRICT	School System	156	0.34%	552	0.27%
TEXAS DEPARTMENT OF CRIMINAL JUSTICE	State Correctional Facility	137	0.30%	550	0.27%
UNIVERSITY OF TEXAS AT SAN ANTONIO	University	157	0.34%	528	0.26%
Subtotal (10 largest)		2,375	5.13	9,388	4.65
Balance from Other Customers		43,954	94.87	192,701	95.35
<b>Total</b>		<b>46,329</b>	<b>100.00</b>	<b>\$ 202,089</b>	<b>100.00</b>

**Fiscal Year Ended December 31, 2006:**

HEB GROCERY	Grocery	399	0.79	\$ 1,130	0.98
SAN ANTONIO HOUSING AUTHORITY	Public Housing	562	1.11	1,034	0.90
CITY OF SAN ANTONIO	Municipal Entity	628	1.24	472	0.41
FRITO LAY, INC.	Food Manufacturer	81	0.16	462	0.40
MAXIM INTEGRATED PRODUCT, INC.	Electronics	240	0.47	439	0.38
BEXAR COUNTY	County Government	322	0.63	346	0.30
OAK FARMS DAIRY	Dairy Producer	63	0.12	342	0.30
NORTHSIDE INDEPENDENT SCHOOL DISTRICT	School System	315	0.62	285	0.25
AMERICAN OPPORTUNITY FOR HOUSING	Housing Services	147	0.29	258	0.22
UNIVERSITY OF TEXAS AT SAN ANTONIO	University	181	0.36	255	0.22
Subtotal (10 largest)		2,938	5.78	5,023	4.35
Balance from Other Customers		47,888	94.22	110,474	95.65
<b>Total</b>		<b>50,826</b>	<b>100.00</b>	<b>\$ 115,497</b>	<b>100.00</b>

Excludes Wholesale Wastewater usage and revenues.

**San Antonio Water System**  
**Schedule 18 - Ten Largest Customers - Wholesale Wastewater**  
**Current Year and Nine Years Ago**  
**Unaudited**

<b>Customer</b>	<b>Principal Business</b>	<b>Total Revenue (in thousands)</b>	<b>%</b>
<b>Fiscal Year Ended December 31, 2015:</b>			
Joint Base San Antonio - Ft. Sam Houston	Military	\$ 1,665	20.65
Lackland Air Force Base	Military	1,453	18.02
Leon Valley	Municipal Government	1,169	14.50
Alamo Heights	Municipal Government	1,150	14.27
Bexar County Water Control District No. 10	County Government	661	8.20
Balcones Heights	Municipal Government	516	6.39
Kirby	Municipal Government	507	6.29
Olmos Park	Municipal Government	368	4.57
Lackland Annex	Military	291	3.61
Hollywood Park	Municipal Government	93	1.16
Subtotal (10 largest)		7,874	97.64
Balance from Other Customers		190	2.36
Total		<u>\$ 8,064</u>	<u>100.00</u>
<b>Fiscal Year Ended December 31, 2006:</b>			
Alamo Heights	Municipal Government	\$ 948	14.15
Leon Valley	Municipal Government	884	13.19
Lackland Air Force Base	Military	815	12.15
Terrell Hills	Municipal Government	691	10.31
Ft. Sam Houston Army Base	Military	670	9.99
Bexar County Water Control District No. 10	County Government	579	8.64
Castle Hills	Municipal Government	547	8.15
Balcones Heights	Municipal Government	359	5.35
Kirby	Municipal Government	343	5.11
Olmos Park	Municipal Government	299	4.46
Subtotal (10 largest)		6,134	91.50
Balance from Other Customers		570	8.50
Total		<u>\$ 6,704</u>	<u>100.00</u>

San Antonio Water System  
Schedule 19 - Ratios of Total Outstanding Debt by Type  
(\$ in thousands, except debt per customer)  
Unaudited

Year	Total Debt Outstanding by Type						Gross Revenues (c)	Ratio of Total Debt to Gross Revenue	Customer Connection (d)	Debt Per Customer Connection
	Revenue Bonds (a)			Commercial Paper Notes (a)	Other Debt (b)	Total Debt Outstanding				
	Principal Outstanding	Unamortized Premium & Discount	Net Revenue Bonds Payable							
2015	\$ 2,444,735	\$ 129,987	\$ 2,574,722	\$ 135,305	\$ -	\$ 2,710,027	\$ 497,877	5.44	807,974	\$ 3,354
2014	2,398,555	108,864	2,507,419	138,550	-	2,645,969	505,435	5.24	798,177	3,315
2013	2,240,915	107,919	2,348,834	186,655	-	2,535,489	467,749	5.42	784,209	3,233
2012	1,987,810	95,735	2,083,545	170,745	-	2,254,290	444,677	4.85	777,374	2,777
2011	1,894,230	4,609	1,898,839	214,930	-	2,113,769	424,049	4.97	765,400	2,756
2010	1,844,985	(8,126)	1,836,859	244,650	-	2,081,509	372,522	5.61	756,642	2,762
2009	1,759,700	(11,073)	1,748,627	173,650	-	1,922,277	369,853	5.23	747,220	2,587
2008	1,427,525	(8,395)	1,419,130	261,115	119	1,680,364	389,003	4.34	738,728	2,286
2007	1,512,510	(8,129)	1,504,381	100,000	571	1,604,952	352,160	4.58	724,130	2,228
2006	1,283,510	(14,001)	1,269,509	237,360	1,027	1,507,896	379,372	4.01	704,835	2,159

- (a) Details regarding outstanding revenue bonds and commercial paper notes can be found in the notes to the financial statements.
- (b) Includes notes payable and capital leases payable.
- (c) Gross revenues are defined as operating revenues plus nonoperating revenues.
- (d) Customer connections represent the combined number of billed accounts for water and wastewater services at fiscal year-end.



San Antonio Water System  
Schedule 20 - Pledged Revenue Coverage  
(\$ in thousands)  
Unaudited

Year	Gross Revenues (b)	Operating Expenses (c)	Net Available Revenue	Revenue Bond Debt Service (a)			Coverage	Maximum Annual Debt Service Requirements			
				Principal	Interest (d)	Total		Total Debt (e)		Senior Lien Debt (e)	
								Coverage	Debt (e)	Coverage	Debt (e)
2015	\$ 490,478	\$ 246,455	244,023	\$ 64,530	\$ 95,374	\$ 159,904	1.53	\$ 163,817	1.49	\$ 85,305	2.86
2014	498,334	245,055	253,279	57,850	91,704	149,554	1.69	160,510	1.58	117,126	2.16
2013	460,776	244,348	216,428	47,315	86,058	133,373	1.62	152,496	1.42	117,126	1.85
2012	437,253	237,576	199,677	44,780	80,320	125,100	1.60	138,420	1.44	122,816	1.63
2011	417,077	209,058	208,019	39,730	79,534	119,264	1.74	132,226	1.57	112,715	1.85
2010	367,847	226,489	141,358	38,590	77,098	115,688	1.22	127,264	1.11	108,947	1.30
2009	366,753	215,812	150,941	34,900	71,824	106,724	1.41	121,367	1.24	101,917	1.48
2008	384,228	205,486	178,742	27,630	67,810	95,440	1.87	98,840	1.81	86,140	2.08
2007	344,772	185,561	159,211	24,880	69,693	94,573	1.68	102,880	1.55	86,138	1.85
2006	372,193	177,265	194,928	22,415	63,432	85,847	2.27	91,175	2.14	78,373	2.49

- (a) Represents current year debt service payments. Details regarding outstanding debt can be found in the notes to the financial statements. All bonded debt is secured by revenue and is included in these totals.
- (b) Gross Revenues are defined as operating revenues plus nonoperating revenues less revenues from the City Public Service contract, interest on Project Funds and federal subsidy on Build America Bonds.
- (c) Operating Expenses reflect operating expenses before depreciation as shown on the Statement of Revenues, Expenses and Changes in Net Position.
- (d) Interest reported net of the U.S. federal interest subsidy on the Series 2009B & 2010B revenue bonds.
- (e) Debt service requirements consist of principal and interest payments net of the U.S. federal interest subsidy on the Series 2009B & 2010B revenue bonds.
- (f) SAWS bond ordinance requires the maintenance of a debt coverage ratio of at least 1.25x the maximum annual debt service on outstanding senior lien debt in order to issue additional bonds.

**San Antonio Water System**  
**Schedule 21 - Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
**Unaudited**

<b>Year</b>	<b>Population (a)</b>	<b>Median Age (a)</b>	<b>Personal Income (a) (thousands of dollars)</b>	<b>Per Capita Personal Income (a)</b>	<b>School Enrollment (a)</b>	<b>Building Permits - Dwelling Units (b)</b>	<b>Employment (c)</b>	<b>Unemployment Rate (c)</b>
2015	1,436,697	33.2	\$ 32,790,329	\$ 22,823	401,771	8,501	1,063,854	3.5%
2014	1,416,291	33.0	31,581,326	22,414	407,047	10,334	1,043,599	3.7%
2013	1,383,194	33.2	30,752,552	22,233	397,500	6,129	1,022,614	4.9%
2012	1,359,730	32.7	29,038,394	21,356	396,718	8,005	1,001,446	5.7%
2011	1,326,539	32.8	28,421,098	21,425	392,897	7,127	976,361	6.4%
2010	1,319,492	32.1	28,260,879	21,418	387,343	6,865	951,369	7.0%
2009	1,340,549	32.6	28,750,754	21,447	296,328	5,924	907,040	6.9%
2008	1,328,984	32.8	27,653,499	20,808	295,673	10,574	899,596	5.2%
2007	1,312,286	32.6	26,093,495	19,884	291,873	13,295	893,253	3.9%
2006	1,322,900	33.2	26,603,519	20,110	283,393	19,761	883,566	3.8%

(a) Source: Information Technology Department, City of San Antonio, Texas

(b) Source: Real Estate Center, Texas A&M University, Building Permits (single & multi-family), San Antonio - New Braunfels Metropolitan Statistical Area

(c) Source: Texas Workforce Commission, San Antonio-New Braunfels Metropolitan Statistical Area, Total Employment and Unemployment rate for December

San Antonio Water System  
 Schedule 22 - Principal Employers  
 Current Year and Nine Years Ago  
 Unaudited

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment <sup>1</sup>	Employees	Rank	Percentage of Total City Employment <sup>2</sup>
Joint Base San Antonio (JBSA) - Lackland, Fort Sam & Randolph	93,434	1	9.82%	8,360	5	1.10%
H.E.B. Food Stores	20,000	2	2.10%	14,588	1	1.91%
USAA	17,000	3	1.79%	13,965	2	1.83%
Northside Independent School District	13,698	4	1.44%	10,320	4	1.35%
City of San Antonio	11,770	5	1.24%	11,119	3	1.46%
North East Independent School District	9,209	6	0.97%	7,574	7	0.99%
Methodist Health Care System	8,118	7	0.85%	7,027	9	0.92%
San Antonio Independent School District	7,423	8	0.78%	7,685	6	1.01%
Baptist Health Systems	6,498	9	0.68%			
JPMorgan Chase Bank NA	5,000	10	0.53%			
SBC Communications (AT&T)				6,500	10	0.85%
Alamo Community College District				7,200	8	0.95%
Total	192,150		20.20%	94,338		12.37%

Source: Economic Development Division, City of San Antonio, Texas, Book of Lists 2014, and Department of Defense personnel statistics.

<sup>1</sup> Percent based on an Employment Estimate of 951,300 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2015. Figure provided by the Texas Workforce Commission.

<sup>2</sup> Percent based on an Employment Estimate of 762,800 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2006 Figure provided by the Texas Workforce Commission.

Table provided courtesy of City of San Antonio Finance Department

**San Antonio Water System**  
**Schedule 23 - Number of Employees by Functional Group**  
**Unaudited**

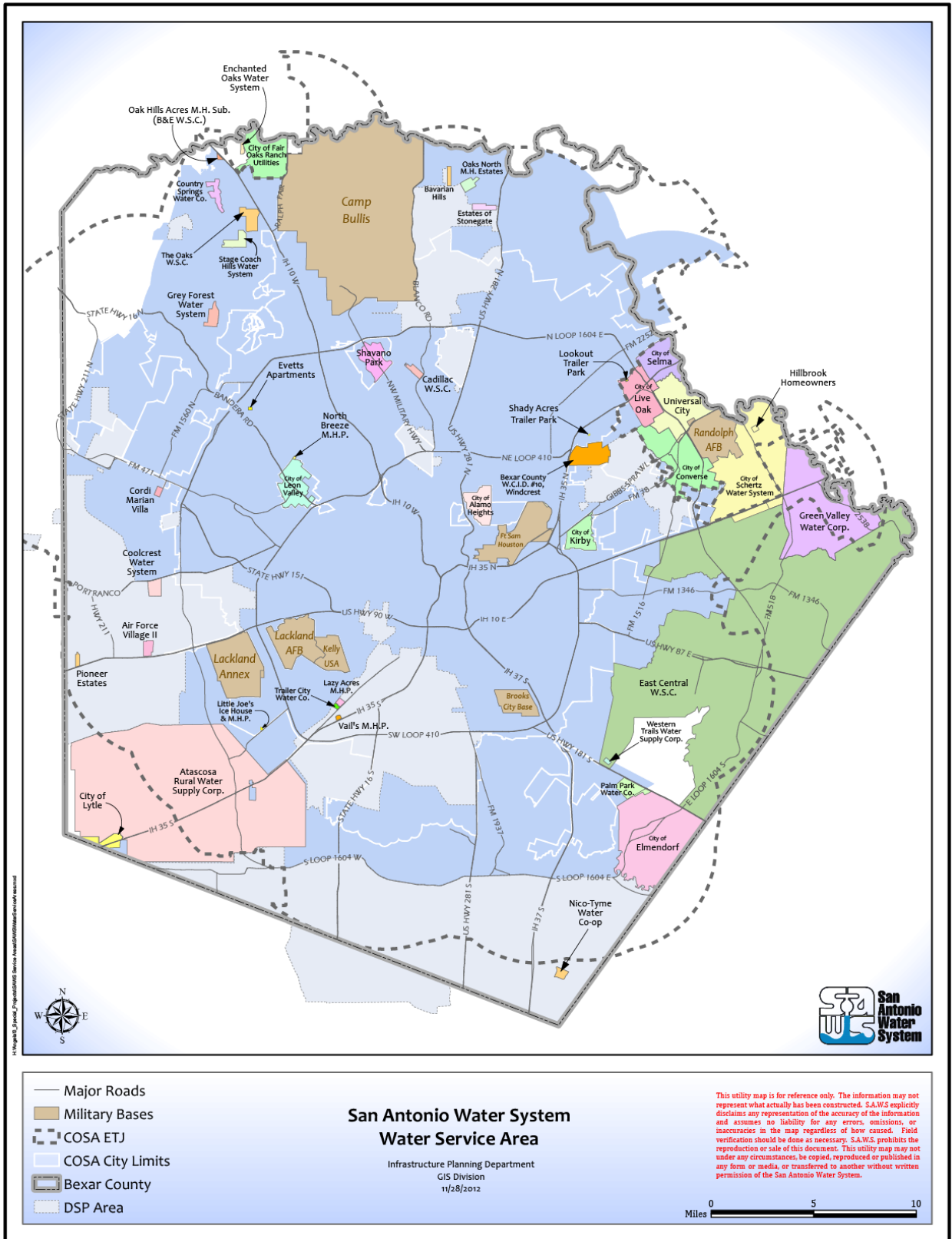
Functional Group	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
President/CEO	10	13	14	16	11	12	13	12	10	11
Production & Treatment Operations	138	131	292	363	353	358	368	341	337	337
Distribution & Collection Operations	485	446	455	482	416	430	435	403	422	414
Operation Services	103	257	116	166	189	178	180	177		
Facilities & Maintenance	243									
Sewer System Improvements	31	31	28							
Administrative Services									117	115
Public Affairs	28	26	24	32	32	32	32	19	21	19
Customer Service	233	235	229	222	215	206	210	212	208	201
Strategic Resources		221	202	225	201	189	201	193	116	108
Engineering & Construction	191								188	197
Water Resources	42	138	158	62	62	54	63	55		
Financial Services	67	62	64	52	67	69	58	56	55	54
Information Services	72	65	64	57	57	54	58	56		
Corporate Initiatives									64	64
Human Resources	42	35	44	27	50	49	48	46	44	28
Legal	39	39	42	44	16	16	30	25	26	27
Total Employees	1,724	1,699	1,732	1,748	1,669	1,647	1,696	1,595	1,608	1,575
Employees Allocated to SAWS DSP (a)	(215)	(204)	(207)	(70)	-	-	-	-	-	-
Employees Allocated to SAWS	1,509	1,495	1,525	1,678	1,669	1,647	1,696	1,595	1,608	1,575

(a) In January 2012, SAWS assumed operational control of the former Bexar Metropolitan Water District, now operated as San Antonio Water System District Special Project (SAWS DSP). At that time, SAWS DSP had 249 employees. Throughout 2012 and most of 2013 SAWS filled open positions with SAWS DSP employees. In October 2013, all remaining SAWS DSP employees were transferred to SAWS. In accordance with a Board approved policy to allocate shared expenses to SAWS DSP, joint costs benefiting both SAWS and SAWS DSP are allocated in a rational manner that approximates the benefits received by each system.

**San Antonio Water System**  
**Schedule 24 - Capital Assets**  
*(amounts in thousands)*

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Water Delivery	\$ 2,067,707	\$ 1,998,502	\$ 1,882,369	\$ 1,806,882	\$ 1,680,136	\$ 1,621,171	\$ 1,548,754	\$ 1,472,040	\$ 1,349,664	\$ 1,212,843
Water Supply:										
Water Resources	740,434	708,825	628,445	585,055	556,979	546,491	429,129	353,988	249,278	211,586
Recycle	177,487	159,171	159,059	155,556	152,993	151,640	151,184	149,308	164,414	137,009
Conservation	558	511	465	436	444	441	335	221	262	264
Stormwater	354	302	277	211	179	187	183	161	147	147
Wastewater	2,551,584	2,390,077	2,202,056	1,968,415	1,858,386	1,761,832	1,704,933	1,639,280	1,524,730	1,409,514
Chilled Water and Steam	61,162	51,117	56,929	53,011	52,948	52,957	52,007	50,303	50,169	50,109
Working Capital	-	-	-	-	-	-	-	-	-	3,310
Construction in Progress	456,414	368,688	506,829	571,547	522,438	415,810	427,971	372,607	361,192	372,598
Total assets before accumulated depreciation	6,055,700	5,677,193	5,436,429	5,141,113	4,824,503	4,550,529	4,314,496	4,037,908	3,699,856	3,397,380
Accumulated Depreciation	1,715,335	1,587,715	1,472,429	1,369,885	1,271,438	1,187,662	1,140,232	1,070,718	1,002,264	926,251
Net Capital Assets	\$ 4,340,365	\$ 4,089,478	\$ 3,964,000	\$ 3,771,228	\$ 3,553,065	\$ 3,362,867	\$ 3,174,264	\$ 2,967,190	\$ 2,697,592	\$ 2,471,129

# San Antonio Water System Map 1 – Map of Water Service Area



**San Antonio Water System**  
**Schedule 25 - Operating and Capital Indicators - Water**  
**Unaudited**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Rainfall (Inches)	44.22	27.63	32.00	39.40	17.58	37.39	30.69	13.76	47.25	21.34
Customers/Connections (a)	378,365	373,920	367,408	365,099	360,281	356,546	352,059	348,834	344,168	336,434
Water Pumpage (Million Gallons)										
Annual Water Pumped	70,868	69,834	69,020	70,338	74,627	69,591	68,191	71,785	63,395	68,411
ASR Recharge (b)	6,911	1,569	2,629	3,742	3,928	8,320	5,542	3,535	6,582	2,951
ASR Production (b)	1,903	6,374	4,793	1,446	4,309	556	472	407	141	2,083
Annual Pumped for Usage	63,957	68,265	66,391	66,596	70,699	61,272	62,649	68,250	56,813	65,460
Average Daily	194.2	191.3	189.1	192.2	204.5	190.7	186.8	194.9	169.2	181.8
Maximum Daily	292.9	261.0	270.2	264.0	265.6	314.0	273.8	299.0	225.6	280.4
Metered Usage (Million Gallons)	52,520	57,261	55,108	55,320	59,133	52,578	55,295	58,828	49,511	57,724
Available Water Supply (Million Gallons)										
Permitted Edwards Aquifer rights (c)	83,093	83,126	82,902	84,822	84,640	85,035	81,923	71,738	69,505	69,505
Non-Edwards supply (d)	12,806	12,931	11,476	7,431	6,098	6,132	6,256	6,256	4,171	4,171
Stored in ASR (e)	28,967	23,959	28,764	30,928	28,632	29,013	21,249	16,179	13,051	6,610
Total water available for production	124,866	121,086	122,484	123,080	119,393	120,077	109,320	94,766	86,768	80,210
Number of Wells in Service	156	147	149	143	139	144	140	136	126	113
Overhead Storage Capacity (Million Gallons)	102.3	101.8	91.3	81.2	81.2	73.9	66.5	65.2	64.2	69.0
Total Storage Capacity (Million Gallons)	221.0	220.6	197.4	183.7	184.1	180.8	166.2	165.0	164.0	166.0
Miles of Water Main in Place	5,315	5,259	5,072	5,022	4,988	4,936	4,866	4,802	4,673	4,525
Water Main Breaks	2,151	2,018	1,863	2,128	3,397	1,475	3,212	2,594	1,392	3,073
Fire Hydrants in Place	29,530	28,753	28,323	27,914	27,566	27,115	26,599	25,955	25,004	23,964

(a) Number of customers at end of fiscal year.

(b) SAWS opened its Aquifer Storage & Recovery (ASR) facility in 2004. Prior to this time, all water pumped was pumped for usage.

(c) Based on permitted rights authorized by the Edwards Aquifer Authority (EAA) as of December 31st. Authorized amounts prior to 2004 are not presented as they reflect a high level of variability related to EAA's permitting process. Under current EAA rules, authorized amounts are subject to reductions of 20% to 44% during drought conditions.

(d) Includes water available under contracts to purchase or produce water from the Trinity Aquifer, Carrizo Aquifer and Canyon Lake. There are no legally imposed reductions in these supplies during drought; however, production of water from the Trinity Aquifer is physically limited during periods of drought due to low aquifer levels.

(e) Represents net amount stored in ASR (Recharge - Net production)

**San Antonio Water System**  
**Schedule 26 - Monthly Residential Service Charges for Ten Major Texas Cities - Water**  
**Unaudited**

<b>CITY</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Arlington										
6000 Gallons	\$22.40	\$21.12	\$19.49	\$19.49	\$19.49	\$19.47	\$18.99	\$18.91	\$17.44	\$16.43
9000 Gallons	\$29.78	\$27.96	\$25.55	\$25.55	\$25.55	\$25.53	\$24.84	\$24.70	\$22.48	\$21.11
Austin										
6000 Gallons	\$37.37	\$37.21	\$29.74	\$26.16	\$26.16	\$20.34	\$19.18	\$17.93	\$16.93	\$16.21
9000 Gallons	\$66.88	\$62.60	\$51.74	\$35.40	\$35.40	\$28.68	\$27.04	\$25.22	\$24.22	\$23.11
Corpus Christi <sup>1</sup>										
6000 Gallons	\$34.76	\$34.76	\$32.25	\$30.55	\$28.97	\$27.76	\$25.54	\$25.34	\$23.44	\$22.46
9000 Gallons	\$55.78	\$55.78	\$51.79	\$48.76	\$45.67	\$43.30	\$39.10	\$38.62	\$33.98	\$32.58
Dallas										
6000 Gallons	\$20.86	\$19.87	\$19.39	\$18.58	\$17.62	\$16.72	\$16.16	\$15.50	\$14.68	\$13.87
9000 Gallons	\$33.25	\$31.60	\$30.70	\$29.23	\$27.67	\$26.17	\$25.16	\$23.90	\$22.39	\$20.80
El Paso <sup>2</sup>										
6000 Gallons	\$21.62	\$17.84	\$17.84	\$17.01	\$16.53	\$16.53	\$16.53	\$16.53	\$15.27	\$14.67
9000 Gallons	\$28.42	\$24.10	\$24.10	\$22.99	\$22.34	\$22.34	\$22.34	\$22.34	\$20.15	\$19.35
Ft. Worth										
6000 Gallons	\$26.62	\$24.82	\$23.32	\$23.32	\$22.33	\$22.25	\$21.75	\$20.45	\$19.71	\$19.71
9000 Gallons	\$38.49	\$36.05	\$34.55	\$34.55	\$33.08	\$32.92	\$32.42	\$30.52	\$29.51	\$29.51
Houston										
6000 Gallons	\$31.97	\$30.62	\$30.26	\$27.78	\$25.51	\$23.65	\$21.91	\$20.85	\$20.49	\$19.94
9000 Gallons	\$46.76	\$44.78	\$44.27	\$40.62	\$37.30	\$34.60	\$30.67	\$29.19	\$28.71	\$27.95
Lubbock										
6000 Gallons	\$45.18	\$43.86	\$45.00	\$45.00	\$40.02	\$40.02	\$34.02	\$23.41	\$20.20	\$20.99
9000 Gallons	\$63.72	\$56.79	\$57.00	\$57.00	\$48.03	\$48.03	\$43.99	\$30.67	\$26.47	\$26.48
Plano										
6000 Gallons	\$25.98	\$25.41	\$23.10	\$22.55	\$20.50	\$20.50	\$19.35	\$16.71	\$16.41	\$15.29
9000 Gallons	\$35.28	\$33.72	\$30.66	\$29.18	\$26.53	\$26.53	\$25.05	\$21.63	\$21.15	\$19.79
San Antonio (Standard) <sup>2</sup>										
6000 Gallons	\$23.50	\$22.65	\$21.54	\$21.67	\$19.59	\$19.85	\$22.11	\$21.81	\$21.56	\$21.64
9000 Gallons	\$34.43	\$33.16	\$31.37	\$31.53	\$28.44	\$28.83	\$30.40	\$30.03	\$29.66	\$29.77

Source: Based on rates posted on each respective city's website.

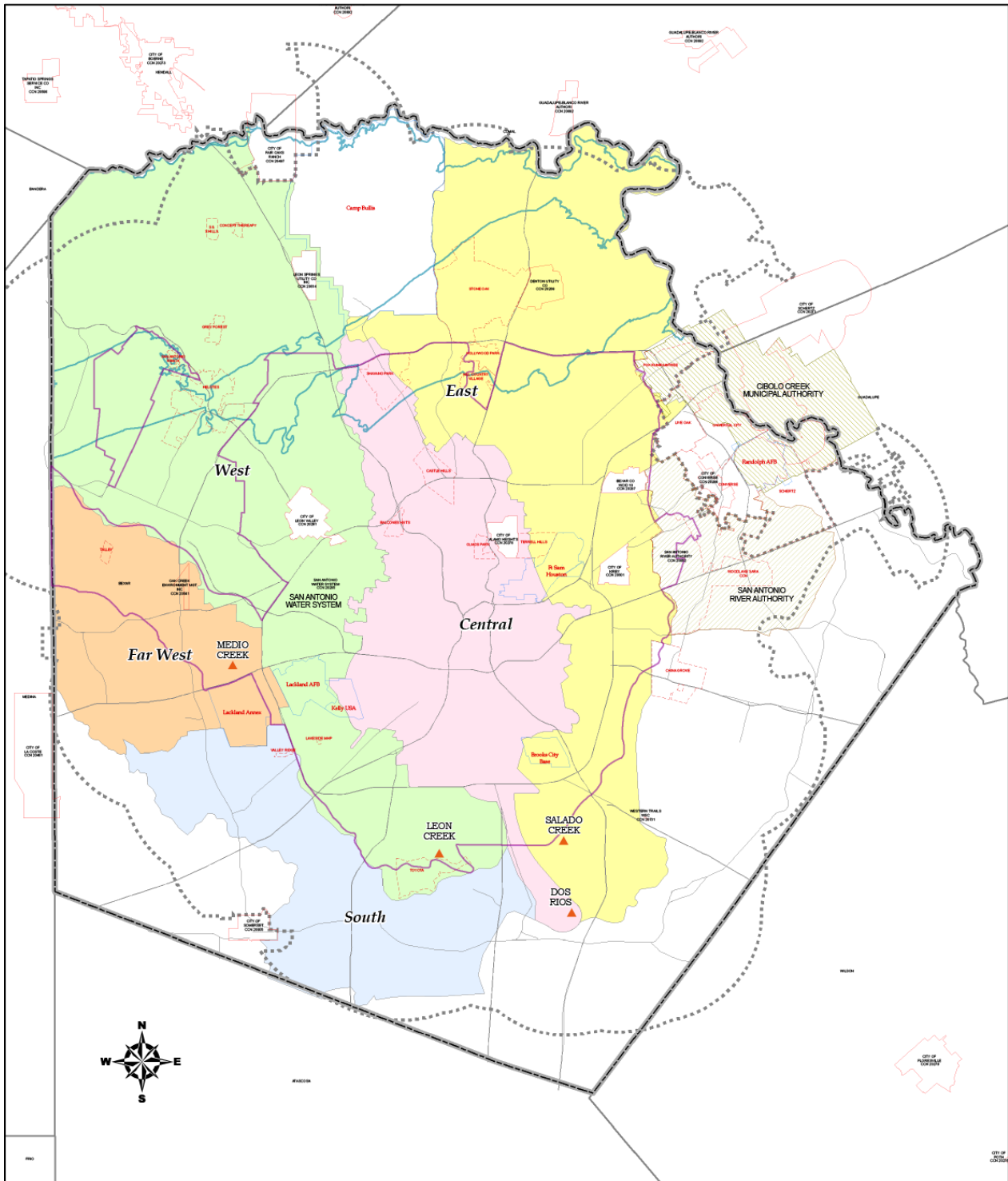
Note - Most charges are for a 5/8" meter; Arlington, Lubbock, and Plano charges are for a 3/4" meter.

<sup>1</sup> Includes Raw Water Pass Through Charge of \$1.071 per 1,000 gallons.

<sup>2</sup> Assumes Standard rates and includes Water Supply Fee.



# San Antonio Water System Map 2 – Map of Wastewater Service Area



<p><b>BOUNDARIES</b></p> <ul style="list-style-type: none"> <li> Bexar County Line</li> <li> Incorporated Towns and Cities</li> <li> City San Antonio's ETJ Line</li> <li> Edwards Recharge Zone</li> </ul>	<p><b>SEWERSHEDS SERVICE AREAS</b></p> <ul style="list-style-type: none"> <li> Central</li> <li> East</li> <li> Far West</li> <li> South</li> <li> West</li> </ul>	<p><b>RECYCLE WATER TREATMENT PLANTS</b></p> <ul style="list-style-type: none"> <li> Recycle Water Treatment Plants</li> <li> By Others</li> <li> By SAWS</li> <li> SAN ANTONIO RIVER AUTHORITY(SARA)</li> <li> CIBOLO CREEK MUNICIPAL AUTHORITY</li> </ul>	<p><b>SAN ANTONIO WATER SYSTEM'S WASTEWATER CCN</b>  <b>INFRASTRUCTURE PLANNING DEPARTMENT</b>  <b>GIS MAPPING DIVISION</b>          06/16/2010</p>	<p>0 8,300 16,600 24,900          Feet</p>
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**San Antonio Water System**  
**Schedule 27 - Operating and Capital Indicators - Wastewater**  
**Unaudited**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Customers/Connections (a)	429,609	424,257	416,801	412,275	405,119	400,096	395,161	389,894	379,962	368,401
Effluent Volumes For Major Facilities (million gallons per day)										
Dos Rios										
Permit Flow	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
Average Annual Flow	93.84	85.20	78.47	79.04	74.97	86.47	74.37	76.53	93.34	64.00
Maximum Monthly Average Flow	112.44	91.19	86.78	87.01	76.63	103.66	89.36	81.43	131.98	74.37
Leon Creek										
Permit Flow	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Average Annual Flow (two outfalls)	35.04	28.98	37.68	38.62	35.07	38.83	34.99	34.71	40.26	32.63
Maximum Monthly Average Flow (two outfalls)	44.26	39.03	44.16	43.77	36.46	45.30	64.74	38.62	55.49	34.28
Medio Creek										
Permit Flow	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	8.50	8.50
Average Annual Flow	6.92	7.08	7.76	7.29	6.83	7.53	6.32	5.87	6.94	5.13
Maximum Monthly Average Flow	8.24	7.49	8.45	8.14	6.97	8.71	7.45	6.57	10.51	5.63
Salado (b)										
Permit Flow	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	46.00
Average Annual Flow	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11.38
Maximum Monthly Average Flow	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	21.11
Total										
Permit Flow	187.00	187.00	187.00	187.00	187.00	187.00	187.00	187.00	179.50	225.50
Average Annual Flow	135.79	121.26	124.26	124.95	116.87	132.83	115.68	117.11	140.54	113.14
Maximum Monthly Average Flow	162.54	137.71	139.40	138.92	120.06	157.67	161.55	126.62	197.98	135.39
Amount Treated Annually (millions of gallons)	48,563	50,689	50,076	49,055	49,918	48,151	51,987	50,347	49,218	53,268
Amount Treated Peak Day (millions of gallons)	286	196	221	199	160	258	194	174	294	169
Miles of Sewer Main In Place	5,322	5,247	5,238	5,200	5,163	5,118	5,085	5,001	4,877	4,739
Number of Manholes in Place	103,874	100,017	99,037	98,136	97,280	96,200	95,541	94,027	91,105	88,330
Number of Lift Stations	153	156	155	159	159	158	164	162	167	164

(a) Number of customers at end of calendar year.

(b) The Salado treatment plant was closed in August 2006 and all wastewater flows diverted to the Dos Rios treatment facility.

**San Antonio Water System**  
**Schedule 28 - Monthly Residential Service Charges for Ten Major Texas Cities - Wastewater**  
**Unaudited**

<b>CITY</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Arlington										
6000 Gallons	\$31.10	\$30.26	\$28.03	\$28.03	\$27.37	\$26.89	\$25.97	\$25.29	\$23.10	\$22.41
9000 Gallons	\$42.20	\$41.24	\$38.02	\$38.02	\$37.03	\$36.31	\$35.03	\$34.05	\$31.05	\$30.15
Austin										
6000 Gallons	\$59.86	\$55.84	\$54.40	\$54.30	\$50.35	\$48.77	\$46.28	\$44.34	\$42.18	\$37.19
9000 Gallons	\$89.68	\$83.23	\$81.22	\$81.06	\$75.49	\$73.22	\$69.47	\$66.66	\$63.72	\$56.18
Corpus Christi										
6000 Gallons	\$52.23	\$52.23	\$46.96	\$43.21	\$43.21	\$40.80	\$35.95	\$34.15	\$28.91	\$27.35
9000 Gallons	\$69.48	\$69.48	\$62.71	\$57.69	\$57.69	\$54.47	\$48.01	\$45.60	\$38.61	\$36.52
Dallas										
6000 Gallons	\$35.78	\$34.15	\$33.80	\$33.00	\$31.70	\$29.99	\$29.33	\$28.63	\$27.07	\$25.55
9000 Gallons	\$51.38	\$49.00	\$48.50	\$47.40	\$45.50	\$43.01	\$42.11	\$41.20	\$38.86	\$36.71
El Paso										
6000 Gallons	\$17.79	\$16.48	\$16.48	\$15.68	\$15.22	\$15.22	\$15.22	\$15.22	\$14.21	\$13.65
9000 Gallons	\$23.77	\$22.01	\$22.01	\$20.93	\$20.31	\$20.31	\$20.31	\$20.31	\$18.97	\$18.21
Ft. Worth										
6000 Gallons	\$30.60	\$27.96	\$27.96	\$26.84	\$26.27	\$26.27	\$25.67	\$25.67	\$24.63	\$24.63
9000 Gallons	\$43.16	\$39.39	\$39.39	\$37.70	\$36.86	\$36.86	\$36.26	\$36.26	\$34.70	\$34.70
Houston										
6000 Gallons	\$39.31	\$37.65	\$37.20	\$34.15	\$31.38	\$29.09	\$24.84	\$22.67	\$22.29	\$21.70
9000 Gallons	\$62.62	\$59.97	\$59.25	\$54.40	\$49.98	\$46.34	\$36.69	\$33.95	\$33.39	\$32.50
Lubbock										
6000 Gallons	\$28.70	\$27.50	\$27.50	\$27.50	\$24.30	\$24.30	\$22.10	\$15.97	\$14.76	\$13.96
9000 Gallons	\$36.05	\$34.25	\$34.25	\$34.25	\$30.45	\$30.45	\$28.25	\$21.46	\$19.83	\$18.97
Plano										
6000 Gallons	\$37.40	\$34.40	\$33.54	\$33.54	\$33.54	\$33.54	\$33.54	\$27.95	\$27.10	\$25.30
9000 Gallons	\$52.31	\$47.51	\$46.32	\$46.32	\$46.32	\$46.32	\$46.32	\$38.60	\$37.24	\$34.96
San Antonio										
6000 Gallons	\$27.91	\$26.24	\$25.26	\$21.70	\$19.12	\$19.10	\$17.02	\$16.17	\$16.17	\$16.17
9000 Gallons	\$38.00	\$35.73	\$34.40	\$29.54	\$26.02	\$26.00	\$23.20	\$22.03	\$22.03	\$22.03

Source: Based on rates posted on each respective city's website.

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***BONDED DEBT SCHEDULES AND ANALYSES***

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
						<b>15-May</b>	<b>2005</b>		<b>Issued</b>	<b>Retired</b>	
Water System Revenue	\$ -				- %	15-May	2005	\$ -	\$ -	\$ -	\$ -
Refunding Bonds, Series 2005	-				-		2006	-	-	-	-
Paying Agent: Bank of New York	-				-		2007	-	-	-	-
Bonds Dated: 11-15-05	-				-		2008	-	-	-	-
	-				-		2009	-	-	-	-
	-				-		2010	-	-	-	-
	-				-		2011	-	-	-	-
	-				-		2012	-	-	-	-
	2,635	NONE	1	527	5.000		2013	-	-	-	-
	2,925	NONE	528	1,112	5.000		2014	-	-	-	-
	735	NONE	1113	1259	4.250		2015	735	-	735	-
	2,055	(1)	1260	1670	5.000		2016	515	-	515	-
	2,650	(1)	1671	2200	5.000		2017	660	-	660	-
	3,020	(1)	2201	2804	5.000		2018	755	-	755	-
	6,170	(1)	2805	4038	5.000		2019	1,540	-	1,540	-
	6,295	(1)	4039	5297	5.000		2020	1,575	-	1,575	-
	6,625	(1)	5298	6622	5.000		2021	1,655	-	1,655	-
	6,965	(1)	6623	8015	5.000		2022	1,740	-	1,740	-
	7,330	(1)	8016	9481	5.000		2023	1,830	-	1,830	-
	7,705	(1)	9482	11022	5.000		2024	1,925	-	1,925	-
	8,105	(1)	11023	12643	5.000		2025	2,025	-	2,025	-
	8,530	(1)	12644	14349	5.000		2026	2,130	-	2,130	-
	-				-		2027	-	-	-	-
	-				-		2028	-	-	-	-
	-				-		2029	-	-	-	-
	-				-		2030	-	-	-	-
	-				-		2031	-	-	-	-
	-				-		2032	-	-	-	-
	-				-		2033	-	-	-	-
	-				-		2034	-	-	-	-
	33,265	(1)(32)	14350	21002	5.000		2035	33,265	-	33,265	-
	34,970	(1)(32)	21003	27996	5.000		2036	34,970	-	34,970	-
	36,715	(1)(32)	27997	35339	4.750		2037	36,715	-	36,715	-
	25,000	(1)(32)	35340	40339	4.750		2038	25,000	-	25,000	-
	13,520	(1)(32)	40340	43043	5.000		2038	13,520	-	13,520	-
	40,465	(1)(32)	43044	51136	5.000		2039	40,465	-	40,465	-
	42,540	(1)(32)	51137	59644	5.000		2040	42,540	-	42,540	-
	<u>\$ 298,220</u>							<u>\$ 243,560</u>	<u>\$ -</u>	<u>\$ 243,560</u>	<u>\$ -</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances</b>	<b>Transactions</b>		<b>Balances</b>
						<b>15-May</b>	<b>2007</b>	<b>Outstanding January 1, 2015</b>	<b>Issued</b>	<b>Retired</b>	<b>Outstanding December 31, 2015</b>
Water System Revenue	\$ -				- %			\$ -	\$ -	\$ -	\$ -
Refunding Bonds, Series 2007	2,500	NONE	1	500	Serial	4.000	2008	-	-	-	-
Paying Agent: USBank	4,980	NONE	501	1496	Serial	4.500	2008	-	-	-	-
Bonds Dated: 01-15-07	4,050	NONE	1497	2306	Serial	4.000	2009	-	-	-	-
	5,290	NONE	2307	3364	Serial	5.000	2009	-	-	-	-
	2,500	NONE	3365	3864	Serial	4.000	2010	-	-	-	-
	5,855	NONE	3865	5035	Serial	5.000	2010	-	-	-	-
	1,800	NONE	5036	5395	Serial	4.000	2011	-	-	-	-
	7,870	NONE	5396	6969	Serial	5.000	2011	-	-	-	-
	1,890	NONE	6970	7347	Serial	4.000	2012	-	-	-	-
	8,490	NONE	7348	9045	Serial	5.000	2012	-	-	-	-
	4,020	NONE	9046	9849	Serial	5.000	2013	-	-	-	-
	8,280	NONE	9850	11505	Serial	5.500	2014	-	-	-	-
	11,065	NONE	11506	13718	Serial	5.500	2015	11,065	-	11,065	-
	10,375	NONE	13719	15793	Serial	5.500	2016	10,375	-	-	10,375
	2,500	NONE	15794	16293	Serial	4.000	2017	2,500	-	-	2,500
	5,870	NONE	16294	17467	Serial	5.000	2017	5,870	-	-	5,870
	8,540	(2)	17468	19175	Serial	5.000	2018	8,540	-	-	8,540
	4,430	(2)	19176	20061	Serial	5.000	2019	4,430	-	-	4,430
	4,655	(2)	20062	20992	Serial	5.000	2020	4,655	-	-	4,655
	4,880	(2)	20993	21968	Serial	4.300	2021	4,880	-	-	4,880
	5,110	(2)	21969	22990	Serial	5.000	2022	5,110	-	-	5,110
	5,375	(2)	22991	24065	Serial	5.000	2023	5,375	-	-	5,375
	5,650	(2)	24066	25195	Serial	5.000	2024	5,650	-	-	5,650
	5,940	(2)	25196	26383	Serial	5.000	2025	5,940	-	-	5,940
	6,230	(2)	26384	27629	Serial	4.500	2026	6,230	-	-	6,230
	-						2027	-	-	-	-
	-						2028	-	-	-	-
	16,245	(2)	27630	30878	Serial	4.375	2029	16,245	-	-	16,245
	16,965	(2)(33)	30879	34271	Term	4.500	2030	16,965	-	-	16,965
	17,730	(2)(33)	34272	37817	Term	4.500	2031	17,730	-	-	17,730
	18,525	(2)(33)	37818	41522	Term	4.500	2032	18,525	-	-	18,525
	28,645	(2)(33)	41523	47251	Term	4.500	2033	28,645	-	-	28,645
	37,530	(2)(33)	47252	54757	Term	4.500	2034	37,530	-	-	37,530
	11,900	(2)(33)	54758	57137	Term	4.500	2035	11,900	-	-	11,900
	12,450	(2)(33)	57138	59627	Term	4.500	2036	12,450	-	-	12,450
	13,025	(2)(33)	59628	62232	Term	4.500	2037	13,025	-	-	13,025
	<u>\$ 311,160</u>							<u>\$ 253,635</u>	<u>\$ -</u>	<u>\$ 11,065</u>	<u>\$ 242,570</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE REFUNDING BONDS</b>	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances Outstanding December 31, 2015	
							Outstanding January 1, 2015	Retired	Issued	Retired		
Water System Revenue and Refunding Bonds, Series 2009	\$ 3,865	NONE	1	773	Serial	3.000 %	15-May	2009	\$ -	\$ -	\$ -	\$ -
Paying Agent: Wells Fargo	2,635	NONE	774	1300	Serial	3.000		2010	-	-	-	-
Bonds Dated: 01-15-09	2,715	NONE	1301	1843	Serial	3.000		2011	-	-	-	-
	2,800	NONE	1844	2403	Serial	3.000		2012	-	-	-	-
	2,885	NONE	2404	2980	Serial	3.000		2013	-	-	-	-
	2,970	NONE	2981	3574	Serial	3.000		2014	-	-	-	-
	3,060	NONE	3575	4186	Serial	3.000		2015	3,060	-	3,060	-
	3,170	NONE	4187	4820	Serial	4.000		2016	3,170	-	-	3,170
	3,315	NONE	4821	5483	Serial	5.000		2017	3,315	-	-	3,315
	1,930	NONE	5484	5869	Serial	5.000		2018	1,930	-	-	1,930
	1,550	NONE	5870	6179	Serial	4.000		2018	1,550	-	-	1,550
	3,095	(3)	6180	6798	Serial	5.000		2019	3,095	-	-	3,095
	550	(3)	6799	6908	Serial	4.000		2019	550	-	-	550
	3,430	(3)	6909	7594	Serial	5.000		2020	3,430	-	-	3,430
	400	(3)	7595	7674	Serial	4.000		2020	400	-	-	400
	4,025	(3)	7675	8479	Serial	5.000		2021	4,025	-	-	4,025
	3,525	(3)	8480	9184	Serial	5.000		2022	3,525	-	-	3,525
	700	(3)	9185	9324	Serial	4.000		2022	700	-	-	700
	3,080	(3)	9325	9940	Serial	5.000		2023	3,080	-	-	3,080
	1,355	(3)	9941	10211	Serial	4.200		2023	1,355	-	-	1,355
	2,935	(3)	10212	10798	Serial	5.000		2024	2,935	-	-	2,935
	1,715	(3)	10799	11141	Serial	4.300		2024	1,715	-	-	1,715
	400	(3)	11142	11221	Serial	4.500		2025	400	-	-	400
	4,485	(3)(34)	11222	12118	Term	5.125		2025	4,485	-	-	4,485
	5,140	(3)(34)	12119	13146	Term	5.125		2026	5,140	-	-	5,140
	5,410	(3)(34)	13147	14228	Term	5.125		2027	5,410	-	-	5,410
	2,995	(3)	14229	14827	Serial	5.000		2028	2,995	-	-	2,995
	2,695	(3)(34)	14828	15366	Term	5.125		2028	2,695	-	-	2,695
	1,665	(3)	15367	15699	Serial	5.000		2029	1,665	-	-	1,665
	4,325	(3)(34)	15700	16564	Term	5.125		2029	4,325	-	-	4,325
	6,305	(3)(34)	16565	17825	Term	5.250		2030	6,305	-	-	6,305
	6,645	(3)(34)	17826	19154	Term	5.250		2031	6,645	-	-	6,645
	7,005	(3)(34)	19155	20555	Term	5.250		2032	7,005	-	-	7,005
	7,385	(3)(34)	20556	22032	Term	5.250		2033	7,385	-	-	7,385
	7,780	(3)(34)	22033	23588	Term	5.250		2034	7,780	-	-	7,780
	8,205	(3)(34)	23589	25229	Term	5.375		2035	8,205	-	-	8,205
	8,660	(3)(34)	25230	26961	Term	5.375		2036	8,660	-	-	8,660
	9,135	(3)(34)	26962	28788	Term	5.375		2037	9,135	-	-	9,135
	9,640	(3)(34)	28789	30716	Term	5.375		2038	9,640	-	-	9,640
	10,175	(3)(34)	30717	32751	Term	5.375		2039	10,175	-	-	10,175
	<u>\$ 163,755</u>								<u>\$ 145,885</u>	<u>\$ -</u>	<u>\$ 3,060</u>	<u>\$ 142,825</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.



**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>	<b>Balances</b>		<b>Transactions</b>		<b>Balances</b>
							<b>Outstanding January 1, 2015</b>	<b>Outstanding December 31, 2015</b>	<b>Issued</b>	<b>Retired</b>	
Water System Revenue Bonds	\$ -	-	-	-	- %	15-May 2009	\$ -	\$ -	\$ -	\$ -	-
Taxable, Series 2009B	-	-	-	-	-	2010	-	-	-	-	-
(Direct Subsidy - Build America Bonds)	-	-	-	-	-	2011	-	-	-	-	-
Paying Agent: Wells Fargo	-	-	-	-	-	2012	-	-	-	-	-
Bonds Dated: 11-01-09	-	-	-	-	-	2013	-	-	-	-	-
	-	-	-	-	-	2014	-	-	-	-	-
	2,690	(4)	1	538	Serial	2015	2,690	-	-	2,690	-
	2,755	(4)	539	1089	Serial	2016	2,755	-	-	-	2,755
	2,825	(4)	1090	1654	Serial	2017	2,825	-	-	-	2,825
	2,910	(4)	1655	2236	Serial	2018	2,910	-	-	-	2,910
	2,995	(4)	2237	2835	Serial	2019	2,995	-	-	-	2,995
	3,085	(4)	2836	3452	Serial	2020	3,085	-	-	-	3,085
	3,185	(4)	3453	4089	Serial	2021	3,185	-	-	-	3,185
	3,290	(4)	4090	4747	Serial	2022	3,290	-	-	-	3,290
	3,405	(4)	4748	5428	Serial	2023	3,405	-	-	-	3,405
	3,525	(4)	5429	6133	Serial	2024	3,525	-	-	-	3,525
	3,650	(4)(35)	6134	6863	Term	2025	3,650	-	-	-	3,650
	4,995	(4)(35)	6864	7862	Term	2026	4,995	-	-	-	4,995
	3,965	(4)(35)	7863	8655	Term	2027	3,965	-	-	-	3,965
	3,300	(4)(35)	8656	9315	Term	2028	3,300	-	-	-	3,300
	4,230	(4)(35)	9316	10161	Term	2029	4,230	-	-	-	4,230
	4,385	(4)(35)	10162	11038	Term	2030	4,385	-	-	-	4,385
	4,550	(4)(35)	11039	11948	Term	2031	4,550	-	-	-	4,550
	4,715	(4)(35)	11949	12891	Term	2032	4,715	-	-	-	4,715
	4,890	(4)(35)	12892	13869	Term	2033	4,890	-	-	-	4,890
	5,075	(4)(35)	13870	14884	Term	2034	5,075	-	-	-	5,075
	5,260	(4)(35)	14885	15936	Term	2035	5,260	-	-	-	5,260
	5,455	(4)(35)	15937	17027	Term	2036	5,455	-	-	-	5,455
	5,660	(4)(35)	17028	18159	Term	2037	5,660	-	-	-	5,660
	5,870	(4)(35)	18160	19333	Term	2038	5,870	-	-	-	5,870
	6,085	(4)(35)	19334	20550	Term	2039	6,085	-	-	-	6,085
	<u>\$ 102,750</u>						<u>\$ 102,750</u>	<u>\$ -</u>	<u>\$ 2,690</u>	<u>\$ -</u>	<u>\$ 100,060</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>	<b>Balances</b>		<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
							<b>Outstanding January 1, 2015</b>	<b>Retired</b>	<b>Issued</b>	<b>Retired</b>	
Water System Revenue Bonds	\$ -				- %	15-May 2010	\$ -	\$ -	\$ -	\$ -	-
Taxable, Series 2010B	-				-	2011	-	-	-	-	-
(Direct Subsidy - Build America Bonds)	1,635	(5)	1	327	Serial	2012	-	-	-	-	-
Paying Agent: USBank	1,645	(5)	328	656	Serial	2013	-	-	-	-	-
Bonds Dated: 11-15-10	1,665	(5)	657	989	Serial	2014	-	-	-	-	-
	1,685	(5)	990	1326	Serial	2015	1,685	-	-	1,685	-
	1,715	(5)	1327	1669	Serial	2016	1,715	-	-	-	1,715
	1,750	(5)	1670	2019	Serial	2017	1,750	-	-	-	1,750
	1,785	(5)	2020	2376	Serial	2018	1,785	-	-	-	1,785
	1,830	(5)	2377	2742	Serial	2019	1,830	-	-	-	1,830
	1,880	(5)	2743	3118	Serial	2020	1,880	-	-	-	1,880
	1,930	(5)	3119	3504	Serial	2021	1,930	-	-	-	1,930
	1,985	(5)	3505	3901	Serial	2022	1,985	-	-	-	1,985
	2,040	(5)	3902	4309	Serial	2023	2,040	-	-	-	2,040
	2,105	(5)	4310	4730	Serial	2024	2,105	-	-	-	2,105
	2,175	(5)	4731	5165	Serial	2025	2,175	-	-	-	2,175
	2,255	(5)(36)	5166	5616	Term	2026	2,255	-	-	-	2,255
	2,350	(5)(36)	5617	6086	Term	2027	2,350	-	-	-	2,350
	2,445	(5)(36)	6087	6575	Term	2028	2,445	-	-	-	2,445
	2,545	(5)(36)	6576	7084	Term	2029	2,545	-	-	-	2,545
	2,650	(5)(36)	7085	7614	Term	2030	2,650	-	-	-	2,650
	2,760	(5)(36)	7615	8166	Term	2031	2,760	-	-	-	2,760
	2,870	(5)(36)	8167	8740	Term	2032	2,870	-	-	-	2,870
	2,990	(5)(36)	8741	9338	Term	2033	2,990	-	-	-	2,990
	33,560	(5)(36)	9339	16050	Term	2034	33,560	-	-	-	33,560
	4,495	(5)(36)	16051	16949	Term	2035	4,495	-	-	-	4,495
	4,670	(5)(36)	16950	17883	Term	2036	4,670	-	-	-	4,670
	4,855	(5)(36)	17884	18854	Term	2037	4,855	-	-	-	4,855
	5,045	(5)(36)	18855	19863	Term	2038	5,045	-	-	-	5,045
	5,240	(5)(36)	19864	20911	Term	2039	5,240	-	-	-	5,240
	5,445	(5)(36)	20912	22000	Term	2040	5,445	-	-	-	5,445
	<u>\$ 110,000</u>						<u>\$ 105,055</u>	<u>\$ -</u>	<u>\$ 1,685</u>	<u>\$ -</u>	<u>\$ 103,370</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>		<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
										<b>Issued</b>	<b>Retired</b>	
Water System Revenue	\$ -					- %	15-May	2011	\$ -	\$ -	\$ -	-
Refunding Bonds, Series 2011	1,670	NONE	1	334	Serial	3.000		2012	-	-	-	-
Paying Agent: USBank	1,960	NONE	335	726	Serial	3.000		2013	-	-	-	-
Bonds Dated: 04-27-11	2,060	NONE	727	1138	Serial	4.000		2014	-	-	-	-
	2,205	NONE	1139	1579	Serial	5.000		2015	2,205	-	2,205	-
	2,340	NONE	1580	2047	Serial	4.000		2016	2,340	-	-	2,340
	2,675	NONE	2048	2582	Serial	5.000		2017	2,675	-	-	2,675
	2,855	NONE	2583	3153	Serial	5.000		2018	2,855	-	-	2,855
	1,350	NONE	3154	3423	Serial	3.000		2019	1,350	-	-	1,350
	1,585	NONE	3424	3740	Serial	5.000		2019	1,585	-	-	1,585
	3,295	NONE	3741	4399	Serial	5.000		2020	3,295	-	-	3,295
	3,505	NONE	4400	5100	Serial	5.000		2021	3,505	-	-	3,505
	3,720	(6)	5101	5844	Serial	5.000		2022	3,720	-	-	3,720
	3,950	(6)	5845	6634	Serial	5.000		2023	3,950	-	-	3,950
	4,195	(6)	6635	7473	Serial	5.000		2024	4,195	-	-	4,195
	4,455	(6)	7474	8364	Serial	5.000		2025	4,455	-	-	4,455
	4,735	(6)	8365	9311	Serial	5.000		2026	4,735	-	-	4,735
	<u>\$ 46,555</u>								<u>\$ 40,865</u>	<u>\$ -</u>	<u>\$ 2,205</u>	<u>\$ 38,660</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original</b>	<b>Call</b>	<b>Bond</b>		<b>Bond</b>	<b>Interest</b>	<b>Maturity Dates</b>		<b>Balances</b>	<b>Transactions</b>		<b>Balances</b>
	<b>Issue</b>	<b>Options</b>	<b>Numbers</b>		<b>Type</b>	<b>Rates</b>			<b>Outstanding</b>	<b>Issued</b>	<b>Retired</b>	<b>Outstanding</b>
						<b>- %</b>			<b>January 1, 2015</b>			<b>December 31, 2015</b>
Water System Revenue	\$ -						15-May	2011	\$ -	\$ -	\$ -	\$ -
Refunding Bonds, Series 2011A	665	NONE	1	133	Serial	2.000		2012	-	-	-	-
Paying Agent: USBank	5,400	NONE	134	1213	Serial	3.000		2013	-	-	-	-
Bonds Dated: 10-06-11	1,385	NONE	1214	1490	Serial	2.000		2014	-	-	-	-
	1,420	NONE	1491	1774	Serial	3.000		2015	1,420	-	1,420	-
	1,460	NONE	1775	2066	Serial	3.000		2016	1,460	-	-	1,460
	2,060	NONE	2067	2478	Serial	5.000		2017	2,060	-	-	2,060
	1,600	NONE	2479	2798	Serial	5.000		2018	1,600	-	-	1,600
	550	NONE	2799	2908	Serial	3.000		2018	550	-	-	550
	3,985	NONE	2909	3705	Serial	4.000		2019	3,985	-	-	3,985
	1,695	NONE	3706	4044	Serial	5.000		2020	1,695	-	-	1,695
	3,705	NONE	4045	4785	Serial	4.000		2020	3,705	-	-	3,705
	5,575	(7)	4786	5900	Serial	5.000		2021	5,575	-	-	5,575
	1,000	(7)	5901	6100	Serial	3.250		2021	1,000	-	-	1,000
	6,730	(7)	6101	7446	Serial	5.000		2022	6,730	-	-	6,730
	7,890	(7)	7447	9024	Serial	5.000		2023	7,890	-	-	7,890
	8,490	(7)	9025	10722	Serial	5.000		2024	8,490	-	-	8,490
	8,930	(7)	10723	12508	Serial	5.000		2025	8,930	-	-	8,930
	9,370	(7)	12509	14382	Serial	5.000		2026	9,370	-	-	9,370
	5,585	(7)	14383	15499	Serial	5.000		2027	5,585	-	-	5,585
	7,000	(7)	15500	16899	Serial	4.500		2027	7,000	-	-	7,000
	14,445	(7)	16900	19788	Serial	5.000		2028	14,445	-	-	14,445
	8,990	(7)	19789	21586	Serial	5.000		2029	8,990	-	-	8,990
	9,450	(7)	21587	23476	Serial	5.000		2030	9,450	-	-	9,450
	9,935	(7)	23477	25463	Serial	5.000		2031	9,935	-	-	9,935
	10,445	(7)	25464	27552	Serial	5.000		2032	10,445	-	-	10,445
	2,465	(7)(37)	27553	28045	Term	5.000		2033	2,465	-	-	2,465
	2,590	(7)(37)	28046	28563	Term	5.000		2034	2,590	-	-	2,590
	2,725	(7)(37)	28564	29108	Term	5.000		2035	2,725	-	-	2,725
	2,865	(7)(37)	29109	29681	Term	5.000		2036	2,865	-	-	2,865
	3,010	(7)(37)	29682	30283	Term	5.000		2037	3,010	-	-	3,010
	3,165	(7)(37)	30284	30916	Term	5.000		2038	3,165	-	-	3,165
	3,330	(7)(37)	30917	31582	Term	5.000		2039	3,330	-	-	3,330
	3,500	(7)(37)	31583	32282	Term	5.000		2040	3,500	-	-	3,500
	3,680	(7)(37)	32283	33018	Term	5.000		2041	3,680	-	-	3,680
	<u>\$ 165,090</u>								<u>\$ 157,640</u>	<u>\$ -</u>	<u>\$ 1,420</u>	<u>\$ 156,220</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Revenue	\$ -				- %	15-May	2012	\$ -	\$ -	\$ -	-
Refunding Bonds, Series 2012	2,610	NONE	1 522	Serial	2.000		2013	-	-	-	-
Paying Agent: USBank	2,650	NONE	523 1052	Serial	3.000		2014	-	-	-	-
Bonds Dated: 02-29-12	2,720	NONE	1053 1596	Serial	4.000		2015	2,720	-	2,720	-
	2,795	NONE	1597 2155	Serial	4.000		2016	2,795	-	-	2,795
	7,085	NONE	2156 3572	Serial	5.000		2017	7,085	-	-	7,085
	7,360	NONE	3573 5044	Serial	4.000		2018	7,360	-	-	7,360
	4,345	NONE	5045 5913	Serial	4.000		2019	4,345	-	-	4,345
	12,910	NONE	5914 8495	Serial	5.000		2020	12,910	-	-	12,910
	13,510	NONE	8496 11197	Serial	5.000		2021	13,510	-	-	13,510
	16,050	NONE	11198 14407	Serial	5.000		2022	16,050	-	-	16,050
	16,840	(8)	14408 17775	Serial	5.000		2023	16,840	-	-	16,840
	17,675	(8)	17776 21310	Serial	5.000		2024	17,675	-	-	17,675
	18,540	(8)	21311 25018	Serial	5.000		2025	18,540	-	-	18,540
	19,450	(8)	25019 28908	Serial	5.000		2026	19,450	-	-	19,450
	39,450	(8)	28909 36798	Serial	5.000		2027	39,450	-	-	39,450
	41,265	(8)	36799 45051	Serial	4.000		2028	41,265	-	-	41,265
	<u>\$ 225,255</u>							<u>\$ 219,995</u>	<u>\$ -</u>	<u>\$ 2,720</u>	<u>\$ 217,275</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original</b>	<b>Call</b>	<b>Bond</b>	<b>Bond</b>	<b>Interest</b>	<b>Maturity Dates</b>		<b>Balances</b>	<b>Transactions</b>		<b>Balances</b>
	<b>Issue</b>	<b>Options</b>	<b>Numbers</b>	<b>Type</b>	<b>Rates</b>	<b>- %</b>		<b>Outstanding</b>	<b>Issued</b>	<b>Retired</b>	<b>Outstanding</b>
								<b>January 1, 2015</b>			<b>December 31, 2015</b>
Water System Revenue	\$ -						15-May 2012	\$ -	\$ -	\$ -	\$ -
Refunding Bonds, Series 2012A	1,705	NONE	1	341	Serial	2.000	2013	-	-	-	-
Paying Agent: USBank	2,655	NONE	342	872	Serial	3.000	2014	-	-	-	-
Bonds Dated: 10-02-12	2,750	NONE	873	1422	Serial	2.000	2015	2,750	-	2,750	-
	2,880	NONE	1423	1998	Serial	3.000	2016	2,880	-	-	2,880
	3,025	NONE	1999	2603	Serial	3.000	2017	3,025	-	-	3,025
	3,180	NONE	2604	3239	Serial	5.000	2018	3,180	-	-	3,180
	3,345	NONE	3240	3908	Serial	5.000	2019	3,345	-	-	3,345
	3,500	NONE	3909	4608	Serial	3.000	2020	3,500	-	-	3,500
	3,660	NONE	4609	5340	Serial	4.000	2021	3,660	-	-	3,660
	3,850	NONE	5341	6110	Serial	5.000	2022	3,850	-	-	3,850
	4,045	(9)	6111	6919	Serial	4.000	2023	4,045	-	-	4,045
	4,255	(9)	6920	7770	Serial	5.000	2024	4,255	-	-	4,255
	4,470	(9)	7771	8664	Serial	3.250	2025	4,470	-	-	4,470
	4,700	(9)	8665	9604	Serial	5.000	2026	4,700	-	-	4,700
	4,940	(9)	9605	10592	Serial	5.000	2027	4,940	-	-	4,940
	5,195	(9)	10593	11631	Serial	5.000	2028	5,195	-	-	5,195
	5,460	(9)	11632	12723	Serial	5.000	2029	5,460	-	-	5,460
	5,740	(9)	12724	13871	Serial	5.000	2030	5,740	-	-	5,740
	6,035	(9)	13872	15078	Serial	5.000	2031	6,035	-	-	6,035
	6,310	(9)(38)	15079	16340	Term	5.000	2032	6,310	-	-	6,310
	6,570	(9)(38)	16341	17654	Term	5.000	2033	6,570	-	-	6,570
	6,840	(9)(38)	17655	19022	Term	5.000	2034	6,840	-	-	6,840
	7,155	(9)	19023	20453	Serial	5.000	2035	7,155	-	-	7,155
	7,520	(9)	20454	21957	Serial	5.000	2036	7,520	-	-	7,520
	4,140	(9)	21958	22785	Serial	5.000	2037	4,140	-	-	4,140
	3,765	(9)(38)	22786	23538	Term	5.000	2037	3,765	-	-	3,765
	8,310	(9)(38)	23539	25200	Term	5.000	2038	8,310	-	-	8,310
	8,740	(9)(38)	25201	26948	Term	5.000	2039	8,740	-	-	8,740
	9,185	(9)(38)	26949	28785	Term	5.000	2040	9,185	-	-	9,185
	9,585	(9)(38)	28786	30702	Term	5.000	2041	9,585	-	-	9,585
	9,925	(9)(38)	30703	32687	Term	5.000	2042	9,925	-	-	9,925
	<u>\$ 163,435</u>							<u>\$ 159,075</u>	<u>\$ -</u>	<u>\$ 2,750</u>	<u>\$ 156,325</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>		<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances</b>	<b>Transactions</b>		<b>Balances</b>
									<b>Outstanding January 1, 2015</b>	<b>Issued</b>	<b>Retired</b>	<b>Outstanding December 31, 2015</b>
Water System Junior Lien	\$ -					- %	15-May	2004	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding	5	NONE	1		Serial	0.000		2005	-	-	-	-
Bonds, Series 2004	5	NONE	2		Serial	0.300		2006	-	-	-	-
Paying Agent: USBank	5	NONE	3		Serial	0.750		2007	-	-	-	-
Bonds Dated: 07-01-04	5	NONE	4		Serial	1.100		2008	-	-	-	-
	5	NONE	5		Serial	1.450		2009	-	-	-	-
	595	NONE	6	124	Serial	1.650		2010	-	-	-	-
	605	NONE	125	245	Serial	1.900		2011	-	-	-	-
	620	NONE	246	369	Serial	2.100		2012	-	-	-	-
	630	NONE	370	495	Serial	2.250		2013	-	-	-	-
	645	NONE	496	624	Serial	2.350		2014	-	-	-	-
	660	(10)	625	756	Serial	2.450		2015	660	-	660	-
	680	(10)	757	892	Serial	2.550		2016	680	-	680	-
	695	(10)	893	1031	Serial	2.650		2017	695	-	695	-
	715	(10)	1032	1174	Serial	2.750		2018	715	-	715	-
	735	(10)	1175	1321	Serial	2.800		2019	735	-	735	-
	760	(10)	1322	1473	Serial	2.900		2020	760	-	760	-
	780	(10)	1474	1629	Serial	2.950		2021	780	-	780	-
	805	(10)	1630	1790	Serial	3.050		2022	805	-	805	-
	830	(10)	1791	1956	Serial	3.100		2023	830	-	830	-
	855	(10)	1957	2127	Serial	3.200		2024	125	-	125	-
	<u>\$ 10,635</u>								<u>\$ 6,785</u>	<u>\$ -</u>	<u>\$ 6,785</u>	<u>\$ -</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>		<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
										<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -					- %	15-May	2004	\$ -	\$ -	\$ -	-
Revenue and Refunding	5	NONE	1		Serial	0.750		2005	-	-	-	-
Bonds, Series 2004-A	5	NONE	2		Serial	1.300		2006	-	-	-	-
Paying Agent: USBank	5	NONE	3		Serial	1.750		2007	-	-	-	-
Bonds Dated: 07-01-04	5	NONE	4		Serial	2.100		2008	-	-	-	-
	5	NONE	5		Serial	2.450		2009	-	-	-	-
	1,370	NONE	6	279	Serial	2.650		2010	-	-	-	-
	1,410	NONE	280	561	Serial	2.900		2011	-	-	-	-
	1,450	NONE	562	851	Serial	3.100		2012	-	-	-	-
	1,495	NONE	852	1150	Serial	3.250		2013	-	-	-	-
	1,550	NONE	1151	1460	Serial	3.350		2014	-	-	-	-
	1,600	(11)	1461	1780	Serial	3.450		2015	1,600	-	1,600	-
	1,660	(11)	1781	2112	Serial	3.550		2016	1,660	-	1,660	-
	1,720	(11)	2113	2456	Serial	3.650		2017	1,720	-	1,720	-
	1,785	(11)	2457	2813	Serial	3.750		2018	1,785	-	1,785	-
	1,855	(11)	2814	3184	Serial	3.800		2019	1,855	-	1,855	-
	1,925	(11)	3185	3569	Serial	3.900		2020	1,925	-	1,925	-
	2,000	(11)	3570	3969	Serial	3.950		2021	2,000	-	2,000	-
	2,085	(11)	3970	4386	Serial	4.050		2022	2,085	-	2,085	-
	2,170	(11)	4387	4820	Serial	4.100		2023	2,170	-	2,170	-
	2,265	(11)	4821	5273	Serial	4.200		2024	2,035	-	2,035	-
	<u>\$ 26,365</u>								<u>\$ 18,835</u>	<u>\$ -</u>	<u>\$ 18,835</u>	<u>\$ -</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.



**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
						<b>- %</b>	<b>15-May</b>		<b>2007</b>	<b>2008</b>	
Water System Junior Lien	\$ -	NONE						\$ -	\$ -	\$ -	\$ -
Revenue and Refunding	335	NONE	1	67	Serial	1.700	2008	-	-	-	-
Bonds, Series 2007	340	NONE	68	135	Serial	1.700	2009	-	-	-	-
Paying Agent: USBank	350	NONE	136	205	Serial	1.700	2010	-	-	-	-
Bonds Dated: 01-23-07	355	NONE	206	276	Serial	1.700	2011	-	-	-	-
	360	NONE	277	348	Serial	1.700	2012	-	-	-	-
	365	NONE	349	421	Serial	1.750	2013	-	-	-	-
	370	NONE	422	495	Serial	1.800	2014	-	-	-	-
	380	NONE	496	571	Serial	1.850	2015	380	-	380	-
	385	NONE	572	648	Serial	1.900	2016	385	-	-	385
	395	NONE	649	727	Serial	1.950	2017	395	-	-	395
	400	(12)	728	807	Serial	2.000	2018	400	-	-	400
	410	(12)	808	889	Serial	2.050	2019	410	-	-	410
	420	(12)	890	973	Serial	2.100	2020	420	-	-	420
	430	(12)	974	1059	Serial	2.150	2021	430	-	-	430
	435	(12)	1060	1146	Serial	2.200	2022	435	-	-	435
	445	(12)	1147	1235	Serial	2.250	2023	445	-	-	445
	455	(12)	1236	1326	Serial	2.250	2024	455	-	-	455
	470	(12)	1327	1420	Serial	2.300	2025	470	-	-	470
	480	(12)	1421	1516	Serial	2.300	2026	480	-	-	480
	490	(12)	1517	1614	Serial	2.400	2027	490	-	-	490
	<u>\$ 8,070</u>							<u>\$ 5,595</u>	<u>\$ -</u>	<u>\$ 380</u>	<u>\$ 5,215</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
						<b>- %</b>	<b>15-May</b>		<b>2007</b>	<b>2008</b>	
Water System Junior Lien Revenue and Refunding Bonds, Series 2007A	\$ -							\$ -	\$ -	\$ -	\$ -
Paying Agent: USBank	1,330	NONE	1	266	Serial	2.700					
Bonds Dated: 01-23-07	1,365	NONE	267	539	Serial	2.700					
	1,400	NONE	540	819	Serial	2.700					
	1,440	NONE	820	1107	Serial	2.700					
	1,480	NONE	1108	1403	Serial	2.700					
	1,520	NONE	1404	1707	Serial	2.750					
	1,565	NONE	1708	2020	Serial	2.800					
	1,610	NONE	2021	2342	Serial	2.850					
	1,655	NONE	2343	2673	Serial	2.900		1,610		1,610	
	1,705	NONE	2674	3014	Serial	2.950		1,655			1,655
	1,755	(13)	3015	3365	Serial	3.000		1,705			1,705
	1,810	(13)	3366	3727	Serial	3.050		1,755			1,755
	1,865	(13)	3728	4100	Serial	3.100		1,810			1,810
	1,925	(13)	4101	4485	Serial	3.150		1,865			1,865
	1,985	(13)	4486	4882	Serial	3.200		1,925			1,925
	2,050	(13)	4883	5292	Serial	3.250		1,985			1,985
	2,120	(13)	5293	5716	Serial	3.250		2,050			2,050
	2,190	(13)	5717	6154	Serial	3.300		2,120			2,120
	2,265	(13)	6155	6607	Serial	3.300		2,190			2,190
	2,340	(13)	6608	7075	Serial	3.400		2,265			2,265
	<u>35,375</u>							<u>350</u>			<u>350</u>
	\$ <u>35,375</u>							\$ <u>23,285</u>	\$ <u>-</u>	\$ <u>1,610</u>	\$ <u>21,675</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
						<b>- %</b>	<b>15-May</b>		<b>2008</b>	<b>Issued</b>	
Water System Junior Lien	\$ -							\$ -	\$ -	\$ -	\$ -
Revenue Bonds, Series 2008	800	NONE	1	160	Serial	0.100	2009	-	-	-	-
Paying Agent: Wells Fargo	690	NONE	161	298	Serial	0.550	2010	-	-	-	-
Bonds Dated: 12-04-08	695	NONE	299	437	Serial	0.850	2011	-	-	-	-
	700	NONE	438	577	Serial	1.150	2012	-	-	-	-
	710	NONE	578	719	Serial	1.350	2013	-	-	-	-
	720	NONE	720	863	Serial	1.650	2014	-	-	-	-
	730	NONE	864	1009	Serial	1.850	2015	730	-	730	-
	745	NONE	1010	1158	Serial	2.050	2016	745	-	-	745
	760	NONE	1159	1310	Serial	2.250	2017	760	-	-	760
	780	NONE	1311	1466	Serial	2.450	2018	780	-	-	780
	800	(14)	1467	1626	Serial	2.700	2019	800	-	-	800
	825	(14)	1627	1791	Serial	2.900	2020	825	-	-	825
	850	(14)	1792	1961	Serial	3.050	2021	850	-	-	850
	875	(14)	1962	2136	Serial	3.200	2022	875	-	-	875
	905	(14)	2137	2317	Serial	3.250	2023	905	-	-	905
	935	(14)	2318	2504	Serial	3.450	2024	935	-	-	935
	970	(14)	2505	2698	Serial	3.550	2025	970	-	-	970
	1,005	(14)	2699	2899	Serial	3.600	2026	1,005	-	-	1,005
	1,040	(14)	2900	3107	Serial	3.650	2027	1,040	-	-	1,040
	1,080	(14)	3108	3323	Serial	3.650	2028	1,080	-	-	1,080
	1,120	(14)	3324	3547	Serial	3.750	2029	1,120	-	-	1,120
	1,165	(14)	3548	3780	Serial	3.800	2030	1,165	-	-	1,165
	1,210	(14)	3781	4022	Serial	3.800	2031	1,210	-	-	1,210
	1,255	(14)	4023	4273	Serial	3.850	2032	1,255	-	-	1,255
	1,305	(14)	4274	4534	Serial	3.850	2033	1,305	-	-	1,305
	1,355	(14)	4535	4805	Serial	3.850	2034	1,355	-	-	1,355
	1,410	(14)	4806	5087	Serial	3.850	2035	1,410	-	-	1,410
	1,465	(14)	5088	5380	Serial	3.850	2036	1,465	-	-	1,465
	1,520	(14)	5381	5684	Serial	3.850	2037	1,520	-	-	1,520
	1,580	(14)	5685	6000	Serial	3.950	2038	1,580	-	-	1,580
	<u>\$ 30,000</u>							<u>\$ 25,685</u>	<u>\$ -</u>	<u>\$ 730</u>	<u>\$ 24,955</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>	
						<b>- %</b>	<b>15-May</b>		<b>2008</b>	<b>Issued</b>		<b>Retired</b>
Water System Junior Lien Revenue and Refunding Bonds, Series 2008A Paying Agent: Wells Fargo Bonds Dated: 12-04-08	\$ -				-		15-May	2008	\$ -	\$ -	\$ -	
	570	NONE	1	114	Serial	1.100		2009	-	-	-	
	455	NONE	115	205	Serial	1.550		2010	-	-	-	
	460	NONE	206	297	Serial	1.850		2011	-	-	-	
	470	NONE	298	391	Serial	2.150		2012	-	-	-	
	480	NONE	392	487	Serial	2.350		2013	-	-	-	
	495	NONE	488	586	Serial	2.650		2014	-	-	-	
	505	NONE	587	687	Serial	2.850		2015	505	-	505	
	520	NONE	688	791	Serial	3.050		2016	520	-	520	
	540	NONE	792	899	Serial	3.250		2017	540	-	540	
	555	NONE	900	1010	Serial	3.450		2018	555	-	555	
	580	(15)	1011	1126	Serial	3.700		2019	580	-	580	
	600	(15)	1127	1246	Serial	3.900		2020	600	-	600	
	625	(15)	1247	1371	Serial	4.050		2021	625	-	625	
	650	(15)	1372	1501	Serial	4.200		2022	650	-	650	
	680	(15)	1502	1637	Serial	4.250		2023	680	-	680	
	710	(15)	1638	1779	Serial	4.450		2024	710	-	710	
	740	(15)	1780	1927	Serial	4.550		2025	740	-	740	
	775	(15)	1928	2082	Serial	4.600		2026	775	-	775	
	815	(15)	2083	2245	Serial	4.650		2027	815	-	815	
	850	(15)	2246	2415	Serial	4.650		2028	850	-	850	
	890	(15)	2416	2593	Serial	4.750		2029	890	-	890	
	935	(15)	2594	2780	Serial	4.800		2030	935	-	935	
	980	(15)	2781	2976	Serial	4.800		2031	980	-	980	
	1,030	(15)	2977	3182	Serial	4.850		2032	1,030	-	1,030	
	1,080	(15)	3183	3398	Serial	4.850		2033	1,080	-	1,080	
	1,135	(15)	3399	3625	Serial	4.850		2034	1,135	-	1,135	
	1,190	(15)	3626	3863	Serial	4.850		2035	1,190	-	1,190	
	1,250	(15)	3864	4113	Serial	4.850		2036	1,250	-	1,250	
	1,315	(15)	4114	4376	Serial	4.850		2037	1,315	-	1,315	
	1,380	(15)	4377	4652	Serial	4.950		2038	1,255	-	1,255	
	<u>\$ 23,260</u>								<u>\$ 20,205</u>	<u>\$ -</u>	<u>\$ 505</u>	<u>\$ 19,700</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
						<b>%</b>	<b></b>		<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				-		15-May	2009	\$ -	\$ -	\$ -
Revenue Bonds, Series 2009	1,455	NONE	1	291	-			2010	-	-	-
Paying Agent: Wells Fargo	1,235	NONE	292	538	0.300			2011	-	-	-
Bonds Dated: 11-01-09	1,240	NONE	539	786	0.600			2012	-	-	-
	1,250	NONE	787	1036	0.950			2013	-	-	-
	1,265	NONE	1037	1289	1.150			2014	-	-	-
	1,280	NONE	1290	1545	1.500			2015	1,280	-	1,280
	1,300	NONE	1546	1805	1.750			2016	1,300	-	-
	1,325	NONE	1806	2070	2.000			2017	1,325	-	-
	1,355	NONE	2071	2341	2.150			2018	1,355	-	-
	1,385	NONE	2342	2618	2.400			2019	1,385	-	-
	1,420	(16)	2619	2902	2.750			2020	1,420	-	-
	1,460	(16)	2903	3194	2.950			2021	1,460	-	-
	1,505	(16)	3195	3495	3.100			2022	1,505	-	-
	1,555	(16)	3496	3806	3.250			2023	1,555	-	-
	1,605	(16)	3807	4127	3.350			2024	1,605	-	-
	1,665	(16)	4128	4460	3.700			2025	1,665	-	-
	1,730	(16)	4461	4806	3.800			2026	1,730	-	-
	1,795	(16)	4807	5165	3.900			2027	1,795	-	-
	1,870	(16)	5166	5539	4.000			2028	1,870	-	-
	1,945	(16)	5540	5928	4.000			2029	1,945	-	-
	2,025	(16)	5929	6333	4.050			2030	2,025	-	-
	2,105	(16)	6334	6754	4.100			2031	2,105	-	-
	2,200	(16)	6755	7194	4.150			2032	2,200	-	-
	2,300	(16)	7195	7654	4.200			2033	2,300	-	-
	2,395	(16)	7655	8133	4.250			2034	2,395	-	-
	2,500	(16)	8134	8633	4.250			2035	2,500	-	-
	2,610	(16)	8634	9155	4.250			2036	2,610	-	-
	2,720	(16)	9156	9699	4.250			2037	2,720	-	-
	2,840	(16)	9700	10267	4.250			2038	2,840	-	-
	2,965	(16)	10268	10860	4.350			2039	2,965	-	-
	<u>\$ 54,300</u>								<u>\$ 47,855</u>	<u>\$ -</u>	<u>\$ 1,280</u>
											<u>\$ 46,575</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<i><b>WATER SYSTEM REVENUE BONDS</b></i>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2009	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding	-				-		2010	-	-	-	-
Bonds, Series 2009A	-				-		2011	-	-	-	-
Paying Agent: Wells Fargo	-				-		2012	-	-	-	-
Bonds Dated: 11-01-09	-				-		2013	-	-	-	-
	-				-		2014	-	-	-	-
	-				-		2015	-	-	-	-
	2,240	NONE	1	448	0.644		2016	2,240	-	-	2,240
	2,255	NONE	449	899	0.854		2017	2,255	-	-	2,255
	2,275	NONE	900	1354	1.064		2018	2,275	-	-	2,275
	2,305	NONE	1355	1815	1.372		2019	2,305	-	-	2,305
	2,340	(17)	1816	2283	1.642		2020	2,340	-	-	2,340
	2,385	(17)	2284	2760	1.947		2021	2,385	-	-	2,385
	2,430	(17)	2761	3246	2.131		2022	2,430	-	-	2,430
	2,485	(17)	3247	3743	2.280		2023	2,485	-	-	2,485
	2,545	(17)	3744	4252	2.351		2024	2,545	-	-	2,545
	2,605	(17)	4253	4773	2.532		2025	2,605	-	-	2,605
	2,675	(17)	4774	5308	2.463		2026	2,675	-	-	2,675
	2,745	(17)	5309	5857	2.706		2027	2,745	-	-	2,745
	2,820	(17)	5858	6421	2.661		2028	2,820	-	-	2,820
	2,895	(17)	6422	7000	2.815		2029	2,895	-	-	2,895
	<u>\$ 35,000</u>							<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,000</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2010	\$ -	\$ -	\$ -	\$ -
Revenue Refunding Bonds, Series 2010	5,725	NONE	1	1145	2.000		2011	-	-	-	-
Paying Agent: Wells Fargo	5,865	NONE	1146	2318	3.000		2012	-	-	-	-
Bonds Dated: 02-01-10	6,035	NONE	2319	3525	3.000		2013	-	-	-	-
	6,240	NONE	3526	4773	4.000		2014	-	-	-	-
	6,490	NONE	4774	6071	4.000		2015	6,490	-	6,490	-
	6,745	NONE	6072	7420	4.000		2016	6,745	-	-	6,745
	7,025	NONE	7421	8825	4.250		2017	7,025	-	-	7,025
	7,345	NONE	8826	10294	5.000		2018	7,345	-	-	7,345
	4,275	NONE	10295	11149	4.000		2019	4,275	-	-	4,275
	3,400	NONE	11150	11829	4.250		2019	3,400	-	-	3,400
	<u>\$ 59,145</u>							<u>\$ 35,280</u>	<u>\$ -</u>	<u>\$ 6,490</u>	<u>\$ 28,790</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2010	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding	510	NONE	1	102	-		2011	-	-	-	-
Bonds, Series 2010A	475	NONE	103	197	-		2012	-	-	-	-
Paying Agent: US Bank N.A.	475	NONE	198	292	-		2013	-	-	-	-
Bonds Dated: 12-14-10	475	NONE	293	387	-		2014	-	-	-	-
	475	NONE	388	482	-		2015	475	-	475	-
	480	NONE	483	578	0.590		2016	480	-	-	480
	480	NONE	579	674	0.900		2017	480	-	-	480
	485	NONE	675	771	1.150		2018	485	-	-	485
	495	NONE	772	870	1.370		2019	495	-	-	495
	500	NONE	871	970	1.660		2020	500	-	-	500
	510	(18)	971	1072	1.890		2021	510	-	-	510
	520	(18)	1073	1176	2.020		2022	520	-	-	520
	530	(18)	1177	1282	2.110		2023	530	-	-	530
	540	(18)	1283	1390	2.210		2024	540	-	-	540
	555	(18)	1391	1501	2.300		2025	555	-	-	555
	565	(18)	1502	1614	2.430		2026	565	-	-	565
	580	(18)	1615	1730	2.540		2027	580	-	-	580
	595	(18)	1731	1849	2.630		2028	595	-	-	595
	615	(18)	1850	1972	2.670		2029	615	-	-	615
	630	(18)	1973	2098	2.750		2030	630	-	-	630
	650	(18)	2099	2228	2.860		2031	650	-	-	650
	665	(18)	2229	2361	2.900		2032	665	-	-	665
	685	(18)	2362	2498	2.970		2033	685	-	-	685
	705	(18)	2499	2639	3.060		2034	705	-	-	705
	730	(18)	2640	2785	3.110		2035	730	-	-	730
	750	(18)	2786	2935	3.110		2036	750	-	-	750
	775	(18)	2936	3090	3.110		2037	775	-	-	775
	800	(18)	3091	3250	3.110		2038	800	-	-	800
	825	(18)	3251	3415	3.110		2039	825	-	-	825
	855	(18)	3416	3586	3.310		2040	855	-	-	855
	<u>\$ 17,930</u>							<u>\$ 15,995</u>	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ 15,520</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.



**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<i><b>WATER SYSTEM REVENUE BONDS</b></i>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
						<b>15-May</b>	<b>2011</b>		<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2011	\$ -	\$ -	\$ -	\$ -
Revenue Bonds,	1,120	NONE	1	224	-		2012	-	-	-	-
Series 2011	1,175	NONE	225	459	-		2013	-	-	-	-
Paying Agent: US Bank N.A.	1,175	NONE	460	694	-		2014	-	-	-	-
Bonds Dated: 08-18-11	1,175	NONE	695	929	-		2015	1,175	-	1,175	-
	1,175	NONE	930	1164	-		2016	1,175	-	-	1,175
	1,175	NONE	1165	1399	-		2017	1,175	-	-	1,175
	1,175	NONE	1400	1634	0.060		2018	1,175	-	-	1,175
	1,175	NONE	1635	1869	0.360		2019	1,175	-	-	1,175
	1,180	NONE	1870	2105	0.590		2020	1,180	-	-	1,180
	1,190	NONE	2106	2343	0.790		2021	1,190	-	-	1,190
	1,200	(19)	2344	2583	0.980		2022	1,200	-	-	1,200
	1,215	(19)	2584	2826	1.150		2023	1,215	-	-	1,215
	1,230	(19)	2827	3072	1.320		2024	1,230	-	-	1,230
	1,245	(19)	3073	3321	1.490		2025	1,245	-	-	1,245
	1,265	(19)	3322	3574	1.620		2026	1,265	-	-	1,265
	1,285	(19)	3575	3831	1.720		2027	1,285	-	-	1,285
	1,310	(19)	3832	4093	1.820		2028	1,310	-	-	1,310
	1,335	(19)	4094	4360	1.920		2029	1,335	-	-	1,335
	1,360	(19)	4361	4632	2.070		2030	1,360	-	-	1,360
	1,390	(19)	4633	4910	2.070		2031	1,390	-	-	1,390
	<u>\$ 24,550</u>							<u>\$ 21,080</u>	<u>\$ -</u>	<u>\$ 1,175</u>	<u>\$ 19,905</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2011	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding	335	NONE	1	67	-		2012	-	-	-	-
Bonds, Series 2011A	455	NONE	68	158	-		2013	-	-	-	-
Paying Agent: US Bank N.A.	455	NONE	159	249	-		2014	-	-	-	-
Bonds Dated: 08-18-11	455	NONE	250	340	0.350		2015	455	-	455	-
	455	NONE	341	431	0.650		2016	455	-	-	455
	460	NONE	432	523	0.950		2017	460	-	-	460
	465	NONE	524	616	1.250		2018	465	-	-	465
	475	NONE	617	711	1.550		2019	475	-	-	475
	480	NONE	712	807	1.800		2020	480	-	-	480
	490	NONE	808	905	2.000		2021	490	-	-	490
	500	(20)	906	1005	2.200		2022	500	-	-	500
	510	(20)	1006	1107	2.400		2023	510	-	-	510
	525	(20)	1108	1212	2.550		2024	525	-	-	525
	540	(20)	1213	1320	2.700		2025	540	-	-	540
	555	(20)	1321	1431	2.850		2026	555	-	-	555
	570	(20)	1432	1545	2.950		2027	570	-	-	570
	590	(20)	1546	1663	3.050		2028	590	-	-	590
	605	(20)	1664	1784	3.150		2029	605	-	-	605
	625	(20)	1785	1909	3.250		2030	625	-	-	625
	645	(20)	1910	2038	3.300		2031	645	-	-	645
	670	(20)	2039	2172	3.400		2032	670	-	-	670
	690	(20)	2173	2310	3.500		2033	690	-	-	690
	715	(20)	2311	2453	3.550		2034	715	-	-	715
	745	(20)	2454	2602	3.650		2035	745	-	-	745
	770	(20)	2603	2756	3.700		2036	770	-	-	770
	800	(20)	2757	2916	3.700		2037	800	-	-	800
	830	(20)	2917	3082	3.700		2038	830	-	-	830
	860	(20)	3083	3254	3.700		2039	860	-	-	860
	895	(20)	3255	3433	3.700		2040	895	-	-	895
	930	(20)	3434	3619	3.900		2041	930	-	-	930
	<u>\$ 18,095</u>							<u>\$ 16,850</u>	<u>\$ -</u>	<u>\$ 455</u>	<u>\$ 16,395</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original</b>	<b>Call</b>	<b>Bond</b>	<b>Bond</b>	<b>Interest</b>	<b>Maturity Dates</b>		<b>Balances</b>	<b>Transactions</b>		<b>Balances</b>
	<b>Issue</b>	<b>Options</b>	<b>Numbers</b>	<b>Type</b>	<b>Rates</b>			<b>Outstanding</b>	<b>Issued</b>	<b>Retired</b>	<b>Outstanding</b>
								<b>January 1, 2015</b>			<b>December 31, 2015</b>
Water System Junior Lien	\$ -				- %	15-May	2012	\$ -	\$ -	\$ -	\$ -
Revenue Refunding Bonds, Series 2012 (No Reserve Fund)	2,895	NONE	1	579	2.000		2013	-	-	-	-
Paying Agent: Bank of New York	2,965	NONE	580	1172	2.000		2014	-	-	-	-
Bonds Dated: 04-11-12	3,055	NONE	1173	1783	4.000		2015	3,055	-	3,055	-
	3,210	NONE	1784	2425	4.000		2016	3,210	-	-	3,210
	3,135	NONE	2426	3052	4.000		2017	3,135	-	-	3,135
	3,290	NONE	3053	3710	4.000		2018	3,290	-	-	3,290
	4,265	NONE	3132	4563	4.000		2019	4,265	-	-	4,265
	3,545	NONE	4564	5272	4.500		2020	3,545	-	-	3,545
	3,735	NONE	5273	6019	4.500		2021	3,735	-	-	3,735
	1,795	NONE	6020	6378	5.000		2022	1,795	-	-	1,795
	<u>\$ 31,890</u>							<u>\$ 26,030</u>	<u>\$ -</u>	<u>\$ 3,055</u>	<u>\$ 22,975</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2012	\$ -	\$ -	\$ -	\$ -
Revenue Bonds, Series 2012	545	NONE	1	109	-		2013	-	-	-	-
Paying Agent: US Bank N.A.	590	NONE	110	227	-		2014	-	-	-	-
Bonds Dated: 08-28-12	590	NONE	228	345	-		2015	590	-	590	-
	590	NONE	346	463	-		2016	590	-	-	590
	590	NONE	464	581	-		2017	590	-	-	590
	590	NONE	582	699	-		2018	590	-	-	590
	590	NONE	700	817	0.140		2019	590	-	-	590
	595	NONE	818	936	0.389		2020	595	-	-	595
	595	NONE	937	1055	0.580		2021	595	-	-	595
	600	NONE	1056	1175	0.710		2022	600	-	-	600
	605	(21)	1176	1296	0.830		2023	605	-	-	605
	610	(21)	1297	1418	0.920		2024	610	-	-	610
	615	(21)	1419	1541	1.010		2025	615	-	-	615
	625	(21)	1542	1666	1.090		2026	625	-	-	625
	630	(21)	1667	1792	1.160		2027	630	-	-	630
	635	(21)	1793	1919	1.230		2028	635	-	-	635
	645	(21)	1920	2048	1.300		2029	645	-	-	645
	655	(21)	2049	2179	1.370		2030	655	-	-	655
	665	(21)	2180	2312	1.430		2031	665	-	-	665
	675	(21)	2313	2447	1.490		2032	675	-	-	675
	685	(21)	2448	2584	1.550		2033	685	-	-	685
	695	(21)	2585	2723	1.620		2034	695	-	-	695
	705	(21)	2724	2864	1.690		2035	705	-	-	705
	720	(21)	2865	3008	1.750		2036	720	-	-	720
	730	(21)	3009	3154	1.790		2037	730	-	-	730
	745	(21)	3155	3303	1.810		2038	745	-	-	745
	760	(21)	3304	3455	1.820		2039	760	-	-	760
	770	(21)	3456	3609	1.830		2040	770	-	-	770
	785	(21)	3610	3766	1.840		2041	785	-	-	785
	800	(21)	3767	3926	1.850		2042	800	-	-	800
	<u>\$ 19,630</u>							<u>\$ 18,495</u>	<u>\$ -</u>	<u>\$ 590</u>	<u>\$ 17,905</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<i><b>WATER SYSTEM REVENUE BONDS</b></i>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2013	\$ -	\$ -	\$ -	\$ -
Revenue Bonds, Series 2013A	2,395	NONE	1	479	Serial		2014	-	-	-	-
Paying Agent: Bank of New York	2,390	NONE	480	957	Serial		2015	2,390	-	2,390	-
Bonds Dated: 05-07-13	2,390	NONE	958	1435	Serial		2016	2,390	-	-	2,390
	2,390	NONE	1436	1913	Serial		2017	2,390	-	-	2,390
	2,390	NONE	1914	2391	Serial		2018	2,390	-	-	2,390
	2,395	NONE	2392	2870	Serial	0.090	2019	2,395	-	-	2,395
	2,400	NONE	2871	3350	Serial	0.300	2020	2,400	-	-	2,400
	2,410	NONE	3351	3832	Serial	0.480	2021	2,410	-	-	2,410
	2,420	NONE	3833	4316	Serial	0.670	2022	2,420	-	-	2,420
	2,440	NONE	4317	4804	Serial	0.850	2023	2,440	-	-	2,440
	2,460	(22)	4805	5296	Serial	0.940	2024	2,460	-	-	2,460
	2,485	(22)	5297	5793	Serial	1.020	2025	2,485	-	-	2,485
	2,515	(22)	5794	6296	Serial	1.090	2026	2,515	-	-	2,515
	2,540	(22)	6297	6804	Serial	1.150	2027	2,540	-	-	2,540
	2,570	(22)	6805	7318	Serial	1.220	2028	2,570	-	-	2,570
	2,605	(22)	7319	7839	Serial	1.270	2029	2,605	-	-	2,605
	2,635	(22)	7840	8366	Serial	1.330	2030	2,635	-	-	2,635
	2,675	(22)	8367	8901	Serial	1.380	2031	2,675	-	-	2,675
	2,720	(22)	8902	9445	Serial	2.050	2032	2,720	-	-	2,720
	2,775	(22)	9446	10000	Serial	2.050	2033	2,775	-	-	2,775
	<u>\$ 50,000</u>							<u>\$ 47,605</u>	<u>\$ -</u>	<u>\$ 2,390</u>	<u>\$ 45,215</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2013	\$ -	\$ -	\$ -	\$ -
Revenue Refunding Bonds, Series 2013B (No Reserve Fund)	1,875	NONE	1	375	2.000		2014	-	-	-	-
Paying Agent: US Bank	3,715	NONE	376	1118	4.000		2015	3,715	-	3,715	-
Bonds Dated: 06-06-13	3,870	NONE	1119	1892	4.000		2016	3,870	-	-	3,870
	4,030	NONE	1893	2698	4.000		2017	4,030	-	-	4,030
	4,200	NONE	2699	3538	5.000		2018	4,200	-	-	4,200
	4,410	NONE	3539	4420	5.000		2019	4,410	-	-	4,410
	4,640	NONE	4421	5348	5.000		2020	4,640	-	-	4,640
	4,875	NONE	5349	6323	5.000		2021	4,875	-	-	4,875
	5,125	NONE	6324	7348	5.000		2022	5,125	-	-	5,125
	3,620	NONE	7349	8072	5.000		2023	3,620	-	-	3,620
	2,970	(23)	8073	8666	5.000		2024	2,970	-	-	2,970
	3,120	(23)	8667	9290	5.000		2025	3,120	-	-	3,120
	3,285	(23)	9291	9947	5.000		2026	3,285	-	-	3,285
	3,450	(23)	9948	10637	5.000		2027	3,450	-	-	3,450
	3,630	(23)	10638	11363	5.000		2028	3,630	-	-	3,630
	3,815	(23)	11364	12126	5.000		2029	3,815	-	-	3,815
	4,015	(23)	12127	12929	5.000		2030	4,015	-	-	4,015
	4,220	(23)	12930	13773	5.000		2031	4,220	-	-	4,220
	4,440	(23)	13774	14661	5.000		2032	4,440	-	-	4,440
	4,670	(23)	14662	15595	5.000		2033	4,670	-	-	4,670
	4,910	(23)	15596	16577	5.000		2034	4,910	-	-	4,910
	<u>\$ 82,885</u>							<u>\$ 81,010</u>	<u>\$ -</u>	<u>\$ 3,715</u>	<u>\$ 77,295</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2013	\$ -	\$ -	\$ -	\$ -
Revenue Bonds, Series 2013C	1,230	NONE	1	246	0.000		2014	-	-	-	-
Paying Agent: Bank of New York	1,210	NONE	247	488	0.000		2015	1,210	-	1,210	-
Bonds Dated: 12-05-13	1,210	NONE	489	730	0.000		2016	1,210	-	-	1,210
	1,210	NONE	731	972	0.000		2017	1,210	-	-	1,210
	1,210	NONE	973	1214	0.400		2018	1,210	-	-	1,210
	1,210	NONE	1215	1456	0.420		2019	1,210	-	-	1,210
	1,220	NONE	1457	1700	0.790		2020	1,220	-	-	1,220
	1,230	NONE	1701	1946	1.110		2021	1,230	-	-	1,230
	1,245	NONE	1947	2195	1.300		2022	1,245	-	-	1,245
	1,260	NONE	2196	2447	1.480		2023	1,260	-	-	1,260
	1,280	(24)	2448	2703	1.650		2024	1,280	-	-	1,280
	1,305	(24)	2704	2964	1.810		2025	1,305	-	-	1,305
	1,330	(24)	2965	3230	1.970		2026	1,330	-	-	1,330
	1,355	(24)	3231	3501	2.120		2027	1,355	-	-	1,355
	1,385	(24)	3502	3778	2.270		2028	1,385	-	-	1,385
	1,420	(24)	3779	4062	2.390		2029	1,420	-	-	1,420
	1,455	(24)	4063	4353	2.510		2030	1,455	-	-	1,455
	1,495	(24)	4354	4652	2.590		2031	1,495	-	-	1,495
	1,535	(24)	4653	4959	2.680		2032	1,535	-	-	1,535
	1,575	(24)	4960	5274	2.740		2033	1,575	-	-	1,575
	<u>\$ 26,370</u>							<u>\$ 25,140</u>	<u>\$ -</u>	<u>\$ 1,210</u>	<u>\$ 23,930</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
						<b>15-May</b>	<b>2013</b>		<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2013	\$ -	\$ -	\$ -	\$ -
Revenue Bonds, Series 2013D	1,495	NONE	1	299	0.000		2014	-	-	-	-
Paying Agent: Bank of New York	1,555	NONE	300	610	0.000		2015	1,555	-	1,555	-
Bonds Dated: 10-31-13	1,555	NONE	611	921	0.000		2016	1,555	-	-	1,555
	1,555	NONE	922	1232	0.000		2017	1,555	-	-	1,555
	1,560	NONE	1233	1544	0.450		2018	1,560	-	-	1,560
	1,565	NONE	1545	1857	0.770		2019	1,565	-	-	1,565
	1,580	NONE	1858	2173	1.030		2020	1,580	-	-	1,580
	1,600	NONE	2174	2493	1.340		2021	1,600	-	-	1,600
	1,625	NONE	2494	2818	1.580		2022	1,625	-	-	1,625
	1,650	NONE	2819	3148	1.770		2023	1,650	-	-	1,650
	1,680	(25)	3149	3484	1.960		2024	1,680	-	-	1,680
	1,715	(25)	3485	3827	2.150		2025	1,715	-	-	1,715
	1,755	(25)	3828	4178	2.340		2026	1,755	-	-	1,755
	1,800	(25)	4179	4538	2.470		2027	1,800	-	-	1,800
	1,845	(25)	4539	4907	2.590		2028	1,845	-	-	1,845
	1,895	(25)	4908	5286	2.710		2029	1,895	-	-	1,895
	1,950	(25)	5287	5676	2.820		2030	1,950	-	-	1,950
	2,005	(25)	5677	6077	2.900		2031	2,005	-	-	2,005
	2,065	(25)	6078	6490	2.980		2032	2,065	-	-	2,065
	2,130	(25)	6491	6916	3.050		2033	2,130	-	-	2,130
	2,195	(25)	6917	7355	3.110		2034	2,195	-	-	2,195
	2,265	(25)	7356	7808	3.170		2035	2,265	-	-	2,265
	2,340	(25)	7809	8276	3.220		2036	2,340	-	-	2,340
	2,415	(25)	8277	8759	3.260		2037	2,415	-	-	2,415
	2,495	(25)	8760	9258	3.300		2038	2,495	-	-	2,495
	2,580	(25)	9259	9774	3.330		2039	2,580	-	-	2,580
	2,665	(25)	9775	10307	3.350		2040	2,665	-	-	2,665
	2,760	(25)	10308	10859	3.370		2041	2,760	-	-	2,760
	2,855	(25)	10860	11430	3.380		2042	2,855	-	-	2,855
	2,950	(25)	11431	12020	3.390		2043	2,950	-	-	2,950
	<u>\$ 60,100</u>							<u>\$ 58,605</u>	<u>\$ -</u>	<u>\$ 1,555</u>	<u>\$ 57,050</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.



**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				2.000 %	15-May	2013	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding Bonds, Series 2013E (No Reserve Fund)	3,180	NONE	1	636	4.000		2014	-	-	-	-
Paying Agent: USBank	3,370	NONE	637	1310	4.000		2015	3,370	-	3,370	-
Bonds Dated: 11-06-13	3,505	NONE	1311	2011	5.000		2016	3,505	-	-	3,505
	3,670	NONE	2012	2745	4.000		2017	3,670	-	-	3,670
	3,840	NONE	2746	3513	5.000		2018	3,840	-	-	3,840
	4,015	NONE	3514	4316	4.000		2019	4,015	-	-	4,015
	4,200	NONE	4317	5156	5.000		2020	4,200	-	-	4,200
	4,395	NONE	5157	6035	5.000		2021	4,395	-	-	4,395
	4,620	NONE	6036	6959	5.000		2022	4,620	-	-	4,620
	4,855	NONE	6960	7930	5.000		2023	4,855	-	-	4,855
	5,105	(26)	7931	8951	5.000		2024	5,105	-	-	5,105
	5,365	(26)	8952	10024	5.000		2025	5,365	-	-	5,365
	5,640	(26)	10025	11152	5.000		2026	5,640	-	-	5,640
	5,930	(26)	11153	12338	5.000		2027	5,930	-	-	5,930
	6,235	(26)	12339	13585	5.000		2028	6,235	-	-	6,235
	6,555	(26)	13586	14896	5.000		2029	6,555	-	-	6,555
	4,870	(26)	14897	15870	4.000		2030	4,870	-	-	4,870
	<u>\$ 79,350</u>							<u>\$ 76,170</u>	<u>\$ -</u>	<u>\$ 3,370</u>	<u>\$ 72,800</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates*</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
						<b>%</b>	<b>1-May</b>		<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -	NONE					2013	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding Bonds, Series 2013F (No Reserve Fund)	-	NONE					2014	-	-	-	-
Paying Agent: USBank	-	NONE					2015	-	-	-	-
Bonds Dated: 11-06-13	-	NONE					2016	-	-	-	-
	-	NONE					2017	-	-	-	-
	-	NONE					2018	-	-	-	-
	-	NONE					2019	-	-	-	-
	-	NONE					2020	-	-	-	-
	-	NONE					2021	-	-	-	-
	-	NONE					2022	-	-	-	-
	-	NONE					2023	-	-	-	-
	-	NONE					2024	-	-	-	-
	-	NONE					2025	-	-	-	-
	-	NONE					2026	-	-	-	-
	-	NONE					2027	-	-	-	-
	-	NONE					2028	-	-	-	-
	-	NONE					2029	-	-	-	-
	1,960	(40)	1	392	Term	Variable	2030	1,960	-	-	1,960
	6,990	(40)	393	1790	Term	Variable	2031	6,990	-	-	6,990
	7,075	(40)	1791	3205	Term	Variable	2032	7,075	-	-	7,075
	7,165	(40)	3206	4638	Term	Variable	2033	7,165	-	-	7,165
	7,255	(40)	4639	6089	Term	Variable	2034	7,255	-	-	7,255
	7,345	(40)	6090	7558	Term	Variable	2035	7,345	-	-	7,345
	7,440	(40)	7559	9046	Term	Variable	2036	7,440	-	-	7,440
	7,535	(40)	9047	10553	Term	Variable	2037	7,535	-	-	7,535
	7,630	(40)	10554	12079	Term	Variable	2038	7,630	-	-	7,630
	7,725	(40)	12080	13624	Term	Variable	2039	7,725	-	-	7,725
	7,820	(40)	13625	15188	Term	Variable	2040	7,820	-	-	7,820
	7,920	(40)	15189	16772	Term	Variable	2041	7,920	-	-	7,920
	8,020	(40)	16773	18376	Term	Variable	2042	8,020	-	-	8,020
	8,120	(40)	18377	20000	Term	Variable	2043	8,120	-	-	8,120
	<u>\$ 100,000</u>							<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

\* The Bonds are multi modal variable rate bonds, initially issued in a SIFMA Index Mode, with interest rates reset weekly based on the sum of the SIFMA Swap Index and a spread of 0.68%.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<i><b>WATER SYSTEM REVENUE BONDS</b></i>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2014	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding Bonds, Series 2014A (No Reserve Fund)	3,140	NONE	1	628	Serial		2015	3,140	-	3,140	-
Paying Agent: USBank	4,480	NONE	629	1524	Serial		2016	4,480	-	-	4,480
Bonds Dated: 04-30-14	3,425	NONE	1525	2209	Serial		2017	3,425	-	-	3,425
	3,655	NONE	2210	2940	Serial		2018	3,655	-	-	3,655
	7,710	NONE	2941	4482	Serial		2019	7,710	-	-	7,710
	7,960	NONE	4483	6074	Serial		2020	7,960	-	-	7,960
	8,375	NONE	6075	7749	Serial		2021	8,375	-	-	8,375
	8,800	NONE	7750	9509	Serial		2022	8,800	-	-	8,800
	9,265	NONE	9510	11362	Serial		2023	9,265	-	-	9,265
	9,735	(27)	11363	13309	Serial		2024	9,735	-	-	9,735
	10,235	(27)	13310	15356	Serial		2025	10,235	-	-	10,235
	10,770	(27)	15357	17510	Serial		2026	10,770	-	-	10,770
	5,190	(27)	17511	18548	Serial		2027	5,190	-	-	5,190
	5,455	(27)	18549	19639	Serial		2028	5,455	-	-	5,455
	5,735	(27)	19640	20786	Serial		2029	5,735	-	-	5,735
	<u>\$ 103,930</u>							<u>\$ 103,930</u>	<u>\$ -</u>	<u>\$ 3,140</u>	<u>\$ 100,790</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates*</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -	NONE			- %	1-May	2014	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding Bonds, Series 2014B (No Reserve Fund)	-	NONE					2015	-	-	-	-
Paying Agent: USBank	-	NONE					2016	-	-	-	-
Bonds Dated: 04-30-14	-	NONE					2017	-	-	-	-
	-	NONE					2018	-	-	-	-
	-	NONE					2019	-	-	-	-
	-	NONE					2020	-	-	-	-
	-	NONE					2021	-	-	-	-
	-	NONE					2022	-	-	-	-
	-	NONE					2023	-	-	-	-
	-	NONE					2024	-	-	-	-
	-	NONE					2025	-	-	-	-
	-	NONE					2026	-	-	-	-
	-	NONE					2027	-	-	-	-
	-	NONE					2028	-	-	-	-
	-	NONE					2029	-	-	-	-
	5,990	(41)	1	1198	Term	Variable	2030	5,990	-	-	5,990
	6,080	(41)	1199	2414	Term	Variable	2031	6,080	-	-	6,080
	6,170	(41)	2415	3648	Term	Variable	2032	6,170	-	-	6,170
	6,265	(41)	3649	4901	Term	Variable	2033	6,265	-	-	6,265
	6,360	(41)	4902	6173	Term	Variable	2034	6,360	-	-	6,360
	6,455	(41)	6174	7464	Term	Variable	2035	6,455	-	-	6,455
	6,555	(41)	7465	8775	Term	Variable	2036	6,555	-	-	6,555
	6,650	(41)	8776	10105	Term	Variable	2037	6,650	-	-	6,650
	6,755	(41)	10106	11456	Term	Variable	2038	6,755	-	-	6,755
	6,855	(41)	11457	12827	Term	Variable	2039	6,855	-	-	6,855
	6,960	(41)	12828	14219	Term	Variable	2040	6,960	-	-	6,960
	7,065	(41)	14220	15632	Term	Variable	2041	7,065	-	-	7,065
	7,170	(41)	15633	17066	Term	Variable	2042	7,170	-	-	7,170
	7,280	(41)	17067	18522	Term	Variable	2043	7,280	-	-	7,280
	7,390	(41)	18523	20000	Term	Variable	2044	7,390	-	-	7,390
	<u>\$ 100,000</u>							<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

\* The Bonds are multi modal variable rate bonds, initially issued in a SIFMA Index Mode, with interest rates reset weekly based on the sum of the SIFMA Swap Index and a spread of 0.40%.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
						<b>- %</b>	<b>15-May</b>		<b>2014</b>	<b>2015</b>	
Water System Junior Lien	\$ -				- %	15-May	2014	\$ -	\$ -	\$ -	\$ -
Revenue Bonds, Series 2014C	1,070	NONE	1	214	0.000		2015	1,070	-	1,070	-
Paying Agent: Bank of New York	1,070	NONE	215	428	0.000		2016	1,070	-	-	1,070
Bonds Dated: 06-18-14	1,070	NONE	429	642	0.000		2017	1,070	-	-	1,070
	1,070	NONE	643	856	0.000		2018	1,070	-	-	1,070
	1,070	NONE	857	1070	0.150		2019	1,070	-	-	1,070
	1,075	NONE	1071	1285	0.450		2020	1,075	-	-	1,075
	1,080	NONE	1286	1501	0.740		2021	1,080	-	-	1,080
	1,090	NONE	1502	1719	0.970		2022	1,090	-	-	1,090
	1,100	NONE	1720	1939	1.150		2023	1,100	-	-	1,100
	1,115	NONE	1940	2162	1.290		2024	1,115	-	-	1,115
	1,130	(28)	2163	2388	1.420		2025	1,130	-	-	1,130
	1,145	(28)	2389	2617	1.550		2026	1,145	-	-	1,145
	1,165	(28)	2618	2850	1.650		2027	1,165	-	-	1,165
	1,185	(28)	2851	3087	1.740		2028	1,185	-	-	1,185
	1,205	(28)	3088	3328	1.830		2029	1,205	-	-	1,205
	1,230	(28)	3329	3574	1.910		2030	1,230	-	-	1,230
	1,250	(28)	3575	3824	1.990		2031	1,250	-	-	1,250
	1,280	(28)	3825	4080	2.070		2032	1,280	-	-	1,280
	1,305	(28)	4081	4341	2.140		2033	1,305	-	-	1,305
	1,335	(28)	4342	4608	2.200		2034	1,335	-	-	1,335
	1,365	(28)	4609	4881	2.260		2035	1,365	-	-	1,365
	1,395	(28)	4882	5160	2.310		2036	1,395	-	-	1,395
	1,430	(28)	5161	5446	2.350		2037	1,430	-	-	1,430
	1,465	(28)	5447	5739	2.380		2038	1,465	-	-	1,465
	1,500	(28)	5740	6039	2.410		2039	1,500	-	-	1,500
	1,535	(28)	6040	6346	2.430		2040	1,535	-	-	1,535
	1,575	(28)	6347	6661	2.450		2041	1,575	-	-	1,575
	1,610	(28)	6662	6983	2.450		2042	1,610	-	-	1,610
	1,650	(28)	6984	7313	2.460		2043	1,650	-	-	1,650
	1,695	(28)	7314	7652	2.460		2044	1,695	-	-	1,695
	<u>\$ 38,260</u>							<u>\$ 38,260</u>	<u>\$ -</u>	<u>\$ 1,070</u>	<u>\$ 37,190</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<i><b>WATER SYSTEM REVENUE BONDS</b></i>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2014	\$ -	\$ -	\$ -	\$ -
Revenue Bonds, Series 2014D	1,055	NONE	1	211	0.000		2015	1,055	-	1,055	-
Paying Agent: Bank of New York	1,050	NONE	212	421	0.000		2016	1,050	-	-	1,050
Bonds Dated: 06-19-14	1,050	NONE	422	631	0.000		2017	1,050	-	-	1,050
	1,050	NONE	632	841	0.000		2018	1,050	-	-	1,050
	1,055	NONE	842	1052	0.020		2019	1,055	-	-	1,055
	1,055	NONE	1053	1263	0.300		2020	1,055	-	-	1,055
	1,060	NONE	1264	1475	0.590		2021	1,060	-	-	1,060
	1,065	NONE	1476	1688	0.810		2022	1,065	-	-	1,065
	1,075	NONE	1689	1903	1.000		2023	1,075	-	-	1,075
	1,090	NONE	1904	2121	1.120		2024	1,090	-	-	1,090
	1,100	(29)	2122	2341	1.240		2025	1,100	-	-	1,100
	1,115	(29)	2342	2564	1.350		2026	1,115	-	-	1,115
	1,130	(29)	2565	2790	1.440		2027	1,130	-	-	1,130
	1,145	(29)	2791	3019	1.530		2028	1,145	-	-	1,145
	1,165	(29)	3020	3252	1.620		2029	1,165	-	-	1,165
	1,185	(29)	3253	3489	1.690		2030	1,185	-	-	1,185
	1,205	(29)	3490	3730	1.760		2031	1,205	-	-	1,205
	1,225	(29)	3731	3975	1.830		2032	1,225	-	-	1,225
	1,250	(29)	3976	4225	1.900		2033	1,250	-	-	1,250
	1,275	(29)	4226	4480	1.960		2034	1,275	-	-	1,275
	<u>\$ 22,400</u>							<u>\$ 22,400</u>	<u>\$ -</u>	<u>\$ 1,055</u>	<u>\$ 21,345</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<i><b>WATER SYSTEM REVENUE BONDS</b></i>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond Numbers</b>	<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
									<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ -				- %	15-May	2015	\$ -	\$ -	\$ -	\$ -
Revenue Bonds, Series 2015A	2,180	NONE	1	436	Serial		2016	-	2,180	-	2,180
Paying Agent: Bank of New York	2,180	NONE	437	872	Serial		2017	-	2,180	-	2,180
Bonds Dated: 01-21-15	2,180	NONE	873	1308	Serial		2018	-	2,180	-	2,180
	2,180	NONE	1309	1744	Serial	0.030	2019	-	2,180	-	2,180
	2,185	NONE	1745	2181	Serial	0.320	2020	-	2,185	-	2,185
	2,195	NONE	2182	2620	Serial	0.580	2021	-	2,195	-	2,195
	2,210	NONE	2621	3062	Serial	0.770	2022	-	2,210	-	2,210
	2,230	NONE	3063	3508	Serial	0.910	2023	-	2,230	-	2,230
	2,250	NONE	3509	3958	Serial	1.020	2024	-	2,250	-	2,250
	2,275	(30)	3959	4413	Serial	1.150	2025	-	2,275	-	2,275
	2,305	(30)	4414	4874	Serial	1.250	2026	-	2,305	-	2,305
	2,330	(30)	4875	5340	Serial	1.330	2027	-	2,330	-	2,330
	2,365	(30)	5341	5813	Serial	1.390	2028	-	2,365	-	2,365
	2,400	(30)	5814	6293	Serial	1.440	2029	-	2,400	-	2,400
	2,435	(30)	6294	6780	Serial	1.490	2030	-	2,435	-	2,435
	2,470	(30)	6781	7274	Serial	1.540	2031	-	2,470	-	2,470
	2,510	(30)	7275	7776	Serial	1.590	2032	-	2,510	-	2,510
	2,550	(30)	7777	8286	Serial	1.640	2033	-	2,550	-	2,550
	2,595	(30)	8287	8805	Serial	1.690	2034	-	2,595	-	2,595
	2,640	(30)	8806	9333	Serial	1.740	2035	-	2,640	-	2,640
	2,685	(30)	9334	9870	Serial	1.780	2036	-	2,685	-	2,685
	2,735	(30)	9871	10417	Serial	1.810	2037	-	2,735	-	2,735
	2,785	(30)	10418	10974	Serial	1.840	2038	-	2,785	-	2,785
	2,835	(30)	10975	11541	Serial	1.870	2039	-	2,835	-	2,835
	2,890	(30)	11542	12119	Serial	1.900	2040	-	2,890	-	2,890
	2,945	(30)	12120	12708	Serial	1.930	2041	-	2,945	-	2,945
	3,005	(30)	12709	13309	Serial	1.950	2042	-	3,005	-	3,005
	3,065	(30)	13310	13922	Serial	1.960	2043	-	3,065	-	3,065
	3,125	(30)	13923	14547	Serial	1.970	2044	-	3,125	-	3,125
	3,185	(30)	14548	15184	Serial	1.970	2045	-	3,185	-	3,185
	<u>\$ 75,920</u>							<u>\$ -</u>	<u>\$ 75,920</u>	<u>\$ -</u>	<u>\$ 75,920</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.

**San Antonio Water System**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
**For the Year Ended December 31, 2015**  
*(amounts in thousands)*

<b>WATER SYSTEM REVENUE BONDS</b>	<b>Original Issue</b>	<b>Call Options</b>	<b>Bond</b>		<b>Bond Type</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>		<b>Balances Outstanding January 1, 2015</b>	<b>Transactions</b>		<b>Balances Outstanding December 31, 2015</b>
			<b>Numbers</b>							<b>Issued</b>	<b>Retired</b>	
Water System Junior Lien	\$ 1,950	NONE	1	390	Serial	2.000 %	15-May	2015	\$ -	\$ 1,950	\$ 1,950	\$ -
Revenue and Refunding Bonds, Series 2015B (No Reserve Fund)	3,115	NONE	391	1013	Serial	5.000		2016	-	3,115	-	3,115
	3,265	NONE	1014	1666	Serial	5.000		2017	-	3,265	-	3,265
Paying Agent: USBank	3,435	NONE	1667	2353	Serial	5.000		2018	-	3,435	-	3,435
Bonds Dated: 02-18-15	3,555	NONE	2354	3064	Serial	2.000		2019	-	3,555	-	3,555
	3,690	NONE	3065	3802	Serial	5.000		2020	-	3,690	-	3,690
	3,875	NONE	3803	4577	Serial	5.000		2021	-	3,875	-	3,875
	4,075	NONE	4578	5392	Serial	5.000		2022	-	4,075	-	4,075
	4,280	NONE	5393	6248	Serial	5.000		2023	-	4,280	-	4,280
	3,535	NONE	6249	6955	Serial	5.000		2024	-	3,535	-	3,535
	1,710	NONE	6956	7297	Serial	2.500		2025	-	1,710	-	1,710
	1,775	(31)	7298	7652	Serial	5.000		2026	-	1,775	-	1,775
	1,865	(31)	7653	8025	Serial	5.000		2027	-	1,865	-	1,865
	1,960	(31)	8026	8417	Serial	5.000		2028	-	1,960	-	1,960
	2,065	(31)	8418	8830	Serial	5.000		2029	-	2,065	-	2,065
	2,170	(31)	8831	9264	Serial	5.000		2030	-	2,170	-	2,170
	2,280	(31)	9265	9720	Serial	5.000		2031	-	2,280	-	2,280
	2,395	(31)	9721	10199	Serial	5.000		2032	-	2,395	-	2,395
	2,520	(31)	10200	10703	Serial	5.000		2033	-	2,520	-	2,520
	2,650	(31)	10704	11233	Serial	5.000		2034	-	2,650	-	2,650
	15,515	(31)	11234	14336	Serial	4.000		2035	-	15,515	-	15,515
	18,260	(31)	14337	17988	Serial	5.000		2035	-	18,260	-	18,260
	16,120	(31)	17989	21212	Serial	4.000		2036	-	16,120	-	16,120
	19,225	(31)	21213	25057	Serial	5.000		2036	-	19,225	-	19,225
	36,880	(31)	25058	32433	Serial	4.000		2037	-	36,880	-	36,880
	38,585	(31), (39)	32434	40150	Term	5.000		2038	-	38,585	-	38,585
	40,565	(31), (39)	40151	48263	Term	5.000		2039	-	40,565	-	40,565
	42,425	(31)	48264	56748	Serial	4.000		2040	-	42,425	-	42,425
	3,595	(31), (39)	56749	57467	Term	4.000		2041	-	3,595	-	3,595
	3,740	(31), (39)	57468	58215	Term	4.000		2042	-	3,740	-	3,740
	3,895	(31), (39)	58216	58994	Term	4.000		2043	-	3,895	-	3,895
	4,050	(31), (39)	58995	59804	Term	4.000		2044	-	4,050	-	4,050
	4,215	(31), (39)	59805	60647	Term	4.000		2045	-	4,215	-	4,215
	<u>\$ 303,235</u>								<u>\$ -</u>	<u>\$ 303,235</u>	<u>\$ 1,950</u>	<u>\$ 301,285</u>

Note: See Analysis of Changes in Bonded Debt for further explanation of call options.



**San Antonio Water System  
Analysis of Changes in Bonded Debt**

**CALL OPTIONS:**

Optional redemption:

- (1) Series 2005 Senior Lien, Serial Bonds stated to mature on and after May 15, 2016 and the Term Bonds stated to mature on May 15, 2036 and May 15, 2040, are subject to early redemption, at the option of the City, on May 15, 2015, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the par value thereof plus accrued interest to the redemption date. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (2) Series 2007 Senior Lien, Serial Bonds stated to mature on and after May 15, 2018 and the Term Bonds stated to mature on May 15, 2032 and May 15, 2037, are subject to early redemption, at the option of the City, on May 15, 2017, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the par value thereof plus accrued interest to the redemption date. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (3) Series 2009 Senior Lien, Serial Bonds stated to mature on and after May 15, 2019 and the Term Bonds stated to mature on May 15, 2029, May 15, 2034, and May 15, 2039 are subject to early redemption, at the option of the City, on May 15, 2018, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the par value thereof plus accrued interest to the redemption date. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (4) Series 2009B Senior Lien Bonds having stated maturities on May 15 in each of the years of 2015 through 2024 are subject to redemption prior to stated maturity, at the option of the City, on December 10, 2009 through May 14, 2019, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar), at the Serial Bonds Make-Whole Redemption Price.

Series 2009B Senior Lien Bonds having stated maturities on May 15, 2029 and May 15, 2039 are subject to redemption prior to stated maturity, at the option of the City, on any date, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar), at the Term Bonds Make-Whole Redemption Price.

Series 2009B Senior Lien Bonds having stated maturities on May 15 in each of the years of 2020 through 2024 are subject to redemption prior to stated maturity, at the option of the City, on May 15, 2019 or day date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a stated maturity, selected maturity, selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par, plus accrued interest to the date of redemption.

Series 2009B Senior Lien Bonds are subject to redemption, at the option of the City, on any date prior to their stated maturity, upon the occurrence of an extraordinary event, in whole or in part, by lot, at the Extraordinary Redemption Price.

See the *“Optional Redemption of Series 2009B Bonds”* within the Official Statement for the City of San Antonio, Texas Water System Revenue Bonds, Series 2009A and Water System Revenue Bonds, Taxable Series 2009B (Direct Subsidy – Build America Bonds) for additional information.

- (5) Series 2010B Senior Lien Bonds having a stated maturity of May 14, 2040 are subject to redemption prior to stated maturity, at the option of the City, on any date from November 23, 2010 through their stated maturity at the Make-Whole Redemption Price or, upon the occurrence of an Extraordinary Event, at the Extraordinary Redemption Price.

## San Antonio Water System Analysis of Changes in Bonded Debt

Series 2010B Senior Lien Bonds having stated maturities of May 15, 2012 through May 15, 2025, May 15, 2032, and May 15, 2034 are subject to redemption prior to stated maturity, at the option of the City, on any date from November 23, 2010 through May 14, 2010 at the Make-Whole Redemption Price or, upon the occurrence of an Extraordinary Event, at the Extraordinary Redemption Price.

Series 2010B Senior Lien Bonds having stated maturities of May 15, 2021 through May 15, 2025, May 15, 2032, and May 15, 2034 are subject to redemption prior to stated maturity, at the option of the city, on May 15, 2020 or any date thereafter, at the price of par plus accrued interest to the date of redemption.

Bonds redeemed to the City's option may be redeemed in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar).

See "*Optional Redemption*" within the Official Statement for the City of San Antonio, Texas Water System Revenue Bonds, Taxable Series 2010B (Direct Subsidy – Build America Bonds) for additional information.

- (6) Series 2011 Senior Lien, Serial Bonds stated to mature on and after May 15, 2022 are subject to early redemption, at the option of the City, on May 15, 2021, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the par value thereof plus accrued interest to the redemption date. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (7) Series 2011A Senior Lien, Serial Bonds stated to mature on and after May 15, 2021 and the Term Bonds stated to mature on May 15, 2036 and May 15, 2041 are subject to early redemption, at the option of the City, on May 15, 2020, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the par value thereof plus accrued interest to the redemption date. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (8) Series 2012 Senior Lien, Serial Bonds stated to mature on and after May 15, 2023 are subject to early redemption, at the option of the City, on May 15, 2022, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the par value thereof plus accrued interest to the redemption date. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (9) Series 2012A Senior Lien, Serial Bonds stated to mature on and after May 15, 2023 and the Term Bonds stated to mature on May 15, 2034, May 15, 2040, and May 15, 2042 are subject to early redemption, at the option of the City, on May 15, 2022, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the par value thereof plus accrued interest to the redemption date. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (10) Series 2004 Junior Lien, Serial Bonds stated to mature on and after May 15, 2015, may be redeemed prior to their Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on November 15, 2014, or on any Interest Payment Date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (11) Series 2004-A Junior Lien, Serial Bonds stated to mature on and after May 15, 2015 may be redeemed prior to their Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on November 15, 2014, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest

**San Antonio Water System**  
**Analysis of Changes in Bonded Debt**

to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.

- (12) Series 2007 Junior Lien, Serial Bonds stated to mature on and after May 15, 2018, may be redeemed prior to their Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2017, or on any Interest Payment Date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (13) Series 2007A Junior Lien, Serial Bonds stated to mature on and after May 15, 2018 may be redeemed prior to their Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2017, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (14) Series 2008 Junior Lien, Serial Bonds stated to mature on and after May 15, 2019 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2018, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (15) Series 2008A Junior Lien, Serial Bonds stated to mature on and after May 15, 2019 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2018, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (16) Series 2009 Junior Lien, Serial Bonds stated to mature on and after May 15, 2020 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on November 15, 2019, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (17) Series 2009A Junior Lien, Serial Bonds stated to mature on and after May 15, 2020 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on November 15, 2019, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (18) Series 2010A Junior Lien, Serial Bonds stated to mature on and after May 15, 2021 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2020, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (19) Series 2011 Junior Lien, Serial Bonds stated to mature on and after May 15, 2022 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2021, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the

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date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.

- (20) Series 2011A Junior Lien, Serial Bonds stated to mature on and after May 15, 2022 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2021, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (21) Series 2012 Junior Lien, Serial Bonds stated to mature on and after May 15, 2023 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2022, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (22) Series 2013A Junior Lien, Serial Bonds stated to mature on and after May 15, 2024 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2023, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (23) Series 2013B Junior Lien, Serial Bonds stated to mature on and after May 15, 2024 are subject to early redemption, at the option of the City, on May 15, 2023, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (24) Series 2013C Junior Lien, Serial Bonds stated to mature on and after May 15, 2024 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2023, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (25) Series 2013D Junior Lien, Serial Bonds stated to mature on and after May 15, 2024 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2023, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (26) Series 2013E Junior Lien, Serial Bonds stated to mature on and after May 15, 2024 are subject to early redemption, at the option of the City, on May 15, 2023, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (27) Series 2014A Junior Lien, Serial Bonds stated to mature on and after May 15, 2024 are subject to early redemption, at the option of the City, on November 15, 2023, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.

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- (28) Series 2014C Junior Lien, Serial Bonds stated to mature on and after May 15, 2025 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2024, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (29) Series 2014D Junior Lien, Serial Bonds stated to mature on and after May 15, 2025 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on May 15, 2024, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (30) Series 2015A Junior Lien, Serial Bonds stated to mature on and after May 15, 2025 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on November 15, 2024, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (31) Series 2015B Junior Lien, Serial Bonds stated to mature on and after May 15, 2026 are subject to early redemption, at the option of the City, on May 15, 2025, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, together with accrued interest to the date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.

**Mandatory redemption:**

- (32) The Series 2005, Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Debt Service Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on May 15 in each of the years as follows:

<u>Term Bonds</u> <u>Stated to Mature</u> <u>On May 15, 2036</u> <i>(amounts in thousands)</i>		<u>Term Bonds</u> <u>Stated to Mature</u> <u>On May 15, 2040</u> <i>(amounts in thousands)</i>	
<u>Year</u>	<u>Principal</u> <u>Amount</u>	<u>Year</u>	<u>Principal</u> <u>Amount</u>
2035	\$ 33,265	2038	\$13,520
2036	34,970 (1)	2039	40,465
		2040	42,540 (1)

- (33) The Series 2007, Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Debt Service Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on May 15 in each of the years as follows:

<u>Term Bonds</u> <u>Stated to Mature</u> <u>On May 15, 2032</u> <i>(amounts in thousands)</i>		<u>Term Bonds</u> <u>Stated to Mature</u> <u>On May 15, 2037</u> <i>(amounts in thousands)</i>	
<u>Year</u>	<u>Principal</u> <u>Amount</u>	<u>Year</u>	<u>Principal</u> <u>Amount</u>

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<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2030	\$ 16,965	2033	\$28,645
2031	17,730	2034	37,530
2032	18,525 (1)	2035	11,900
		2036	12,450
		2037	13,025 (1)

- (34) The Series 2009, Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Debt Service Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on May 15 in each of the years as follows:

Term Bonds Stated to Mature <u>On May 15, 2029</u> <i>(amounts in thousands)</i>		Term Bonds Stated to Mature <u>On May 15, 2034</u> <i>(amounts in thousands)</i>		Term Bonds Stated to Mature <u>On May 15, 2039</u> <i>(amounts in thousands)</i>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2025	\$ 4,485	2030	\$ 6,305	2035	\$ 8,205
2026	5,140	2031	6,645	2036	8,660
2027	5,410	2032	7,005	2037	9,135
2028	2,695	2033	7,385	2038	9,640
2029	4,325 (1)	2034	7,780 (1)	2039	10,175 (1)

- (35) The Series 2009B, Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Debt Service Fund for such purpose and shall be redeemed in part, on a pro rata basis in accordance with the arrangements between the City and the securities depository, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on May 15 in each of the years as follows:

Term Bonds Stated to Mature <u>On May 15, 2029</u> <i>(amounts in thousands)</i>		Term Bonds Stated to Mature <u>On May 15, 2039</u> <i>(amounts in thousands)</i>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2025	\$ 3,650	2030	\$ 4,385
2026	4,995	2031	4,550
2027	3,965	2032	4,715
2028	3,330	2033	4,890
2029	4,230 (1)	2034	5,075
		2035	5,260
		2036	5,455
		2037	5,660
		2038	5,870
		2039	6,085 (1)

- (36) The Series 2010B, Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Debt Service Fund for such purpose and shall be redeemed in part, on a pro rata basis in accordance with the arrangements between the City and the securities depository (or, if such selection methodology is administratively impracticable or otherwise unavailable, at random and by lot), at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on May 15 in each of the years as follows:

**San Antonio Water System  
Analysis of Changes in Bonded Debt**

Term Bonds Stated to Mature <u>On May 15, 2032</u> <i>(amounts in thousands)</i>		Term Bonds Stated to Mature <u>On May 15, 2034</u> <i>(amounts in thousands)</i>		Term Bonds Stated to Mature <u>On May 15, 2040</u> <i>(amounts in thousands)</i>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2026	\$ 2,255	2033	\$ 2,990	2035	\$ 4,495
2027	2,350	2034	33,560 (1)	2036	4,670
2028	2,445			2037	4,855
2029	2,545			2038	5,045
2030	2,650			2039	5,240
2031	2,760			2040	5,445 (1)
2032	2,870 (1)				

- (37) The Series 2011A, Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Debt Service Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on May 15 in each of the years as follows:

Term Bonds Stated to Mature <u>On May 15, 2036</u> <i>(amounts in thousands)</i>		Term Bonds Stated to Mature <u>On May 15, 2041</u> <i>(amounts in thousands)</i>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2033	\$ 2,465	2037	\$ 3,010
2034	2,590	2038	3,165
2035	2,725	2039	3,330
2036	2,865 (1)	2040	3,500
		2041	3,680 (1)

- (38) The Series 2012A, Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Debt Service Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on May 15 in each of the years as follows:

Term Bonds Stated to Mature <u>On May 15, 2034</u> <i>(amounts in thousands)</i>		Term Bonds Stated to Mature <u>On May 15, 2040</u> <i>(amounts in thousands)</i>		Term Bonds Stated to Mature <u>On May 15, 2042</u> <i>(amounts in thousands)</i>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2032	\$ 6,310	2037	\$ 3,765	2041	\$ 9,585
2033	6,570	2038	8,310	2042	9,925 (1)
2034	6,840 (1)	2039	8,740		
		2040	9,185 (1)		

- (39) The Series 2015B, Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Debt Service Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on May 15 in each of the years as follows:

**San Antonio Water System  
Analysis of Changes in Bonded Debt**

Term Bonds Stated to Mature <u>On May 15, 2039</u> <i>(amounts in thousands)</i>		Term Bonds Stated to Mature <u>On May 15, 2045</u> <i>(amounts in thousands)</i>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2038	\$ 38,585	2041	\$ 3,595
2039	40,565 (1)	2042	3,740
		2043	3,895
		2044	4,050
		2045	4,215 (1)

**Mandatory Tender:**

- (40) On November 1, 2016, the Series 2013F Bonds (the Bonds) are subject to mandatory tender without right of retention. Each owner of the Bonds will be required to tender, and in any event will be deemed to have tendered, the Bonds to the Tender Agent for purchase at a purchase price equal to 100% of the principal amount plus accrued interest, if any.

The Tender agent is required to give notice of mandatory tender to each registered owner of the Bonds affected by mandatory tender by mail, first class postage prepaid, not more than 60 nor less than 30 days, while the Bonds are in a SIFMA Index Mode.

The Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Debt Service Fund for such purpose and shall be redeemed in part, on a pro rata basis in accordance with the arrangements between the City and the securities depository, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on May 1 in each of the years as follows:

Term Bonds Stated to Mature <u>On May 1</u> <i>(amounts in thousands)</i>	
<u>Year</u>	<u>Principal Amount</u>
2030	\$ 1,960
2031	6,990
2032	7,075
2033	7,165
2034	7,255
2035	7,345
2036	7,440
2037	7,535
2038	7,630
2039	7,725
2040	7,820
2041	7,920
2042	8,020
2043	8,120 (1)

- (41) On November 1, 2017, the Series 2014B Bonds (the Bonds) are subject to mandatory tender without right of retention. Each owner of the Bonds will be required to tender, and in any event will be deemed to have tendered, the Bonds to the Tender Agent for purchase at a purchase price equal to 100% of the principal amount plus accrued interest, if any.



**San Antonio Water System  
Analysis of Changes in Bonded Debt**

The Tender agent is required to give notice of mandatory tender to each registered owner of the Bonds affected by mandatory tender by mail, first class postage prepaid, not more than 60 nor less than 30 days, while the Bonds are in a SIFMA Index Mode.

The Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Debt Service Fund for such purpose and shall be redeemed in part, on a pro rata basis in accordance with the arrangements between the City and the securities depository, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on May 1 in each of the years as follows:

Term Bonds	
Stated to Mature	
<u>On May 1</u>	
<i>(amounts in thousands)</i>	
	Principal
<u>Year</u>	<u>Amount</u>
2030	\$ 5,990
2031	6,080
2032	6,170
2033	6,265
2034	6,360
2035	6,445
2036	6,555
2037	6,650
2038	6,755
2039	6,855
2040	6,960
2041	7,065
2042	7,170
2043	7,280
2044	7,390 (1)

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(1) Payable at stated maturity

**San Antonio Water System  
WATER SYSTEM REVENUE BONDS  
TOTAL DEBT SERVICE TO MATURITY**

*(amounts in thousands)*

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	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Subsidy</u>	<u>Net Interest</u>	<u>Total Payment</u>	<u>Total Annual Payment</u>	<u>Total Debt Outstanding</u>
01-May-2016		\$ 1,100		\$ 1,100	\$ 1,100	\$	\$
15-May-2016	71,415	47,688	1,839	45,849	117,264		
15-Nov-2016		46,510	1,947	44,563	44,563	162,927	2,373,320
01-May-2017		1,100		1,100	1,100		
15-May-2017	74,795	46,510	1,947	44,563	119,358		
15-Nov-2017		45,164	1,916	43,248	43,248	163,706	2,298,525
01-May-2018		1,100		1,100	1,100		
15-May-2018	77,320	45,164	1,916	43,248	120,568		
15-Nov-2018		43,770	1,882	41,888	41,888	163,556	2,221,205
01-May-2019		1,100		1,100	1,100		
15-May-2019	78,640	43,770	1,882	41,888	120,528		
15-Nov-2019		42,369	1,845	40,524	40,524	162,152	2,142,565
01-May-2020		1,100		1,100	1,100		
15-May-2020	82,330	42,369	1,845	40,524	122,854		
15-Nov-2020		40,753	1,807	38,946	38,946	162,900	2,060,235
01-May-2021		1,100		1,100	1,100		
15-May-2021	86,560	40,753	1,807	38,946	125,506		
15-Nov-2021		38,977	1,765	37,212	37,212	163,817	1,973,675
01-May-2022		1,100		1,100	1,100		
15-May-2022	89,730	38,977	1,765	37,212	126,942		
15-Nov-2022		37,070	1,720	35,350	35,350	163,392	1,883,945
01-May-2023		1,100		1,100	1,100		
15-May-2023	90,735	37,070	1,720	35,350	126,085		
15-Nov-2023		35,126	1,673	33,453	33,453	160,638	1,793,210
01-May-2024		1,100		1,100	1,100		
15-May-2024	93,040	35,126	1,673	33,453	126,493		
15-Nov-2024		33,117	1,622	31,495	31,495	159,088	1,700,170
01-May-2025		1,100		1,100	1,100		
15-May-2025	95,080	33,117	1,622	31,495	126,575		
15-Nov-2025		31,049	1,567	29,482	29,482	157,157	1,605,090
01-May-2026		1,100		1,100	1,100		
15-May-2026	100,450	31,049	1,567	29,482	129,932		
15-Nov-2026		28,827	1,495	27,332	27,332	158,364	1,504,640
01-May-2027		1,100		1,100	1,100		
15-May-2027	105,755	28,827	1,495	27,332	133,087		
15-Nov-2027		26,454	1,431	25,023	25,023	159,210	1,398,885
01-May-2028		1,100		1,100	1,100		
15-May-2028	109,865	26,454	1,431	25,023	134,888		
15-Nov-2028		24,157	1,373	22,784	22,784	158,772	1,289,020
01-May-2029		1,100		1,100	1,100		
15-May-2029	82,370	24,157	1,373	22,784	105,154		
15-Nov-2029		22,383	1,304	21,079	21,079	127,333	1,206,650
01-May-2030		7,950		7,950	7,950		
15-May-2030	74,835	22,383	1,304	21,079	95,914		
15-Nov-2030		20,775	1,233	19,542	19,542	124,481	1,123,865
01-May-2031		13,070		13,070	13,070		
15-May-2031	72,900	20,775	1,233	19,542	92,442		
15-Nov-2031		19,191	1,159	18,032	18,032	124,557	1,037,895
01-May-2032		13,245		13,245	13,245		
15-May-2032	74,535	19,191	1,159	18,032	92,567		
15-Nov-2032		17,564	1,081	16,483	16,483	123,235	950,115
01-May-2033		13,430		13,430	13,430		
15-May-2033	78,465	17,564	1,081	16,483	94,948		
15-Nov-2033		15,869	1,001	14,868	14,868	124,110	858,220
01-May-2034		13,615		13,615	13,615		
15-May-2034	115,335	15,869	1,001	14,868	130,203		
15-Nov-2034		13,027	586	12,441	12,441	157,047	729,270
01-May-2035		13,800		13,800	13,800		

**San Antonio Water System  
WATER SYSTEM REVENUE BONDS  
TOTAL DEBT SERVICE TO MATURITY**

(amounts in thousands)

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	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Subsidy</u>	<u>Net Interest</u>	<u>Total Payment</u>	<u>Total Annual Payment</u>	<u>Total Debt Outstanding</u>
15-May-2035	87,065	13,027	586	12,441	99,506		
15-Nov-2035		11,030	488	10,542	10,542	124,560	628,405
01-May-2036	13,995	634		634	14,629		
15-May-2036	90,950	11,030	488	10,542	101,492		
15-Nov-2036		8,938	386	8,552	8,552	124,673	523,460
01-May-2037	14,185	555		555	14,740		
15-May-2037	94,910	8,938	386	8,552	103,462		
15-Nov-2037		6,854	280	6,574	6,574	124,776	414,365
01-May-2038	14,385	475		475	14,860		
15-May-2038	85,410	6,854	280	6,574	91,984		
15-Nov-2038		4,789	171	4,618	4,618	111,462	314,570
01-May-2039	14,580	393		393	14,973		
15-May-2039	86,460	4,789	171	4,618	91,078		
15-Nov-2039		2,686	56	2,630	2,630	108,681	213,530
01-May-2040	14,780	312		312	15,092		
15-May-2040	70,165	2,686	56	2,630	72,795		
15-Nov-2040		1,231		1,231	1,231	89,118	128,585
01-May-2041	14,985	228		228	15,213		
15-May-2041	25,855	1,231		1,231	27,086		
15-Nov-2041		779		779	779	43,078	87,745
01-May-2042	15,190	144		144	15,334		
15-May-2042	21,935	779		779	22,714		
15-Nov-2042		426		426	426	38,474	50,620
01-May-2043	15,400	58		58	15,458		
15-May-2043	11,560	426		426	11,986		
15-Nov-2043		248		248	248	27,692	23,660
01-May-2044	7,390	10		10	7,400		
15-May-2044	8,870	248		248	9,118		
15-Nov-2044		115		115	115	16,633	7,400
01-May-2045	-	-		-	-		
15-May-2045	7,400	115		115	7,515		
						7,515	-
	<u>\$ 2,444,735</u>	<u>\$ 1,309,784</u>	<u>\$ 61,415</u>	<u>\$ 1,248,369</u>	<u>\$ 3,693,104</u>	<u>\$ 3,693,104</u>	

**San Antonio Water System**  
**WATER SYSTEM SENIOR LIEN REVENUE BONDS**  
**TOTAL DEBT SERVICE TO MATURITY**  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Subsidy</u>	<u>Net Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>	<u>Total Debt Outstanding</u>
15-May-2016	\$ 27,490	\$ 28,471	\$ 1,839	\$ 26,632	\$ 54,122	\$	\$ 1,129,815
15-Nov-2016		27,851	1,947	25,904	25,904	80,026	
15-May-2017	31,105	27,851	1,947	25,904	57,009		1,098,710
15-Nov-2017		27,111	1,916	25,195	25,195	82,204	
15-May-2018	32,260	27,111	1,916	25,195	57,455		1,066,450
15-Nov-2018		26,374	1,882	24,492	24,492	81,947	
15-May-2019	27,510	26,374	1,882	24,492	52,002		1,038,940
15-Nov-2019		25,761	1,845	23,916	23,916	75,918	
15-May-2020	38,555	25,761	1,845	23,916	62,471		1,000,385
15-Nov-2020		24,850	1,807	23,043	23,043	85,514	
15-May-2021	41,270	24,850	1,807	23,043	64,313		959,115
15-Nov-2021		23,852	1,765	22,087	22,087	86,400	
15-May-2022	44,960	23,852	1,765	22,087	67,047		914,155
15-Nov-2022		22,736	1,720	21,016	21,016	88,063	
15-May-2023	47,980	22,736	1,720	21,016	68,996		866,175
15-Nov-2023		21,543	1,673	19,870	19,870	88,866	
15-May-2024	50,545	21,543	1,673	19,870	70,415		815,630
15-Nov-2024		20,279	1,622	18,657	18,657	89,072	
15-May-2025	53,045	20,279	1,622	18,657	71,702		762,585
15-Nov-2025		18,941	1,567	17,374	17,374	89,076	
15-May-2026	56,875	18,941	1,567	17,374	74,249		705,710
15-Nov-2026		17,505	1,495	16,010	16,010	90,259	
15-May-2027	68,700	17,505	1,495	16,010	84,710		637,010
15-Nov-2027		15,779	1,431	14,348	14,348	99,058	
15-May-2028	72,340	15,779	1,431	14,348	86,688		564,670
15-Nov-2028		14,152	1,373	12,779	12,779	99,467	
15-May-2029	43,460	14,152	1,373	12,779	56,239		521,210
15-Nov-2029		13,088	1,304	11,784	11,784	68,023	
15-May-2030	45,495	13,088	1,304	11,784	57,279		475,715
15-Nov-2030		11,957	1,233	10,724	10,724	68,003	
15-May-2031	47,655	11,957	1,233	10,724	58,379		428,060
15-Nov-2031		10,771	1,159	9,612	9,612	67,991	
15-May-2032	49,870	10,771	1,159	9,612	59,482		378,190
15-Nov-2032		9,562	1,081	8,481	8,481	67,963	
15-May-2033	52,945	9,562	1,081	8,481	61,426		325,245
15-Nov-2033		8,302	1,001	7,301	7,301	68,727	
15-May-2034	93,375	8,302	1,001	7,301	100,676		231,870
15-Nov-2034		5,866	586	5,280	5,280	105,956	
15-May-2035	39,740	5,866	586	5,280	45,020		192,130
15-Nov-2035		4,850	488	4,362	4,362	49,382	
15-May-2036	41,620	4,850	488	4,362	45,982		150,510
15-Nov-2036		3,785	386	3,399	3,399	49,381	
15-May-2037	43,590	3,785	386	3,399	46,989		106,920
15-Nov-2037		2,673	280	2,393	2,393	49,382	
15-May-2038	32,030	2,673	280	2,393	34,423		74,890
15-Nov-2038		1,812	171	1,641	1,641	36,064	
15-May-2039	33,570	1,812	171	1,641	35,211		41,320
15-Nov-2039		912	56	856	856	36,067	
15-May-2040	18,130	912	56	856	18,986		23,190
15-Nov-2040		433	-	433	433	19,419	
15-May-2041	13,265	433	-	433	13,698		9,925
15-Nov-2041		174	-	174	174	13,872	
15-May-2042	9,925	174	-	174	10,099		-
					10,099		
	\$ 1,157,305	\$ 750,309	\$ 61,415	\$ 688,894	\$ 1,846,199	\$ 1,846,199	

**San Antonio Water System**  
**WATER SYSTEM REVENUE REFUNDING BONDS**  
**SERIES 2007**

*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi-Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 10,375	\$	5,602	\$	15,977	\$	
15-Nov-2016			5,317		5,317		21,294
15-May-2017	8,370		5,317		13,687		
15-Nov-2017			5,120		5,120		18,807
15-May-2018	8,540		5,120		13,660		
15-Nov-2018			4,907		4,907		18,567
15-May-2019	4,430		4,907		9,337		
15-Nov-2019			4,796		4,796		14,133
15-May-2020	4,655		4,796		9,451		
15-Nov-2020			4,680		4,680		14,131
15-May-2021	4,880		4,680		9,560		
15-Nov-2021			4,575		4,575		14,135
15-May-2022	5,110		4,575		9,685		
15-Nov-2022			4,447		4,447		14,132
15-May-2023	5,375		4,447		9,822		
15-Nov-2023			4,313		4,313		14,135
15-May-2024	5,650		4,313		9,963		
15-Nov-2024			4,171		4,171		14,134
15-May-2025	5,940		4,171		10,111		
15-Nov-2025			4,023		4,023		14,134
15-May-2026	6,230		4,023		10,253		
15-Nov-2026			3,883		3,883		14,136
15-May-2027	-		3,883		3,883		
15-Nov-2027			3,883		3,883		7,766
15-May-2028	-		3,883		3,883		
15-Nov-2028			3,883		3,883		7,766
15-May-2029	16,245		3,883		20,128		
15-Nov-2029			3,527		3,527		23,655
15-May-2030	16,965		3,527		20,492		
15-Nov-2030			3,146		3,146		23,638
15-May-2031	17,730		3,146		20,876		
15-Nov-2031			2,747		2,747		23,623
15-May-2032	18,525		2,747		21,272		
15-Nov-2032			2,330		2,330		23,602
15-May-2033	28,645		2,330		30,975		
15-Nov-2033			1,685		1,685		32,660
15-May-2034	37,530		1,685		39,215		
15-Nov-2034			841		841		40,056
15-May-2035	11,900		841		12,741		
15-Nov-2035			573		573		13,314
15-May-2036	12,450		573		13,023		
15-Nov-2036			293		293		13,316
15-May-2037	13,025		293		13,318		
							13,318
	\$ 242,570	\$	151,882	\$	394,452	\$	394,452

**San Antonio Water System**  
**WATER SYSTEM REVENUE AND REFUNDING BONDS**  
**SERIES 2009**

*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 3,170	\$ 3,670	\$ 6,840	
15-Nov-2016		3,607	3,607	10,447
15-May-2017	3,315	3,607	6,922	
15-Nov-2017		3,524	3,524	10,446
15-May-2018	3,480	3,524	7,004	
15-Nov-2018		3,444	3,444	10,448
15-May-2019	3,645	3,444	7,089	
15-Nov-2019		3,356	3,356	10,445
15-May-2020	3,830	3,356	7,186	
15-Nov-2020		3,262	3,262	10,448
15-May-2021	4,025	3,262	7,287	
15-Nov-2021		3,162	3,162	10,449
15-May-2022	4,225	3,162	7,387	
15-Nov-2022		3,060	3,060	10,447
15-May-2023	4,435	3,060	7,495	
15-Nov-2023		2,954	2,954	10,449
15-May-2024	4,650	2,954	7,604	
15-Nov-2024		2,844	2,844	10,448
15-May-2025	4,885	2,844	7,729	
15-Nov-2025		2,720	2,720	10,449
15-May-2026	5,140	2,720	7,860	
15-Nov-2026		2,588	2,588	10,448
15-May-2027	5,410	2,588	7,998	
15-Nov-2027		2,450	2,450	10,448
15-May-2028	5,690	2,450	8,140	
15-Nov-2028		2,306	2,306	10,446
15-May-2029	5,990	2,306	8,296	
15-Nov-2029		2,153	2,153	10,449
15-May-2030	6,305	2,153	8,458	
15-Nov-2030		1,988	1,988	10,446
15-May-2031	6,645	1,988	8,633	
15-Nov-2031		1,813	1,813	10,446
15-May-2032	7,005	1,813	8,818	
15-Nov-2032		1,629	1,629	10,447
15-May-2033	7,385	1,629	9,014	
15-Nov-2033		1,436	1,436	10,450
15-May-2034	7,780	1,436	9,216	
15-Nov-2034		1,231	1,231	10,447
15-May-2035	8,205	1,231	9,436	
15-Nov-2035		1,011	1,011	10,447
15-May-2036	8,660	1,011	9,671	
15-Nov-2036		778	778	10,449
15-May-2037	9,135	778	9,913	
15-Nov-2037		533	533	10,446
15-May-2038	9,640	533	10,173	
15-Nov-2038		273	273	10,446
15-May-2039	10,175	273	10,448	
				10,448
	\$ 142,825	\$ 107,914	\$ 250,739	\$ 250,739

**San Antonio Water System**  
**WATER SYSTEM REVENUE TAXABLE BONDS**  
**SERIES 2009B**  
**(DIRECT SUBSIDY - BUILD AMERICA BONDS)**  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Subsidy</u>	<u>Total Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 2,755	\$ 2,675	\$ 873	\$ 1,802	\$ 4,557	\$
15-Nov-2016		2,623	918	1,705	1,705	6,262
15-May-2017	2,825	2,623	918	1,705	4,530	
15-Nov-2017		2,562	897	1,665	1,665	6,195
15-May-2018	2,910	2,562	897	1,665	4,575	
15-Nov-2018		2,497	874	1,623	1,623	6,198
15-May-2019	2,995	2,497	874	1,623	4,618	
15-Nov-2019		2,429	850	1,579	1,579	6,197
15-May-2020	3,085	2,429	850	1,579	4,664	
15-Nov-2020		2,356	825	1,531	1,531	6,195
15-May-2021	3,185	2,356	825	1,531	4,716	
15-Nov-2021		2,277	797	1,480	1,480	6,196
15-May-2022	3,290	2,277	797	1,480	4,770	
15-Nov-2022		2,193	767	1,426	1,426	6,196
15-May-2023	3,405	2,193	767	1,426	4,831	
15-Nov-2023		2,104	736	1,368	1,368	6,199
15-May-2024	3,525	2,104	736	1,368	4,893	
15-Nov-2024		2,009	703	1,306	1,306	6,199
15-May-2025	3,650	2,009	703	1,306	4,956	
15-Nov-2025		1,909	668	1,241	1,241	6,197
15-May-2026	4,995	1,909	668	1,241	6,236	
15-Nov-2026		1,771	620	1,151	1,151	7,387
15-May-2027	3,965	1,771	620	1,151	5,116	
15-Nov-2027		1,662	582	1,080	1,080	6,196
15-May-2028	3,300	1,662	582	1,080	4,380	
15-Nov-2028		1,571	550	1,021	1,021	5,401
15-May-2029	4,230	1,571	550	1,021	5,251	
15-Nov-2029		1,455	509	946	946	6,197
15-May-2030	4,385	1,455	509	946	5,331	
15-Nov-2030		1,332	466	866	866	6,197
15-May-2031	4,550	1,332	466	866	5,416	
15-Nov-2031		1,205	422	783	783	6,199
15-May-2032	4,715	1,205	422	783	5,498	
15-Nov-2032		1,073	375	698	698	6,196
15-May-2033	4,890	1,073	375	698	5,588	
15-Nov-2033		936	327	609	609	6,197
15-May-2034	5,075	936	327	609	5,684	
15-Nov-2034		794	278	516	516	6,200
15-May-2035	5,260	794	278	516	5,776	
15-Nov-2035		646	226	420	420	6,196
15-May-2036	5,455	646	226	420	5,875	
15-Nov-2036		493	173	320	320	6,195
15-May-2037	5,660	493	173	320	5,980	
15-Nov-2037		335	117	218	218	6,198
15-May-2038	5,870	335	117	218	6,088	
15-Nov-2038		170	60	110	110	6,198
15-May-2039	6,085	170	60	110	6,195	
						6,195
	<u>\$ 100,060</u>	<u>\$ 75,479</u>	<u>\$ 26,353</u>	<u>\$ 49,126</u>	<u>\$ 149,186</u>	<u>\$ 149,186</u>

**San Antonio Water System**  
**WATER SYSTEM REVENUE TAXABLE BONDS**  
**SERIES 2010B**  
**(DIRECT SUBSIDY - BUILD AMERICA BONDS)**  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Subsidy</u>	<u>Total Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 1,715	\$ 2,963	\$ 966	\$ 1,997	\$ 3,712	\$
15-Nov-2016		2,939	1,029	1,910	1,910	5,622
15-May-2017	1,750	2,939	1,029	1,910	3,660	
15-Nov-2017		2,912	1,019	1,893	1,893	5,553
15-May-2018	1,785	2,912	1,019	1,893	3,678	
15-Nov-2018		2,879	1,008	1,871	1,871	5,549
15-May-2019	1,830	2,879	1,008	1,871	3,701	
15-Nov-2019		2,844	995	1,849	1,849	5,550
15-May-2020	1,880	2,844	995	1,849	3,729	
15-Nov-2020		2,807	982	1,825	1,825	5,554
15-May-2021	1,930	2,807	982	1,825	3,755	
15-Nov-2021		2,767	968	1,799	1,799	5,554
15-May-2022	1,985	2,767	968	1,799	3,784	
15-Nov-2022		2,723	953	1,770	1,770	5,554
15-May-2023	2,040	2,723	953	1,770	3,810	
15-Nov-2023		2,676	937	1,739	1,739	5,549
15-May-2024	2,105	2,676	937	1,739	3,844	
15-Nov-2024		2,624	919	1,705	1,705	5,549
15-May-2025	2,175	2,624	919	1,705	3,880	
15-Nov-2025		2,569	899	1,670	1,670	5,550
15-May-2026	2,255	2,569	899	1,670	3,925	
15-Nov-2026		2,499	875	1,624	1,624	5,549
15-May-2027	2,350	2,499	875	1,624	3,974	
15-Nov-2027		2,427	849	1,578	1,578	5,552
15-May-2028	2,445	2,427	849	1,578	4,023	
15-Nov-2028		2,351	823	1,528	1,528	5,551
15-May-2029	2,545	2,351	823	1,528	4,073	
15-Nov-2029		2,273	795	1,478	1,478	5,551
15-May-2030	2,650	2,273	795	1,478	4,128	
15-Nov-2030		2,191	767	1,424	1,424	5,552
15-May-2031	2,760	2,191	767	1,424	4,184	
15-Nov-2031		2,106	737	1,369	1,369	5,553
15-May-2032	2,870	2,106	737	1,369	4,239	
15-Nov-2032		2,017	706	1,311	1,311	5,550
15-May-2033	2,990	2,017	706	1,311	4,301	
15-Nov-2033		1,924	674	1,250	1,250	5,551
15-May-2034	33,560	1,924	674	1,250	34,810	
15-Nov-2034		881	308	573	573	35,383
15-May-2035	4,495	881	308	573	5,068	
15-Nov-2035		748	262	486	486	5,554
15-May-2036	4,670	748	262	486	5,156	
15-Nov-2036		609	213	396	396	5,552
15-May-2037	4,855	609	213	396	5,251	
15-Nov-2037		466	163	303	303	5,554
15-May-2038	5,045	466	163	303	5,348	
15-Nov-2038		316	111	205	205	5,553
15-May-2039	5,240	316	111	205	5,445	
15-Nov-2039		161	56	105	105	5,550
15-May-2040	5,445	161	56	105	5,550	
						5,550
	<b>\$ 103,370</b>	<b>\$ 100,381</b>	<b>\$ 35,062</b>	<b>\$ 65,319</b>	<b>\$ 168,689</b>	<b>\$ 168,689</b>



**San Antonio Water System**  
**WATER SYSTEM REVENUE REFUNDING BONDS**  
**SERIES 2011**

*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 2,340	\$	941	\$	3,281	\$	
15-Nov-2016			895		895		4,176
15-May-2017	2,675		895		3,570		
15-Nov-2017			828		828		4,398
15-May-2018	2,855		828		3,683		
15-Nov-2018			756		756		4,439
15-May-2019	2,935		756		3,691		
15-Nov-2019			696		696		4,387
15-May-2020	3,295		696		3,991		
15-Nov-2020			614		614		4,605
15-May-2021	3,505		614		4,119		
15-Nov-2021			526		526		4,645
15-May-2022	3,720		526		4,246		
15-Nov-2022			433		433		4,679
15-May-2023	3,950		433		4,383		
15-Nov-2023			335		335		4,718
15-May-2024	4,195		335		4,530		
15-Nov-2024			230		230		4,760
15-May-2025	4,455		230		4,685		
15-Nov-2025			118		118		4,803
15-May-2026	4,735		118		4,853		4,853
	<u>\$ 38,660</u>	\$	<u>11,803</u>	\$	<u>50,463</u>	\$	<u>50,463</u>

**San Antonio Water System**  
**WATER SYSTEM REVENUE REFUNDING BONDS**  
**SERIES 2011A**  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 1,460	\$ 3,821	\$ 5,281	\$ 9,080
15-Nov-2016		3,799	3,799	9,080
15-May-2017	2,060	3,799	5,859	
15-Nov-2017		3,747	3,747	9,606
15-May-2018	2,150	3,747	5,897	
15-Nov-2018		3,699	3,699	9,596
15-May-2019	3,985	3,699	7,684	
15-Nov-2019		3,619	3,619	11,303
15-May-2020	5,400	3,619	9,019	
15-Nov-2020		3,503	3,503	12,522
15-May-2021	6,575	3,503	10,078	
15-Nov-2021		3,347	3,347	13,425
15-May-2022	6,730	3,347	10,077	
15-Nov-2022		3,179	3,179	13,256
15-May-2023	7,890	3,179	11,069	
15-Nov-2023		2,982	2,982	14,051
15-May-2024	8,490	2,982	11,472	
15-Nov-2024		2,770	2,770	14,242
15-May-2025	8,930	2,770	11,700	
15-Nov-2025		2,546	2,546	14,246
15-May-2026	9,370	2,546	11,916	
15-Nov-2026		2,312	2,312	14,228
15-May-2027	12,585	2,312	14,897	
15-Nov-2027		2,015	2,015	16,912
15-May-2028	14,445	2,015	16,460	
15-Nov-2028		1,654	1,654	18,114
15-May-2029	8,990	1,654	10,644	
15-Nov-2029		1,429	1,429	12,073
15-May-2030	9,450	1,429	10,879	
15-Nov-2030		1,193	1,193	12,072
15-May-2031	9,935	1,193	11,128	
15-Nov-2031		944	944	12,072
15-May-2032	10,445	944	11,389	
15-Nov-2032		683	683	12,072
15-May-2033	2,465	683	3,148	
15-Nov-2033		622	622	3,770
15-May-2034	2,590	622	3,212	
15-Nov-2034		557	557	3,769
15-May-2035	2,725	557	3,282	
15-Nov-2035		489	489	3,771
15-May-2036	2,865	489	3,354	
15-Nov-2036		417	417	3,771
15-May-2037	3,010	417	3,427	
15-Nov-2037		342	342	3,769
15-May-2038	3,165	342	3,507	
15-Nov-2038		263	263	3,770
15-May-2039	3,330	263	3,593	
15-Nov-2039		180	180	3,773
15-May-2040	3,500	180	3,680	
15-Nov-2040		92	92	3,772
15-May-2041	3,680	92	3,772	
				3,772
	\$ 156,220	\$ 96,587	\$ 252,807	\$ 252,807

**San Antonio Water System**  
**WATER SYSTEM REVENUE REFUNDING BONDS**  
**SERIES 2012**

*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi-Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 2,795	\$	5,153	\$	7,948	\$	
15-Nov-2016			5,097		5,097		13,045
15-May-2017	7,085		5,097		12,182		
15-Nov-2017			4,920		4,920		17,102
15-May-2018	7,360		4,920		12,280		
15-Nov-2018			4,773		4,773		17,053
15-May-2019	4,345		4,773		9,118		
15-Nov-2019			4,686		4,686		13,804
15-May-2020	12,910		4,686		17,596		
15-Nov-2020			4,363		4,363		21,959
15-May-2021	13,510		4,363		17,873		
15-Nov-2021			4,025		4,025		21,898
15-May-2022	16,050		4,025		20,075		
15-Nov-2022			3,624		3,624		23,699
15-May-2023	16,840		3,624		20,464		
15-Nov-2023			3,203		3,203		23,667
15-May-2024	17,675		3,203		20,878		
15-Nov-2024			2,761		2,761		23,639
15-May-2025	18,540		2,761		21,301		
15-Nov-2025			2,298		2,298		23,599
15-May-2026	19,450		2,298		21,748		
15-Nov-2026			1,812		1,812		23,560
15-May-2027	39,450		1,812		41,262		
15-Nov-2027			825		825		42,087
15-May-2028	41,265		825		42,090		
							42,090
	\$ 217,275	\$	89,927	\$	307,202	\$	307,202

**San Antonio Water System**  
**WATER SYSTEM REVENUE AND REFUNDING BONDS**  
**SERIES 2012A**  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 2,880	\$ 3,646	\$ 6,526	\$
15-Nov-2016		3,574	3,574	10,100
15-May-2017	3,025	3,574	6,599	
15-Nov-2017		3,498	3,498	10,097
15-May-2018	3,180	3,498	6,678	
15-Nov-2018		3,419	3,419	10,097
15-May-2019	3,345	3,419	6,764	
15-Nov-2019		3,335	3,335	10,099
15-May-2020	3,500	3,335	6,835	
15-Nov-2020		3,265	3,265	10,100
15-May-2021	3,660	3,265	6,925	
15-Nov-2021		3,173	3,173	10,098
15-May-2022	3,850	3,173	7,023	
15-Nov-2022		3,077	3,077	10,100
15-May-2023	4,045	3,077	7,122	
15-Nov-2023		2,976	2,976	10,098
15-May-2024	4,255	2,976	7,231	
15-Nov-2024		2,870	2,870	10,101
15-May-2025	4,470	2,870	7,340	
15-Nov-2025		2,758	2,758	10,098
15-May-2026	4,700	2,758	7,458	
15-Nov-2026		2,640	2,640	10,098
15-May-2027	4,940	2,640	7,580	
15-Nov-2027		2,517	2,517	10,097
15-May-2028	5,195	2,517	7,712	
15-Nov-2028		2,387	2,387	10,099
15-May-2029	5,460	2,387	7,847	
15-Nov-2029		2,251	2,251	10,098
15-May-2030	5,740	2,251	7,991	
15-Nov-2030		2,107	2,107	10,098
15-May-2031	6,035	2,107	8,142	
15-Nov-2031		1,956	1,956	10,098
15-May-2032	6,310	1,956	8,266	
15-Nov-2032		1,830	1,830	10,096
15-May-2033	6,570	1,830	8,400	
15-Nov-2033		1,699	1,699	10,099
15-May-2034	6,840	1,699	8,539	
15-Nov-2034		1,562	1,562	10,101
15-May-2035	7,155	1,562	8,717	
15-Nov-2035		1,383	1,383	10,100
15-May-2036	7,520	1,383	8,903	
15-Nov-2036		1,195	1,195	10,098
15-May-2037	7,905	1,195	9,100	
15-Nov-2037		997	997	10,097
15-May-2038	8,310	997	9,307	
15-Nov-2038		790	790	10,097
15-May-2039	8,740	790	9,530	
15-Nov-2039		571	571	10,101
15-May-2040	9,185	571	9,756	
15-Nov-2040		341	341	10,097
15-May-2041	9,585	341	9,926	
15-Nov-2041		174	174	10,100
15-May-2042	9,925	174	10,099	
				10,099
	<u>\$ 156,325</u>	<u>\$ 116,336</u>	<u>\$ 272,661</u>	<u>\$ 272,661</u>

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**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**TOTAL DEBT SERVICE TO MATURITY**  
*(amounts in thousands)*

Page 1 of 2

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi- Annual Payment</u>	<u>Total Annual Payment</u>	<u>Total Debt Outstanding</u>
01-May-2016	\$	1,100	\$	1,100	\$
15-May-2016	43,925	19,217	63,142		
15-Nov-2016		18,659	18,659	82,901	1,243,505
01-May-2017		1,100	1,100		
15-May-2017	43,690	18,659	62,349		
15-Nov-2017		18,053	18,053	81,502	1,199,815
01-May-2018		1,100	1,100		
15-May-2018	45,060	18,053	63,113		
15-Nov-2018		17,396	17,396	81,609	1,154,755
01-May-2019		1,100	1,100		
15-May-2019	51,130	17,396	68,526		
15-Nov-2019		16,608	16,608	86,234	1,103,625
01-May-2020		1,100	1,100		
15-May-2020	43,775	16,608	60,383		
15-Nov-2020		15,903	15,903	77,386	1,059,850
01-May-2021		1,100	1,100		
15-May-2021	45,290	15,903	61,193		
15-Nov-2021		15,125	15,125	77,417	1,014,560
01-May-2022		1,100	1,100		
15-May-2022	44,770	15,125	59,895		
15-Nov-2022		14,334	14,334	75,329	969,790
01-May-2023		1,100	1,100		
15-May-2023	42,755	14,334	57,089		
15-Nov-2023		13,583	13,583	71,772	927,035
01-May-2024		1,100	1,100		
15-May-2024	42,495	13,583	56,078		
15-Nov-2024		12,838	12,838	70,016	884,540
01-May-2025		1,100	1,100		
15-May-2025	42,035	12,838	54,873		
15-Nov-2025		12,108	12,108	68,081	842,505
01-May-2026		1,100	1,100		
15-May-2026	43,575	12,108	55,683		
15-Nov-2026		11,322	11,322	68,105	798,930
01-May-2027		1,100	1,100		
15-May-2027	37,055	11,322	48,377		
15-Nov-2027		10,675	10,675	60,152	761,875
01-May-2028		1,100	1,100		
15-May-2028	37,525	10,675	48,200		
15-Nov-2028		10,005	10,005	59,305	724,350
01-May-2029		1,100	1,100		
15-May-2029	38,910	10,005	48,915		
15-Nov-2029		9,295	9,295	59,310	685,440

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**TOTAL DEBT SERVICE TO MATURITY**  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi- Annual Payment</u>	<u>Total Annual Payment</u>	<u>Total Debt Outstanding</u>
01-May-2030	7,950	1,075	9,025		
15-May-2030	29,340	9,295	38,635		
15-Nov-2030		8,818	8,818	56,478	648,150
01-May-2031	13,070	1,013	14,083		
15-May-2031	25,245	8,818	34,063		
15-Nov-2031		8,420	8,420	56,566	609,835
01-May-2032	13,245	940	14,185		
15-May-2032	24,665	8,420	33,085		
15-Nov-2032		8,002	8,002	55,272	571,925
01-May-2033	13,430	864	14,294		
15-May-2033	25,520	8,002	33,522		
15-Nov-2033		7,567	7,567	55,383	532,975
01-May-2034	13,615	788	14,403		
15-May-2034	21,960	7,567	29,527		
15-Nov-2034		7,161	7,161	51,091	497,400
01-May-2035	13,800	712	14,512		
15-May-2035	47,325	7,161	54,486		
15-Nov-2035		6,180	6,180	75,178	436,275
01-May-2036	13,995	634	14,629		
15-May-2036	49,330	6,180	55,510		
15-Nov-2036		5,153	5,153	75,292	372,950
01-May-2037	14,185	555	14,740		
15-May-2037	51,320	5,153	56,473		
15-Nov-2037		4,181	4,181	75,394	307,445
01-May-2038	14,385	475	14,860		
15-May-2038	53,380	4,181	57,561		
15-Nov-2038		2,977	2,977	75,398	239,680
01-May-2039	14,580	393	14,973		
15-May-2039	52,890	2,977	55,867		
15-Nov-2039		1,774	1,774	72,614	172,210
01-May-2040	14,780	312	15,092		
15-May-2040	52,035	1,774	53,809		
15-Nov-2040		798	798	69,699	105,395
01-May-2041	14,985	228	15,213		
15-May-2041	12,590	798	13,388		
15-Nov-2041		605	605	29,206	77,820
01-May-2042	15,190	144	15,334		
15-May-2042	12,010	605	12,615		
15-Nov-2042		426	426	28,375	50,620
01-May-2043	15,400	58	15,458		
15-May-2043	11,560	426	11,986		
15-Nov-2043		248	248	27,692	23,660
01-May-2044	7,390	10	7,400		
15-May-2044	8,870	248	9,118		
15-Nov-2044		115	115	16,633	7,400
01-May-2045			-		
15-May-2045	7,400	115	7,515		
			-	7,515	-
	\$ 1,287,430	\$ 559,475	\$ 1,846,905	\$ 1,846,905	

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS**  
**SERIES 2007**  
*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 385	\$	56	\$	441	\$	
15-Nov-2016			53		53		494
15-May-2017	395		53		448		
15-Nov-2017			49		49		497
15-May-2018	400		49		449		
15-Nov-2018			45		45		494
15-May-2019	410		45		455		
15-Nov-2019			41		41		496
15-May-2020	420		41		461		
15-Nov-2020			36		36		497
15-May-2021	430		36		466		
15-Nov-2021			32		32		498
15-May-2022	435		32		467		
15-Nov-2022			27		27		494
15-May-2023	445		27		472		
15-Nov-2023			22		22		494
15-May-2024	455		22		477		
15-Nov-2024			17		17		494
15-May-2025	470		17		487		
15-Nov-2025			11		11		498
15-May-2026	480		11		491		
15-Nov-2026			6		6		497
15-May-2027	490		6		496		
							496
	\$ 5,215	\$	734	\$	5,949	\$	5,949



**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS**  
**SERIES 2007-A**  
*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 1,655	\$	341	\$	1,996	\$	
15-Nov-2016			317		317		2,313
15-May-2017	1,705		317		2,022		
15-Nov-2017			292		292		2,314
15-May-2018	1,755		292		2,047		
15-Nov-2018			266		266		2,313
15-May-2019	1,810		266		2,076		
15-Nov-2019			238		238		2,314
15-May-2020	1,865		238		2,103		
15-Nov-2020			209		209		2,312
15-May-2021	1,925		209		2,134		
15-Nov-2021			179		179		2,313
15-May-2022	1,985		179		2,164		
15-Nov-2022			147		147		2,311
15-May-2023	2,050		147		2,197		
15-Nov-2023			114		114		2,311
15-May-2024	2,120		114		2,234		
15-Nov-2024			79		79		2,313
15-May-2025	2,190		79		2,269		
15-Nov-2025			43		43		2,312
15-May-2026	2,265		43		2,308		
15-Nov-2026			6		6		2,314
15-May-2027	350		6		356		
							356
	\$ 21,675	\$	4,121	\$	25,796	\$	25,796

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2008**

*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi-Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 745	\$	438	\$	1,183	\$	
15-Nov-2016			430		430		1,613
15-May-2017	760		430		1,190		
15-Nov-2017			421		421		1,611
15-May-2018	780		421		1,201		
15-Nov-2018			412		412		1,613
15-May-2019	800		412		1,212		
15-Nov-2019			401		401		1,613
15-May-2020	825		401		1,226		
15-Nov-2020			389		389		1,615
15-May-2021	850		389		1,239		
15-Nov-2021			376		376		1,615
15-May-2022	875		376		1,251		
15-Nov-2022			362		362		1,613
15-May-2023	905		362		1,267		
15-Nov-2023			347		347		1,614
15-May-2024	935		347		1,282		
15-Nov-2024			331		331		1,613
15-May-2025	970		331		1,301		
15-Nov-2025			314		314		1,615
15-May-2026	1,005		314		1,319		
15-Nov-2026			296		296		1,615
15-May-2027	1,040		296		1,336		
15-Nov-2027			277		277		1,613
15-May-2028	1,080		277		1,357		
15-Nov-2028			257		257		1,614
15-May-2029	1,120		257		1,377		
15-Nov-2029			236		236		1,613
15-May-2030	1,165		236		1,401		
15-Nov-2030			214		214		1,615
15-May-2031	1,210		214		1,424		
15-Nov-2031			191		191		1,615
15-May-2032	1,255		191		1,446		
15-Nov-2032			167		167		1,613
15-May-2033	1,305		167		1,472		
15-Nov-2033			142		142		1,614
15-May-2034	1,355		142		1,497		
15-Nov-2034			116		116		1,613
15-May-2035	1,410		116		1,526		
15-Nov-2035			89		89		1,615
15-May-2036	1,465		89		1,554		
15-Nov-2036			60		60		1,614
15-May-2037	1,520		60		1,580		
15-Nov-2037			31		31		1,611
15-May-2038	1,580		31		1,611		
							1,611
	\$ 24,955	\$	12,156	\$	37,111	\$	37,111

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS**  
**SERIES 2008-A**

*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 520	\$	447	\$	967	\$	
15-Nov-2016			439		439		1,406
15-May-2017	540		439		979		
15-Nov-2017			430		430		1,409
15-May-2018	555		430		985		
15-Nov-2018			420		420		1,405
15-May-2019	580		420		1,000		
15-Nov-2019			410		410		1,410
15-May-2020	600		410		1,010		
15-Nov-2020			398		398		1,408
15-May-2021	625		398		1,023		
15-Nov-2021			385		385		1,408
15-May-2022	650		385		1,035		
15-Nov-2022			372		372		1,407
15-May-2023	680		372		1,052		
15-Nov-2023			357		357		1,409
15-May-2024	710		357		1,067		
15-Nov-2024			341		341		1,408
15-May-2025	740		341		1,081		
15-Nov-2025			324		324		1,405
15-May-2026	775		324		1,099		
15-Nov-2026			307		307		1,406
15-May-2027	815		307		1,122		
15-Nov-2027			288		288		1,410
15-May-2028	850		288		1,138		
15-Nov-2028			268		268		1,406
15-May-2029	890		268		1,158		
15-Nov-2029			247		247		1,405
15-May-2030	935		247		1,182		
15-Nov-2030			224		224		1,406
15-May-2031	980		224		1,204		
15-Nov-2031			201		201		1,405
15-May-2032	1,030		201		1,231		
15-Nov-2032			176		176		1,407
15-May-2033	1,080		176		1,256		
15-Nov-2033			150		150		1,406
15-May-2034	1,135		150		1,285		
15-Nov-2034			122		122		1,407
15-May-2035	1,190		122		1,312		
15-Nov-2035			93		93		1,405
15-May-2036	1,250		93		1,343		
15-Nov-2036			63		63		1,406
15-May-2037	1,315		63		1,378		
15-Nov-2037			31		31		1,409
15-May-2038	1,255		31		1,286		
							1,286
	\$ 19,700	\$	12,539	\$	32,239	\$	32,239

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2009**

*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi- Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 1,300	\$ 868	\$ 2,168	\$
15-Nov-2016		856	856	3,024
15-May-2017	1,325	856	2,181	
15-Nov-2017		843	843	3,024
15-May-2018	1,355	843	2,198	
15-Nov-2018		828	828	3,026
15-May-2019	1,385	828	2,213	
15-Nov-2019		812	812	3,025
15-May-2020	1,420	812	2,232	
15-Nov-2020		792	792	3,024
15-May-2021	1,460	792	2,252	
15-Nov-2021		771	771	3,023
15-May-2022	1,505	771	2,276	
15-Nov-2022		747	747	3,023
15-May-2023	1,555	747	2,302	
15-Nov-2023		722	722	3,024
15-May-2024	1,605	722	2,327	
15-Nov-2024		695	695	3,022
15-May-2025	1,665	695	2,360	
15-Nov-2025		664	664	3,024
15-May-2026	1,730	664	2,394	
15-Nov-2026		632	632	3,026
15-May-2027	1,795	632	2,427	
15-Nov-2027		597	597	3,024
15-May-2028	1,870	597	2,467	
15-Nov-2028		559	559	3,026
15-May-2029	1,945	559	2,504	
15-Nov-2029		520	520	3,024
15-May-2030	2,025	520	2,545	
15-Nov-2030		479	479	3,024
15-May-2031	2,105	479	2,584	
15-Nov-2031		436	436	3,020
15-May-2032	2,200	436	2,636	
15-Nov-2032		390	390	3,026
15-May-2033	2,300	390	2,690	
15-Nov-2033		342	342	3,032
15-May-2034	2,395	342	2,737	
15-Nov-2034		291	291	3,028
15-May-2035	2,500	291	2,791	
15-Nov-2035		238	238	3,029
15-May-2036	2,610	238	2,848	
15-Nov-2036		183	183	3,031
15-May-2037	2,720	183	2,903	
15-Nov-2037		125	125	3,028
15-May-2038	2,840	125	2,965	
15-Nov-2038		64	64	3,029
15-May-2039	2,965	64	3,029	
				3,029
	\$ 46,575	\$ 26,040	\$ 72,615	\$ 72,615

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS**  
**SERIES 2009A**  
*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 2,240	\$	353	\$	2,593	\$	
15-Nov-2016			345		345		2,938
15-May-2017	2,255		345		2,600		
15-Nov-2017			336		336		2,936
15-May-2018	2,275		336		2,611		
15-Nov-2018			324		324		2,935
15-May-2019	2,305		324		2,629		
15-Nov-2019			308		308		2,937
15-May-2020	2,340		308		2,648		
15-Nov-2020			289		289		2,937
15-May-2021	2,385		289		2,674		
15-Nov-2021			265		265		2,939
15-May-2022	2,430		265		2,695		
15-Nov-2022			240		240		2,935
15-May-2023	2,485		240		2,725		
15-Nov-2023			211		211		2,936
15-May-2024	2,545		211		2,756		
15-Nov-2024			181		181		2,937
15-May-2025	2,605		181		2,786		
15-Nov-2025			148		148		2,934
15-May-2026	2,675		148		2,823		
15-Nov-2026			115		115		2,938
15-May-2027	2,745		115		2,860		
15-Nov-2027			78		78		2,938
15-May-2028	2,820		78		2,898		
15-Nov-2028			41		41		2,939
15-May-2029	2,895		41		2,936		
							2,936
	<u>\$ 35,000</u>	<u>\$</u>	<u>6,115</u>	<u>\$</u>	<u>41,115</u>	<u>\$</u>	<u>41,115</u>

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE REFUNDING BONDS**  
**SERIES 2010**  
*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 6,745	\$	626	\$	7,371	\$	
15-Nov-2016			491		491		7,862
15-May-2017	7,025		491		7,516		
15-Nov-2017			341		341		7,857
15-May-2018	7,345		341		7,686		
15-Nov-2018			158		158		7,844
15-May-2019	7,675		158		7,833		7,833
	<u>\$ 28,790</u>	<u>\$</u>	<u>2,606</u>	<u>\$</u>	<u>31,396</u>	<u>\$</u>	<u>31,396</u>

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS**  
**SERIES 2010A**  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi- Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 480	\$ 195	\$ 675	\$ 869
15-Nov-2016		194	194	869
15-May-2017	480	194	674	
15-Nov-2017		192	192	866
15-May-2018	485	192	677	
15-Nov-2018		189	189	866
15-May-2019	495	189	684	
15-Nov-2019		185	185	869
15-May-2020	500	185	685	
15-Nov-2020		181	181	866
15-May-2021	510	181	691	
15-Nov-2021		177	177	868
15-May-2022	520	177	697	
15-Nov-2022		171	171	868
15-May-2023	530	171	701	
15-Nov-2023		166	166	867
15-May-2024	540	166	706	
15-Nov-2024		160	160	866
15-May-2025	555	160	715	
15-Nov-2025		153	153	868
15-May-2026	565	153	718	
15-Nov-2026		146	146	864
15-May-2027	580	146	726	
15-Nov-2027		139	139	865
15-May-2028	595	139	734	
15-Nov-2028		131	131	865
15-May-2029	615	131	746	
15-Nov-2029		123	123	869
15-May-2030	630	123	753	
15-Nov-2030		114	114	867
15-May-2031	650	114	764	
15-Nov-2031		105	105	869
15-May-2032	665	105	770	
15-Nov-2032		95	95	865
15-May-2033	685	95	780	
15-Nov-2033		85	85	865
15-May-2034	705	85	790	
15-Nov-2034		74	74	864
15-May-2035	730	74	804	
15-Nov-2035		63	63	867
15-May-2036	750	63	813	
15-Nov-2036		51	51	864
15-May-2037	775	51	826	
15-Nov-2037		39	39	865
15-May-2038	800	39	839	
15-Nov-2038		27	27	866
15-May-2039	825	27	852	
15-Nov-2039		14	14	866
15-May-2040	855	14	869	
				869
	\$ 15,520	\$ 6,143	\$ 21,663	\$ 21,663

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2011**

*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 1,175	\$	115	\$	1,290	\$	
15-Nov-2016			115		115		1,405
15-May-2017	1,175		115		1,290		
15-Nov-2017			115		115		1,405
15-May-2018	1,175		115		1,290		
15-Nov-2018			115		115		1,405
15-May-2019	1,175		115		1,290		
15-Nov-2019			113		113		1,403
15-May-2020	1,180		113		1,293		
15-Nov-2020			109		109		1,402
15-May-2021	1,190		109		1,299		
15-Nov-2021			105		105		1,404
15-May-2022	1,200		105		1,305		
15-Nov-2022			99		99		1,404
15-May-2023	1,215		99		1,314		
15-Nov-2023			92		92		1,406
15-May-2024	1,230		92		1,322		
15-Nov-2024			84		84		1,406
15-May-2025	1,245		84		1,329		
15-Nov-2025			74		74		1,403
15-May-2026	1,265		74		1,339		
15-Nov-2026			64		64		1,403
15-May-2027	1,285		64		1,349		
15-Nov-2027			53		53		1,402
15-May-2028	1,310		53		1,363		
15-Nov-2028			41		41		1,404
15-May-2029	1,335		41		1,376		
15-Nov-2029			28		28		1,404
15-May-2030	1,360		28		1,388		
15-Nov-2030			14		14		1,402
15-May-2031	1,390		14		1,404		
							1,404
	\$ 19,905	\$	2,557	\$	22,462	\$	22,462



San Antonio Water System  
**WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS**  
**SERIES 2011A**  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi- Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 455	\$ 245	\$ 700	\$
15-Nov-2016		244	244	944
15-May-2017	460	244	704	
15-Nov-2017		242	242	946
15-May-2018	465	242	707	
15-Nov-2018		239	239	946
15-May-2019	475	239	714	
15-Nov-2019		235	235	949
15-May-2020	480	235	715	
15-Nov-2020		231	231	946
15-May-2021	490	231	721	
15-Nov-2021		226	226	947
15-May-2022	500	226	726	
15-Nov-2022		221	221	947
15-May-2023	510	221	731	
15-Nov-2023		214	214	945
15-May-2024	525	214	739	
15-Nov-2024		208	208	947
15-May-2025	540	208	748	
15-Nov-2025		200	200	948
15-May-2026	555	200	755	
15-Nov-2026		192	192	947
15-May-2027	570	192	762	
15-Nov-2027		184	184	946
15-May-2028	590	184	774	
15-Nov-2028		175	175	949
15-May-2029	605	175	780	
15-Nov-2029		166	166	946
15-May-2030	625	166	791	
15-Nov-2030		155	155	946
15-May-2031	645	155	800	
15-Nov-2031		145	145	945
15-May-2032	670	145	815	
15-Nov-2032		133	133	948
15-May-2033	690	133	823	
15-Nov-2033		121	121	944
15-May-2034	715	121	836	
15-Nov-2034		109	109	945
15-May-2035	745	109	854	
15-Nov-2035		95	95	949
15-May-2036	770	95	865	
15-Nov-2036		81	81	946
15-May-2037	800	81	881	
15-Nov-2037		66	66	947
15-May-2038	830	66	896	
15-Nov-2038		51	51	947
15-May-2039	860	51	911	
15-Nov-2039		35	35	946
15-May-2040	895	35	930	
15-Nov-2040		18	18	948
15-May-2041	930	18	948	
				948
	\$ 16,395	\$ 8,217	\$ 24,612	\$ 24,612

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE REFUNDING BONDS**  
**SERIES 2012 (No Reserve Fund)**  
*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi-Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 3,210	\$	487	\$	3,697	\$	
15-Nov-2016			422		422		4,119
15-May-2017	3,135		422		3,557		
15-Nov-2017			360		360		3,917
15-May-2018	3,290		360		3,650		
15-Nov-2018			294		294		3,944
15-May-2019	4,265		294		4,559		
15-Nov-2019			209		209		4,768
15-May-2020	3,545		209		3,754		
15-Nov-2020			129		129		3,883
15-May-2021	3,735		129		3,864		
15-Nov-2021			45		45		3,909
15-May-2022	1,795		45		1,840		
					-		1,840
	\$ 22,975	\$	3,405	\$	26,380	\$	26,380

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2012**  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 590	\$ 108	\$ 698	\$ 806
15-Nov-2016		108	108	806
15-May-2017	590	108	698	
15-Nov-2017		108	108	806
15-May-2018	590	108	698	
15-Nov-2018		108	108	806
15-May-2019	590	108	698	
15-Nov-2019		108	108	806
15-May-2020	595	108	703	
15-Nov-2020		107	107	810
15-May-2021	595	107	702	
15-Nov-2021		105	105	807
15-May-2022	600	105	705	
15-Nov-2022		103	103	808
15-May-2023	605	103	708	
15-Nov-2023		100	100	808
15-May-2024	610	100	710	
15-Nov-2024		98	98	808
15-May-2025	615	98	713	
15-Nov-2025		94	94	807
15-May-2026	625	94	719	
15-Nov-2026		91	91	810
15-May-2027	630	91	721	
15-Nov-2027		87	87	808
15-May-2028	635	87	722	
15-Nov-2028		84	84	806
15-May-2029	645	84	729	
15-Nov-2029		79	79	808
15-May-2030	655	79	734	
15-Nov-2030		75	75	809
15-May-2031	665	75	740	
15-Nov-2031		70	70	810
15-May-2032	675	70	745	
15-Nov-2032		65	65	810
15-May-2033	685	65	750	
15-Nov-2033		60	60	810
15-May-2034	695	60	755	
15-Nov-2034		54	54	809
15-May-2035	705	54	759	
15-Nov-2035		48	48	807
15-May-2036	720	48	768	
15-Nov-2036		42	42	810
15-May-2037	730	42	772	
15-Nov-2037		35	35	807
15-May-2038	745	35	780	
15-Nov-2038		29	29	809
15-May-2039	760	29	789	
15-Nov-2039		22	22	811
15-May-2040	770	22	792	
15-Nov-2040		15	15	807
15-May-2041	785	15	800	
15-Nov-2041		7	7	807
15-May-2042	800	7	807	
				807
	\$ 17,905	\$ 3,912	\$ 21,817	\$ 21,817

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2013A**

*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 2,390	\$	206	\$	2,596	\$	
15-Nov-2016			206		206		2,802
15-May-2017	2,390		206		2,596		
15-Nov-2017			206		206		2,802
15-May-2018	2,390		206		2,596		
15-Nov-2018			206		206		2,802
15-May-2019	2,395		206		2,601		
15-Nov-2019			205		205		2,806
15-May-2020	2,400		205		2,605		
15-Nov-2020			201		201		2,806
15-May-2021	2,410		201		2,611		
15-Nov-2021			196		196		2,807
15-May-2022	2,420		196		2,616		
15-Nov-2022			187		187		2,803
15-May-2023	2,440		187		2,627		
15-Nov-2023			177		177		2,804
15-May-2024	2,460		177		2,637		
15-Nov-2024			166		166		2,803
15-May-2025	2,485		166		2,651		
15-Nov-2025			153		153		2,804
15-May-2026	2,515		153		2,668		
15-Nov-2026			139		139		2,807
15-May-2027	2,540		139		2,679		
15-Nov-2027			125		125		2,804
15-May-2028	2,570		125		2,695		
15-Nov-2028			109		109		2,804
15-May-2029	2,605		109		2,714		
15-Nov-2029			92		92		2,806
15-May-2030	2,635		92		2,727		
15-Nov-2030			75		75		2,802
15-May-2031	2,675		75		2,750		
15-Nov-2031			56		56		2,806
15-May-2032	2,720		56		2,776		
15-Nov-2032			28		28		2,804
15-May-2033	2,775		28		2,803		
					-		2,803
	\$ 45,215	\$	5,260	\$	50,475	\$	50,475

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE REFUNDING BONDS**  
**SERIES 2013B (No Reserve Fund)**

*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi-Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 3,870	\$	1,893	\$	5,763	\$	
15-Nov-2016			1,815		1,815		7,578
15-May-2017	4,030		1,815		5,845		
15-Nov-2017			1,735		1,735		7,580
15-May-2018	4,200		1,735		5,935		
15-Nov-2018			1,630		1,630		7,565
15-May-2019	4,410		1,630		6,040		
15-Nov-2019			1,520		1,520		7,560
15-May-2020	4,640		1,520		6,160		
15-Nov-2020			1,404		1,404		7,564
15-May-2021	4,875		1,404		6,279		
15-Nov-2021			1,282		1,282		7,561
15-May-2022	5,125		1,282		6,407		
15-Nov-2022			1,154		1,154		7,561
15-May-2023	3,620		1,154		4,774		
15-Nov-2023			1,063		1,063		5,837
15-May-2024	2,970		1,063		4,033		
15-Nov-2024			989		989		5,022
15-May-2025	3,120		989		4,109		
15-Nov-2025			911		911		5,020
15-May-2026	3,285		911		4,196		
15-Nov-2026			829		829		5,025
15-May-2027	3,450		829		4,279		
15-Nov-2027			743		743		5,022
15-May-2028	3,630		743		4,373		
15-Nov-2028			652		652		5,025
15-May-2029	3,815		652		4,467		
15-Nov-2029			556		556		5,023
15-May-2030	4,015		556		4,571		
15-Nov-2030			456		456		5,027
15-May-2031	4,220		456		4,676		
15-Nov-2031			351		351		5,027
15-May-2032	4,440		351		4,791		
15-Nov-2032			240		240		5,031
15-May-2033	4,670		240		4,910		
15-Nov-2033			123		123		5,033
15-May-2034	4,910		123		5,033		
							5,033
	\$ 77,295	\$	36,799	\$	114,094	\$	114,094

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2013C**  
*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 1,210	\$	194	\$	1,404	\$	
15-Nov-2016			194		194		1,598
15-May-2017	1,210		194		1,404		
15-Nov-2017			194		194		1,598
15-May-2018	1,210		194		1,404		
15-Nov-2018			194		194		1,598
15-May-2019	1,210		194		1,404		
15-Nov-2019			191		191		1,595
15-May-2020	1,220		191		1,411		
15-Nov-2020			187		187		1,598
15-May-2021	1,230		187		1,417		
15-Nov-2021			180		180		1,596
15-May-2022	1,245		180		1,425		
15-Nov-2022			172		172		1,597
15-May-2023	1,260		172		1,432		
15-Nov-2023			162		162		1,594
15-May-2024	1,280		162		1,442		
15-Nov-2024			152		152		1,594
15-May-2025	1,305		152		1,457		
15-Nov-2025			140		140		1,597
15-May-2026	1,330		140		1,470		
15-Nov-2026			127		127		1,597
15-May-2027	1,355		127		1,482		
15-Nov-2027			112		112		1,594
15-May-2028	1,385		112		1,497		
15-Nov-2028			97		97		1,594
15-May-2029	1,420		97		1,517		
15-Nov-2029			80		80		1,597
15-May-2030	1,455		80		1,535		
15-Nov-2030			62		62		1,597
15-May-2031	1,495		62		1,557		
15-Nov-2031			42		42		1,599
15-May-2032	1,535		42		1,577		
15-Nov-2032			22		22		1,599
15-May-2033	1,575		22		1,597		
							1,597
	\$ 23,930	\$	4,809	\$	28,739	\$	28,739

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2013D**  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 1,555	\$ 723	\$ 2,278	
15-Nov-2016		723	723	3,001
15-May-2017	1,555	723	2,278	
15-Nov-2017		723	723	3,001
15-May-2018	1,560	723	2,283	
15-Nov-2018		720	720	3,003
15-May-2019	1,565	720	2,285	
15-Nov-2019		714	714	2,999
15-May-2020	1,580	714	2,294	
15-Nov-2020		706	706	3,000
15-May-2021	1,600	706	2,306	
15-Nov-2021		695	695	3,001
15-May-2022	1,625	695	2,320	
15-Nov-2022		682	682	3,002
15-May-2023	1,650	682	2,332	
15-Nov-2023		668	668	3,000
15-May-2024	1,680	668	2,348	
15-Nov-2024		651	651	2,999
15-May-2025	1,715	651	2,366	
15-Nov-2025		633	633	2,999
15-May-2026	1,755	633	2,388	
15-Nov-2026		612	612	3,000
15-May-2027	1,800	612	2,412	
15-Nov-2027		590	590	3,002
15-May-2028	1,845	590	2,435	
15-Nov-2028		566	566	3,001
15-May-2029	1,895	566	2,461	
15-Nov-2029		540	540	3,001
15-May-2030	1,950	540	2,490	
15-Nov-2030		513	513	3,003
15-May-2031	2,005	513	2,518	
15-Nov-2031		484	484	3,002
15-May-2032	2,065	484	2,549	
15-Nov-2032		453	453	3,002
15-May-2033	2,130	453	2,583	
15-Nov-2033		421	421	3,004
15-May-2034	2,195	421	2,616	
15-Nov-2034		386	386	3,002
15-May-2035	2,265	386	2,651	
15-Nov-2035		351	351	3,002
15-May-2036	2,340	351	2,691	
15-Nov-2036		313	313	3,004
15-May-2037	2,415	313	2,728	
15-Nov-2037		274	274	3,002
15-May-2038	2,495	274	2,769	
15-Nov-2038		232	232	3,001
15-May-2039	2,580	232	2,812	
15-Nov-2039		189	189	3,001
15-May-2040	2,665	189	2,854	
15-Nov-2040		145	145	2,999
15-May-2041	2,760	145	2,905	
15-Nov-2041		98	98	3,003
15-May-2042	2,855	98	2,953	
15-Nov-2042		50	50	3,003
15-May-2043	2,950	50	3,000	
				3,000
	<b>\$ 57,050</b>	<b>\$ 26,987</b>	<b>\$ 84,037</b>	<b>\$ 84,037</b>

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS**  
**SERIES 2013E (No Reserve Fund)**  
*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 3,505	\$	1,738	\$	5,243	\$	
15-Nov-2016			1,668		1,668		6,911
15-May-2017	3,670		1,668		5,338		
15-Nov-2017			1,576		1,576		6,914
15-May-2018	3,840		1,576		5,416		
15-Nov-2018			1,499		1,499		6,915
15-May-2019	4,015		1,499		5,514		
15-Nov-2019			1,399		1,399		6,913
15-May-2020	4,200		1,399		5,599		
15-Nov-2020			1,315		1,315		6,914
15-May-2021	4,395		1,315		5,710		
15-Nov-2021			1,205		1,205		6,915
15-May-2022	4,620		1,205		5,825		
15-Nov-2022			1,090		1,090		6,915
15-May-2023	4,855		1,090		5,945		
15-Nov-2023			968		968		6,913
15-May-2024	5,105		968		6,073		
15-Nov-2024			841		841		6,914
15-May-2025	5,365		841		6,206		
15-Nov-2025			706		706		6,912
15-May-2026	5,640		706		6,346		
15-Nov-2026			565		565		6,911
15-May-2027	5,930		565		6,495		
15-Nov-2027			417		417		6,912
15-May-2028	6,235		417		6,652		
15-Nov-2028			261		261		6,913
15-May-2029	6,555		261		6,816		
15-Nov-2029			97		97		6,913
15-May-2030	4,870		97		4,967		4,967
	\$ 72,800	\$	28,952	\$	101,752	\$	101,752



**San Antonio Water System**  
**WATER SYSTEM VARIABLE RATE JUNIOR LIEN**  
**REVENUE AND REFUNDING BONDS , SERIES 2013F (No Reserve Fund)\***  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Payment</u>	<u>Total Debt Outstanding</u>
2016	\$ -	\$ 690	\$ 690	\$ 100,000
2017	-	690	690	100,000
2018	-	690	690	100,000
2019	-	690	690	100,000
2020	-	690	690	100,000
2021	-	690	690	100,000
2022	-	690	690	100,000
2023	-	690	690	100,000
2024	-	690	690	100,000
2025	-	690	690	100,000
2026	-	690	690	100,000
2027	-	690	690	100,000
2028	-	690	690	100,000
2029	-	690	690	100,000
2030	1,960	681	2,641	98,040
2031	6,990	644	7,634	91,050
2032	7,075	596	7,671	83,975
2033	7,165	546	7,711	76,810
2034	7,255	496	7,751	69,555
2035	7,345	446	7,791	62,210
2036	7,440	395	7,835	54,770
2037	7,535	343	7,878	47,235
2038	7,630	291	7,921	39,605
2039	7,725	237	7,962	31,880
2040	7,820	184	8,004	24,060
2041	7,920	129	8,049	16,140
2042	8,020	74	8,094	8,120
2043	8,120	18	8,138	-
	<u>\$ 100,000</u>	<u>\$ 14,740</u>	<u>\$ 114,740</u>	

\* The Water System Junior Lien Revenue Refunding Bonds, Series 2013F (No Reserve Fund) are multi-model variable rate bonds, initially issued in a SIFMA Index Mode with interest rates reset weekly based on the sum of the SIFMA Swap Index and a spread of 0.68%. Interest listed above is based on the interest rate as of December 31 of 0.69%. Actual interest paid will fluctuate based on the SIFMA Swap Index. Interest on the variable rate bonds is paid monthly with principal payments paid on May 1. See Note I for additional information.

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS**  
**SERIES 2014A (No Reserve Fund)**  
*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi-Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 4,480	\$	2,421	\$	6,901	\$	
15-Nov-2016			2,354		2,354		9,255
15-May-2017	3,425		2,354		5,779		
15-Nov-2017			2,286		2,286		8,065
15-May-2018	3,655		2,286		5,941		
15-Nov-2018			2,231		2,231		8,172
15-May-2019	7,710		2,231		9,941		
15-Nov-2019			2,038		2,038		11,979
15-May-2020	7,960		2,038		9,998		
15-Nov-2020			1,839		1,839		11,837
15-May-2021	8,375		1,839		10,214		
15-Nov-2021			1,630		1,630		11,844
15-May-2022	8,800		1,630		10,430		
15-Nov-2022			1,410		1,410		11,840
15-May-2023	9,265		1,410		10,675		
15-Nov-2023			1,178		1,178		11,853
15-May-2024	9,735		1,178		10,913		
15-Nov-2024			935		935		11,848
15-May-2025	10,235		935		11,170		
15-Nov-2025			679		679		11,849
15-May-2026	10,770		679		11,449		
15-Nov-2026			410		410		11,859
15-May-2027	5,190		410		5,600		
15-Nov-2027			280		280		5,880
15-May-2028	5,455		280		5,735		
15-Nov-2028			143		143		5,878
15-May-2029	5,735		143		5,878		
							5,878
	\$ 100,790	\$	37,247	\$	138,037	\$	138,037

**San Antonio Water System**  
**WATER SYSTEM VARIABLE RATE JUNIOR LIEN**  
**REVENUE AND REFUNDING BONDS, SERIES 2014B (No Reserve Fund)\***  
*(amounts in thousands)*

	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Payment</u>	<u>Total Debt Outstanding</u>
2016	\$ -	\$ 410	\$ 410	\$ 100,000
2017	-	410	410	100,000
2018	-	410	410	100,000
2019	-	410	410	100,000
2020	-	410	410	100,000
2021	-	410	410	100,000
2022	-	410	410	100,000
2023	-	410	410	100,000
2024	-	410	410	100,000
2025	-	410	410	100,000
2026	-	410	410	100,000
2027	-	410	410	100,000
2028	-	410	410	100,000
2029	-	410	410	100,000
2030	5,990	394	6,384	94,010
2031	6,080	369	6,449	87,930
2032	6,170	344	6,514	81,760
2033	6,265	318	6,583	75,495
2034	6,360	292	6,652	69,135
2035	6,455	266	6,721	62,680
2036	6,555	239	6,794	56,125
2037	6,650	212	6,862	49,475
2038	6,755	184	6,939	42,720
2039	6,855	156	7,011	35,865
2040	6,960	128	7,088	28,905
2041	7,065	99	7,164	21,840
2042	7,170	70	7,240	14,670
2043	7,280	40	7,320	7,390
2044	7,390	10	7,400	-
	<u>\$ 100,000</u>	<u>\$ 8,861</u>	<u>\$ 108,861</u>	

\* The Water System Junior Lien Revenue Refunding Bonds, Series 2014B (No Reserve Fund) are multi-model variable rate bonds, initially issued in a SIFMA Index Mode with interest rates reset weekly based on the sum of the SIFMA Swap Index and a spread of 0.40%. Interest listed above is based on the interest rate as of December 31 of 0.41%. Actual interest paid will fluctuate based on the SIFMA Swap Index. Interest on the variable rate bonds is paid monthly with principal payments paid on May 1. See Note I for additional information.

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2014C**

(amounts in thousands)

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi- Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 1,070	\$ 323	\$ 1,393	\$
15-Nov-2016		323	323	1,716
15-May-2017	1,070	323	1,393	
15-Nov-2017		323	323	1,716
15-May-2018	1,070	323	1,393	
15-Nov-2018		323	323	1,716
15-May-2019	1,070	323	1,393	
15-Nov-2019		322	322	1,715
15-May-2020	1,075	322	1,397	
15-Nov-2020		319	319	1,716
15-May-2021	1,080	319	1,399	
15-Nov-2021		315	315	1,714
15-May-2022	1,090	315	1,405	
15-Nov-2022		310	310	1,715
15-May-2023	1,100	310	1,410	
15-Nov-2023		304	304	1,714
15-May-2024	1,115	304	1,419	
15-Nov-2024		297	297	1,716
15-May-2025	1,130	297	1,427	
15-Nov-2025		289	289	1,716
15-May-2026	1,145	289	1,434	
15-Nov-2026		280	280	1,714
15-May-2027	1,165	280	1,445	
15-Nov-2027		270	270	1,715
15-May-2028	1,185	270	1,455	
15-Nov-2028		260	260	1,715
15-May-2029	1,205	260	1,465	
15-Nov-2029		249	249	1,714
15-May-2030	1,230	249	1,479	
15-Nov-2030		237	237	1,716
15-May-2031	1,250	237	1,487	
15-Nov-2031		225	225	1,712
15-May-2032	1,280	225	1,505	
15-Nov-2032		211	211	1,716
15-May-2033	1,305	211	1,516	
15-Nov-2033		197	197	1,713
15-May-2034	1,335	197	1,532	
15-Nov-2034		183	183	1,715
15-May-2035	1,365	183	1,548	
15-Nov-2035		167	167	1,715
15-May-2036	1,395	167	1,562	
15-Nov-2036		151	151	1,713
15-May-2037	1,430	151	1,581	
15-Nov-2037		134	134	1,715
15-May-2038	1,465	134	1,599	
15-Nov-2038		117	117	1,716
15-May-2039	1,500	117	1,617	
15-Nov-2039		99	99	1,716
15-May-2040	1,535	99	1,634	
15-Nov-2040		80	80	1,714
15-May-2041	1,575	80	1,655	
15-Nov-2041		61	61	1,716
15-May-2042	1,610	61	1,671	
15-Nov-2042		41	41	1,712
15-May-2043	1,650	41	1,691	
15-Nov-2043		21	21	1,712
15-May-2044	1,695	21	1,716	
			-	1,716
	\$ 37,190	\$ 12,539	\$ 49,729	\$ 49,729

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2014D**

*(amounts in thousands)*

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2016	\$ 1,050	\$	117	\$	1,167	\$	
15-Nov-2016			117		117		1,284
15-May-2017	1,050		117		1,167		
15-Nov-2017			117		117		1,284
15-May-2018	1,050		117		1,167		
15-Nov-2018			117		117		1,284
15-May-2019	1,055		117		1,172		
15-Nov-2019			117		117		1,289
15-May-2020	1,055		117		1,172		
15-Nov-2020			116		116		1,288
15-May-2021	1,060		116		1,176		
15-Nov-2021			113		113		1,289
15-May-2022	1,065		113		1,178		
15-Nov-2022			108		108		1,286
15-May-2023	1,075		108		1,183		
15-Nov-2023			103		103		1,286
15-May-2024	1,090		103		1,193		
15-Nov-2024			97		97		1,290
15-May-2025	1,100		97		1,197		
15-Nov-2025			90		90		1,287
15-May-2026	1,115		90		1,205		
15-Nov-2026			83		83		1,288
15-May-2027	1,130		83		1,213		
15-Nov-2027			74		74		1,287
15-May-2028	1,145		74		1,219		
15-Nov-2028			66		66		1,285
15-May-2029	1,165		66		1,231		
15-Nov-2029			56		56		1,287
15-May-2030	1,185		56		1,241		
15-Nov-2030			46		46		1,287
15-May-2031	1,205		46		1,251		
15-Nov-2031			36		36		1,287
15-May-2032	1,225		36		1,261		
15-Nov-2032			24		24		1,285
15-May-2033	1,250		24		1,274		
15-Nov-2033			12		12		1,286
15-May-2034	1,275		12		1,287		
					-		1,287
	\$ 21,345	\$	3,101	\$	24,446	\$	24,446

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2015A**

(amounts in thousands)

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 2,180	\$ 518	\$ 2,698	\$ 3,216
15-Nov-2016		518	518	3,216
15-May-2017	2,180	518	2,698	
15-Nov-2017		518	518	3,216
15-May-2018	2,180	518	2,698	
15-Nov-2018		518	518	3,216
15-May-2019	2,180	518	2,698	
15-Nov-2019		518	518	3,216
15-May-2020	2,185	518	2,703	
15-Nov-2020		514	514	3,217
15-May-2021	2,195	514	2,709	
15-Nov-2021		508	508	3,217
15-May-2022	2,210	508	2,718	
15-Nov-2022		499	499	3,217
15-May-2023	2,230	499	2,729	
15-Nov-2023		489	489	3,218
15-May-2024	2,250	489	2,739	
15-Nov-2024		478	478	3,217
15-May-2025	2,275	478	2,753	
15-Nov-2025		465	465	3,218
15-May-2026	2,305	465	2,770	
15-Nov-2026		450	450	3,220
15-May-2027	2,330	450	2,780	
15-Nov-2027		435	435	3,215
15-May-2028	2,365	435	2,800	
15-Nov-2028		418	418	3,218
15-May-2029	2,400	418	2,818	
15-Nov-2029		401	401	3,219
15-May-2030	2,435	401	2,836	
15-Nov-2030		383	383	3,219
15-May-2031	2,470	383	2,853	
15-Nov-2031		364	364	3,217
15-May-2032	2,510	364	2,874	
15-Nov-2032		344	344	3,218
15-May-2033	2,550	344	2,894	
15-Nov-2033		323	323	3,217
15-May-2034	2,595	323	2,918	
15-Nov-2034		301	301	3,219
15-May-2035	2,640	301	2,941	
15-Nov-2035		278	278	3,219
15-May-2036	2,685	278	2,963	
15-Nov-2036		254	254	3,217
15-May-2037	2,735	254	2,989	
15-Nov-2037		229	229	3,218
15-May-2038	2,785	229	3,014	
15-Nov-2038		204	204	3,218
15-May-2039	2,835	204	3,039	
15-Nov-2039		177	177	3,216
15-May-2040	2,890	177	3,067	
15-Nov-2040		150	150	3,217
15-May-2041	2,945	150	3,095	
15-Nov-2041		121	121	3,216
15-May-2042	3,005	121	3,126	
15-Nov-2042		92	92	3,218
15-May-2043	3,065	92	3,157	
15-Nov-2043		62	62	3,219
15-May-2044	3,125	62	3,187	
15-Nov-2044		31	31	3,218
15-May-2045	3,185	31	3,216	
			-	3,216
	\$ 75,920	\$ 20,602	\$ 96,522	\$ 96,522

**San Antonio Water System**  
**WATER SYSTEM JUNIOR LIEN REVENUE BONDS**  
**SERIES 2015B**

(amounts in thousands)

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2016	\$ 3,115	\$ 6,805	\$ 9,920	\$
15-Nov-2016		6,727	6,727	16,647
15-May-2017	3,265	6,727	9,992	
15-Nov-2017		6,646	6,646	16,638
15-May-2018	3,435	6,646	10,081	
15-Nov-2018		6,560	6,560	16,641
15-May-2019	3,555	6,560	10,115	
15-Nov-2019		6,524	6,524	16,639
15-May-2020	3,690	6,524	10,214	
15-Nov-2020		6,432	6,432	16,646
15-May-2021	3,875	6,432	10,307	
15-Nov-2021		6,335	6,335	16,642
15-May-2022	4,075	6,335	10,410	
15-Nov-2022		6,233	6,233	16,643
15-May-2023	4,280	6,233	10,513	
15-Nov-2023		6,126	6,126	16,639
15-May-2024	3,535	6,126	9,661	
15-Nov-2024		6,038	6,038	15,699
15-May-2025	1,710	6,038	7,748	
15-Nov-2025		6,017	6,017	13,765
15-May-2026	1,775	6,017	7,792	
15-Nov-2026		5,972	5,972	13,764
15-May-2027	1,865	5,972	7,837	
15-Nov-2027		5,926	5,926	13,763
15-May-2028	1,960	5,926	7,886	
15-Nov-2028		5,877	5,877	13,763
15-May-2029	2,065	5,877	7,942	
15-Nov-2029		5,825	5,825	13,767
15-May-2030	2,170	5,825	7,995	
15-Nov-2030		5,771	5,771	13,766
15-May-2031	2,280	5,771	8,051	
15-Nov-2031		5,714	5,714	13,765
15-May-2032	2,395	5,714	8,109	
15-Nov-2032		5,654	5,654	13,763
15-May-2033	2,520	5,654	8,174	
15-Nov-2033		5,591	5,591	13,765
15-May-2034	2,650	5,591	8,241	
15-Nov-2034		5,525	5,525	13,766
15-May-2035	33,775	5,525	39,300	
15-Nov-2035		4,758	4,758	44,058
15-May-2036	35,345	4,758	40,103	
15-Nov-2036		3,955	3,955	44,058
15-May-2037	36,880	3,955	40,835	
15-Nov-2037		3,217	3,217	44,052
15-May-2038	38,585	3,217	41,802	
15-Nov-2038		2,253	2,253	44,055
15-May-2039	40,565	2,253	42,818	
15-Nov-2039		1,238	1,238	44,056
15-May-2040	42,425	1,238	43,663	
15-Nov-2040		390	390	44,053
15-May-2041	3,595	390	3,985	
15-Nov-2041		318	318	4,303
15-May-2042	3,740	318	4,058	
15-Nov-2042		243	243	4,301
15-May-2043	3,895	243	4,138	
15-Nov-2043		165	165	4,303
15-May-2044	4,050	165	4,215	
15-Nov-2044		84	84	4,299
15-May-2045	4,215	84	4,299	
			-	4,299
	<u>\$ 301,285</u>	<u>\$ 271,033</u>	<u>\$ 572,318</u>	<u>\$ 572,318</u>

**San Antonio Water System**  
**REVENUE BOND DEBT COVERAGE RATIO**  
**For the Year Ended December 31, 2015**  
*(\$ in thousands)*

Operating Revenues	\$	491,780
Less Revenues from City Public Service Contract		3,245
		488,535
 Nonoperating Revenues		 6,097
Less: Federal Subsidy - Build America Bonds		3,689
Interest on Project Funds		465
		1,943
 Gross Revenues		 490,478
Maintenance & Operation Expense before Depreciation		246,455
		246,455
 Pledged Revenues	\$	244,023
 Current Annual Bond Debt service requirement for all Outstanding Bonds <sup>1</sup>	\$	159,904
Current Annual Combined Debt Coverage Ratio		1.53
 Maximum Annual Bond Debt service requirement for all Outstanding Bonds <sup>1</sup>	\$	163,817
Maximum Annual Combined Debt Coverage Ratio		1.49

<sup>1</sup>Annual debt service requirements consist of principal and interest payments net of the U.S. federal interest subsidy on the Series 2009B & 2010B revenue bonds.



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***FEDERAL AWARD SECTION***



## Padgett Stratemann

### Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Trustees  
San Antonio Water System  
San Antonio, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of San Antonio Water System ("SAWS"), a component unit of the City of San Antonio, Texas, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise SAWS' basic financial statements, and have issued our report thereon dated March 30, 2016. Our report includes a reference to the fact SAWS implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pension – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, effective January 1, 2015. Net position at January 1, 2015 was restated as a result of the adoption of these statements. Our opinion was not modified with respect to this matter.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered SAWS' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SAWS' internal control. Accordingly, we do not express an opinion on the effectiveness of SAWS' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether SAWS' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and the Public Funds Investment Act, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Public Funds Investment Act.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Padgett, Statemann + Co., L.L.P.*

San Antonio, Texas

March 30, 2016



# Padgett Stratemann

## Independent Auditor's Report on Compliance for a Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees  
San Antonio Water System  
San Antonio, Texas

### ***Report on Compliance for a Major Federal Program***

We have audited San Antonio Water System's ("SAWS") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on SAWS' major federal program for the year ended December 31, 2015. SAWS' major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for SAWS' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SAWS' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of SAWS' compliance.

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### ***Opinion on a Major Federal Program***

In our opinion, SAWS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

### ***Report on Internal Control Over Compliance***

Management of SAWS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SAWS' internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SAWS' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Padgett, Stratemann + Co., L.L.P.*

San Antonio, Texas  
March 30, 2016

# San Antonio Water System

## Schedule of Findings and Questioned Costs

Year Ended December 31, 2015

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? \_\_\_\_\_ Yes  X  No

3. Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	Capitalization Grants for State Revolving Funds (Drinking Water State Revolving Funds)

Dollar threshold used to distinguish between type A and type B programs: \$  2,279,294

Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

**SAN ANTONIO WATER SYSTEM  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
THROUGH DECEMBER 31, 2015**

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program/ Grant Number</u>	<u>Total Program/ Grant Award</u>	<u>Expenditures</u>
Environmental Protection Agency				
Pass Through:				
Texas Water Development Board				
Capitalization Grants for State Revolving Funds (Clean Water State Revolving Fund)				
Series 2007 Junior Lien Revenue and Refunding Bonds	66.458	135700	\$ 8,070,000	\$ -
Series 2008 Junior Lien Revenue Bonds	66.458	L070028	30,000,000	-
Series 2010A Junior Lien Revenue and Refunding Bonds	66.458	L090013	17,930,000	-
Series 2012 Junior Lien Revenue Bonds	66.458	L110061	19,630,000	2,752,457
Capitalization Grants for State Revolving Funds (Drinking Water State Revolving Fund)				
Series 2013C Junior Lien Revenue Bonds	66.468	L1000196	26,370,000	12,310,848
Series 2014D Junior Lien Revenue Bonds	66.468	L1000303	22,400,000	7,351,442
Series 2015A Junior Lien Revenue Bonds	66.468	L1000354	75,920,000	53,561,706
Total Passed Through Texas Water Development Board				<u>\$ 75,976,453</u>

**SAN ANTONIO WATER SYSTEM  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**DECEMBER 31, 2015**

1. The accompanying schedule of expenditures of federal awards includes the federal grant activity of the System and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.
  
2. The System is indebted to the Texas Water Development Board (TWDB) as a result of issuance of the City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2007, and 2010A; and Junior Lien Revenue Bonds, Series 2008, 2012, 2013C, 2014D, and 2015A. The bonds were sold under the federal cross cutter program for financing qualified System improvements related to wastewater, recycled water, and water delivery systems. The amounts reflected in the Schedule of Expenditures of Federal Awards represents expenditures incurred during the year ended December 31, 2015. The following table contains information about these bonds.

Bond	Federal CFDA CFDA Number	Interest Rate	Term - Annual Maturities Through	Outstanding Balance at December 31, 2015 (amounts in thousands)
Series 2007 Junior Lien Bonds	66.458	1.70% - 2.40%	May 15, 2027	\$5,215
Series 2008 Junior Lien Bonds	66.458	1.15% - 3.95%	May 15, 2038	\$24,955
Series 2010A Junior Lien Bonds	66.458	0.00% - 3.31%	May 15, 2040	\$15,520
Series 2012 Junior Lien Bonds	66.458	0.00% - 1.85%	May 15, 2042	\$17,905
Series 2013C Junior Lien Bonds	66.468	0.00% - 2.74%	May 15, 2033	\$23,930
Series 2014D Junior Lien Bonds	66.468	0.00% - 1.96%	May 15, 2034	\$21,345
Series 2015A Junior Lien Bonds	66.468	0.00% - 1.97%	May 15, 2045	\$75,920



