

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CAFR

For the Years Ended December 31, 2016 and 2015

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, 2016 and 2015***

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INTRODUCTION

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SAN ANTONIO WATER SYSTEM

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May 31, 2017

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, 2016. 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 accounting principles generally accepted in the United States of America. 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, RSM US LLP is included in the financial section of the 2016 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, 2016, provided no instances of material weaknesses in the internal control structure.

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 80 miles south of the state capital of Austin, 200 miles west of Houston and 150 miles northeast of Laredo on the Mexican border. The most recent population estimate from the U. S. Census Bureau is 1,469,824 for San Antonio and 1,928,680 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 distribution of recycled water. Additionally, SAWS owns and operates five thermal energy facilities providing chilled water services to governmental and private entities. In 2016, SAWS provided potable water service to over 486,000 customer connections which represents nearly all of the water utility customers in Bexar County, while providing wastewater services to more than 435,000 customer connections representing approximately 93% of the wastewater customers in Bexar County not utilizing septic systems. As of December 31, 2016, SAWS had 1,692 employees and provided maintenance for more than 12,300 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, SAWS assumed the operational control and management of the Bexar Metropolitan Water District (BexarMet). Legislation passed by the State Legislature in 2011 provided for the dissolution of BexarMet and required that full integration with SAWS be completed by January 1, 2017. SAWS operated the former BexarMet as a separate entity known as SAWS District Special Project (SAWS DSP) from January 2012 until January 2016. In February 2016, all the outstanding debt of SAWS DSP was refunded with SAWS issued debt and the assets and liabilities of SAWS DSP were transferred to SAWS.

By state law, full integration with SAWS is to be considered complete when:

- BexarMet Infrastructure meets TCEQ standards,
- It is no longer operating as a separate entity, and
- Former BexarMet customers pay water rates equal to SAWS

All requirements have been met with the last requirement being met on January 1, 2017 when customers located in the former BexarMet service areas began paying for water service under SAWS rate structure.

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 2007-2011, job growth has been steadily increasing since 2011 through 2016 (average annual growth of 3.2%). Annual growth in 2016 (2.8%) slowed compared to the five-year annual average likely due to lower oil prices in the last two years and the related loss of many energy-related jobs in Texas. Despite the challenges being faced within the Texas energy sector, the diversity of the San Antonio economy provides a measure of 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 2016, the San Antonio MSA unemployment rate was 3.6%, while the nation's was 4.7%.

A summary of San Antonio's no-farm employment by industry since 2007 is as follows:

San Antonio MSA Non-Farm Employment by Industry (2007 - 2016)
as of December of each year 2007-2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Natural Resources, Mining and Construction	57,700	58,500	57,900	51,100	47,000	44,000	45,200	48,600	55,500	56,200
Manufacturing	48,800	47,400	47,000	46,300	46,900	46,400	45,300	43,500	45,600	49,000
Trade, Transportation and Utilities	185,000	181,300	175,000	166,700	159,000	153,700	149,400	148,500	154,600	157,600
Information	21,100	21,500	21,800	21,500	20,500	19,700	18,400	18,600	21,000	21,800
Financial Activities	88,200	86,000	82,400	78,600	76,300	71,900	69,800	67,100	67,400	66,700
Professional and Business Services	135,400	126,900	122,800	117,300	114,100	108,200	104,300	105,800	107,800	110,800
Educational and Health Services	161,300	154,300	147,400	142,200	138,700	137,100	131,900	127,100	122,900	117,400
Leisure and Hospitality	125,500	123,000	117,700	114,200	110,800	105,600	101,200	97,500	99,300	95,900
Other Services	37,400	36,100	35,900	35,300	34,500	32,800	33,000	32,000	31,800	31,300
Government	173,900	171,300	168,200	165,700	164,300	163,700	166,200	163,900	160,100	156,000
Total Non-Farm Employment	1,034,300	1,006,300	976,100	938,900	912,100	883,100	864,700	852,600	866,000	862,700

Source: U.S. Bureau of Labor Statistics

Additional information regarding demographic and economic conditions for San Antonio can be found in the Statistical Section of this report on pages 126 and 127.

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.

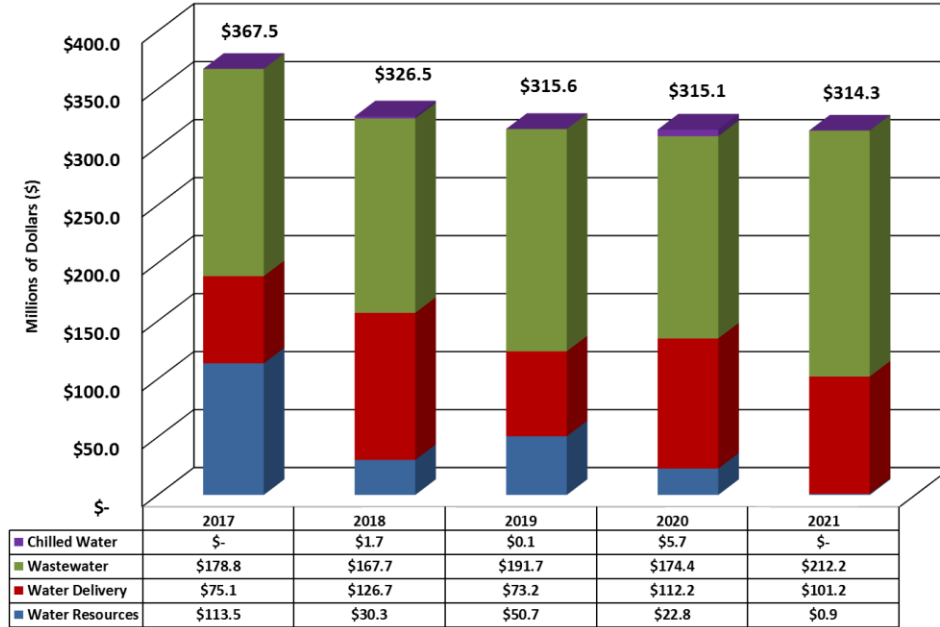
Major strategic policy guidelines emphasized are long-term water supply needs and infrastructure replacement goals. Strategic priorities include, but are not limited to, water supply, system expansion, environmental sustainability, system reliability and service consistency, innovation and technology, 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 \$1.6 billion.

Capital Improvement Program



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

Water Supply

- Integration Pipeline & Pump Stations – Phase 2 (\$84 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.
- Vista Ridge Integration Improvements (\$115 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. The projected cost of these improvements are expected to be \$145 million, including amounts authorized prior to 2017. More information about the Vista Ridge Project is provided in the Major Initiatives section of this letter.

Water and Wastewater Infrastructure

- Water Distribution Mains (\$309 million) – Planned and emergency replacement of water mains due to age and condition, replacement of existing water mains with larger pipe to increase the capacity, and the extension of mains to developing areas.
- Wastewater Mains and Collection Facilities (\$773 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 (\$135 million) - Improvements and rehabilitation work at all three of SAWS treatment plants to upgrade, replace or rehabilitate existing infrastructure.

- Water Production Improvements and Rehabilitation (\$165 million) – improvements and rehabilitation of SAWS water production facilities, including the construction of additional storage tanks and wells, as well as the restoration of existing tanks and pump stations.

2017 Rate Adjustment

To support the requirements of the 2017 budget, a 6.8% 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 6.8%, 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	2017 Rate Request
Wastewater	5.60%
Water Delivery	8.60%
Water Supply	6.80%
Total	6.80%
Recycled	7.90%

Average based on 7,092 gals water/ 5,668 gals sewer usage before EAA and TCEQ pass-through. Excludes COSA Storm water fees

Recycled Rates adjusted for the weighted average increase in potable water rates (Water Delivery & Water Supply)

Effective January 1, 2017, customers in the former SAWS DSP service areas began paying SAWS rates for water service. The impact of this change to the average residential customer in former SAWS DSP areas was an increase of 7.7% in the monthly water and sewer bill.

FINANCIAL POLICIES

Rates and Charges

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

- Pay operating and maintenance expenses;
- Produce pledged revenues sufficient to pay:
 - 1.25 times the annual debt service requirements and
 - The amounts required to be deposited in any reserve fund created for the payment and security of senior lien obligations;
- pay outstanding debt service obligations;
- fund transfers to the City of San Antonio; and
- 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. Rainfall for both 2015 and 2016 was approximately 44 inches, above the norm of 32 inches for the San Antonio region. Because the 2016 budget assumed a downward trend in water usage as a result of the above normal rainfall in 2015, water related operating revenues for 2016 were slightly favorable to budget for the year. Total operating revenues were \$8.7 million or 1.4% favorable to budget for 2016. The favorable variance in operating revenues combined with favorable variances in non-operating revenues and expenses resulted in \$28.8 million in additional funds added to the Renewal and Replacement fund above the 2016 budgeted amount.

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 had been to fund approximately one-third of annual capital expenditures with cash sources. This level varies based on the availability of funds. During 2016, SAWS' capital expenditures totaled \$305.4 million with 38.2% or \$116.5 million of those expenditures having been funded with cash sources. SAWS is working toward increasing cash funding to approximately 50% of capital expenditures by 2020.

MAJOR INITIATIVES

Brackish Groundwater Desalination

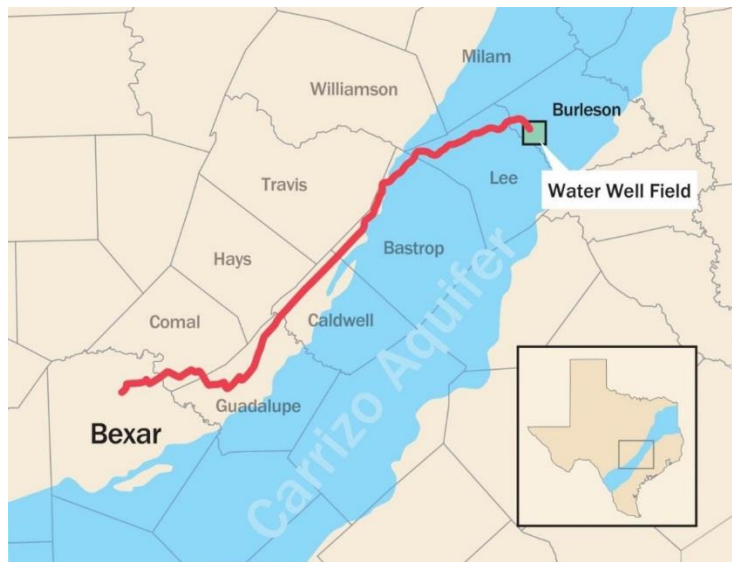


In August 2011, the SAWS Board of Trustees approved proceeding on the Brackish Groundwater Desalination (BGD) program. The BGD program involves the production of brackish water from the Wilcox Aquifer in southern Bexar County and treatment to drinking water quality standards. Design was completed in early 2014 and construction of the treatment plant, pipelines, remaining wells, and other facilities began in mid-2014. After a period of testing the BGD became fully operational in December 2016. In January 2017 the plant was commissioned and named

H2Oaks Center. Full operation of the plant will provide up to, 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.

Vista Ridge – Regional Water Supply

In the fall of 2014, SAWS entered into an agreement with Vista Ridge, LLC that provides for delivery of up to 50,000 acre-feet (16.3 billion gallons) of water per year for 30 years beginning in 2020. 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 LLC, the owner of the groundwater leases, gives SAWS the right to pump water for an additional 30 years. Under the terms of the initial 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 execution of the



Agreement represents a significant diversification of the City's water source as the water anticipated to be provided from this project will account for approximately 20% of SAWS current annual water usage.

In May 2016, SAWS exercised its right to lock in interest rates and establish the 30-year fixed price for water at \$1,606 per acre-foot. Relative to the maximum rate it might have been obligated to pay based on market fluctuations, this move saved SAWS ratepayers upward of a half-billion dollars on the cost of water. In addition to the fixed price for the water, SAWS will also pay all operating and maintenance expenses necessary to produce and deliver the water during the term of the agreement. It is estimated that the initial total price will be approximately \$2,000 per acre-foot or \$100 million annually for 50,000 acre-feet of delivered water.

In November 2016, the project achieved Financial Close as financing was secured by Vista Ridge LLC to construct the infrastructure necessary to deliver the water to San Antonio. SAWS will need to construct approximately \$145 million in improvements to its infrastructure to integrate the water received from Vista Ridge into the SAWS distribution system. Included among those improvements are new storage tanks, over 5 miles of new transmission pipelines, a new pump station to replace an aging facility, and various improvements at three other major pump stations.

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 note J 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 2016 included:

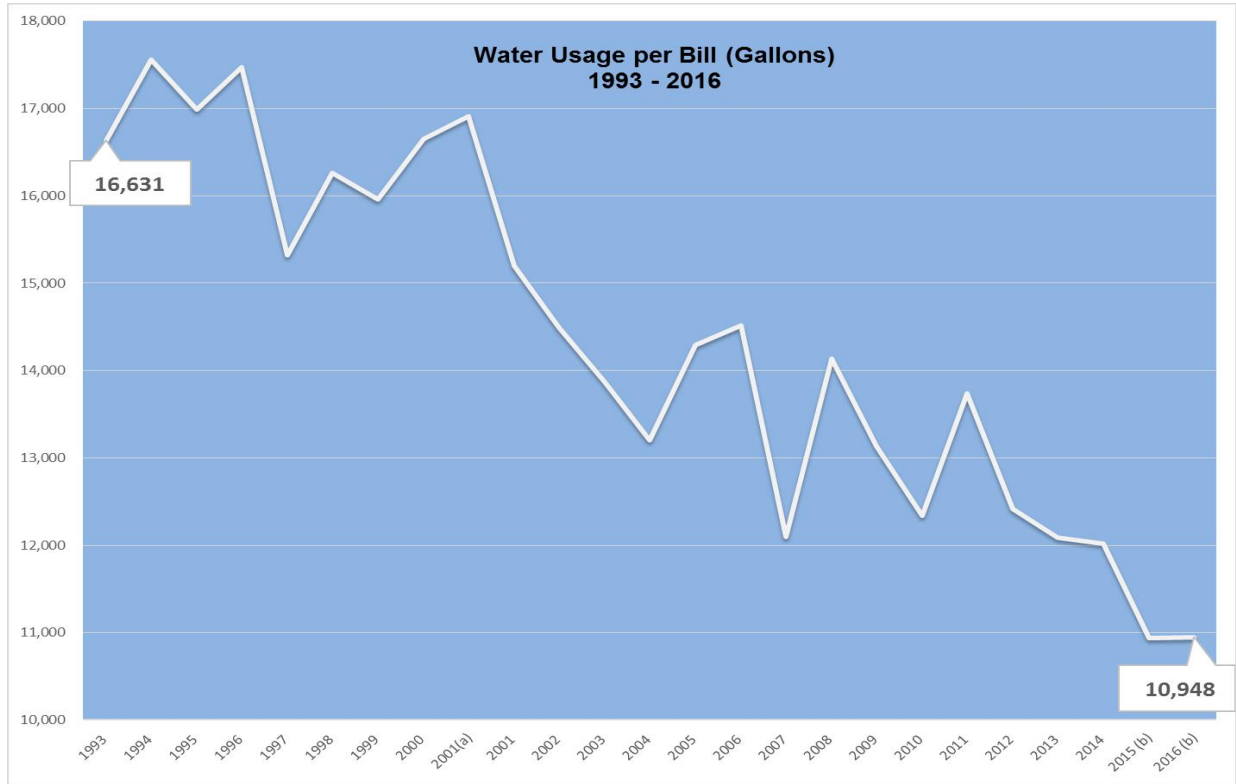
- landscape and irrigation reduction rebates,
- patio and landscape coupons to offset the cost of hardscape and drought-tolerant landscape installations,
- discounted rain barrels to promote rain water collection for use on landscapes,
- potable water leak repairs and retrofits to qualified low-income customers, and
- 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 2016 included:

- Total annual water savings of approximately 3,193 acre-feet with 1,576 acre-feet of peak savings achieved through:
 - 9 custom rebate projects for business customers
 - 344 commercial and residential irrigation and landscape rebate projects
 - 549 low-income plumbing assistance visits
 - 2,465 WaterSaver Coupon Vouchers redeemed
 - 2,489 WaterSaver Patio and Landscape coupons redeemed
 - 2,833 commercial and residential consultations for customers
 - 5,725 WaterSaver discounted rain barrels distributed
- Community education programs, reaching 140,397 people
- Garden Style SA website, with over 218,113 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. As shown in the following table, average water usage per bill dropped to its lowest level in SAWS history due in part to above normal precipitation and the inclusion of water usage for customers located in the former SAWS DSP service areas. Average water use for former SAWS DSP customers is significantly less than SAWS historic usage due to significantly fewer commercial and industrial customers in the former SAWS DSP service areas. Average water usage in 2016 was very comparable to 2015 as both years had similar levels of rainfall.



(a) Data is for seven months ended December 31, 2001. In 2001, the Board approved a change in the fiscal year end from May 31st to December 31st.

(b) Includes usage from customers located in the former SAWS DSP service areas.

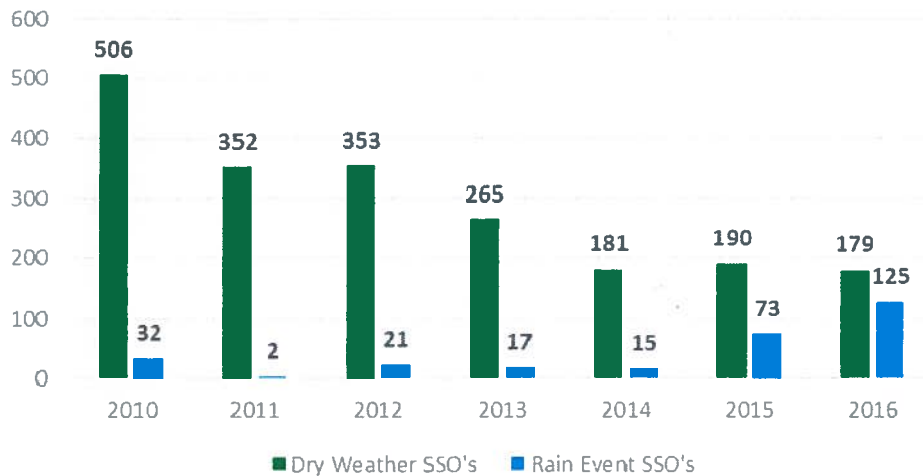
Sanitary Sewer Collection System

In 2013, SAWS entered into a Consent Decree (CD) with the United States of America and the State of Texas, thereby agreeing to certain compliance requirements aimed at reducing sanitary sewer overflows (SSOs). The term of the CD is expected to last 10 – 12 years.

During the first four years of the CD, condition and capacity assessments were performed to identify defects and verify capacity constraints that have caused or significantly contributed to prior SSOs or that may likely cause or significantly contribute to the future occurrence of SSOs. Currently, alternatives analysis for remedial measures is being performed on critical defects and confirmed capacity constraints. SAWS will manage and prioritize these defects and constraints based on a comprehensive program to include maintenance, monitoring, rehabilitation or replacement of the sewer infrastructure. SAWS estimates the costs to perform the operating and maintenance requirements of the CD will be approximately \$250 million for the period 2013 through 2023. Additionally, SAWS estimates that total capital investments in excess of \$1 billion could be required to address condition defects and capacity constraints in connection with the CD, of which \$198 million has been expended through December 31, 2016.

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, both 2015 and 2016 were extremely wet years (approximately 44 inches of precipitation) and as a result, SSOs associated with wet weather significantly increased. The following chart shows the total number of SSOs by year since 2010.

2010 - 2016 Number of SSO's



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, 2015. 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-three 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, 2016. This is the twelfth 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, 2016 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

Mary Bailey
Vice President –
Business & Controller

SAN ANTONIO WATER SYSTEM

BOARD OF TRUSTEES



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Chairman



Pat Jasso
Vice Chairman



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Secretary



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Pat Merritt



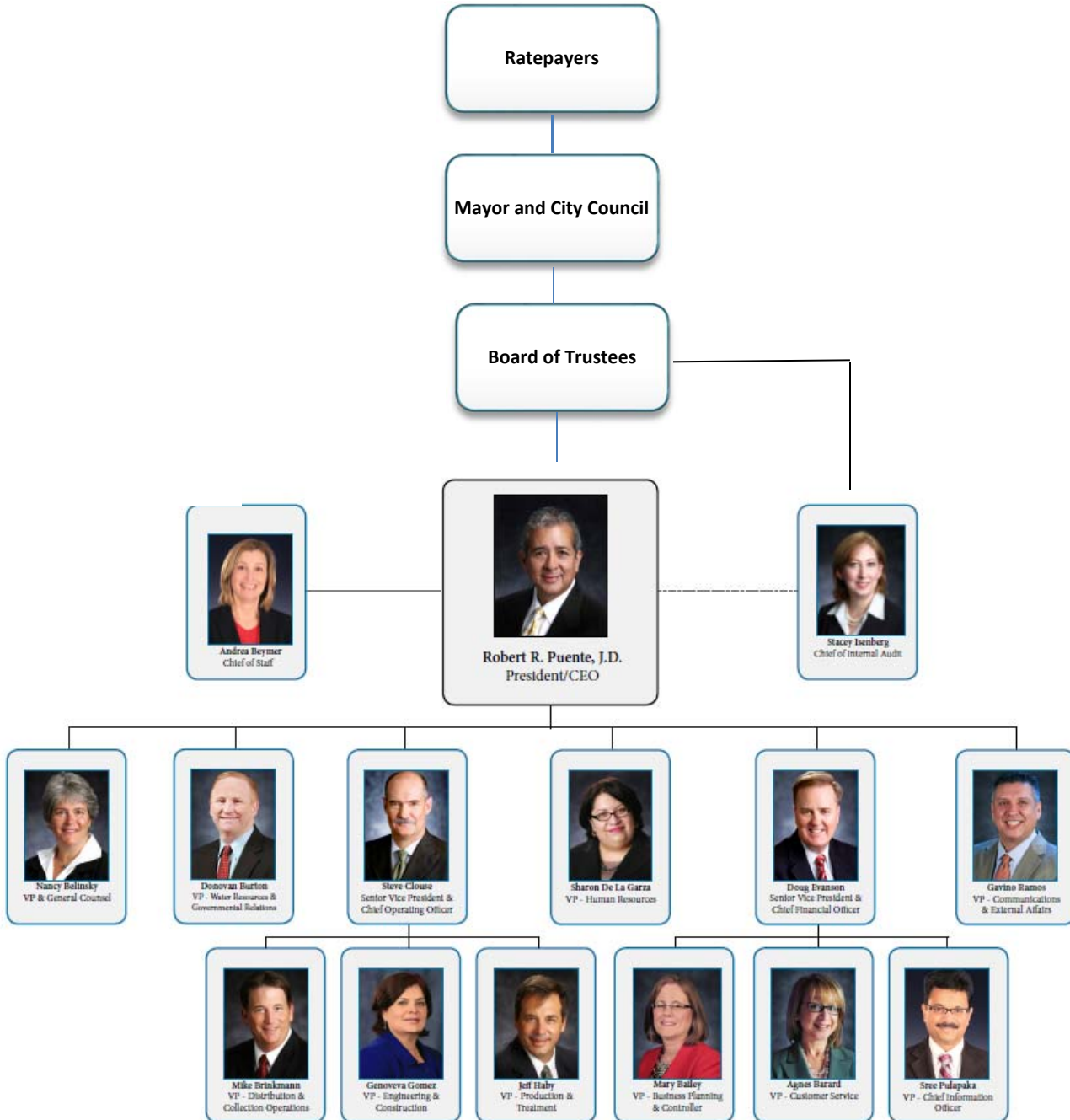
David McGee



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, 2015

Executive Director/CEO

FINANCIAL SECTION



RSM US LLP

Independent Auditor's Report

To the Board of Trustees
San Antonio Water System

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 year ended December 31, 2016, 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 audit. We conducted our audit 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 audit 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.

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note C to the financial statements, the prior-year financial statements as of and for the year ended December 31, 2015, have been restated, effective January 1, 2015, to reflect the merger of the San Antonio Water System District Special Project with SAWS. Our opinion is not modified with respect to this matter.

Other Matters***Report on 2015 Financial Statements***

The financial statements of SAWS, as of and for the year ended December 31, 2015, before they were restated for the matter discussed in Note C to the financial statements, were audited by other auditors, whose report dated March 30, 2016, expressed an unmodified opinion on those statements.

As part of our audit of the 2016 financial statements, we also audited the adjustments described in Note C that were applied to restate the 2015 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the 2015 financial statements of SAWS, other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2015 financial statements as a whole.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Texas Municipal Retirement System—San Antonio Water System Schedule of Changes in Net Pension Liability and Related Ratios, Texas Municipal Retirement System—San Antonio Water System Schedule of Contributions, 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, District Special Project Retirement Income Plan—Schedule of Changes in Net Pension Liability and Related Ratios, District Special Project Retirement Income Plan—Schedule of Contributions, District Special Project Retirement Income Plan—Schedule of Investment Returns, 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 the Governmental Accounting Standards Board, 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 audit 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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise SAWS' basic financial statements. The Description of Funds and Combining Schedules and Supplemental Schedules, as well as the Introductory and Statistical sections and the Bonded Debt Schedules and Analyses, as listed in the table of contents, 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 and Supplemental Schedules 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 basic 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 and Supplemental Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical sections and Bonded Debt Schedules and Analyses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an 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 May 31, 2017, 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.

RSM US LLP

San Antonio Texas
May 31, 2017

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, 2016. Please read it in conjunction with SAWS' financial statements including the notes to the financial statements, which follow this section.

In January 2012, San Antonio Water System District Special Project (SAWS DSP) was created to assume all assets, liabilities, rights, duties and obligations of Bexar Metropolitan Water District. SAWS DSP was established as a component unit of the City of San Antonio with the management and control of SAWS DSP vested in the SAWS Board of Trustees. In accordance with a plan to fully integrate SAWS DSP into SAWS, on February 25, 2016, SAWS issued sufficient bonds and commercial paper to retire all outstanding debt of SAWS DSP. SAWS DSP was then dissolved and SAWS assumed all assets, liabilities and operations of SAWS DSP. The dissolution of SAWS DSP and transfer of assets, liabilities and operations to SAWS was treated as a government merger in accordance with GASB 69 *Government Combinations and Disposals of Government Operations* whereby one legally separate government entity, SAWS DSP, is absorbed into a continuing government, SAWS. Since SAWS reports comparative financial statements, all information provided in the MD&A, financial statements, notes and required supplemental information has been restated to incorporate the financial results of SAWS DSP for all periods presented. For additional information on the merger of SAWS DSP with SAWS see Note C to the financial statements.

FINANCIAL HIGHLIGHTS

- SAWS' net position increased by \$213.4 million during 2016, including an increase in unrestricted net position of \$61.2 million.
- Total assets and deferred outflows of resources increased \$345.4 million from 2015 to 2016, including net capital asset growth of \$238.3 million and an increase in unrestricted cash and investments of \$69.2 million.
- SAWS refunded \$538.24 million in long-term debt, reducing future debt service payments by nearly \$90 million and resulting in an economic gain of almost \$60 million.
- Despite above average rainfall, operating revenues increased \$65.4 million or 12% from 2015 to 2016 due in part to rate adjustments implemented during the year.
- At the end of 2016, SAWS maintained unrestricted cash and investments of \$297.6 million with an additional \$52.3 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 1.74x for 2016 compared to 1.53x for 2015 while current senior lien debt coverage ratio was 3.88x for 2016 compared to 2.68x for 2015.

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 Fiduciary 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 Fiduciary 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.

FINANCIAL ANALYSIS – FINANCIAL POSITION

<i>(amounts in thousands)</i>	CONDENSED NET POSITION INFORMATION			2016-2015		2015-2014	
	As of December 31,			Increase	%	Increase	%
	2016	2015	2014	(Decrease)	Change	(Decrease)	Change
Current assets	\$ 560,924	\$ 488,023	\$ 457,582	\$ 72,901	15%	\$ 30,441	7%
Capital assets, net	4,886,091	4,647,786	4,382,714	238,305	5%	265,072	6%
Other non-current assets	448,645	447,283	497,422	1,362	0%	(50,139)	(10%)
Total Assets	5,895,660	5,583,092	5,337,718	312,568	6%	245,374	5%
Deferred outflows of resources	95,397	62,580	48,267	32,817	52%	14,313	30%
Total Assets and Deferred Outflows of Resources	5,991,057	5,645,672	5,385,985	345,385	6%	259,687	5%
Current liabilities	222,787	218,178	191,885	4,609	2%	26,293	14%
Non-current liabilities	3,152,128	3,020,807	2,924,719	131,321	4%	96,088	3%
Total Liabilities	3,374,915	3,238,985	3,116,604	135,930	4%	122,381	4%
Deferred inflows of resources	2,793	6,783	-	(3,990)	-	6,783	-
Total Liabilities and Deferred Inflows of Resources	3,377,708	3,245,768	3,116,604	131,940	4%	129,164	4%
Net Position:			-				
Net investment in capital assets	2,106,957	1,939,292	1,783,042	167,665	9%	156,250	9%
Restricted	318,889	334,260	342,276	(15,371)	(5%)	(8,016)	(2%)
Unrestricted	187,503	126,352	144,063	61,151	48%	(17,711)	(12%)
Total Net Position	\$ 2,613,349	\$ 2,399,904	\$ 2,269,381	\$ 213,445	9%	\$ 130,523	6%

Net Position: SAWS' net position increased \$213.4 million from 2015 to 2016 and increased \$130.5 million from 2014 to 2015. 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. 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. 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 \$167.7 million between 2015 and 2016 and \$140.5 million from 2014 to 2015.

Funds that have been restricted for a specific purpose by legally enforceable legislation and bond covenants are classified as restricted net position. In accordance with City of San Antonio Ordinance 75686, SAWS must maintain an operating reserve equal to two months of the annual maintenance and operations budget. SAWS is also required to make monthly transfers to a Debt Service Fund sufficient to make the semi-annual debt service payments on outstanding bonds. Cash and investment restricted for construction purposes, net of any related liabilities, are also reflected in these totals. Finally, SAWS must accumulate and maintain a Debt Service Reserve equal to 100% of the maximum annual debt service requirements for senior lien debt obligations plus the average annual debt service on all junior lien debt obligations secured by the Debt Service Reserve. SAWS may provide surety policies equal to all or part of the required debt service reserve. Restricted net position decreased \$15.4 million from 2015 to 2016 and \$8 million from 2014 to 2015 primarily due to decreases in amounts restricted for construction.

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 increased \$61.2 million from 2015 to 2016 as funds provided by operations exceeded transfers to the Debt Service Fund and capital expenditures paid with renewal and replacement funds. Unrestricted net position decreased \$17.7 million from 2014 to 2015 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 pensions resulted in a charge to unrestricted net position of \$32.1 million 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, the financial statement information for the year ended December 31, 2014 does not reflect the requirements of the new accounting pronouncements for pensions.

FINANCIAL ANALYSIS – REVENUES, EXPENSES AND CHANGES IN NET POSITION

During 2016, SAWS' net position increased by \$213.4 million which consisted of income before capital contributions of \$67.7 million and capital contributions of \$145.7 million. In 2015, SAWS' net position increased \$162.7 million which consisted of income before capital contributions of \$26.6 million and capital contributions of \$136 million.

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CONDENSED REVENUES, EXPENSES AND CHANGES IN NET POSITION INFORMATION							
<i>(amounts in thousands)</i>	As of December 31,			2016-2015		2015-2014	
	2016	2015	2014	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Operating revenues							
Water delivery system	\$ 190,913	\$ 168,338	171,007	\$ 22,575	13%	\$ (2,669)	(2%)
Water supply system	185,037	163,759	164,297	21,278	13%	(538)	0%
Wastewater system	234,966	213,833	210,704	21,133	10%	3,129	1%
Chilled water	11,541	11,102	11,152	439	4%	(50)	0%
Total operating revenues	622,457	557,032	557,160	65,425	12%	(128)	0%
Non-operating revenues	8,146	6,079	5,748	2,067	34%	331	6%
Total Revenues	630,603	563,111	562,908	67,492	12%	203	0%
Operating expenses							
Salaries and fringe benefits	\$ 142,315	\$ 133,681	\$ 130,259	\$ 8,634	6%	\$ 3,422	3%
Contractual services	170,845	163,768	151,948	7,077	4%	11,820	8%
Materials and supplies	21,959	23,490	23,632	(1,531)	(7%)	(142)	(1%)
Other charges	12,702	8,129	12,877	4,573	56%	(4,748)	(37%)
Less costs capitalized to construction in progress	(32,426)	(37,822)	(35,911)	5,396	(14%)	(1,911)	5%
Depreciation expense	142,856	141,259	133,620	1,597	1%	7,639	6%
Total operating expenses	458,251	432,505	416,425	25,746	6%	16,080	4%
Non-operating expenses							
Interest expense	86,566	89,971	87,727	(3,405)	(4%)	2,244	3%
Debt issue costs	4,716	3,831	2,914	885	23%	917	31%
Other finance charges	2,121	2,041	2,808	80	4%	(767)	(27%)
Gain on sale of capital assets	(3,087)	(4,674)	(343)	1,587	(34%)	(4,331)	1263%
Payments to City of San Antonio	14,228	12,683	13,089	1,545	12%	(406)	(3%)
Payments to other entities	109	106	114	3	3%	(8)	(7%)
Total non-operating expenses	104,653	103,958	106,309	695	1%	(2,351)	(2%)
Total Expenses	562,904	536,463	522,734	26,441	5%	13,729	3%
Increase in net position before capital contributions	67,699	26,648	40,174	41,051	154%	(13,526)	(34%)
Capital Contributions	145,746	136,023	112,577	9,723	7%	23,446	21%
Change in Net Position	213,445	162,671	152,751	50,774	31%	9,920	6%
Net Position, beginning of year*	2,399,904	2,237,233	2,116,630	162,671	7%	120,603	6%
Net Position, end of year	\$ 2,613,349	\$ 2,399,904	\$ 2,269,381	\$ 213,445	9%	\$ 130,523	6%

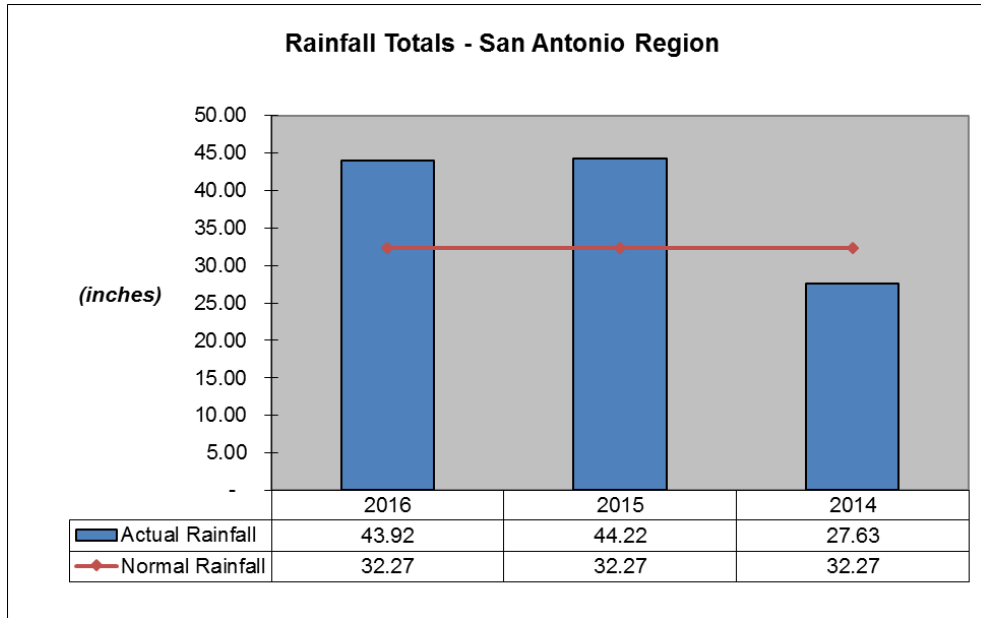
*Net position as of January 1, 2015 was reduced by \$32,148,000 related to the adoption of GASB Statements No. 68 and No. 71. Periods prior to 2015 do not reflect the requirements of these statements.

Operating Revenues: SAWS' operating revenues are provided by its four core businesses: Water Delivery, Water Supply, Wastewater, and Chilled Water. 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 increased from \$557 million in 2015 to \$622.5 million in 2016. The biggest contributor to the increase in revenues was an average rate increase of 7.5% that went into effect in 2016 for most SAWS customers. Additionally, customer growth averaged 1.7% during 2016.

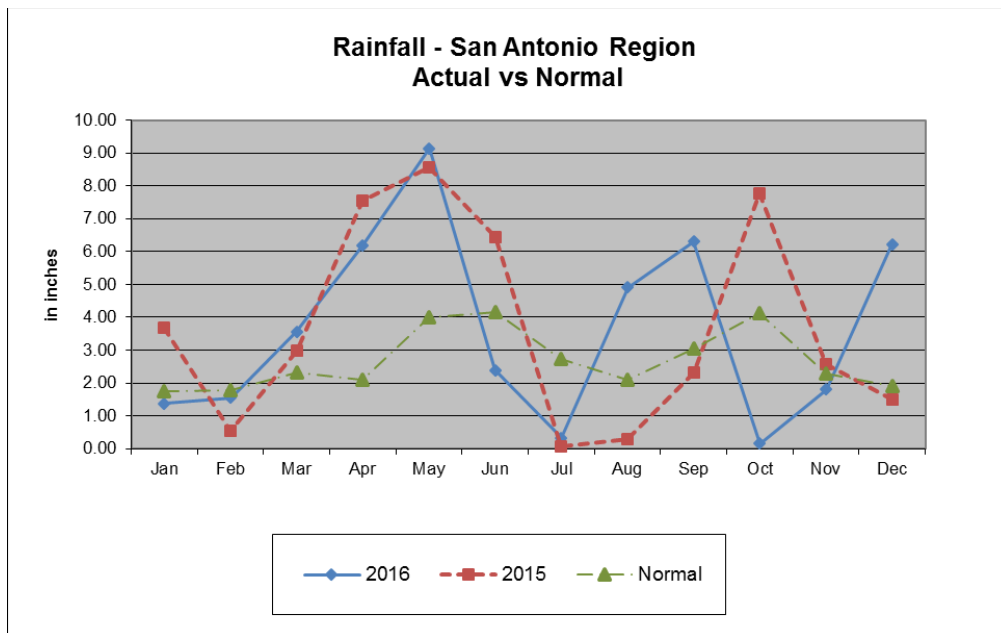
SAWS' operating revenues remained unchanged at \$557 million for 2015 and 2014. Although SAWS implemented an average rate increase of 5.3%, above average rainfall during 2015 resulted in a reduction in water usage, which more than offset customer growth.

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 increased \$22.6 million or 13% to

\$190.9 million for 2016. The biggest driver for the increase in Water Delivery operating revenues was a rate increase of 9.9% that went into effect in January 2016. Also contributing to the increase in Water Delivery operating revenues was an increase in water usage of 1.65% in 2016. The increased usage was largely due to customer growth as rainfall for the year was consistent with 2015. Water Delivery operating revenues decreased \$2.7 million or 1% to \$168.3 million for 2015 as the impact of reduced water usage, more than offset the impact of customer growth and the 2015 rate increase.



Total rainfall was 43.92 inches for 2016, comparable to the 44.22 inches in 2015 but significantly above the normal a level of 32.27 inches. For both 2016 and 2015, the majority of the rainfall was concentrated during months when customer demand for water is usually strong.



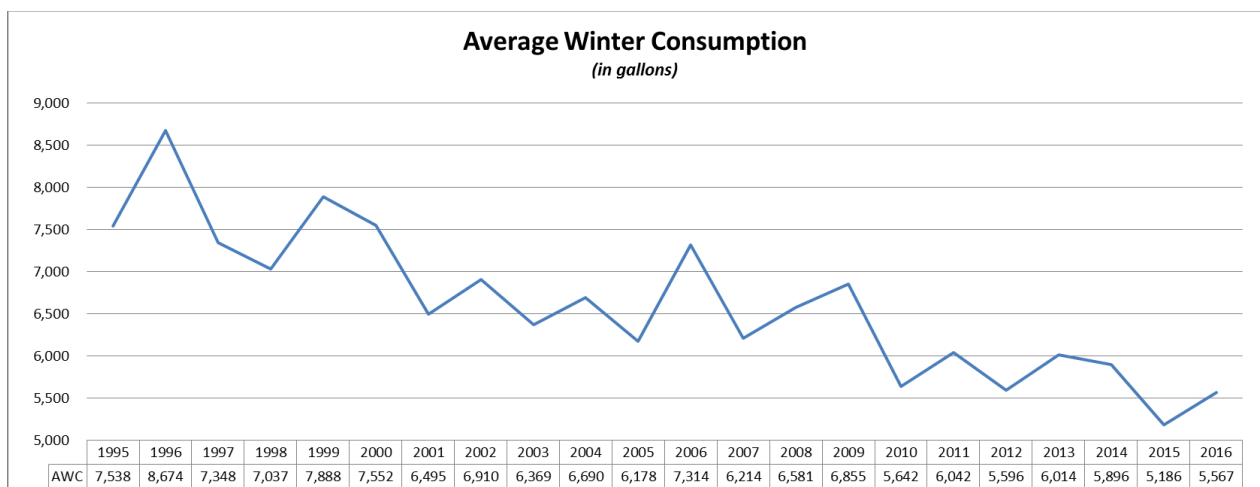
The Water Supply core business is responsible for all functions related to the development and provision of additional water resources. In order to support the costs associated with these initiatives, in 2000, SAWS implemented a separate funding mechanism, known as the Water Supply Fee, for water supply development and water quality protection. Certain other charges are also included in Water Supply operating revenues including 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 increased \$21.3 million or 13% from 2015 to \$185 million for 2016 as a result of a 9.3% rate increase and increased water usage. Water Supply operating revenues of \$163.8 million for 2015 were \$.5 million less than 2014, as the impact of reduced water usage more than offset the 2015 rate increase and impact of customer growth.

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 15th through March 15th. 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 2015 decreased 12% from the previous year and fell to 5,186 gallons which is the lowest level in SAWS' history. More normal rainfall during the 2016 winter average period resulted in a 7.3% increase in the AWC that went into effect in April 2016.

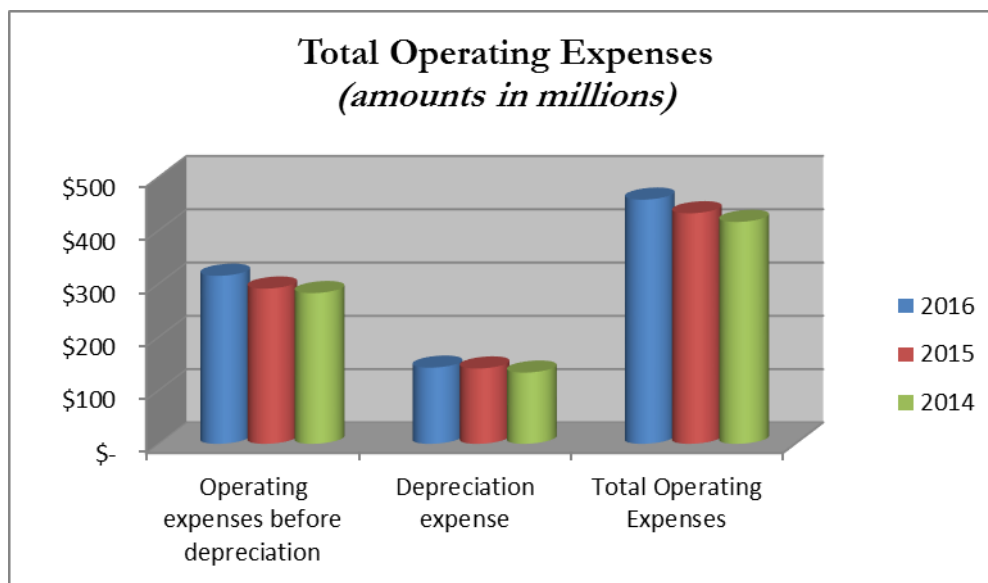


Wastewater operating revenues increased \$21.1 million or 10% to \$235 million in 2016 primarily due to a rate adjustment that went into effect in January 2016 of 5.3%, the increase in the residential AWC and customer growth of 1.8%. Wastewater operating revenues increased \$3.1 million or 1% to \$213.8 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.

The Chilled Water 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. Operating revenues for this core business increased slightly to \$11.5 million for 2016 compared to \$11.1 for 2015. Chilled Water operating revenues were consistent from 2014 to 2015.

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 \$2.1 million in 2016 from 2015 due to an increase in investment income associated with both an increase in the average investment balance and an increase in the yield on investments. Non-operating investments increased \$.3 million in 2015 from 2014 due to an increase in investment income as the growth in investments more than offset slightly lower investment yields.

Operating Expenses: Total 2016 operating expenses of \$458.3 million increased \$25.7 million or 6% from 2015 levels primarily due to increases in salaries and benefits, contractual services and other charges combined with a decrease in costs capitalized to construction in progress.



Salary and benefit related costs increased \$8.6 million or 6% from 2015 to 2016. Pension expense accounted for \$6.2 million of the increase primarily due to differences between actual and projected investments earnings during the measurement periods. Increases in wages and health related costs make up the remainder of the change in salary and benefit costs and represent a 2.1% increase over the prior year. Contractual services increased \$7.1 million or 4% in 2016 primarily due to an increase in purchased water payments associated with water supplied from the Trinity Aquifer, additional costs associated with maintenance deferred from 2015 and outsourcing of a portion of the meter reading function. Other charges increased \$4.6 million or 56% in 2016

primarily due to the write off of \$2.1 million in design and project costs that had previously been capitalized. Additionally, other charges in 2015 benefited from a previously awarded legal judgement that was reversed on appeal in 2015.

Total operating expenses were \$432.5 million in 2015 an increase of \$16.1 million or 4% from 2014 primarily due to increases in contractual services and depreciation. The increase in contractual services was primarily attributable to an increase in purchased water payments associated with water supplied from the Trinity Aquifer as well as an increase in fees paid the Edwards Aquifer Authority associated with rebates received in 2014. The increase in depreciation expense was the result of capital assets placed into service during 2015.

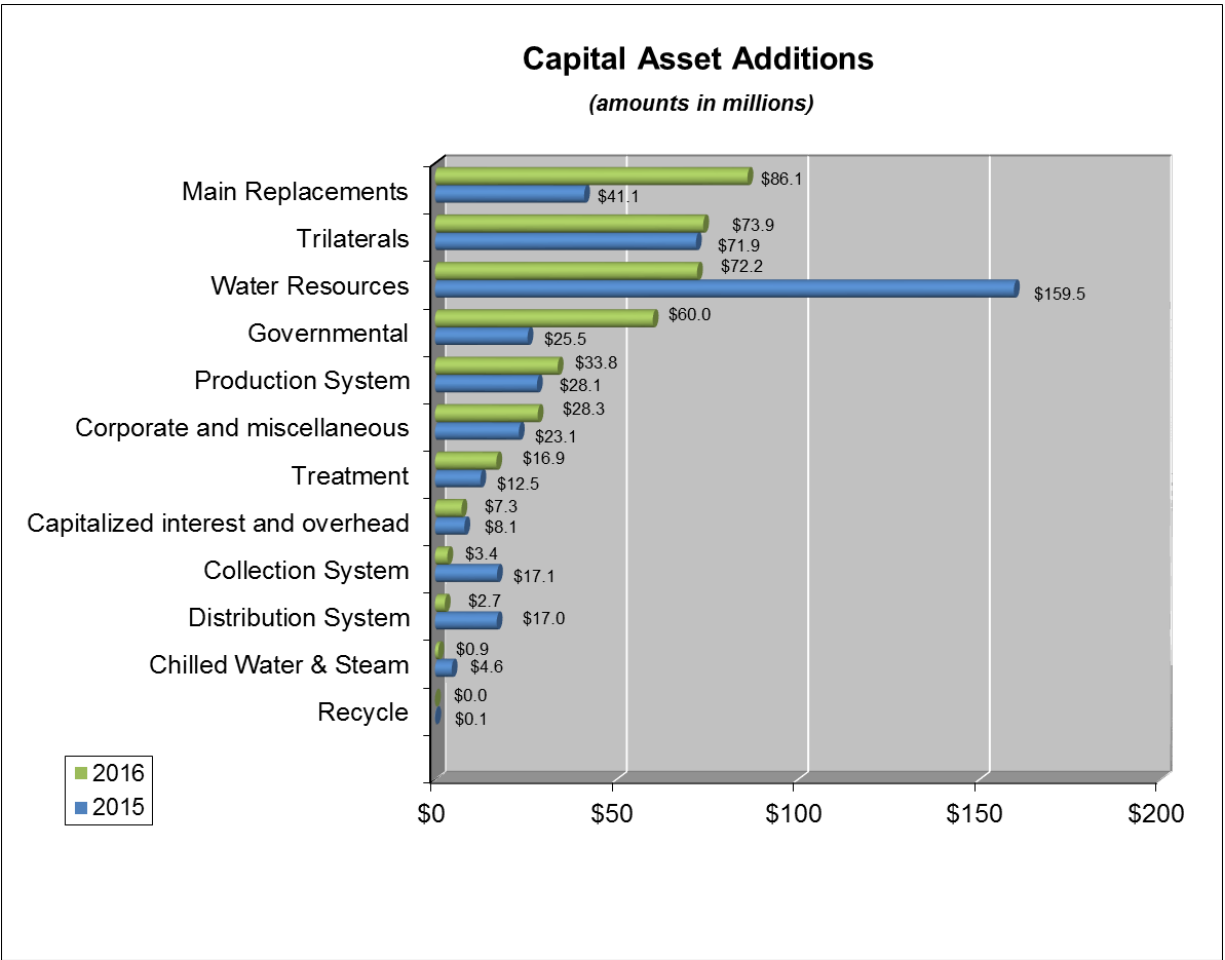
Non-operating Expenses: Non-operating expenses increased \$.7 million or 1% from 2015 as a decrease in interest expense resulting from bond refundings was more than offset by increases in debt issue costs and payments to the City of San Antonio as well as a decrease in gains on sales of capital assets. Average debt outstanding decreased 1% as debt repayments exceeded borrowings and the average costs of the debt decreased from 3.24% in 2015 to 3.18% in 2016. 2015 non-operating expenses decreased \$2.4 million or 2% from 2014 as gains from the sale of capital assets more that offset increases in interest expense and debt issue costs. While the average debt outstanding increased 4.6% in support of the Capital Improvement Program, the average cost of debt before capitalized interest decreased from 3.44% in 2014 to 3.24% in 2015.

Capital Contributions: Capital contributions for 2016 totaled \$145.7 million which represents an increase of \$9.7 million from 2015. Development activity was strong in 2016 as reflected by a 3% increase in plant contributions and a 6% increase in capital recovery fees. 2016 capital contributions also included \$3.8 million in funds received from the Edwards Aquifer Authority Habitat Conservation Program for capital improvements made to address water leaks in SAWS distribution system. In 2015, capital contributions totaled \$136 million, an increase of \$23.4 million from 2014. Development activity was very robust in 2015, resulting in a 33% increase in plant contributions and a 10% increase in capital recovery fees.

CAPITAL CONTRIBUTIONS							
(\$ in thousands)	As of December 31,			2016-2015		2015-2014	
	2016	2015	2014	Increase (Decrease)	% Change	Increase (Decrease)	% Change
Plant Contributions	\$ 73,889	\$ 71,967	\$ 54,072	\$ 1,922	3%	\$ 17,895	33%
Capital Recovery Fees	67,991	64,056	58,445	3,935	6%	5,611	10%
Grant Revenue	3,866	-	60	3,866	-	(60)	(100%)
Total Capital Contributions	\$ 145,746	\$ 136,023	\$ 112,577	\$ 9,723	7%	\$ 23,446	21%

CAPITAL ASSET ACTIVITY

During 2016 SAWS' total capital assets (net of accumulated depreciation) grew from \$4.6 billion to \$4.9 billion, while during 2015, net capital assets increased from \$4.4 billion to \$4.6 billion. Capital asset additions were \$385.6 million in 2016 and \$408.6 million in 2015. 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, 2016. For further detail information on capital assets, refer to Note F.

LONG-TERM DEBT ACTIVITY

In 2016, SAWS issued a total of \$647.1 million in bonds through six transactions. All bonds issued during 2016 were at the junior lien level. The proceeds of the bonds, including premiums, were used to refund \$538.2 million in bonds, including \$155.4 million of outstanding SAWS DSP debt; refund \$9 million of commercial paper; pay the cost of issuance; make deposits to the Reserve Fund; and provide \$167.1 million in funds for capital improvement projects. Additionally, SAWS issued \$118.7 million in commercial paper of which \$88.7 million was used to refund all outstanding SAWS DSP flexible rate notes and \$30 million was used for capital improvement projects.

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 issuance; make deposits to the Reserve Fund; and provide \$152.2 million in funds for capital improvement projects. Additionally, \$10 million of SAWS DSP flexible rate notes were issued in 2015 to provide funds for capital improvement projects.

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 2016 and again in September 2016, 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 last 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.

BOND AND COMMERCIAL PAPER RATINGS				
	Senior	Junior	Tax-Exempt	
			Commercial	
			Paper	
	Lien Debt	Lien Debt	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, 2016 and 2015 SAWS was in compliance with the terms and provisions of the ordinances and documents related to its outstanding bonds and commercial paper.

FINANCIAL RATIOS			
	2016	2015	2014
Current Year Debt Coverage [‡] :			
Senior Lien Debt	3.88x	2.68x	2.47x
All Debt	1.74x	1.53x	1.66x
Maximum Annual Debt Coverage [‡] :			
Senior Lien Debt	3.66x	2.31x	2.18x
All Debt	1.66x	1.45x	1.53x
Net Position Ratio			
<i>(net position / total liabilities + net position)</i>	43.6%	42.5%	42.1%
[‡] Debt service is net of federal interest subsidy.			

ECONOMIC OUTLOOK FOR THE FUTURE

In December 2016 the SAWS Board of Trustees approved an average increase of 6.8% effective January 1, 2017. This rate increase was less than the 7.9% rate increase previously authorized for 2017 by the San Antonio City Council in November 2015. Additionally, the Board repealed the rates being charged to customers in the SAWS DSP service areas and applied regular SAWS rates and fees to those customers effective January 1, 2017.

In November 2015, City Council also pre-approved rate adjustments based on the average residential customer's bill in the amounts not to exceed 1.3% for 2018, 4.5% for 2019 and 9.9% for 2020 to support the continued development of additional water supplies, including the Vista Ridge project.

During 2016 customer connections grew 1.7% compared to 1.6% during 2015. 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

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

BASIC FINANCIAL STATEMENTS

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

	December 31,	
	2016	2015
CURRENT ASSETS		
Unrestricted Current Assets		
Cash and cash equivalents	\$ 54,045	\$ 92,566
Investments	243,538	135,797
Accounts receivable, net of allowances for uncollectible accounts	67,027	64,830
Other current assets	11,318	13,192
Total unrestricted current assets	375,928	306,385
Restricted Current Assets:		
Cash and cash equivalents	2,450	9,653
Investments	182,546	171,985
Total restricted current assets	184,996	181,638
Total Current Assets	560,924	488,023
NONCURRENT ASSETS		
Unrestricted Noncurrent Assets		
Accounts receivable, non current	2,631	3,867
Restricted Noncurrent Assets:		
Cash and cash equivalents	100,241	178,582
Investments	345,773	264,834
Capital Assets:		
Utility plant in service	6,296,468	5,673,595
Less allowance for depreciation	1,989,093	1,859,676
	4,307,375	3,813,919
Land, water rights and other intangible assets	350,121	347,905
Construction in progress	228,595	485,962
Total capital assets (net of accumulated depreciation)	4,886,091	4,647,786
Total Noncurrent Assets	5,334,736	5,095,069
TOTAL ASSETS	5,895,660	5,583,092
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on bond refunding	54,317	30,103
Deferred outflows - pension	28,115	16,083
Accumulated decrease in fair value of hedging derivative	12,965	16,394
	95,397	62,580
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,991,057	\$ 5,645,672

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)

	December 31,	
	2016	2015
CURRENT LIABILITIES		
Current Liabilities To Be Paid From Unrestricted Assets		
Accounts payable	\$ 45,376	\$ 42,285
Accrued vacation payable	5,451	5,385
Accrued payroll and benefits	4,138	3,257
Accrued claims payable	7,273	4,787
Sundry payables and accruals	1,638	1,433
Total unrestricted current liabilities	63,876	57,147
Current Liabilities To Be Paid From Restricted Assets		
Accrued interest payable	16,390	15,816
Payables under construction contracts	42,550	50,774
Customers' deposits	13,381	12,471
Commercial paper notes	3,550	3,395
Revenue bonds payable within one year	83,040	78,575
Total restricted current liabilities	158,911	161,031
Total Current Liabilities	222,787	218,178
NONCURRENT LIABILITIES		
Accrued vacation payable	3,402	3,421
Net pension liability	63,022	42,628
Net OPEB obligation	73,539	80,350
Derivative instrument	16,863	20,660
Accreted interest on bonds	-	1,350
Flexible rate bank notes	-	88,700
Commercial paper notes	238,060	131,910
Revenue bonds payable after one year, net of unamortized premiums and discounts	2,757,242	2,651,788
Total Noncurrent Liabilities	3,152,128	3,020,807
TOTAL LIABILITIES	3,374,915	3,238,985
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension	2,793	6,783
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	3,377,708	3,245,768
NET POSITION		
Net investment in capital assets	2,106,957	1,939,292
Restricted for operating reserve	52,279	45,801
Restricted for debt service	60,396	56,775
Restricted for debt service reserve	56,016	62,716
Restricted for construction	150,198	168,968
Unrestricted	187,503	126,352
TOTAL NET POSITION	\$ 2,613,349	\$ 2,399,904

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)

OPERATING REVENUES	2016	2015
Water delivery system	\$ 190,913	\$ 168,338
Water supply system	185,037	163,759
Wastewater system	234,966	213,833
Chilled water and steam system	11,541	11,102
Total operating revenues	622,457	557,032
OPERATING EXPENSES		
Salaries and fringe benefits	142,315	133,681
Contractual services	170,845	163,768
Material and supplies	21,959	23,490
Other charges	12,702	8,129
Less costs capitalized to construction in progress	(32,426)	(37,822)
Total operating expenses before depreciation	315,395	291,246
Depreciation expense	142,856	141,259
Total operating expenses	458,251	432,505
Operating income	164,206	124,527
NONOPERATING REVENUES		
Interest earned and miscellaneous	8,146	6,079
NONOPERATING EXPENSES		
Interest expense	86,566	89,971
Debt issue costs	4,716	3,831
Other finance charges	2,121	2,041
Gain on sale of capital assets	(3,087)	(4,674)
Payments to the City of San Antonio	14,228	12,683
Payments to other entities	109	106
Total nonoperating expenses	104,653	103,958
Increase in net position, before capital contributions	67,699	26,648
Capital contributions	145,746	136,023
 CHANGE IN NET POSITION	 213,445	 162,671
 NET POSITION, BEGINNING OF YEAR (restated)	 2,399,904	 2,237,233
 NET POSITION, END OF YEAR	 \$ 2,613,349	 \$ 2,399,904

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)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 618,134	\$ 555,457
Cash paid to vendors for operations	(191,712)	(191,417)
Cash paid to employees for services	(122,649)	(114,308)
Net cash provided by operating activities	303,773	249,732
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments to the City of San Antonio	(9,749)	(8,898)
Payments to other entities	(108)	(114)
Net cash used for noncapital financing activities	(9,857)	(9,012)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	5,315	7,652
Proceeds from capital recovery fees	67,991	64,056
Proceeds from grants	3,866	-
Payments to employees for construction of plant	(20,931)	(23,977)
Payments to vendors for construction of plant	(11,565)	(13,845)
Payments for acquisition of equipment and furniture	(8,584)	(18,376)
Payments for acquisition of property and plant	(264,300)	(245,344)
Proceeds from commercial paper	118,700	-
Proceeds from flexible rate bank notes	-	10,000
Payments for retirement of commercial paper	(3,395)	(3,245)
Payments to refund flexible rate bank notes	(88,700)	-
Proceeds from revenue bonds	172,518	150,294
Payments for retirement of revenue bonds	(78,570)	(71,355)
Payments of interest on commercial paper	(4,336)	(3,940)
Payments of interest on revenue bonds	(107,775)	(108,439)
Payments for bond related expenses	(4,716)	(3,831)
Payments for bank charges	(2,130)	(2,241)
Net cash used for capital and related financing activities	(226,612)	(262,591)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(986,499)	(764,661)
Maturity of investments	787,174	786,807
Interest income and other	7,956	5,898
Net cash provided by/(used for) investing activities	(191,369)	28,044
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(124,065)	6,173
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	280,801	274,628
CASH AND CASH EQUIVALENTS, AT END OF YEAR	\$ 156,736	\$ 280,801

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)

	2016	2015
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENTS OF CASH FLOWS TO STATEMENTS OF NET POSITION		
Cash and Cash Equivalents		
Unrestricted	\$ 54,045	\$ 92,566
Restricted		
Current	2,450	9,653
Restricted - Noncurrent	100,241	178,582
	\$ 156,736	\$ 280,801
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 164,206	\$ 124,527
Adjustments to reconcile operating income to net cash provided by operating activities:		
Non-cash revenues from City of San Antonio	(4,480)	(3,777)
Provision for uncollectible accounts	4,359	5,720
Charge-off of prior year construction expenditures to operating expense	2,144	-
Depreciation expense	142,856	141,259
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Increase in accounts receivable	(5,320)	(8,483)
Decrease in other current assets	1,602	1,691
Increase in deferred outflows - pension	(12,032)	(1,666)
Decrease in accounts payable	(3,684)	(4,586)
Increase in accrued vacation payable	47	234
Increase in accrued payroll and benefits	881	516
Increase/(decrease) in claims payables	2,486	(2,267)
Increase/(decrease) in sundry payables and accruals	205	(242)
Increase/(decrease) in net pension liability	20,394	(7,551)
Decrease in net OPEB obligation	(6,811)	(3,384)
Increase in customers' deposits	910	958
Increase/(decrease) in deferred inflows - pension	(3,990)	6,783
Total adjustments	139,567	125,205
Net cash provided by operating activities	\$ 303,773	\$ 249,732
NONCASH CAPITAL AND FINANCING ACTIVITIES		
Plant contributions received from developers	\$ 73,889	\$ 71,966
Accrued but unpaid liabilities related to capital acquisitions	42,550	50,774
Bond proceeds deposited into an escrow account for purposes of refunding:		
Revenue Bonds	565,219	268,446
Commercial Paper	9,000	-
Noncash payments to City of San Antonio	4,480	3,777
Receivable from sale of capital assets	-	1,315
Total noncash capital and financing activities	\$ 695,138	\$ 396,278

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

	December 31,	
	2016	2015
ASSETS		
Cash and cash equivalents	\$ 891	\$ 857
Employer contributions receivable	1,067	-
Investments, at fair value		
Mutual funds - stock	144,472	145,197
Mutual funds - bonds	78,204	58,076
Other Investments	1,639	1,402
Total Investments	<u>224,315</u>	<u>204,675</u>
TOTAL ASSETS	226,273	205,532
LIABILITIES		
	-	-
NET POSITION RESTRICTED FOR POST EMPLOYMENT BENEFITS	<u>\$ 226,273</u>	<u>\$ 205,532</u>

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

	2016	2015
ADDITIONS		
Employer contributions	\$ 15,698	\$ 15,995
Employee contributions	2,954	2,727
Investment income, net of investment expense	10,132	1,095
Total additions	<u>28,784</u>	<u>19,817</u>
DEDUCTIONS		
Pension payments	7,716	6,681
Administrative expenses	327	113
Total deductions	<u>8,043</u>	<u>6,794</u>
NET INCREASE IN NET POSITION	20,741	13,023
NET POSITION RESTRICTED FOR POST EMPLOYMENT BENEFITS - BEGINNING	<u>205,532</u>	<u>192,509</u>
NET POSITION RESTRICTED FOR POST EMPLOYMENT BENEFITS - ENDING	<u>\$ 226,273</u>	<u>\$ 205,532</u>

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

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NOTES TO FINANCIAL STATEMENTS

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 three fiduciary funds related to SAWS employee benefit plans: the San Antonio Water System Retirement Plan (SAWSRP), the District Special Project Retirement Income Plan (DSPRP) and the San Antonio Water System Retiree Health Trust (OPEB Trust). All three plans are governed by the Board which may amend plan provisions, and which is responsible for the management of plan assets. SAWSRP and DSPRP are single-employer pension plans and are tax-qualified plans 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

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 2016, SAWS implemented the following new GASB pronouncements:

- GASB Statement No. 72, *Fair Value Measurement and Application*. (GASB 72). This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
 - GASB 72 generally requires investments to be measured at fair value. An investment is defined by GASB 72 as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Note D summarizes SAWS investments and discloses the fair value of those investments and how those fair values were determined in accordance with GASB 72. No adjustments to investments as of December 31, 2015 were necessary to comply with GASB 72.
 - GASB 72 also requires donated capital assets to be measured at acquisition value which is defined as the price that would be paid to acquire an assets with equivalent service potential in an orderly market transaction at the acquisition date. These assets were previously measured at fair value. The values assigned by SAWS to donated capital in prior years meets the definition of acquisition value, therefore, no adjustments were necessary to comply with GASB 72.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB 76). The hierarchy for Generally Accepted Accounting Principles (GAAP) consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. GASB 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. SAWS financial statements have been prepared in conformity with the acceptable sources of GAAP as outlined in GASB 76.
- GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about those agreements. The guidance provided by this Statement has no current impact for SAWS.
- GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for*

NOTES TO FINANCIAL STATEMENTS

Pensions, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The guidance provided by this Statement has no current impact for SAWS.

- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. Note D provides information about SAWS investments, including those investments in external investment pools.

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 services. Operating expenses include costs of service, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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, TMRS and DSPRP plans and additions to/from the SAWSRP, TMRS and DSPRP fiduciary net position have been determined using the same basis as they are reported by SAWSRP, TMRS, and DSPRP. 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.

NOTES TO FINANCIAL STATEMENTS

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

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

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

Accounts Receivable: Accounts receivable are recorded at the invoiced amounts plus an estimate of unbilled revenue receivable. The allowance for uncollectible accounts is management's best estimate of the amount of probable credit losses based on account delinquencies and historical write-off experience. Account balances are written off against the allowance when it is probable the receivable will not be recovered. SAWS wrote off account balances totaling \$3.9 million in 2016 and \$5 million in 2015. A provision to increase the allowance for uncollectible accounts is recorded as an offset to operating revenue. The provision for uncollectible accounts was \$4.4 million in 2016 and \$5.7 million in 2015.

NOTES TO FINANCIAL STATEMENTS

Inventory: Inventories are valued at the lower of weighted average cost or market. Inventories are reported in the Statements of Net Position in Other Current Assets. Inventories totaled \$5.1 million at December 31, 2016 and \$6.3 million at December 31, 2015.

Restricted Assets: Assets restricted by City Ordinance (which incorporates the bond indentures) 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, direct internal costs, 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. Assets acquired through capital leases are recorded on the cost basis and included in utility plant in service. Assets acquired through contributions, such as those from developers, are recorded at estimated acquisition value at date of donation. Maintenance, repairs, and minor renewals are charged to operating expense; major plant replacements are capitalized. Capital assets are depreciated on the straight-line method. This method is applied to all individual assets except distribution mains and intangible assets. Groups of mains are depreciated on the straight-line method over an estimated average useful life of 50 years. Mains are included in the Distribution and Transmission System asset category. Intangible assets not considered to have indefinite useful lives are amortized over their estimated useful life. Capital assets are tested for impairment when a significant unexpected decline in its service utility occurs. The following table shows an estimated range of useful lives used in providing for depreciation of capital assets:

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

NOTES TO FINANCIAL STATEMENTS

Capitalized Interest: Interest expense during the construction period is capitalized as part of the cost of capital assets. SAWS capitalized \$7.3 million of interest in 2016 and \$6.4 million in 2015.

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. By Texas law, these fees are to be used for capital expenditures that expand infrastructure capacity or to reimburse SAWS for the cost associated with existing excess infrastructure capacity. In certain instances, infrastructure that facilitates expansion of SAWS' service capacity is contributed by developers. In these instances, SAWS records the donated infrastructure as plant contributions and abates future capital recovery fees due from the developer equal to the acquisition value of the excess capacity of the infrastructure contributed. SAWS abated future capital recovery fees of \$4,508,000 in 2016 and \$774,000 in 2015. These abatements are 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, liabilities, and net position, 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.

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 using the interest method.

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.

NOTES TO FINANCIAL STATEMENTS

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 and meets the requirements of an effective hedge in accordance with GASB Statements No. 53 and 64. 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 earned but unused employee vacation pay 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. 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.

NOTES TO FINANCIAL STATEMENTS

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 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.

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 (DSP). Management and control of DSP was vested in the SAWS Board; however, in accordance with the District Special Project Ordinance, DSP was not considered a part of SAWS. Instead, DSP was reported as a discrete component unit of the City of San Antonio until such time that DSP was dissolved. SB 341 requires that the full integration of DSP and SAWS occur no later than January 1, 2017. Full integration is considered to have

NOTES TO FINANCIAL STATEMENTS

occurred when DSP is no longer a separate entity and all customers within the former BexarMet service area pay the same rates as similarly situated SAWS customers.

On January 14, 2016, City Council approved the dissolution of DSP upon the refunding of all DSP debt with SAWS debt. On February 25, 2016, SAWS issued sufficient bonds and commercial paper to retire all outstanding debt of DSP thereby dissolving DSP and transferring all assets, liabilities and operations of DSP to SAWS. On December 14, 2016, the Board repealed the DSP rates effective January 1, 2017. As a result of these actions dissolving DSP and repealing the DSP rates, full integration will be achieved as of January 1, 2017 as required by SB 341.

The dissolution of DSP and transfer of assets, liabilities and operations to SAWS is treated as a government merger in accordance with *GASB 69 Government Combinations and Disposals of Government Operations* whereby one legally separate government entity, DSP, is absorbed into a continuing government, SAWS. Since SAWS reports comparative financial statements, the merger has been reported effective January 1, 2015 and all information provided in the financial statements, notes and required supplemental information for the year ended December 31, 2015 has been restated to incorporate the financial results of DSP for that same period.

The following table summarizes the amounts recognized to reflect the merger of DSP with SAWS as of January 1, 2015.

Amounts Recognized as of the Effective Merger Date of January 1, 2015
(amounts in thousands)

Current assets	\$ 32,312
Capital assets, net	294,761
Other non-current assets	22,457
Total Assets	<u>349,530</u>
Deferred outflows of resources	4,075
Total Assets and Deferred Outflows of Resources	<u>353,605</u>
Current liabilities	14,839
Non-current liabilities	235,742
Total Liabilities	<u>250,581</u>
Deferred inflows of resources	-
Total Liabilities and Deferred Inflows of Resources	<u>250,581</u>
Net Position:	
Net investment in capital assets	86,002
Restricted	10,942
Unrestricted	6,080
Total Net Position	<u>\$ 103,024</u>

NOTES TO FINANCIAL STATEMENTS

The following tables summarize the changes to SAWS previously reported Statement of Net Position at December 31, 2015 and Statement of Revenue, Expenses and Changes in Net Position and Statement of Cash Flow for the year ended December 31, 2015 as a result of the merger of DSP with SAWS. The elimination of transactions between SAWS and DSP have been eliminated.

Restated Statement of Net Position - Condensed
December 31, 2015
(amounts in thousands)

	Previously Reported	Adjustments	Restated Amounts
Current assets	\$ 446,005	\$ 42,018	\$ 488,023
Capital assets, net	4,340,365	307,421	4,647,786
Other non-current assets	425,306	21,977	447,283
Total Assets	5,211,676	371,416	5,583,092
Deferred outflows of resources	59,039	3,541	62,580
Total Assets and Deferred Outflows of Resources	5,270,715	374,957	5,645,672
Current liabilities	203,808	14,370	218,178
Non-current liabilities	2,781,015	239,792	3,020,807
Total Liabilities	2,984,823	254,162	3,238,985
Deferred inflows of resources	6,726	57	6,783
Total Liabilities and Deferred Inflows of Resources	2,991,549	254,219	3,245,768
Net Position:			
Net investment in capital assets	1,861,311	77,981	1,939,292
Restricted	309,506	24,754	334,260
Unrestricted	108,349	18,003	126,352
Total Net Position	\$ 2,279,166	\$ 120,738	\$ 2,399,904

Restated Statement of Revenues, Expenses and Changes in Net Position - Condensed
December 31, 2015
(amounts in thousands)

	Previously Reported	Adjustments	Restated Amounts
Operating revenues	\$ 491,780	\$ 65,252	\$ 557,032
Operating expenses	377,057	55,448	432,505
Operating Income	114,723	9,804	124,527
Nonoperating income	6,097	(18)	6,079
Nonoperating expenses	95,752	8,206	103,958
Increase in Net Position, before capital contributions	25,068	1,580	26,648
Capital Contributions	119,889	16,134	136,023
Change in Net Position	\$ 144,957	\$ 17,714	\$ 162,671

NOTES TO FINANCIAL STATEMENTS

Restated Statement of Cash Flows - Condensed December 31, 2015 (amounts in thousands)

	Previously Reported	Adjustments	Restated Amounts
Cash flows from operating activities	\$ 225,116	\$ 24,616	\$ 249,732
Cash flows from noncapital financing activities	(9,012)	-	(9,012)
Cash flows from capital and related financing activities	(251,244)	(11,347)	(262,591)
Cash flows from investing activities	28,062	(18)	28,044
Net decrease in cash and cash equivalents	(7,078)	13,251	6,173
Cash and cash equivalents at beginning of year	224,389	50,239	274,628
Cash and cash equivalents at end of year	<u>\$ 217,311</u>	<u>\$ 63,490</u>	<u>\$ 280,801</u>

In connection with the merger of DSP with SAWS, the District Special Project Retirement Income Plan (DSPRP) became a fiduciary fund of SAWS. As of the effective date of merger of January 1, 2015, DSPRP had assets of \$5,097,000 and no liabilities. The following tables summarize the changes to SAWS previously reported Statement of Fiduciary Net Position at December 31, 2015 and Statement of Changes in Fiduciary Net Position for the year ended December 31, 2015 in order to include DSPRP.

Restated Statement of Fiduciary Net Position - Condensed December 31, 2015 (amounts in thousands)

	Previously Reported	Adjustments	Restated Amounts
Total assets	\$ 200,376	\$ 5,156	\$ 205,532
Total liabilities	-	-	-
Net Position restricted for post employment benefits	<u>\$ 200,376</u>	<u>\$ 5,156</u>	<u>\$ 205,532</u>

Restated Statement of Changes in Fiduciary Net Position - Condensed December 31, 2015 (amounts in thousands)

	Previously Reported	Adjustments	Restated Amounts
Total additions	\$ 19,491	\$ 326	\$ 19,817
Total deductions	6,527	267	6,794
Net increase in net position	12,964	59	13,023
Net position restricted for post employment benefits - beginning	187,412	5,097	192,509
Net position restricted for post employment benefits - ending	<u>\$ 200,376</u>	<u>\$ 5,156</u>	<u>\$ 205,532</u>

NOTES TO FINANCIAL STATEMENTS

NOTE D – CASH AND INVESTMENTS

San Antonio Water System

The following is a reconciliation of cash and investments reported in the Statements of Net Position to deposits and investments disclosed in this note for December 31, 2016 and 2015.

<i>(amounts in thousands)</i>	December 31,	
	2016	2015
Reported in Statements of Net Position:		
Cash and Cash Equivalents:		
Unrestricted	\$ 54,045	\$ 92,566
Restricted - current	2,450	9,653
Restricted - noncurrent	100,241	178,582
Total cash and cash equivalents	<u>156,736</u>	<u>280,801</u>
Investments:		
Unrestricted	243,538	135,797
Restricted - current	182,546	171,985
Restricted - noncurrent	345,773	264,834
Total investments	<u>771,857</u>	<u>572,616</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 928,593</u>	<u>\$ 853,417</u>
Reported amounts in note for:		
Deposits	\$ 31,959	\$ 50,699
Investments	896,634	802,718
Total Deposits and Investments	<u>\$ 928,593</u>	<u>\$ 853,417</u>

Deposits: As of December 31, 2016, 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, 2016, 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, 2016, the bank balance of SAWS' demand and savings accounts was \$33,189,000 and the reported amount was \$31,959,000 which included \$29,000 of cash on hand. At December 31, 2015, the bank balance of SAWS' demand and savings accounts was \$52,393,000 and the reported amount was \$50,699,000 which included \$36,000 of cash on hand.

Investments: As of December 31, 2016, investments include securities issued by the United States government and its agencies and instrumentalities along with funds held in money market funds. 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. Money Market Funds are managed by Frost Bank, US 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

At December 31, 2015, investments also included funds invested in the Local Government Investment Corporation (LOGIC). LOGIC was organized in 1994 in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Texas Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code. The PFIA allows eligible local governments, state agencies, and non-profit corporations of the State of Texas to jointly invest their funds in permitted investments. LOGIC's governing body is a five member Board of Directors comprised of employees, officers and elected officials of participant Governmental Entities or individuals who do not have a business relationship with LOGIC and are qualified to advise it. First Southwest Company performs the day to day administration for LOGIC and provides administrative participant support and marketing services. J.P. Morgan Investment Management, Inc. provides investment management, custody, fund accounting and transfer agency services. Although LOGIC is not registered with the Securities Exchange Commission as an investment company, SAWS believes LOGIC operates the portfolio in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and in compliance with the PFIA.

The following tables provide information related to SAWS investments at December 31, 2016 and 2015.

December 31, 2016 (dollars in thousands)						
Investment Type	Reported Value	Fair Value	Allocation Based on Fair Value	Standard & Poors Rating	Weighted Average Maturity (in days)	
U.S. Treasury Securities	\$ 198,216	\$ 198,202	22%	AA+	219	
U.S. Agency Notes	579,640	579,513	65%	AA+/A-1+	156	
Money Market Mutual Funds held in Escrow:						
Bank of New York Mellon	37,042	37,042	4%	AAAm	1	
US Bank-Fidelity MMF	25,860	25,860	3%	AAAm	1	
Frost Bank	55,876	55,876	6%	AAAm	1	
Total Investments	\$ 896,634	\$ 896,493	100%		150	

December 31, 2015 (dollars in thousands)						
Investment Type	Reported Value	Fair Value	Allocation Based on Fair Value	Standard & Poors Rating	Weighted Average Maturity (in days)	
U.S. Treasury Securities	\$ 126,972	\$ 126,942	16%	AA+	211	
U.S. Agency Notes	445,644	445,441	56%	AA+/A-1+	127	
Money Market Mutual Funds held in Escrow:						
Bank of New York Mellon	141,507	141,507	18%	AAAm	1	
Frost Bank	25,111	25,111	3%	AAAm	1	
LOGIC Investment Pool	63,484	63,484	8%	AAAm	1	
Total Investments	\$ 802,718	\$ 802,485	100%		104	

NOTES TO FINANCIAL STATEMENTS

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, 2016 the longest remaining maturity for any investment was less than eighteen months and 94% of the investment portfolio matured in less than one year.

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".

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.

As of December 31, 2016 and 2015, SAWS the percentage of the investment portfolio for government-sponsored issuers was as follows:

	December 31,	
	2016	2015
Federal Home Loan Bank	30%	30%
Federal Home Loan Mortgage Corporation	17%	14%
Federal National Mortgage Association	9%	11%
Federal Agricultural Mortgage Corporation	6%	0%
Federal Farm Credit Bank	3%	2%

Fair Value Measurement: SAWS categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTES TO FINANCIAL STATEMENTS

<i>(amounts in thousands)</i>	December 31, 2016	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasury Securities	\$ 198,202	\$ -	\$ 198,202	\$ -
U.S. Agency Notes	579,513	-	579,513	-
Total investments measured at fair value	777,715	\$ -	\$ 777,715	\$ -
Investments measured at net asset value (NAV)				
Money Market Mutual Funds	118,778			
Total investments at fair value and NAV	\$ 896,493			

<i>(amounts in thousands)</i>	December 31, 2015	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasury Securities	\$ 126,942	\$ -	\$ 126,942	\$ -
U.S. Agency Notes	445,441	-	445,441	-
Total investments measured at fair value	572,383	\$ -	\$ 572,383	\$ -
Investments measured at net asset value (NAV)				
Money Market Mutual Funds	166,618			
LOGIC Investment Pool	63,484			
Total investments measured at NAV	230,102			
Total investments at fair value and NAV	\$ 802,485			

Securities classified in Level 2 of the fair value hierarchy are valued using interest rate curves and credit spreads applied to the terms of the debt instruments (maturity and coupon interest) and consider the counterparty rating.

Restricted Cash and Investments: Cash and investments are restricted for a variety of purposes based on the requirement set forth in City Ordinance 75686, state law or SAWS policy. The following table summarizes both current and noncurrent restricted cash and investments by purpose at December 31, 2016 and 2015.

<i>(amounts in thousands)</i>	December 31,	
	2016	2015
Restricted for:		
Operations	\$ 52,279	\$ 45,801
Customer Deposits	13,381	12,471
Debt Service	76,786	72,591
Debt Service Reserve	88,402	93,792
Construction - accrued liabilities	42,550	50,774
Construction - capital recovery fees	150,198	168,968
Construction - bond proceeds	207,414	180,657
Total Restricted Cash & Investments	\$ 631,010	\$ 625,054

NOTES TO FINANCIAL STATEMENTS

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 debt service reserve 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 debt service reserve. Increases in the required reserve amount may be deposited into a reserve account over a five year period. Ordinance 75686 allows for SAWS to provide surety policies equal to all or part of the required reserve. SAWS may use bond proceeds to make the required deposits related to new debt issued. Debt service reserve 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.

The following table summarizes the cash and investments restricted for Debt Service Reserve at December 31, 2016 and 2015 based on the allocation of the funds between junior lien and senior lien bond requirements.

<i>(amounts in thousands)</i>	December 31,	
	2016	2015
Deposits	\$ 48	\$ 85
Restricted for Junior Lien Bonds	20,901	20,386
Restricted for Senior Lien Bonds	67,453	73,321
Total Cash & Investments - Debt Service Reserve	\$ 88,402	\$ 93,792

Funds restricted for construction include amounts needed to pay accrued construction liabilities, collected but unspent capital recovery fees and unspent bond proceeds. Funds restricted for accrued construction liabilities and unspent bond proceeds are completely offset by related liabilities. By state law, capital recovery fees are restricted for the construction of the infrastructure upon which the calculation of the fee is based. Prior to 2016, the amount of capital recovery fees collected but unspent was reported in Net Position as Net Investment in Capital Assets. In 2016 management considered the presentation and to better reflect the intended purpose of the funding, collected but unspent capital recovery fees are reported in Net Position as Restricted for Construction. In order to provide consistent presentation, the amount of unspent capital recovery fees at December 31, 2015 have been reclassified from Net Investment in Capital Assets to Restricted for Construction in the Statement of Net Position.

Securities Lending: During 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.

NOTES TO FINANCIAL STATEMENTS

At December 31, 2016 and 2015, there were no securities out on loan to borrowers. There were no violations of legal or contractual provisions nor were there any borrower or lending agent default losses related to securities lending during 2015 and 2016. No income was generated from securities lending transactions for the year ended December 31, 2016. Income generated from securities lending transactions amounted to \$262,000 for the year ended December 31, 2015, of which 30% was paid as fees to the lending agent.

San Antonio Water System Fiduciary Funds

The fiduciary financial statements include three fiduciary funds related to SAWS employee benefit plans: the San Antonio Water System Retirement Plan (SAWSRP), the District Special Project Retirement Income Plan (DSPRP) and the San Antonio Water System Retiree Health Trust (OPEB Trust).

While the SAWSRP and DSPRP plans have no specific policy relating to plan investments, plan trustees have instituted a plan to invest approximately 60% of plan assets in equity securities and the remainder in fixed income securities. Plan investments are not automatically rebalanced, however, contributions to the plan are invested in a manner to adhere to the investment plan.

In 2012, SAWS established an OPEB Trust for the exclusive purpose of providing benefits to eligible retirees and their dependents. 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.

The following tables summarize fiduciary fund investments by plan and in total at December 31, 2016 and 2015.

December 31, 2016 (dollars in thousands)					
Investment Type	SAWSRP	DSPRP	OPEB TRUST	Total All Plans	Allocation Based on Fair Value
Collective, Pooled & Mutual Funds:					
Domestic Equity	\$ 112,979	\$ 3,225	\$ 20,216	\$ 136,420	60.6%
International Equity	-	115	6,444	6,559	2.9%
Domestic Debt	61,296	431	16,477	78,204	34.7%
Balanced/Asset Allocation	1,493	-	-	1,493	0.7%
Commodities	-	78	-	78	0.0%
Money Market Mutual Funds	-	-	891	891	0.4%
Standard Insurance Company:					
Guaranteed Long-term Fund	-	1,561	-	1,561	0.7%
Total Investments	\$ 175,768	\$ 5,410	\$ 44,028	\$ 225,206	100.0%

NOTES TO FINANCIAL STATEMENTS

December 31, 2015					
<i>(dollars in thousands)</i>					
Investment Type	SAWSRP	DSPRP	OPEB TRUST	Total All Plans	Allocation Based on Fair Value
Collective, Pooled & Mutual Funds:					
Domestic Equity	\$ 120,972	\$ 3,190	\$ 15,495	\$ 139,657	67.9%
International Equity	-	115	4,845	4,960	2.4%
Domestic Debt	44,966	449	12,661	58,076	28.3%
Balanced/Asset Allocation	580	-	-	580	0.3%
Commodities	-	72	-	72	0.0%
Money Market Mutual Funds	-	-	857	857	0.4%
Standard Insurance Company:					
Guaranteed Long-term Fund	-	1,330	-	1,330	0.6%
Total Investments	\$ 166,518	\$ 5,156	\$ 33,858	\$ 205,532	100.0%

All investments are reported at net asset value at December 31, 2016 and 2015. Money market funds are reported as Cash and Cash Equivalents in the Statements of Fiduciary Net Position. Debt funds are unrated. The effective duration of the debt funds was 15.0 years at December 31 2016 and 5.4 years at December 31, 2015. The Standard Insurance Company Guaranteed Long-term Fund had a rating of A- by Standard & Poors at December 31, 2016 and 2015 and had an effective duration of 5.0 years at December 31, 2016 and 4.9 years at December 31, 2015.

NOTE E – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31, 2016 and 2015:

<i>(amounts in thousands)</i>	2016	2015
Current:		
Receivable from customers	\$ 44,716	\$ 46,347
Unbilled revenue	25,298	21,085
Receivable from other governmental agencies	2,881	2,789
Less: Allowance for doubtful accounts	(5,868)	(5,391)
	67,027	64,830
Noncurrent:		
Receivable from other governmental agencies	2,631	3,867
Total accounts receivable	\$ 69,658	\$ 68,697

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 \$2.6 million and \$3.9 million was classified as noncurrent at December 31, 2016 and 2015, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE F – CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2016 is as follows:

<i>(amounts in thousands)</i>	December 31, 2015	Increases	Transfers	Decreases	December 31, 2016
Capital Assets, not being depreciated:					
Land	\$ 98,932	\$ -	\$ 4,237	\$ 2,095	\$ 101,074
Water rights purchased	248,603	-	74	-	248,677
Other intangible assets	370	-	-	-	370
Construction in progress	485,962	376,916	(632,139)	2,144	228,595
Total capital assets, not being depreciated/amortized	833,867	376,916	(627,828)	4,239	578,716
Capital assets, being depreciated					
Structures and improvements	790,159	2	82,970	1,129	872,002
Pumping and purification equipment	195,683	421	140,317	-	336,421
Distribution and transmission system	2,347,276	-	276,592	389	2,623,479
Treatment facilities	2,081,721	-	105,172	-	2,186,893
Equipment and machinery	176,712	5,753	11,838	8,347	185,956
Furniture and fixtures	6,133	-	-	9	6,124
Computer equipment	21,479	2,017	8,221	393	31,324
Software	53,078	424	2,718	3,305	52,915
Other intangible assets	1,354	-	-	-	1,354
Total capital assets being depreciated/amortized	5,673,595	8,617	627,828	13,572	6,296,468
Less accumulated depreciation					
Structures and improvements	(216,088)	(20,588)	-	(996)	(235,680)
Pumping and purification equipment	(55,101)	(7,187)	-	-	(62,288)
Distribution and transmission system	(728,675)	(48,458)	-	(389)	(776,744)
Treatment facilities	(701,287)	(45,279)	-	-	(746,566)
Equipment and machinery	(107,483)	(14,319)	-	(8,347)	(113,455)
Furniture and fixtures	(5,928)	(26)	-	(9)	(5,945)
Computer equipment	(15,443)	(2,320)	-	(393)	(17,370)
Software	(29,298)	(4,610)	-	(3,305)	(30,603)
Other intangible assets	(373)	(69)	-	-	(442)
Total accumulated depreciation	(1,859,676)	(142,856)	-	(13,439)	(1,989,093)
Total capital assets, being depreciated/amortized	3,813,919	(134,239)	627,828	133	4,307,375
Capital assets, net	\$ 4,647,786	\$ 242,677	\$ -	\$ 4,372	\$ 4,886,091

NOTES TO FINANCIAL STATEMENTS

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	\$ 91,789	\$ -	\$ 10,471	\$ 3,328	\$ 98,932
Water rights purchased	248,245	-	358	-	248,603
Other intangible assets	377	-	(7)	-	370
Construction in progress	392,869	394,013	(300,920)	-	485,962
Total capital assets, not being depreciated/amortized	733,280	394,013	(290,098)	3,328	833,867
Capital assets, being depreciated					
Structures and improvements	757,775	-	32,844	460	790,159
Pumping and purification equipment	172,414	937	22,332	-	195,683
Distribution and transmission system	2,228,047	7,010	112,218	-	2,347,275
Treatment facilities	1,967,212	-	114,509	-	2,081,721
Equipment and machinery	167,428	4,346	8,058	3,120	176,712
Furniture and fixtures	6,230	-	-	97	6,133
Computer equipment	20,471	1,825	-	816	21,480
Software	52,491	457	130	-	53,078
Other intangible assets	1,347	-	7	-	1,354
Total capital assets being depreciated/amortized	5,373,415	14,575	290,098	4,493	5,673,595
Less accumulated depreciation					
Structures and improvements	(194,629)	(21,671)	-	(211)	(216,089)
Pumping and purification equipment	(48,819)	(6,282)	-	-	(55,101)
Distribution and transmission system	(677,415)	(51,260)	-	-	(728,675)
Treatment facilities	(661,818)	(39,469)	-	-	(701,287)
Equipment and machinery	(94,857)	(15,543)	-	(2,917)	(107,483)
Furniture and fixtures	(5,867)	(159)	-	(97)	(5,929)
Computer equipment	(14,088)	(2,168)	-	(814)	(15,442)
Software	(24,658)	(4,639)	-	-	(29,297)
Other intangible assets	(305)	(68)	-	-	(373)
Total accumulated depreciation	(1,722,456)	(141,259)	-	(4,039)	(1,859,676)
Total capital assets, being depreciated/amortized	3,650,959	(126,684)	290,098	454	3,813,919
Capital assets, net	\$ 4,384,239	\$ 267,329	\$ -	\$ 3,782	\$ 4,647,786

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. \$2.1 million in design and project costs were written off in 2016. No design and other project costs were charged off in 2015.

SAWS owns a water treatment plant in southwest Bexar County 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 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 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 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, 2016 was \$13.7 million. SAWS is continuing to depreciate the treatment plant and management 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 2016 and 2015 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, 2016	\$ 8,806	\$ 5,498	\$ (5,451)	\$ 8,853	\$ 5,451	
Year Ended						
December 31, 2015	\$ 8,572	\$ 5,619	\$ (5,385)	\$ 8,806	\$ 5,385	

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 2016.

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, 2016	\$ 4,787	\$ 28,063	\$ (25,577)	\$ 7,273	\$ 7,273	
Year Ended December 31, 2015	\$ 7,054	\$ 21,796	\$ (24,063)	\$ 4,787	\$ 4,787	
Year Ended December 31, 2014	\$ 7,310	\$ 22,266	\$ (22,522)	\$ 7,054	\$ 7,054	

NOTES TO FINANCIAL STATEMENTS

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, 2016, \$88,255,000 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

Fair Value: The swap had a fair value of approximately negative \$16.9 million at December 31, 2016 and negative \$20.7 million at December 31, 2015. This value is based on Level 2 inputs in the fair value hierarchy using the zero-coupon valuation 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 No. 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 \$3,898,000 at December 31, 2016 and \$4,266,000 at December 31, 2015.

Credit Risk: SAWS was not exposed to credit risk on its outstanding swap at December 31, 2015 and 2016 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, 2016. 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 \$88,255,000 of variable-rate debt hedged by the swap is outstanding in commercial paper notes with current maturities of approximately 33 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, 2016, 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.

Pay-Fixed, Receive-Variable Interest Rate Swap					
Estimated Debt Service Requirements of Variable-Rate					
Debt Outstanding and Net Swap Payments					
<i>(amounts in thousands)</i>					
Year	Principal	Interest Paid on Debt	Interest Rate Swap, Net	Total	
2017	\$ 3,550	\$ 558	\$ 2,972	\$ 7,080	
2018	3,710	535	2,845	7,090	
2019	3,880	510	2,712	7,102	
2020	4,055	484	2,574	7,113	
2021	4,240	457	2,430	7,127	
2022 - 2026	24,300	1,830	9,738	35,868	
2027 - 2031	30,355	938	4,995	36,288	
2032 - 2033	14,165	78	414	14,657	
Total	<u>\$ 88,255</u>	<u>\$ 5,390</u>	<u>\$ 28,680</u>	<u>\$ 122,325</u>	

NOTE I – LONG TERM DEBT

REVENUE BONDS

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 remaining DSP Obligations 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 (Series 2007 Bonds) for debt service savings, and (iii) pay the cost of issuance. The refunding of the DSP Obligations 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.

NOTES TO FINANCIAL STATEMENTS

On November 1, 2016, SAWS remarketed \$98,795,000 City of San Antonio, Texas Water System Variable Rate Junior Lien Revenue and Refunding Bonds, Series 2013F Bonds (No Reserve Fund) into a Fixed Rate Mode for a period of five years, ending October 31, 2021. The coupon rate for these bonds is 2.00% with a yield of 1.63%. The proceeds from the sale of the bonds were used to (i) pay the principal of the maturity bonds, and (ii) pay the cost of issuance. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations. There was no economic gain or loss on this transaction.

On November 1, 2016, SAWS issued \$305,065,000 City of San Antonio, Texas Water System Revenue and Refunding Bonds, Series 2016C (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) advance refund a portion of the Series 2007 Bonds, (ii) advance refund a portion of the City of San Antonio, Texas Water System Revenue and Refunding Bonds, Series 2009 (Series 2009 Bonds), (iii) refund \$9,000,000 of outstanding commercial paper, (iv) finance capital improvements and (v) pay the cost of issuance. The refunding of the Series 2007 Bonds and Series 2009 Bonds reduced total future debt service payments by approximately \$45.3 million and resulted in an economic gain of \$33.2 million. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

On December 15, 2016, SAWS issued \$12,500,000 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2016D 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 outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

On December 15, 2016, SAWS issued \$14,360,000 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2016E through the Texas Water Development Board. The bonds were sold under the Clean 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 outstanding Junior Lien Obligations solely by a lien on a 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 \$846,940,000 at December 31, 2016, 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 3.000% to 6.220%, exclusive of any federal interest subsidy on the Series 2009B and 2010B Build America Bonds.

NOTES TO FINANCIAL STATEMENTS

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, Series 2015B (No Reserve Fund), Series 2016A (No Reserve Fund), Taxable Series 2016B, Series 2016C (No Reserve Fund), Series 2016D, and Series 2016E is outstanding in the amount of \$1,584,615,000 at December 31, 2016. Interest rates range from 0.000% to 5.000%

The junior lien variable-interest-rate bonds, comprised of the Series 2013F (No Reserve Fund) (Series 2013F Bonds) and the Series 2014B (No Reserve Fund) (Series 2014B Bonds) (together the Bonds), are outstanding in the amount of \$198,795,000 at December 31, 2016. The Series 2013F Bonds are tax-exempt variable-interest-rate notes initially issued in a Securities Industry and Financial Markets Association (SIFMA) Index Mode, with the interest rate reset weekly, through the initial interest period which expired October 31, 2016. On November 1, 2016, SAWS remarketed \$98,795,000 in Series 2013F Bonds into a five-year interest rate period that ends October 31, 2021, the new interest period. During the new interest period, the Series 2013F Bonds will bear interest at 2.00% with a yield of 1.63%. The Series 2014B Bonds are tax-exempt variable-interest-rate notes 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 interest rate on the 2014B Bonds at December 31, 2016 was 1.12%.

Upon conclusion of the initial interest period, or any subsequent new interest period, 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 or any subsequent new interest period. During the initial interest period and any subsequent new 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 or subsequent new interest period will result in the rescission of the notice of mandatory tender with respect to the Bonds and 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 SAWS redeems or remarkets the Bonds that had a failed remarketing, the Bonds shall bear interest at the stepped rate of 8.0%.

NOTES TO FINANCIAL STATEMENTS

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, 2016, SAWS has no arbitrage rebate liability associated with any outstanding bonds.

The following tables summarize revenue bond transactions for the years ended December 31, 2016 and 2015.

<i>(amounts in thousands)</i>	Balance Jan. 1, 2016	Additions	Reductions/ Amortization	Balance Dec. 31, 2016	Due Within One Year
Bonds Payable	\$ 2,600,096	\$ 647,060	\$ 616,806	\$ 2,630,350	\$ 83,040
Unamortized premium	132,971	99,931	21,055	211,847	
Unamortized discount	(2,704)	(254)	(1,043)	(1,915)	
Total Bonds Payable, Net	<u>\$ 2,730,363</u>	<u>\$ 746,737</u>	<u>\$ 636,818</u>	<u>\$ 2,840,282</u>	<u>\$ 83,040</u>

<i>(amounts in thousands)</i>	Balance Jan. 1, 2015	Additions/ Transfers	Reductions/ Amortization	Balance Dec. 31, 2015	Due Within One Year
Bonds Payable	\$ 2,560,741	\$ 379,155	\$ 339,800	\$ 2,600,096	\$ 78,575
Unamortized premium	113,007	39,585	19,621	132,971	
Unamortized discount	(3,808)	-	(1,104)	(2,704)	
Total Bonds Payable, Net	<u>\$ 2,669,940</u>	<u>\$ 418,740</u>	<u>\$ 358,317</u>	<u>\$ 2,730,363</u>	<u>\$ 78,575</u>

The Series 2006 DSP Revenue Bonds included capital appreciation bonds for which both interest and principal were payable at maturity. As of December 31, 2015, accreted interest on these bonds was \$1,350,000. These bonds were fully refunded along with all outstanding DSP bonds on February 25, 2016. No capital appreciation bonds remain outstanding at December 31, 2016.

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</u> <u>Rate Subsidy</u> ‡	<u>Net Interest</u>	<u>Principal</u>	<u>Interest*</u>
2017	\$ 83,040	\$ 102,610	\$ 3,597	\$ 99,013	\$ -	\$ 3,096
2018	85,435	99,254	3,536	95,718	-	3,096
2019	86,540	96,420	3,471	92,949	-	3,096
2020	90,420	93,205	3,402	89,803	-	3,096
2021	95,030	89,432	3,327	86,105	-	3,096
2022 - 2026	512,620	383,150	15,293	367,857	-	17,950
2027 - 2031	489,965	268,096	12,418	255,678	19,170	17,677
2032 - 2036	489,845	165,013	7,319	157,694	65,560	13,397
2037 - 2041	403,405	55,508	1,306	54,202	74,290	6,938
2042 - 2046	95,255	7,795	-	7,795	39,775	779
	<u>\$ 2,431,555</u>	<u>\$ 1,360,483</u>	<u>\$ 53,669</u>	<u>\$ 1,306,814</u>	<u>\$ 198,795</u>	<u>\$ 72,221</u>

‡ Federal interest rate subsidy on Build America Bonds is utilized to pay interest on those bonds but is reported as nonoperating revenue. The federal budget approved by the U.S. Congress for the fiscal year ending September 30, 2017, reduced the BAB subsidy paid during the fiscal year by 6.9%. The BAB subsidy to be received by SAWS reflects this reduction for the remaining life of the bonds.

*The variable rate bonds are currently in a fixed rate Term Mode through October 31, 2021, and a SIFMA Index Mode with interest rates reset weekly based on the sum of the SIFMA Swap Index and a spread of 0.40% through October 31, 2017. Interest listed above is based on a 2.00% fixed rate through October 31, 2021, and a budgeted rate of 2.50% thereafter, and a SIFMA Index Rate plus the spread totaling 1.12%. 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.

NOTES TO FINANCIAL STATEMENTS

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 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 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 in the amount of \$350 million, supporting the Series A Notes expiring October 4, 2018; and the Revolving Credit Agreement with Wells Fargo Bank, N.A. in the amount of \$100 million, supporting the Series B Notes expiring January 15, 2018.

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.
- Issuing and Paying Agency Agreement with The Bank of New York Mellon Trust Company, N.A.

Commercial paper notes of \$241,610,000 are outstanding as of December 31, 2016. Interest rates on the notes outstanding at December 31, 2016 range from 0.62% to 0.94% and maturities range from 29 to 89 days. The outstanding notes had an average rate of 0.70% 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 \$3,550,000 of commercial paper in 2017. Therefore, this portion of the commercial paper is classified as a current liability.

NOTES TO FINANCIAL STATEMENTS

The following table summarizes transactions of the commercial paper program for the years ended December 31, 2016 and 2015.

<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, 2016	\$ 135,305	\$ 118,700	\$ 12,395	\$ 241,610	\$ 3,550
Year Ended					
December 31, 2015	\$ 138,550	\$ -	\$ 3,245	\$ 135,305	\$ 3,395

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 compliance with all significant provisions of the bond ordinances.

Under these bond ordinance SAWS is required to establish and maintain rates and charges for services sufficient to produce Net Revenues sufficient to pay 1.25 times the annual debt service requirements on Senior Lien debt obligations (senior lien debt coverage ratio). SAWS senior lien debt coverage ratio was 3.88 at December 31, 2016 and 2.68 at December 31, 2015.

NOTE J - CONTINGENCIES AND COMMITMENTS

Water Agreements

As of December 31, 2016, 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 2017 and others continuing until 2023. Some of the leases include price escalations and the annual cost per acre foot ranges from \$115 to \$140. Under these various leases, SAWS paid \$4.7 million in 2016 and \$5.4 million in 2015. The future commitments under these leases are as follows:

<i>(dollars in thousands)</i>	2017	2018	2019	2020	2021	Thereafter
Edwards Aquifer - lease payments	\$ 4,594	\$ 4,519	\$ 3,281	\$ 2,851	\$ 2,673	\$ 2,819
Edwards Aquifer - acre feet leased	36,130	28,120	21,497	20,587	19,107	20,134

NOTES TO FINANCIAL STATEMENTS

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 4,000 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 2017 is estimated to be 5,000 acre feet and is projected to 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 \$959 per acre foot in 2017 to approximately \$1,459 per acre foot by 2037. SAWS has an option to extend this contract until 2077 under new payment terms.

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 \$650 to \$823 per acre foot. This agreement expires in 2025 and SAWS has a unilateral option to extend the contract for 10 years.

Under a contract with Sneckner 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 a unilateral 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 \$300,000 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 DSP and WECO were terminated. The 2012 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 \$938 in 2017 to \$1,144 by 2027.

NOTES TO FINANCIAL STATEMENTS

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 2017 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 bonds in 2012 to finance the expansion. SAWS is unconditionally obligated to make monthly payments to SSLGC beginning in December 2014 equal to 1/12th 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 is automatically renewed for successive terms of 5 years unless SAWS chooses to cancel the contract upon the expiration of any term. The projected price paid to SSLGC to treat and transport water provided by SAWS is projected to be \$592 per acre foot in 2017 and includes the debt service associated with the expansion of SSLGC’s treatment plan. Payments for any wholesale water purchased from SSLGC are based on SSLGC’s wholesale water rates.

Under a contract with Bexar-Medina-Atascosa Counties W.C.I.D. No. 1 (BMA), SAWS has a take or pay commitment to purchase 19,974 acre feet of untreated water annually from Medina Lake. If BMA is unable to deliver water to SAWS, BMA issues a credit for the undelivered water which can be used to offset payments due to BMA during the next calendar year. The price of the water is based on the rate charged by Guadalupe Blanco River Authority (GBRA) for raw water. GBRA’s rate for raw water at December 31, 2016 was \$142 per acre foot. The agreement has been amended several times with the current agreement being effective in 2008 and ending in 2049.

Under a contract with Canyon Regional Water Authority (CRWA), SAWS is required to make certain contractually required minimum payments each year to fund capital and operating expenses of CRWA. Additionally, SAWS makes payments based on the number of acre feet of water SAWS commits to take in a given year. SAWS currently has access to 6,300 acre feet through 2023 and 6,800 acre feet annually from 2024 through 2042. For 2017, SAWS has committed to taking 6,300 acre feet with a projected cost of \$1,241 per acre foot.

NOTES TO FINANCIAL STATEMENTS

Total payments under these water purchase agreements were \$41.9 million in 2016 and \$38.1 million in 2015. A summary of all estimated future payments under all these agreements is provided in the following table. The estimated fixed water payments consist of the take or pay commitments under the agreements. The estimated variable water payments will be made only if water is made available to SAWS. The estimates assume price escalations but do not assume the extension of any water purchase agreement. As with any estimate, the actual amounts paid could differ materially.

<i>(dollars in thousands)</i>							
	2017	2018	2019	2020	2021	Thereafter	
Purchased water payments - fixed	\$ 22,316	\$ 22,912	\$ 23,570	\$ 24,007	\$ 24,145	\$ 651,164	
Acre feet purchased - fixed	43,926	43,926	43,926	43,926	42,426	1,086,870	
Purchased water payments - variable	\$ 17,785	\$ 16,090	\$ 16,200	\$ 16,314	\$ 14,657	\$ 112,801	
Acre feet purchased - variable	18,062	15,882	15,706	15,533	14,863	104,840	

In October 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 Vista Ridge, LLC, pursuant to which Vista Ridge LLC 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, Vista Ridge LLC 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 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, will account for approximately 20% of the System’s current annual usage.

The project achieved financial close in November 2016 and is now in the construction phase. During this phase, Vista Ridge LLC will complete the construction of the Project and SAWS must construct any improvements necessary to accept and integrate Project Water. The anticipated capital cost of SAWS improvements is 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 Vista Ridge LLC at the Connection Point.

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

NOTES TO FINANCIAL STATEMENTS

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 Vista Ridge LLC, and any such debt will be non-recourse to SAWS.

On May 17, 2016, SAWS exercised its contractual right to fix the Capital and Raw Groundwater Unit Price under the Agreement based on the methodology provided for therein. This action served to lock in the price of the Project Water component of SAWS annual payment requirement at \$1,606 per acre foot for the entire 30 year term (and any extension of that term) of the Agreement.

In addition to the Capital and Raw Groundwater Unit Price, SAWS will pay operations and maintenance costs as a direct pass through under the Agreement and electricity cost (paid directly by SAWS to the utility providers). It is estimated that the water will initially cost approximately \$2,000 per acre foot, resulting in an estimated initial annual cost of approximately \$100 million for 50,000 acre feet of delivered water. Delivery of water from the Project is expected to begin in 2020. In 2015, the City Council approved a series of increases to the water supply fee through 2020 to support the acquisition of new water supplies, including water supplied from the Project.

SAWS has the right to terminate the Agreement at any time by purchasing the Project for the aggregate amount of the outstanding Project Company debt, contract breakage costs and return of and return on equity contributions by Vista Ridge's principals. The termination payment as of December 31, 2016 was estimated to be approximately \$300 million. The termination payment will continue to increase throughout the construction phase as additional funds are expended by the Project Company on the construction of the project. By the time the operational phase is reached in 2020 the termination payment could be as much as \$1 billion. 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.

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, 2016. 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. These wells became operational in 2016 and have an expected useful life of 50 years based on SAWS experience with other wells throughout the system. At December 31, 2016, SAWS has recorded a liability of \$449,000 related to this post-closure obligation.

NOTES TO FINANCIAL STATEMENTS

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. In June 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. 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. SAWS initially estimated that capital investments of approximately \$850 million would be required over the Consent Decree term. During the last several years, through flow monitoring during significant rainfall events, physical inspection and televising, SAWS has accumulated additional information relative to the performance of its collection system. Based upon this additional information, SAWS has identified that additional capital expenditures will likely be required. Preliminary estimates indicate that the cost of these additional capital expenditures could exceed \$200 million depending on the actions ultimately implemented. As with any estimate, the actual amounts incurred could differ materially. Through December 31, 2016, capital expenditures related to the Consent Decree total \$198 million. 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 304 in 2016.

SAWS operates the Mitchell Lake Site Wastewater Treatment Facility pursuant to a Texas Pollutant Discharge Elimination Permit issued by the TCEQ under a delegation of authority from the EPA (the “Permit”). On August 18, 2016 SAWS received an Administrative Order from EPA that alleges that SAWS violated the Permit by failing to meet effluent limits as required by the Permit.

Mitchell Lake is not a standard brick and mortar wastewater treatment facility. Instead, the Lake is a unique and environmentally sensitive natural facility that has become a wildlife refuge and an active destination attraction within San Antonio. The Lake surface area covers approximately 600 acres and provides an essential habitat where migrating birds can rest and feed. Discharges from the Lake only occur after significant rainfall events. The intermittent nature of the discharges after rainfall makes traditional treatment options impractical.

Upon receiving the Administrative Order, SAWS began working with consulting experts and conducted preliminary feasibility evaluations of two potential solutions: a) reconstructing the existing dam and spillway and b) constructing extensive treatment wetlands below the Lake. While these preliminary evaluations have provided promising results, pilot studies will be necessary to confirm the effectiveness of these possible solutions. SAWS will also continue to explore other treatment and operational alternatives and work with the EPA and TCEQ to develop an appropriate plan that ensures compliance with the Permit. At this time, SAWS does not know what actions may ultimately be required or the costs associated with those actions.

NOTES TO FINANCIAL STATEMENTS

NOTE K - PENSION AND RETIREMENT PLANS

SAWS’ pension program includes benefits provided by the Texas Municipal Retirement System (TMRS), the San Antonio Water System Retirement Plan (SAWSRP) and the District Special Project Retirement Income Plan (DSPRP).

Texas Municipal Retirement System

SAWS participates as one of 866 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 TMRS 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 that can be obtained at www.tmr.com

TMRS provides retirement benefits to eligible SAWS employees. 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 2016 and 2015 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

NOTES TO FINANCIAL STATEMENTS

Total number of SAWS participants in TMRS as of the last two actuarial valuation dates is summarized below:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Active employees	1,666	1,648
Retirees and beneficiaries currently receiving benefits	1,117	1,060
Inactive members	<u>528</u>	<u>423</u>
Total	<u><u>3,311</u></u>	<u><u>3,131</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 3.69% and 3.81% in calendar years 2016 and 2015, respectively. SAWS' contributions to TMRS totaled \$3,609,000 and \$3,953,000 for the years ended December 31, 2016 and 2015, respectively. These contributions equaled or exceeded the required contributions.

SAWS Net Pension Liability for the TMRS plan as of December 31, 2016 and 2015 was measured as of December 31, 2015 and 2014, respectively. The Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of the measurement date.

The Total Pension Liability was determined using the following actuarial assumptions:

	Valuation as of December 31, 2015	Valuation as of December 31, 2014
Inflation	2.5% per year	3.0% per year
Overall payroll growth	3.0% per year	3.0% per year
Investment Rate of Return	6.75%	7.00%

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 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

NOTES TO FINANCIAL STATEMENTS

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. 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. After the Asset Allocation Study analysis and experience investigation study, the TMRS Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the plan actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class for each of the actuarial valuations are summarized in the following table:

Asset Class	December 31, 2015		December 31, 2014	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	17.5%	4.55%	17.5%	4.80%
International Equity	17.5%	6.10%	17.5%	6.05%
Core Fixed Income	10.0%	1.00%	30.0%	1.50%
Non-Core Fixed Income	20.0%	3.65%	10.0%	3.50%
Real Return	10.0%	4.03%	5.0%	1.75%
Real Estate	10.0%	5.00%	10.0%	5.25%
Absolute Return	10.0%	4.00%	5.0%	4.25%
Private Equity	5.0%	8.00%	5.0%	8.50%
Total	100.0%		100.0%	

NOTES TO FINANCIAL STATEMENTS

The discount rate used to measure the Total Pension Liability in the December 31, 2015 and 2014 actuarial valuations was 6.75% and 7.0%, respectively. 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.

The following table summarizes the changes in the TMRS Net Pension Liability for the year ended December 31, 2016 and 2015 based on the measurement date of December 31, 2015 and 2014, respectively.

	Changes in Net Pension Liability - TMRS					
	(\$ in thousands)					
	2016			2015		
	Increase (Decrease)			Increase (Decrease)		
Pension Liability	Fiduciary Net Position	Net Pension Liability	Pension Liability	Fiduciary Net Position	Net Pension Liability	
(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)	
Balances at January 1,	\$ 179,549	\$ 161,858	\$ 17,691	\$ 172,388	\$ 154,158	\$ 18,230
Changes for the year:						
Service Cost	4,810	-	4,810	4,379	-	4,379
Interest	12,480	-	12,480	11,960	-	11,960
Differences between expected and actual experience	(1,311)	-	(1,311)	(1,717)	-	(1,717)
Changes in assumptions	433	-	433	-	-	-
Contributions - employee	-	2,892	(2,892)	-	2,722	(2,722)
Contributions - employer	-	3,953	(3,953)	-	3,721	(3,721)
Net investment income	-	239	(239)	-	8,818	(8,818)
Benefit payments	(7,337)	(7,337)	-	(7,461)	(7,461)	-
Administrative expense	-	(146)	146	-	(92)	92
Other charges	-	(7)	7	-	(8)	8
Net Changes	9,075	(406)	9,481	7,161	7,700	(539)
Balances at December 31, *	\$ 188,624	\$ 161,452	\$ 27,172	\$ 179,549	\$ 161,858	\$ 17,691

*Based on measurement date of December 31, 2015 and December 31, 2014 respectively

The following presents the Net Pension Liability for the TMRS plan as of December 31, 2016 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 that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	(\$ in thousands)		
	1% Decrease	Current Discount	1% Increase
	5.75%	6.75%	7.75%
Net pension liability - TMRS	\$ 52,195	\$ 27,172	\$ 6,428

NOTES TO FINANCIAL STATEMENTS

Because TMRS is an agent multi-employer retirement plan, the financial information for the plan is not included in SAWS Fiduciary Funds financial statements. Detailed information about the TMRS Fiduciary Net Position is available in a separately issued TMRS financial report which is available at www.tmr.com

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 SAWS other retirement benefits. The plan has both a defined benefit and a defined contribution 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 SAWS Fiduciary Funds financial statements. SAWSRP does not issue stand-alone financial statements. A summary of the plan's financial statements for the years ended December 31, 2016 and 2015 is presented in the following tables.

	San Antonio Water System Retirement Plan Net Position Restricted for Pension Benefits <i>(amounts in thousands)</i>					
	December 31, 2016			December 31, 2015		
	Defined Benefit	Defined Contribution	Total	Defined Benefit	Defined Contribution	Total
Assets						
Employer contributions receivable	\$ 1,067	\$ -	\$ 1,067	\$ -	\$ -	\$ -
Investments	174,212	1,556	175,768	165,886	632	166,518
Total Assets	175,279	1,556	176,835	165,886	632	166,518
Liabilities	-	-	-	-	-	-
Net position restricted for pension benefits	<u>\$ 175,279</u>	<u>\$ 1,556</u>	<u>\$ 176,835</u>	<u>\$ 165,886</u>	<u>\$ 632</u>	<u>\$ 166,518</u>

NOTES TO FINANCIAL STATEMENTS

San Antonio Water System Retirement Plan
Changes in Net Position Restricted for Pension Benefits
(amounts in thousands)
For the years ended

	December 31, 2016			December 31, 2015		
	Defined Benefit	Defined Contribution	Total	Defined Benefit	Defined Contribution	Total
Additions						
Employer Contributions	\$ 7,367	\$ 551	\$ 7,918	\$ 7,890	\$ 297	\$ 8,187
Employee Contributions	2,533	421	2,954	2,357	274	2,631
Investment Income (Loss)	6,971	76	7,047	1,215	(10)	1,205
Total additions	16,871	1,048	17,919	11,462	561	12,023
Deductions						
Pension payments/distributions	7,283	109	7,392	6,318	6	6,324
Administrative Expenses	195	15	210	17	1	18
	<u>7,478</u>	<u>124</u>	<u>7,602</u>	<u>6,335</u>	<u>7</u>	<u>6,342</u>
Increase in net position	9,393	924	10,317	5,127	554	5,681
Net position restricted for pension benefits - beginning	<u>165,886</u>	<u>632</u>	<u>166,518</u>	<u>160,759</u>	<u>78</u>	<u>160,837</u>
Net position restricted for pension benefits - ending	<u>\$ 175,279</u>	<u>\$ 1,556</u>	<u>\$ 176,835</u>	<u>\$ 165,886</u>	<u>\$ 632</u>	<u>\$ 166,518</u>

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.

NOTES TO FINANCIAL STATEMENTS

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.

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

	<u>1/1/2016</u>	<u>1/1/2015</u>
Active employees	1,400	1,530
Retirees and beneficiaries currently receiving benefits	868	803
Inactive members	<u>515</u>	<u>463</u>
Total	<u><u>2,783</u></u>	<u><u>2,796</u></u>

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 2015 and 2016 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 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, 2016 and 2015 was measured as of January 1, 2016 and 2015, respectively. The Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date performed as of the measurement date.

The Total Pension Liability calculated in the January 1, 2016 and 2015 actuarial valuations was determined using the actuarial assumptions described below.

Inflation	2.25% per year
Investment rate of return	6.75%

NOTES TO FINANCIAL STATEMENTS

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 2006 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.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity - Large Cap	73%	8.80%
Core Bond	27%	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.

NOTES TO FINANCIAL STATEMENTS

The following table summarizes the changes in the SAWSRP Net Pension Liability for the year ended December 31, 2016 and 2015 based on the measurement date of December 31, 2015 and 2014, respectively.

	Changes in Net Pension Liability - SAWSRP					
	2016			2015		
	Increase (Decrease)			Increase (Decrease)		
	Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1,	\$ 184,435	\$ 160,759	\$ 23,676	\$ 171,169	\$ 140,521	\$ 30,648
Changes for the year:						
Service Cost	5,004	-	5,004	5,204	-	5,204
Interest	12,596	-	12,596	11,709	-	11,709
Differences between expected and actual experience	555	-	555	(622)	-	(622)
Changes in assumptions	(405)	-	(405)	2,771	-	2,771
Changes in terms	4,339	-	4,339	-	-	-
Contributions - employee	-	2,357	(2,357)	-	-	-
Contributions - employer	-	7,890	(7,890)	-	10,339	(10,339)
Net investment income	-	1,215	(1,215)	-	15,695	(15,695)
Benefit payments	(6,318)	(6,318)	-	(5,796)	(5,796)	-
Administrative expense	-	(17)	17	-	-	-
Other charges	-	-	-	-	-	-
Net Changes	15,771	5,127	10,644	13,266	20,238	(6,972)
Balances at December 31,*	\$ 200,206	\$ 165,886	\$ 34,320	\$ 184,435	\$ 160,759	\$ 23,676

*Based on measurement date of December 31, 2015 and December 31, 2014 respectively

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.

	(\$ in thousands)		
	1% Decrease	Current Discount	1% Increase
	5.75%	6.75%	7.75%
Net pension liability - SAWSRP	\$ 61,359	\$ 34,320	\$ 11,845

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

NOTES TO FINANCIAL STATEMENTS

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.

Employees participating in the defined contribution component of the SAWSRP totaled 366 at December 31, 2016 and 339 at December 31, 2015. During the year ended December 31, 2016, SAWS made contributions to participants' individual retirement accounts totaling \$550,000 and employees contributed \$421,000, which included roll-over contributions of \$8,000. 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.

District Special Project Retirement Income Plan

District Special Project Retirement Income Plan (DSPRP) is a single-employer defined benefit pension plan that covers all eligible employees. The plan was originally established by Bexar Metropolitan Water District (BexarMet) to provide pension benefits to its employees. In 2008, the BexarMet Board elected to freeze pension benefits and entry into the plan effective September 30, 2008. In 2012, upon the dissolution of BexarMet and the transfer of all assets and liabilities to the San Antonio Water System District Special Project (DSP) the plan was renamed District Special Project Retirement Income Plan. DSPRP is governed by SAWS, which is authorized to establish and amend all plan provisions. SAWS has delegated to Standard Insurance Company the authority to manage plan assets and administer the payment of benefits under the plan.

The financial information for DSPRP is reported in the SAWS Fiduciary Funds financial statements. DSPRP does not issue stand-alone financial statements. A summary of the plan's financial statements for the years ended December 31, 2016 and 2015 is presented in the following tables.

District Special Project Retirement Income Plan
Net Position Restricted for Pension Benefits
(amounts in thousands)

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Assets		
Investments	5,410	5,156
Total Assets	5,410	5,156
Liabilities	-	-
Net position restricted for pension benefits	<u>\$ 5,410</u>	<u>\$ 5,156</u>

NOTES TO FINANCIAL STATEMENTS

District Special Project Retirement Income Plan
Changes in Net Position Restricted for Pension Benefits
(amounts in thousands)
For the years ended

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Additions		
Employer Contributions	\$ 280	\$ 308
Investment Income (Loss)	<u>307</u>	<u>17</u>
Total additions	587	325
Deductions		
Pension payments/distributions	325	260
Administrative Expenses	<u>8</u>	<u>6</u>
	<u>333</u>	<u>266</u>
Increase in net position	254	59
Net position restricted for pension benefits - beginning	<u>5,156</u>	<u>5,097</u>
Net position restricted for pension benefits - ending	<u>\$ 5,410</u>	<u>\$ 5,156</u>

Prior to freezing entry into the plan, employees were eligible to enter on May 1st or November 1st following the completion of 12 months of employment and attaining age 21. Participating employees accrued benefits if they worked at least 1,000 hours per plan year. Eligible employees vest in this plan after the completion of five years of service. Employees are 100% vested in any benefits derived from employee contributions regardless of years of service. A terminating participant who has completed five years of service is entitled to receive a vested benefit starting on his/her normal retirement date.

The normal retirement benefit upon retirement is a percentage of average monthly earnings. Prior to March 1, 1996, the monthly benefit was 60% of average monthly earnings reduced proportionately for less than 15 years of service. Effective March 1, 1996, the monthly benefit is 40% of average monthly earnings reduced proportionately for less than 20 years of service. Prior to March 1, 1996, average monthly earnings were based on the monthly earnings during the 5 consecutive and complete calendar years that produced the highest average. After March 1, 1996 average monthly earnings are determined by the 10 consecutive and complete calendar years after December 31, 1990 which produce the highest average. Upon retirement, retirees may choose from 3 different types of annuities or receive a single lump sum distribution.

NOTES TO FINANCIAL STATEMENTS

Participants in DSPRP as of the last two actuarial valuation dates is summarized below:

	<u>1/1/2016</u>	<u>1/1/2015</u>
Active employees	115	119
Retirees and beneficiaries currently receiving benefits	12	12
Inactive members	<u>25</u>	<u>23</u>
Total	<u>152</u>	<u>154</u>

The plan's funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits as they come due. The contribution requirements of plan are established and may be amended by the Board. The unit credit method is used to calculate the actuarial determined contribution for 2016 and 2015. Under this method, the actual or expected accrued benefit of each participant is allocated to the year in which it accrues. The normal cost is the present value of benefits expected to accrue in the current year.

The Net Pension Liability for DSPRP as of December 31, 2016 and 2015 was measured as of January 1, 2016 and 2015, respectively. The Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date performed as of the measurement date.

The Total Pension Liability calculated in the January 1, 2016 and 2015 actuarial valuations was determined using the Entry Age Normal actuarial cost method and the actuarial assumptions described below.

Inflation	2.75% per year
Investment rate of return	7.0%

Mortality rates are based on the 1994 GAR Table projected to 1992. Due to the limited size of this plan and the frozen nature of benefits under the plan, an experience study has not been done.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	60.00%	6.25%
International Equity	5.00%	6.25%
Fixed Income	35.00%	1.50%

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 contributions will be made equal to the actuarially determined contributions. Based on those assumptions, the defined benefit component's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the defined benefit component's investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table summarizes the changes in the DSPRP Net Pension Liability for the year ended December 31, 2016 and 2015 based on the measurement date of December 31, 2015 and 2014, respectively.

	Changes in Net Pension Liability - DSPRP					
	(\$ in thousands)					
	2016			2015		
	Increase (Decrease)			Increase (Decrease)		
	Pension Liability	Fiduciary Net Position	Net Pension Liability	Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at January 1,	\$ 6,359	\$ 5,098	\$ 1,261	\$ 5,889	\$ 4,530	\$ 1,359
Changes for the year:						
Service Cost	124	-	124	123	-	123
Interest	446	-	446	424	-	424
Differences between expected and actual experience	18	-	18	153	-	153
Contributions - employer	-	308	(308)	-	414	(414)
Net investment income	-	17	(17)	-	395	(395)
Benefit payments	(260)	(260)	-	(230)	(230)	-
Administrative expense	-	(6)	6	-	(11)	11
Other charges	-	-	-	-	-	-
Net Changes	328	59	269	470	568	(98)
Balances at December 31,*	<u>\$ 6,687</u>	<u>\$ 5,157</u>	<u>\$ 1,530</u>	<u>\$ 6,359</u>	<u>\$ 5,098</u>	<u>\$ 1,261</u>

*Based on measurement date of December 31, 2015 and December 31, 2014 respectively

NOTES TO FINANCIAL STATEMENTS

The following table presents the net pension liability associated with the DSPRP 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 one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate.

	<i>(\$ in thousands)</i>		
	1% Decrease	Current Discount	1% Increase
	6.00%	7.00%	8.00%
Net pension liability - DSPRP	\$ 1,727	\$ 1,530	\$ 1,355

Other Pension Disclosures

For the years ended December 31, 2016 and December 31, 2015, SAWS recognized pension expense under the TMRS, SAWSRP and DSPRP plans as follows:

	Pension Expense	
	<i>(\$ in thousands)</i>	
	Year-ended December 31,	
	2016	2015
TMRS	\$ 5,321	\$ 2,986
SAWSRP - defined benefit	10,012	6,493
SAWSRP - defined contribution	551	297
DSPRP	289	236
	<u>\$ 16,173</u>	<u>\$ 10,012</u>

Amounts payable to the pension plans by SAWS for contributions totaled \$1,797,000 at December 31, 2016 and \$548,000 at December 31, 2015.

The following tables summarizes the Deferred Outflows of Resources, Net Pension Liability and Deferred Inflows of Resources for each of the plans as reported in the Statement of Net Position for December 31, 2016 and 2015.

<i>(\$ in thousands)</i>	December 31, 2016			December 31, 2015		
	Deferred Outflows of Resources	Net Penion Liability	Deferred Inflows of Resources	Deferred Outflows of Resources	Net Penion Liability	Deferred Inflows of Resources
Plan						
TMRS	\$ 14,011	\$ 27,172	\$ 2,095	\$ 5,531	\$ 17,691	\$ 1,384
SAWSRP	13,456	34,320	698	10,107	23,676	5,342
DSPRP	648	1,530	-	445	1,261	57
Total - All Plans	<u>\$ 28,115</u>	<u>\$ 63,022</u>	<u>\$ 2,793</u>	<u>\$ 16,083</u>	<u>\$ 42,628</u>	<u>\$ 6,783</u>

NOTES TO FINANCIAL STATEMENTS

At December 31, 2016 and December 31, 2015, Deferred Outflows of Resources and Deferred Inflows of Resources associated with SAWS pension plans related to the following sources:

	December 31, 2016		December 31, 2015	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>(\$ in thousands)</i>				
Contributions made after the measurement date	\$ 11,252	\$ -	\$ 12,151	\$ -
Differences between expected and actual	584	2,468	137	1,881
Effects of changes in assumption	2,005	325	2,216	-
Net Difference between projected and actual earnings on pension plan investments	14,274	-	1,579	4,902
	<u>\$ 28,115</u>	<u>\$ 2,793</u>	<u>\$ 16,083</u>	<u>\$ 6,783</u>

Contributions made after the measurement date of \$11,252,000 will be recognized as a reduction of the Net Pension Liability for the year ending December 31, 2017. 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	<i>(\$ in thousands)</i>
December 31,	Combined
2017	\$ (3,326)
2018	(3,326)
2019	(3,322)
2020	(4,023)
2021	(20)
Thereafter	(53)

NOTES TO FINANCIAL STATEMENTS

The following table summarizes the components of the net pension liability at December 31, 2016 and 2015 for the pension plans included in SAWS Fiduciary Fund Statements in accordance with *GASB 67, Financial Reporting for Pension Plans – An Amendment of GASB Statement 25*.

(\$ in thousands)	December 31, 2016		December 31, 2015	
	SAWSRP	DSPRP	SAWSRP	DSPRP
Total pension liability (a)	\$ 213,039	\$ 6,770	\$ 200,206	\$ 6,686
Plan fiduciary net position	175,279	5,410	165,886	5,156
Net pension liability	\$ 37,760	\$ 1,360	\$ 34,320	\$ 1,530
Plan fiduciary net position as a percentage of the total pension liability	82.3%	79.9%	82.9%	77.1%

(a) Actuarial valuation performed at January 1, 2016 was rolled forward to December 31, 2016

Deferred Compensation Plans

SAWS is the plan sponsor for two deferred compensation plans: the San Antonio Water System Deferred Compensation Plan and the District Special Project Employee’s 457 Plan. Both plans were created in accordance with Internal Revenue Code Section 457 and allow employees to defer a portion of their salary until future years. The compensation deferred under these plans is not available to employees until termination, retirement, death, or qualifying unforeseeable emergency. Employee participation is voluntary and SAWS makes no contributions to these plans. The District Special Project Employee’s 457 Plan was closed to new contributions effective October 1, 2013. SAWS has no liability for losses under these plans but does have the usual fiduciary responsibilities of a plan sponsor.

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 a 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

NOTES TO FINANCIAL STATEMENTS

benefits under the plan are supplemental to Medicare benefits. Employees hired after December 31, 2013 will not be eligible for any subsidized medical benefits upon retirement from SAWS.

Participants in the OPEB plan as of January 1, 2016 (the most recent actuarial valuation date) consisted of the following:

Active employees	1,591
Retired employees	<u>793</u>
Total	<u>2,384</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, at a minimum, fully funds 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, 2016 and 2015 is presented in the following table.

	OPEB Contributions	
	<i>(amounts in thousands)</i>	
	Year Ended December 31,	
	2016	2015
SAWS - OPEB Trust	\$ 7,500	\$ 7,500
SAWS - pay-as-you go	<u>8,246</u>	<u>6,261</u>
Total SAWS ontributions	15,746	13,761
Plan members	<u>818</u>	<u>672</u>
Total OPEB contributions	<u>\$ 16,564</u>	<u>\$ 14,433</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, 2016 and 2015:

NOTES TO FINANCIAL STATEMENTS

<i>(amounts in thousands)</i>	Year Ended December 31,	
	2016	2015
Annual Required Contribution (ARC)	\$ 11,416	\$ 12,978
Interest on net OPEB obligation	5,223	3,977
Adjustment to ARC	(7,704)	(6,578)
Annual OPEB costs	8,935	10,377
Contributions made	\$ (15,746)	\$ (13,761)
Increase/(Decrease) in net OPEB obligation	(6,811)	(3,384)
Net OPEB obligation at beginning of year	80,350	83,734
Net OPEB obligation at end of year	<u>\$ 73,539</u>	<u>\$ 80,350</u>

SAWS' annual OPEB cost and the percentage cost contributed to the plan for the three years ended December 31, 2016, 2015 and 2014 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>
2016	\$ 8,935	176.2%	\$ 73,539
2015	\$ 10,377	132.6%	\$ 80,350
2014	\$ 10,256	138.2%	\$ 83,734

Funded Status

The funded status of SAWS' OPEB plan as of the last actuarial valuation performed as of January 1, 2016 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, 2016	\$ 33,858	\$ 125,244	\$ 91,386	27%	\$ 83,493	109%

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.

Actuarial 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

NOTES TO FINANCIAL STATEMENTS

actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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.

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, 2016
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	18 Years - Closed
Actuarial Assumptions:	
Investment Rate of Return	6.5%
Inflation Rate	2.5%

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:

<u>Year</u>	<u>Medical Trend</u>	<u>Year</u>	<u>Medical Trend</u>
2016	7.00%	2030	5.29%
2017	6.75%	2035	5.29%
2018	6.50%	2040	5.29%
2019	6.25%	2050	4.81%
2020	6.17%	2060	4.63%
2025	5.32%	2070	4.24%
		Ultimate - 2076	3.84%

NOTES TO FINANCIAL STATEMENTS

OPEB Trust Financial Statements

The financial information for the OPEB Trust is reported in the fiduciary funds statements. The OPEB Trust does not issue stand-alone financial statements. A summary of the plan's financial statements for the years ended December 31, 2016 and 2015 is presented in the following tables.

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

	December 31,	
	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 891	\$ 857
Investments	43,137	33,001
Total Assets	<u>44,028</u>	<u>33,858</u>
Liabilities	-	-
Net position restricted for post employment benefits	<u><u>\$ 44,028</u></u>	<u><u>\$ 33,858</u></u>

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

	<u>2016</u>	<u>2015</u>
Additions		
Employer Contributions	\$ 7,500	\$ 7,500
Investment Income/(Loss)	<u>2,779</u>	<u>(128)</u>
Total additions	10,279	7,372
Deductions		
Administrative expenses	<u>109</u>	<u>89</u>
Increase in Net Position	10,170	7,283
Net position restricted for post employment benefits - beginning	<u>33,858</u>	<u>26,575</u>
Net position restricted for post employment benefits - ending	<u><u>\$ 44,028</u></u>	<u><u>\$ 33,858</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE M – SUBSEQUENT EVENTS

On February 28, 2017, SAWS issued \$90,915,000 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2017A (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) refund the remaining City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2007 (Series 2007), (ii) refund a portion of the City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2007A (Series 2007A), and (iii) pay the cost of issuance. The refunding of the Series 2007 and Series 2007A bonds reduced total future debt service payments by approximately \$9.9 million and resulted in an economic gain of \$7.5 million. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION

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

(\$ in thousands)

	2015	2014
Total pension liability		
Service Cost	\$ 4,810	\$ 4,379
Interest	12,480	11,960
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,311)	(1,717)
Changes of assumptions	433	-
Benefit payments	(7,337)	(7,461)
Net change in pension liability	9,075	7,161
Total pension liability at beginning of year	179,549	172,388
Total pension liability at end of year (a)	\$ 188,624	\$ 179,549
Plan fiduciary net position		
Contributions - Employer	\$ 3,953	\$ 3,721
Contributions - Employee	2,892	2,722
Net investment income	239	8,818
Benefit payments	(7,337)	(7,461)
Administrative expenses	(146)	(92)
Other	(7)	(8)
Net change in plan fiduciary net position	(406)	7,700
Plan fiduciary net position at beginning of year	161,858	154,158
Plan fiduciary net position at end of year (b)	\$ 161,452	\$ 161,858
Net pension liability (a) - (b)	\$ 27,172	\$ 17,691
Plan fiduciary net position as a percentage of the total pension liability	85.6%	90.1%
Covered employee payroll	\$ 96,389	\$ 90,721
Net pension liability as a percentage of total covered employee payroll	28.2%	19.5%

Notes to Schedule:

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%. In 2015, mortality rates were updated to reflect updated historical data.

REQUIRED SUPPLEMENTAL INFORMATION

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

(\$ in thousands)

	2016	2015	2014
Actuarially determined contribution	\$ 3,609	\$ 3,672	\$ 3,720
Contributions in relation to the actuarially determined contribution	3,609	3,953	3,720
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ (281)</u>	<u>\$ -</u>
Covered employee payroll	\$ 97,817	\$ 96,389	\$ 90,721
Contributions as a percentage of covered employee payroll	3.69%	4.10%	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	In 2015 the remaining amortization period was adjusted to 30 years from 23 years in 2014
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	In 2015 the inflation rate was changed to 2.5% from 3.0% in 2014.
Salary increases	In 2015, the assumption was 3.5% to 10.5%, including inflation and 3.5% to 12.0% in 2014
Investment rate of return	In 2015 the investment rate of return was lowered from 7.0% to 6.75%.
Retirement age	Experience-based table of rates that are specific to SAWS plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period
Mortality	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

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

(\$ in thousands)

	2016	2015	2014
Total pension liability			
Service Cost	\$ 5,724	\$ 5,003	\$ 5,204
Interest	13,680	12,596	11,709
Changes of benefit terms	-	4,339	-
Differences between expected and actual experience	712	555	(622)
Changes of assumptions	-	(405)	2,771
Benefit payments	(7,283)	(6,317)	(5,796)
Net change in pension liability	12,833	15,771	13,266
Total pension liability at beginning of year	200,206	184,435	171,169
Total pension liability at end of year (a)	\$ 213,039	\$ 200,206	\$ 184,435
Plan fiduciary net position			
Contributions - Employer	\$ 7,367	\$ 7,890	\$ 10,339
Contributions - Employee	2,533	2,356	-
Net investment income	6,971	1,215	15,695
Benefit payments	(7,283)	(6,317)	(5,796)
Administrative expenses	(195)	(17)	-
Other	-	-	-
Net change in plan fiduciary net position	9,393	5,127	20,238
Plan fiduciary net position at beginning of year	165,886	160,759	140,521
Plan fiduciary net position at end of year (b)	\$ 175,279	\$ 165,886	\$ 160,759
Net pension liability (a) - (b)	\$ 37,760	\$ 34,320	\$ 23,676
Plan fiduciary net position as a percentage of the total pension liability	82.3%	82.9%	87.2%
Covered employee payroll	\$ 83,493	\$ 85,299	\$ 83,812
Net pension liability as a percentage of total covered employee payroll	45.2%	40.2%	28.2%

Notes to Schedule:

Total pension liability at December 31, 2016 is based on a rollforward of the January 1, 2016 actuarial valuation.

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%. In 2015, mortality rates were updated to reflect updated historical data.

REQUIRED SUPPLEMENTAL INFORMATION

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

(\$ in thousands)

	2016	2015	2014
Actuarially determined contribution	\$ 7,367	\$ 7,890	\$ 10,339
Contributions in relation to the actuarially determined contribution	7,367	7,890	10,339
Contribution deficiency/(excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 83,493	\$ 85,299	\$ 83,812
Contributions as a percentage of covered employee payroll	8.8%	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
Remaining amortization period	Unfunded Liability at December 31, 2013 of \$40,551,000 is being amortized over a 15 fixed year period. The annual impact of experience gains/losses, plan amendments and changes in plan assumptions are amortized over 10 years.
Asset valuation method	4 year smoothed market
Inflation	2.25%
Salary increases	Scale based on 2011-2013 SAWS experience
Retirement age	In 2015, expected retirement ages were adjusted to reflect actual experience from 2011-2013. Previously, the retirement age was based on experience from 2011-2012.
Investment rate of return	6.75%, net of pension expense, including inflation
Mortality Table	In 2016, the mortality table was changed to use the SSA RP-2014 study. Previously the IRS Prescribed Generational Mortality table was used.

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

	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	4.21%	0.76%	11.34%

REQUIRED SUPPLEMENTAL INFORMATION

District Special Project Retirement Income Plan SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 88	\$ 124	\$ 123
Interest	454	446	424
Benefit payments	(324)	(261)	(230)
Difference between expected and actual experience	(133)	18	153
Net change in Total Pension Liability	\$ 85	\$ 327	\$ 470
Total Pension Liability - beginning	6,686	6,359	5,889
Total Pension Liability - ending (a)	\$ 6,771	\$ 6,686	\$ 6,359
Fiduciary Net Position			
Employer contributions	\$ 280	\$ 308	\$ 414
Net investment income	306	18	394
Benefit payments	(324)	(261)	(230)
Administrative expenses	(8)	(6)	(11)
Net change in Fiduciary Net Position	\$ 254	\$ 59	\$ 567
Fiduciary Net Position - beginning	5,156	5,097	4,530
Fiduciary Net Position - ending (b)	\$ 5,410	\$ 5,156	\$ 5,097
Net Pension Liability (a) - (b)	\$ 1,361	\$ 1,530	\$ 1,262
Fiduciary Net Position as a percentage of the Total Pension Liability	79.9%	77.1%	80.2%
Covered employee payroll (frozen plan)	n/a	n/a	n/a
Net Pension Liability as a percentage of covered employee payroll	n/a	n/a	n/a

Notes to schedule:

The plan was frozen in 2008. Therefore, current & future wages have no impact on Net Pension Liability.

Total pension liability at December 31, 2016 is based on a rollforward of the January 1, 2016 actuarial valuation.

REQUIRED SUPPLEMENTAL INFORMATION

District Special Project Retirement Income Plan Schedule of Contributions

	2016	2015	2014
Actuarially determined contribution	\$ 279	\$ 274	\$ 307
Contributions in relation to the actuarially determined contribution	280	308	414
Contribution deficiency/(excess)	\$ (1)	\$ (34)	\$ (107)
Covered employee payroll (frozen plan)	n/a	n/a	n/a
Contributions as a percentage of covered employee payroll	n/a	n/a	n/a

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	Unit Credit
Amortization method	Rolling level amortization over a declining period
Remaining amortization period	11 years(2016), 12 years(2015), 13 years(2014)
Asset valuation method	Fair value with smoothing
Inflation	In 2015, the inflation rate was changed to 2.75%. Previously, 2% was used.
Salary increase	Earned benefits frozen in 2008
Investment rate of return	7%, net of pension plan investment expense, including inflation
Retirement age	Normal retirement age - the earlier of (a) age 65 or (b) the "rule of 90" where the participant's age and years of service added together equal 90 or greater
Mortality	1994 GAR projected to 2002

District Special Project Retirement Income Plan Schedule of Investment Returns

	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	5.98%	0.29%	8.55%

REQUIRED SUPPLEMENTAL INFORMATION

**Other Post Employment Benefit Plan
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial			Funded Ratio (a/b)	Covered Payroll (in thousands) (c)	UAAL as a Percent of Covered Payroll ((b-a)/c)
	Value of Assets (in thousands) (a)	Accrued Liability (AAL) (in thousands) (b)	Unfunded AAL (UAAL) (in thousands) (b-a)			
January 1, 2016	\$ 33,858	\$ 125,244	\$ 91,386	27%	\$ 84,904	108%
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 (in thousands)	Percentage Contributed	Net OPEB Obligation (in thousands)
2016	\$ 11,416	138%	\$ 73,539
2015	\$ 12,978	106%	\$ 80,350
2014	\$ 12,978	109%	\$ 83,734
2013	\$ 21,869	57%	\$ 87,648
2012	\$ 21,619	87%	\$ 79,493
2011	\$ 20,722	33%	\$ 77,850

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, 2016**

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.

San Antonio Water System
DESCRIPTION OF FUNDS
For the Year Ended December 31, 2016

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
- (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, 2016
(amounts in thousands)

	System Fund	Debt Service Fund
CURRENT ASSETS		
<i>Unrestricted Current Assets</i>		
Cash and cash equivalents	\$ 54,045	\$ -
Investments	-	-
Accounts receivable	66,262	-
Other current assets	9,699	-
Interfund receivables	58,936	-
Total unrestricted current assets	188,942	-
<i>Restricted Current Assets</i>		
Cash and cash equivalents	-	2,450
Investments	65,660	74,336
Total restricted current assets	65,660	76,786
Total Current Assets	254,602	76,786
NONCURRENT ASSETS		
<i>Unrestricted Noncurrent Assets</i>		
Accounts receivable, non current	2,631	-
<i>Restricted Noncurrent Assets</i>		
Cash and cash equivalents	-	-
Investments	-	-
Interfund receivables	-	-
<i>Capital Assets:</i>		
Utility plant in service	6,296,468	-
Less allowance for depreciation	1,989,093	-
	4,307,375	-
Land, water rights and other intangible assets	350,121	-
Construction in progress	228,595	-
Total capital assets (net of accumulated depreciation)	4,886,091	-
Total Noncurrent Assets	4,888,722	-
TOTAL ASSETS	5,143,324	76,786
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on bond refunding	54,317	-
Deferred outflows - pension	28,115	-
Accumulated decrease in fair value of hedging derivative	12,965	-
	95,397	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,238,721	\$ 76,786

<u>Reserve Fund</u>	<u>Renewal and Replacement Fund</u>	<u>Project Fund</u>	<u>Combined Total</u>
\$ -	\$ -	\$ -	\$ 54,045
-	243,538	-	243,538
-	765	-	67,027
-	1,619	-	11,318
(517)	(58,419)	-	-
<u>(517)</u>	<u>187,503</u>	<u>-</u>	<u>375,928</u>
-	-	-	2,450
-	27,556	14,994	182,546
-	27,556	14,994	184,996
<u>(517)</u>	<u>215,059</u>	<u>14,994</u>	<u>560,924</u>
-	-	-	2,631
15,276	-	84,965	100,241
73,126	150,198	122,449	345,773
-	-	-	-
-	-	-	6,296,468
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,989,093</u>
-	-	-	4,307,375
-	-	-	350,121
<u>-</u>	<u>-</u>	<u>-</u>	<u>228,595</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,886,091</u>
<u>88,402</u>	<u>150,198</u>	<u>207,414</u>	<u>5,334,736</u>
87,885	365,257	222,408	5,895,660
-	-	-	54,317
-	-	-	28,115
<u>-</u>	<u>-</u>	<u>-</u>	<u>12,965</u>
-	-	-	95,397
<u>\$ 87,885</u>	<u>\$ 365,257</u>	<u>\$ 222,408</u>	<u>\$ 5,991,057</u>

San Antonio Water System
COMBINING SCHEDULE OF NET POSITION
December 31, 2016
(amounts in thousands)

	System Fund	Debt Service Fund
CURRENT LIABILITIES		
Current Liabilities To Be Paid From Unrestricted Assets		
Accounts payable	\$ 45,376	\$ -
Accrued vacation payable	5,451	-
Accrued payroll and benefits	4,138	-
Accrued claims payable	7,273	-
Sundry payables and accruals	1,638	-
Total unrestricted current liabilities	63,876	-
Current Liabilities To Be Paid From Restricted Assets		
Accrued interest payable	-	16,390
Payables under construction contracts	-	-
Customers' deposits	13,381	-
Commercial paper notes	3,550	-
Revenue bonds payable within one year	83,040	-
Total restricted current liabilities	99,971	16,390
Total Current Liabilities	163,847	16,390
NONCURRENT LIABILITIES		
Accrued vacation payable	3,402	-
Net pension liability	63,022	-
Net OPEB obligation	73,539	-
Derivative instrument	16,863	-
Commercial paper notes	238,060	-
Revenue bonds payable after one year, net of unamortized premiums and discounts	2,725,373	-
Total Noncurrent Liabilities	3,120,259	-
TOTAL LIABILITIES	3,284,106	16,390
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension	2,793	-
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	3,286,899	16,390
NET POSITION		
Net investment in capital assets	1,899,543	-
Restricted for operations	52,279	-
Restricted for debt service	-	60,396
Restricted for debt service reserve	-	-
Restricted for construction	-	-
Unrestricted	-	-
TOTAL NET POSITION	\$ 1,951,822	\$ 60,396

<u>Reserve Fund</u>	<u>Renewal and Replacement Fund</u>	<u>Project Fund</u>	<u>Combined Total</u>
\$ -	\$ -	\$ -	\$ 45,376
-	-	-	5,451
-	-	-	4,138
-	-	-	7,273
-	-	-	1,638
<u>-</u>	<u>-</u>	<u>-</u>	<u>63,876</u>
-	-	-	16,390
-	27,556	14,994	42,550
-	-	-	13,381
-	-	-	3,550
-	-	-	83,040
<u>-</u>	<u>27,556</u>	<u>14,994</u>	<u>158,911</u>
-	27,556	14,994	222,787
-	-	-	3,402
-	-	-	63,022
-	-	-	73,539
-	-	-	16,863
-	-	-	238,060
<u>31,869</u>	<u>-</u>	<u>-</u>	<u>2,757,242</u>
<u>31,869</u>	<u>-</u>	<u>-</u>	<u>3,152,128</u>
<u>31,869</u>	<u>27,556</u>	<u>14,994</u>	<u>3,374,915</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,793</u>
31,869	27,556	14,994	3,377,708
-	-	207,414	2,106,957
-	-	-	52,279
-	-	-	60,396
56,016	-	-	56,016
-	150,198	-	150,198
-	187,503	-	187,503
<u>\$ 56,016</u>	<u>\$ 337,701</u>	<u>\$ 207,414</u>	<u>\$ 2,613,349</u>

San Antonio Water System
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Year Ended December 31, 2016
(amounts in thousands)

	System Fund	Debt Service Fund
OPERATING REVENUES		
Water delivery system	\$ 190,913	\$ -
Water supply system	185,037	-
Wastewater system	234,966	-
Chilled water and steam system	11,541	-
Total operating revenues	622,457	-
OPERATING EXPENSE		
Salaries and fringe benefits	142,315	-
Contractual services	170,845	-
Materials and supplies	21,959	-
Other charges	12,702	-
Less: Costs capitalized to Construction in Progress	(32,426)	-
Total operating expenses before depreciation	315,395	-
Depreciation expense	142,856	-
Total operating expenses	458,251	-
Operating income	164,206	-
NONOPERATING REVENUES:		
Interest earned and miscellaneous	723	4,101
NONOPERATING EXPENSES:		
Interest expense	(19,821)	106,387
Debt issue costs	4,716	-
Other finance charges	2,121	-
Gain on sale of capital assets	(3,087)	-
Payments to the City of San Antonio	14,228	-
Payments to other entities	109	-
Total nonoperating expenses	(1,734)	106,387
Increase/(Decrease) in net position, before capital contributions	166,663	(102,286)
Capital contributions	73,889	-
CHANGE IN NET POSITION - carried forward	\$ 240,552	\$ (102,286)

Reserve Fund	Renewal and Replacement Fund	Project Fund	Combined Total
\$ -	\$ -	\$ -	\$ 190,913
-	-	-	185,037
-	-	-	234,966
-	-	-	11,541
<u>-</u>	<u>-</u>	<u>-</u>	<u>622,457</u>
-	-	-	142,315
-	-	-	170,845
-	-	-	21,959
-	-	-	12,702
-	-	-	(32,426)
<u>-</u>	<u>-</u>	<u>-</u>	<u>315,395</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>142,856</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>458,251</u>
-	-	-	164,206
540	2,242	540	8,146
-	-	-	86,566
-	-	-	4,716
-	-	-	2,121
-	-	-	(3,087)
-	-	-	14,228
-	-	-	109
<u>-</u>	<u>-</u>	<u>-</u>	<u>104,653</u>
540	2,242	540	67,699
<u>-</u>	<u>71,857</u>	<u>-</u>	<u>145,746</u>
<u>\$ 540</u>	<u>\$ 74,099</u>	<u>\$ 540</u>	<u>\$ 213,445</u>

San Antonio Water System
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Year Ended December 31, 2016
(amounts in thousands)

	System Fund	Debt Service Fund
CHANGE IN NET POSITION - brought forward	\$ 240,552	\$ (102,286)
Net Position, December 31, 2015 (restated)	1,806,752	56,775
Residual equity transfers in (out)	(288,897)	187,872
Commercial paper issued	(118,700)	-
Proceeds from Bond Issue	(746,389)	-
Bond issuance costs	4,716	-
Repayment of commercial paper	12,395	(3,395)
Refunding of flexible rate bank notes	88,700	
Retirement of bonds	648,367	(78,570)
Expenditures for plant additions	304,326	-
Net position, December 31, 2016	<u>\$ 1,951,822</u>	<u>\$ 60,396</u>

Reserve Fund	Renewal and Replacement Fund	Project Fund	Combined Total
\$ 540	\$ 74,099	\$ 540	\$ 213,445
62,716	293,005	180,656	2,399,904
(2,661)	103,686	-	-
-	-	118,700	-
-	-	746,389	-
-	-	(4,716)	-
-	-	(9,000)	-
-	-	(88,700)	-
(4,579)	-	(565,218)	-
-	(133,089)	(171,237)	-
<u>\$ 56,016</u>	<u>\$ 337,701</u>	<u>\$ 207,414</u>	<u>\$ 2,613,349</u>

San Antonio Water System
COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended December 31, 2016
(amounts in thousands)

	System Fund	Debt Service Fund
	<hr/>	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 618,134	\$ -
Cash paid to vendors for operations	(191,712)	-
Cash paid to employees for services	(122,649)	-
Net cash provided by operating activities	<hr/> 303,773	<hr/> -
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to the City of San Antonio	(9,749)	-
Transfers to other entities	(108)	-
Transfers in (out)	(8,104)	343
Equity transfers	(288,896)	187,873
Net cash provided by/(used for) noncapital financing activities	<hr/> (306,857)	<hr/> 188,216
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	5,315	-
Proceeds from capital recovery fees	-	-
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	-	(3,395)
Payments to refund flexible rate bank notes	-	-
Proceeds from revenue bonds	-	-
Payments for retirement of revenue bonds	-	(78,570)
Payments of interest on commercial paper	-	(4,336)
Payments of interest on revenue bonds	-	(101,820)
Payments for bond related expenses	-	-
Payments for bank charges	(2,130)	-
Net cash provided by/(used for) capital and related financing	<hr/> 3,185	<hr/> (188,121)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(10,284)	(143,262)
Maturity of investments	-	135,446
Interest income	718	4,101
Net cash provided by/(used for) investing activities	<hr/> (9,566)	<hr/> (3,715)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(9,465)	(3,620)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<hr/> 63,510	<hr/> 6,070
CASH AND CASH EQUIVALENTS, AT END OF YEAR	<hr/> <hr/> \$ 54,045	<hr/> <hr/> \$ 2,450

Reserve Fund	Renewal and Replacement Fund	Project Fund	Combined Total
\$ -	\$ -	\$ -	\$ 618,134
-	-	-	(191,712)
-	-	-	(122,649)
-	-	-	303,773
-	-	-	(9,749)
-	-	-	(108)
2,321	5,440	-	-
(2,661)	103,684	-	-
(340)	109,124	-	(9,857)
-	-	-	5,315
-	67,991	-	67,991
-	3,866	-	3,866
-	(20,931)	-	(20,931)
-	(11,565)	-	(11,565)
-	(8,584)	-	(8,584)
-	(75,428)	(188,872)	(264,300)
-	-	118,700	118,700
-	-	-	(3,395)
-	-	(88,700)	(88,700)
348	-	172,170	172,518
-	-	-	(78,570)
-	-	-	(4,336)
(5,955)	-	-	(107,775)
-	-	(4,716)	(4,716)
-	-	-	(2,130)
(5,607)	(44,651)	8,582	(226,612)
(62,371)	(593,630)	(176,952)	(986,499)
76,891	480,813	94,024	787,174
538	2,127	472	7,956
15,058	(110,690)	(82,456)	(191,369)
9,111	(46,217)	(73,874)	(124,065)
6,165	46,217	158,839	280,801
<u>\$ 15,276</u>	<u>\$ -</u>	<u>\$ 84,965</u>	<u>\$ 156,736</u>

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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>2016</u>	<u>2015¹</u>	<u>Increase (Decrease)</u>
SOURCES OF FUNDS			
OPERATING REVENUES			
Water delivery system	\$ 190,913	\$ 168,338	\$ 22,575
Water supply system	185,037	163,759	21,278
Wastewater System	234,966	213,833	21,133
Chilled water and steam system	11,541	11,102	439
Total operating revenues	<u>622,457</u>	<u>557,032</u>	<u>65,425</u>
NONOPERATING REVENUES			
Interest earned and miscellaneous	8,146	6,079	2,067
Other financing sources (draw on equity)	1,400	1,400	-
Total nonoperating revenues	<u>9,546</u>	<u>7,479</u>	<u>2,067</u>
CAPITAL CONTRIBUTIONS			
Capital Recovery Fees	67,991	64,056	3,935
Grant Revenue	3,866	-	3,866
Total capital contributions	<u>71,857</u>	<u>64,056</u>	<u>7,801</u>
TOTAL SOURCES OF FUNDS	<u>\$ 703,860</u>	<u>\$ 628,567</u>	<u>\$ 75,293</u>
USES OF FUNDS			
OPERATION AND MAINTENANCE			
Salaries and fringe benefits	\$ 142,795	\$ 140,247	\$ 2,548
Contractual services	170,845	163,768	7,077
Materials and supplies	21,959	23,490	(1,531)
Other charges	12,269	7,501	4,768
Less: Costs capitalized to Construction in Progress	(32,629)	(38,514)	5,885
Total operation and maintenance	<u>315,239</u>	<u>296,492</u>	<u>18,747</u>
OPERATING RESERVE REQUIREMENT	519	1,092	(573)
DEBT REQUIREMENTS			
Interest costs	106,524	108,998	(2,474)
Retirement of bonds	84,784	79,421	5,363
Other debt expense	2,121	1,970	151
Total debt requirements	<u>193,429</u>	<u>190,389</u>	<u>3,040</u>
TRANSFER TO THE CITY'S GENERAL FUND	14,228	13,089	1,139
AMOUNT AVAILABLE FOR TRANSFER TO THE RENEWAL AND REPLACEMENT FUND:			
CAPITAL CONTRIBUTIONS	71,857	64,056	7,801
GENERAL	108,588	63,449	45,139
Total amount available for Renewal and Replacement Funds	<u>180,445</u>	<u>127,505</u>	<u>52,940</u>
TOTAL USES OF FUNDS	<u>\$ 703,860</u>	<u>\$ 628,567</u>	<u>\$ 75,293</u>

¹ Amounts have been restated to incorporate the financial results of SAWS DSP.

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, 2016

	<u>Actual</u>	<u>Annual Budget</u>	<u>Variance</u>
SOURCES OF FUNDS			
OPERATING REVENUES			
Water delivery system	\$ 190,913	\$ 188,825	\$ 2,088
Water supply system	185,037	186,670	(1,633)
Wastewater System	234,966	228,006	6,960
Chilled water and steam system	11,541	10,236	1,305
Total operating revenues	<u>622,457</u>	<u>613,737</u>	<u>8,720</u>
NONOPERATING REVENUES			
Interest earned and miscellaneous	8,146	5,613	2,533
Other financing sources (draw on equity)	1,400	1,400	-
Total nonoperating revenues	<u>9,546</u>	<u>7,013</u>	<u>2,533</u>
CAPITAL CONTRIBUTIONS			
Capital Recovery Fees	67,991	57,029	10,962
Grant Revenue	3,866	-	3,866
Total capital contributions	<u>71,857</u>	<u>57,029</u>	<u>14,828</u>
TOTAL SOURCES OF FUNDS	<u>\$ 703,860</u>	<u>\$ 677,779</u>	<u>\$ 26,081</u>
USES OF FUNDS			
OPERATION AND MAINTENANCE			
Salaries and fringe benefits	\$ 142,795	\$ 147,992	\$ 5,197
Contractual services	170,845	175,318	4,473
Materials and supplies	21,959	22,306	347
Other charges	12,269	10,311	(1,958)
Less: Costs capitalized to Construction in Progress	(32,629)	(42,251)	(9,622)
Total operation and maintenance	<u>315,239</u>	<u>313,676</u>	<u>(1,563)</u>
OPERATING RESERVE REQUIREMENT	519	2,837	2,318
DEBT REQUIREMENTS			
Interest costs	106,524	121,183	14,659
Retirement of bonds	84,784	87,007	2,223
Other Debt Expense	2,121	2,358	237
Total debt requirements	<u>193,429</u>	<u>210,548</u>	<u>17,119</u>
TRANSFER TO THE CITY'S GENERAL FUND	14,228	13,870	(358)
AMOUNT AVAILABLE FOR TRANSFER TO THE RENEWAL AND REPLACEMENT FUND:			
CAPITAL CONTRIBUTIONS	71,857	57,029	(14,828)
GENERAL	<u>108,588</u>	<u>79,819</u>	<u>(28,769)</u>
Total amount available for Renewal and Replacement Funds	<u>180,445</u>	<u>136,848</u>	<u>(43,597)</u>
TOTAL USES OF FUNDS	<u>\$ 703,860</u>	<u>\$ 677,779</u>	<u>\$ (26,081)</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, 2016

Account Code	Classification	<i>(amounts in thousands)</i>			%
		Actual	Budget (as amended)	Variance Over/(Under)	
SALARIES AND FRINGE BENEFITS					
511100	Salaries	\$ 91,188	\$ 96,451	\$ 5,263	5.5%
511140	Overtime Pay	5,226	3,701	(1,525)	-41.2%
511150	On-Call Pay	617	511	(106)	-20.7%
511160	Employee Insurance	17,684	17,510	(174)	-1.0%
511162	Employee Retirement	19,004	20,022	1,018	5.1%
511164	Compensation for Unused Sick Leave	(22)	70	92	131.4%
511166	Personal Leave Buyback	846	950	104	10.9%
511168	Vacation Pay	674	1,200	526	43.8%
511170	Incentive Pay	83	77	(6)	-7.8%
511175	Other postemployment benefits	7,500	7,500	-	0.0%
511740	Direct labor charged to SAWS District Special Project	(5)	-	5	-
	Total Salaries and Fringe Benefits	142,795	147,992	5,197	3.5%
CONTRACTUAL SERVICES					
511210	Operating Expense	2,120	1,976	(144)	-7.3%
511211	Rental of Facilities	241	322	81	25.2%
511212	Alarm and Security	1,666	1,134	(532)	-46.9%
511214	Shoe Reimbursement	246	330	84	25.5%
511216	Catering Services	94	92	(2)	-2.2%
511219	Program Rebates	2,687	3,677	990	26.9%
511220	Maintenance Expense	15,870	13,435	(2,435)	-18.1%
511221	Street Cut Permit	847	751	(96)	-12.8%
511222	Street Pavement Repair Fees	1,776	1,704	(72)	-4.2%
511223	Preventative Maintenance	135	77	(58)	-75.3%
511224	Corrective Maintenance	1,804	1,477	(327)	-22.1%
511225	Damage Repair	286	179	(107)	-59.8%
511230	Outside Equipment Rental	621	677	56	8.3%
511240	Travel	109	201	92	45.8%
511245	Training	602	618	16	2.6%
511247	Conferences	60	86	26	30.2%
511250	Memberships and Subscriptions	495	386	(109)	-28.2%
511260	Utilities	26,662	31,481	4,819	15.3%
511261	Water Options & Purchases	46,616	43,232	(3,384)	-7.8%
511265	Groundwater District Payments	24,448	24,999	551	2.2%
511270	Postage	2,113	2,298	185	8.1%
511280	Telemetering Charges	3	3	-	0.0%
511309	Educational Assistance - Books	5	15	10	66.7%
511310	Educational Assistance - Tuition	106	210	104	49.5%
511312	Contractual Professional Services	31,294	33,695	2,401	7.1%
511313	Inspection and Assessment Fees	1,791	1,822	31	1.7%
511314	Water Treatment Plant Contractual Fees	5	300	370	36.6%
511315	Temporary Employees	642	1,012	370	36.6%
511320	Legal Services	1,481	3,155	1,674	53.1%
511370	Communications	1,376	1,433	57	4.0%
511381	Software and Hardware Maintenance	4,644	4,541	(103)	-2.3%
	Total Contractual Services	170,845	175,318	4,178	2.4%

San Antonio Water System
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT (SYSTEM FUND)
For the year ended December 31, 2016

Account Code	Classification	<i>(amounts in thousands)</i>			
		Actual	Budget (as amended)	Variance Over/(Under)	%
MATERIALS AND SUPPLIES					
511410	Small Tools	696	731	35	4.8%
511417	Copy and Printing Expense	18	42	24	57.1%
511420	Operating Materials and Supplies	2,554	2,301	(253)	-11.0%
511421	Heating Fuel	16	50	34	68.0%
511422	Chemicals	6,192	6,407	215	3.4%
511425	Education of School Children	30	30	-	0.0%
511426	Public Awareness - WQEE	-	1	1	100.0%
511427	Enforcement	-	20	20	100.0%
511428	Program Materials	-	1	1	100.0%
511430	Maintenance Materials and Supplies	8,887	8,296	(591)	-7.1%
511440	Safety Materials and Supplies	792	835	43	5.1%
511441	Inventory Variances	(8)	35	43	122.9%
511450	Tires and Tubes	733	632	(101)	-16.0%
511451	Motor Fuel and Lubricants	2,049	2,925	876	29.9%
	Total Materials and Supplies	21,959	22,306	347	1.6%
OTHER CHARGES					
511510	Judgment and Claim Settlements	919	1,030	111	10.8%
511511	Auto & General Liability Claims - Contingent Liability	-	75	75	100.0%
511520	Bank Charges	2	20	18	90.0%
511525	Cash Short/(Over)	6	-	(6)	-
511530	Employee Relations	170	171	1	0.6%
511540	Retiree Medical Coverage	8,096	6,498	(1,598)	-24.6%
511570	General Liability & Fire Insurance	997	1,367	370	27.1%
511580	Unemployment Compensation	44	80	36	45.0%
511590	Workers' Compensation - Medical Payments	1,773	900	(873)	-97.0%
511610	Workers' Compensation - Benefits and Payments	230	125	(105)	-84.0%
511620	Workers' Compensation - Misc. Claims Expenditures	32	45	13	28.9%
	Total Other Charges	12,269	10,311	(1,958)	-19.0%
	Subtotal before Transfers	347,868	355,927	7,764	2.2%
511720	Interfund Transfers	(32,629)	(42,251)	(9,622)	22.8%
	Total Interfund Transfers	(32,629)	(42,251)	(9,622)	22.8%
	Total Operation and Maintenance	\$ 315,239	\$ 313,676	\$ (1,858)	-0.6%

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, 2016 and 2015

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, 2016 and 2015

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,	
	2016	2015
Operating and maintenance costs per Supplemental Schedules	\$ 315,239	\$ 296,492
Unfunded/(overfunded) benefit expense	(2,191)	(5,938)
Write-off of asset impairments	2,144	-
Portion of overfunded/(unfunded) benefits capitalized to Construction in Progress	203	692
Operating expenses before depreciation per Statement of Revenues, Expenses and Changes in Net Position	\$ 315,395	\$ 291,246

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STATISTICAL SECTION

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**San Antonio Water System
Statistical Section
Table of Contents**

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									
	2016 (a)	2015 (a)	2014	2013	2012	2011	2010	2009	2008	2007
System Fund:										
Net investment in capital assets	\$ 1,899,543	\$ 1,758,636	\$ 1,497,886	\$ 1,482,196	\$ 1,564,406	\$ 1,447,651	\$ 1,291,968	\$ 1,262,840	\$ 1,297,893	\$ 1,104,726
Restricted	52,279	45,801	43,385	40,656	38,389	35,227	33,955	34,649	32,257	29,567
Unrestricted	-	-	-	-	-	-	19,017	19,407	17,937	19,475
Total net position - System Fund	1,951,822	1,804,437	1,541,271	1,522,852	1,602,795	1,482,878	1,344,940	1,316,896	1,348,087	1,153,768
Debt Service Fund:										
Restricted	60,396	56,775	47,123	39,710	34,254	34,862	31,222	27,511	25,790	21,324
Total net position - Debt Service Fund	60,396	56,775	47,123	39,710	34,254	34,862	31,222	27,511	25,790	21,324
Reserve Fund:										
Restricted	56,016	62,716	66,665	62,560	58,681	54,696	50,688	41,479	11,222	-
Total net position - Reserve Fund	56,016	62,716	66,665	62,560	58,681	54,696	50,688	41,479	11,222	-
Renewal & Replacement Fund:										
Restricted (b)	150,198	168,968	140,937	101,212	83,968	98,455	98,555	89,888	85,191	116,344
Unrestricted	187,503	126,352	137,207	118,285	116,179	120,363	94,402	134,096	171,992	185,220
Total net position - Renewal & Replacement Fund	337,701	295,320	278,144	219,497	200,147	218,818	192,957	223,984	257,183	301,564
Project Fund:										
Net investment in capital assets	207,414	180,656	232,379	179,448	38,101	48,481	159,254	168,738	83,567	93,273
Total net position - Project Fund	207,414	180,656	232,379	179,448	38,101	48,481	159,254	168,738	83,567	93,273
Total - All Funds:										
Net investment in capital assets (b)	2,106,957	1,939,292	1,730,265	1,661,644	1,602,507	1,496,132	1,451,222	1,431,578	1,381,460	1,197,999
Restricted (b)	318,889	334,260	298,110	244,138	215,292	223,240	214,420	193,527	154,460	167,235
Unrestricted	187,503	126,352	137,207	118,285	116,179	120,363	113,419	153,503	189,929	204,695
Total Net Position	\$ 2,613,349	\$ 2,399,904	\$ 2,165,582	\$ 2,024,067	\$ 1,933,978	\$ 1,839,735	\$ 1,779,061	\$ 1,778,608	\$ 1,725,849	\$ 1,569,929

(a) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.

(b) Prior to 2016, unspent capital recovery fees were reported in Net Investment in Capital Assets. To better reflect the intended purpose of the funding, unspent capital recovery fees are reported as Restricted for construction. All years presented in this schedule have been restated to reflect the change in classification.

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

	Fiscal Year									
	2016 (a)	2015 (a)	2014	2013	2012	2011	2010	2009	2008	2007
Operating revenues:										
Water delivery	\$ 190,913	\$ 168,338	\$ 127,708	\$ 119,767	\$ 121,078	\$ 125,188	\$ 106,864	\$ 105,204	\$ 111,379	\$ 89,991
Water supply	185,037	163,759	150,079	134,367	136,704	130,755	117,402	113,783	123,167	101,550
Wastewater	234,966	213,833	210,704	195,584	168,368	150,520	132,408	133,641	127,400	123,180
Chilled water & steam	11,541	11,102	11,152	12,621	12,378	11,631	12,223	12,714	12,675	12,997
	<u>622,457</u>	<u>557,032</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>
Operating expenses before depreciation:										
Salaries and fringe benefits	142,315	133,681	115,049	125,210	125,295	127,816	121,523	115,177	103,556	95,821
Contractual services	170,845	163,768	127,685	107,194	100,165	66,900	82,708	89,112	89,894	83,243
Materials and supplies	21,959	23,490	20,930	23,355	23,966	24,868	20,320	22,768	22,438	17,947
Other charges	12,702	8,129	12,355	20,423	21,790	21,756	36,883	24,398	20,735	17,884
Less: Costs capitalized to										
Construction in Progress	(32,426)	(37,822)	(30,964)	(31,834)	(33,640)	(32,282)	(34,945)	(35,643)	(31,137)	(29,334)
Internal Service Fund - net (gain)/loss										
Operating expense before depreciation	<u>315,395</u>	<u>291,246</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>
Depreciation	142,856	141,259	123,111	111,375	103,034	98,374	107,761	86,535	83,494	78,307
Total operating expenses	<u>458,251</u>	<u>432,505</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>
Operating Income	164,206	124,527	131,477	106,616	97,918	110,662	34,647	62,995	85,641	63,850
Non-operating revenues:										
Interest and miscellaneous	8,146	6,079	5,792	5,410	6,149	5,955	3,625	4,511	14,382	24,442
Non-operating expenses:										
Interest expense	86,566	89,971	78,049	75,606	73,987	77,022	76,805	67,686	63,556	63,672
Debt issue costs/Amortization of debt issuance costs	4,716	3,831	2,914	4,112	3,835	2,346	2,081	1,465	1,521	1,015
Other finance charges	2,121	2,041	2,726	2,361	2,934	2,881	2,936	2,508	1,418	880
(Gain)/Loss on sale of capital assets	(3,087)	(4,674)	(23)	(1,075)	(430)	(773)	(392)	104	(4,014)	4
Payments to City of San Antonio	14,228	12,683	13,089	11,528	11,161	10,926	9,565	9,740	10,448	9,376
Payments to other entities	109	106	114	130	122	124	124	119	119	192
Total non-operating expense	<u>104,653</u>	<u>103,958</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>
Increases (decreases) in net position, before capital contributions	67,699	26,648	40,400	19,364	12,458	24,091	(52,847)	(14,116)	26,975	13,153
Capital contributions										
Plant Contributions	73,889	71,967	49,081	32,891	44,787	23,263	27,162	42,190	91,827	104,795
Capital Recovery Fees	67,991	64,056	51,973	37,289	36,761	35,872	25,038	23,636	36,842	32,926
Grant Revenue	3,866	-	61	545	237	345	1,100	1,049	276	2,043
Total contributions	<u>145,746</u>	<u>136,023</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>
Change in net position	\$ 213,445	\$ 162,671	\$ 141,515	\$ 90,089	\$ 94,243	\$ 83,571	\$ 453	\$ 52,759	\$ 155,920	\$ 152,917

(a) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.

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

	Fiscal Year									
	2016 (a)	2015 (a)	2014	2013	2012	2011	2010	2009	2008	2007
Assets:										
Capital Assets, net of accumulated depreciation	\$ 4,886,091	\$ 4,647,786	\$ 4,089,478	\$ 3,964,000	\$ 3,771,228	\$ 3,553,065	\$ 3,362,867	\$ 3,174,264	\$ 2,967,190	\$ 2,697,592
Cash and Investments	928,593	853,417	819,232	689,483	517,876	528,761	575,629	576,652	478,919	480,240
Other Assets	80,976	81,889	79,478	75,998	71,241	63,658	75,578	74,823	71,110	72,796
Total Assets	5,895,660	5,583,092	4,988,188	4,729,481	4,360,345	4,145,484	4,014,074	3,825,739	3,517,219	3,250,628
Deferred Outflows of Resources										
Deferred Charge on Bond Refunding	54,317	30,103	29,086	30,943	30,561	2,494	-	-	-	-
Deferred outflows - Pension	28,115	16,083	-	-	-	-	-	-	-	-
Accumulated Decrease in Fair Value of Hedging Derivatives	12,965	16,394	15,520	8,372	19,746	18,380	5,575	-	-	-
Total Deferred Outflows of Resources	95,397	62,580	44,606	39,315	50,307	20,874	5,575	-	-	-
Liabilities:										
Revenue Bonds Payable (net)	2,840,282	2,730,363	2,507,419	2,348,834	2,083,545	1,898,839	1,832,523	1,743,689	1,408,182	1,492,865
Commercial Paper and Flexible Rate Notes	241,610	224,005	138,550	186,655	170,745	214,930	244,650	173,650	261,115	100,000
Other Liabilities	293,023	284,617	221,243	209,240	222,384	212,854	163,415	129,792	122,073	87,834
Total Liabilities	3,374,915	3,238,985	2,867,212	2,744,729	2,476,674	2,326,623	2,240,588	2,047,131	1,791,370	1,680,699
Deferred Inflows of Resources										
Deferred inflows - pension	2,793	6,783	-	-	-	-	-	-	-	-
Net Position in System	\$ 2,613,349	\$ 2,399,904	\$ 2,165,582	\$ 2,024,067	\$ 1,933,978	\$ 1,839,735	\$ 1,779,061	\$ 1,778,608	\$ 1,725,849	\$ 1,569,929
Percentage Net Position in System	43.6%	42.5%	43.0%	42.4%	43.8%	44.2%	44.3%	46.5%	49.1%	48.3%

(a) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.

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)
2016 (g)	76,857	63,934	12,923	16.81%	49,282	\$ 10.90	\$ 21.18	\$ 12.35	\$ 14.48
2015 (g)	76,227	62,896	13,331	17.49%	48,563	7.75	19.73	12.75	14.04
2014	68,265	57,261	11,004	16.12%	50,689	7.49	18.98	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	17.95	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	16.02	8.73	9.60
2009	62,649	55,295	7,354	11.74%	51,987	6.77	18.73	7.76	8.58
2008	68,250	58,828	9,422	13.81%	50,347	6.56	18.61	7.37	8.15
2007	56,813	49,511	7,302	12.85%	49,218	6.56	18.31	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.
- (g) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.

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

	Fiscal Year									
	2016 (a)	2015 (a)	2014	2013	2012	2011	2010	2009	2008	2007
Water Sales:										
Residential Class	\$100,982	\$95,068	\$74,062	\$71,536	\$72,620	\$79,332	\$66,410	\$65,333	\$68,516	\$56,096
General Class	63,781	56,041	37,878	35,099	35,504	33,571	32,326	32,943	32,330	29,313
Wholesale Class	767	432	3,233	1,640	1,255	234	136	204	179	120
Irrigation Class	20,239	13,113	11,011	10,893	11,164	11,722	12,909	12,176	16,124	10,659
Total Water	185,769	164,654	126,184	119,168	120,543	124,859	111,781	110,656	117,149	96,188
Water Supply Fees										
Residential Class	73,518	60,067	48,270	43,121	44,163	51,696	45,312	45,909	49,042	39,081
General Class	42,748	44,746	39,355	32,393	32,537	31,586	29,764	30,403	30,140	28,105
Wholesale Class	865	588	7,196	3,227	2,294	202	158	178	160	132
Irrigation Class	15,437	14,491	12,551	12,057	12,058	13,029	7,154	6,288	8,016	5,285
Total Water Supply Fees	132,568	119,892	107,372	90,798	91,052	96,513	82,388	82,778	87,358	72,603
EAA Pass-through fees (b)										
Residential Class	14,110	10,915	9,654	9,905	10,841	4,767	5,423	3,605	5,893	3,561
General Class	9,606	7,380	6,874	6,991	7,352	2,930	3,648	2,387	3,622	2,560
Wholesale Class	157	114	1,271	659	509	18	19	14	19	12
Irrigation Class	1,639	1,136	1,061	1,134	1,242	540	765	494	963	481
Total Pass-through fees	25,512	19,545	18,860	18,689	19,944	8,255	9,855	6,500	10,497	6,614
Conservation Fees:										
Residential Class	2,189	2,246	1,956	2,454	2,986	3,682	2,814	2,962	3,663	1,986
General Class	8,453	7,004	6,498	6,606	7,040	6,702	4,461	4,008	3,938	3,957
Total Conservation	10,642	9,250	8,454	9,060	10,026	10,384	7,275	6,970	7,601	5,943
Wastewater Sales:										
Residential Class	134,860	124,992	125,051	116,775	98,674	88,702	79,118	81,202	75,752	72,212
General Class	80,696	71,267	68,371	62,300	54,175	48,271	41,768	41,343	40,034	38,554
Wholesale Class	8,729	8,064	7,848	7,599	6,761	6,105	5,044	5,225	5,281	6,469
Surcharge	6,292	5,401	5,450	5,438	5,134	4,815	4,861	4,648	4,614	4,409
Total Wastewater	230,577	209,724	206,720	192,112	164,744	147,893	130,791	132,418	125,681	121,644
TCEQ Pass-through fees (c)										
Water customers	1,460	1,412	1,169	1,086	1,064	1,178	964	-	-	-
Wastewater customers	448	429	433	347	411	464	280	-	-	-
	1,908	1,841	1,602	1,433	1,475	1,642	1,244	-	-	-
Recycled Water Sales	5,691	5,097	5,086	5,161	5,074	5,068	3,955	4,393	4,287	3,244
Stormwater Fees	4,967	4,797	4,420	5,058	4,558	4,158	3,745	3,358	3,037	3,056
Chilled Water & Steam (d)	11,548	11,184	11,251	12,719	12,485	11,715	12,337	12,714	12,758	13,101
Miscellaneous Fees and Charges	17,634	16,769	13,860	12,787	12,427	10,418	8,989	9,266	9,541	7,944
Provision for Uncollectible Accounts	(4,359)	(5,721)	(4,166)	(4,646)	(3,800)	(2,811)	(3,463)	(3,711)	(3,288)	(2,619)
Total Operating Revenue	\$622,457	\$557,032	\$499,643	\$462,339	\$438,528	\$418,094	\$368,897	\$365,342	\$374,621	\$327,718

- (a) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.
 (b) 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.
 (c) TCEQ pass-through fees are designed to recoup fees charged by the Texas Commission on Environmental Quality (TCEQ). Fee is a per customer charge.
 (d) Steam service was discontinued in June 2014

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

	Fiscal Year									
	2016 (a)	2015 (a)	2014	2013	2012	2011	2010	2009	2008	2007
Water Sales (b):										
Residential Class	35,360	35,769	29,310	29,206	30,070	34,153	28,932	30,667	33,025	26,651
General Class	24,074	23,212	20,870	20,614	20,393	20,986	19,465	20,309	20,297	19,166
Wholesale Class	393	354	3,861	1,943	1,412	128	101	119	108	90
Irrigation Class	4,107	3,561	3,220	3,345	3,445	3,866	4,080	4,200	5,398	3,604
Total Water	63,934	62,896	57,261	55,108	55,320	59,133	52,578	55,295	58,828	49,511
Wastewater Sales:										
Residential Class	26,462	26,048	27,896	27,617	26,572	27,371	26,746	29,825	28,148	27,383
General Class	20,503	20,281	20,502	20,100	20,066	20,134	20,002	20,338	20,352	19,634
Wholesale Class	2,317	2,234	2,291	2,359	2,417	2,413	1,404	1,824	1,847	2,200
Total Wastewater	49,282	48,563	50,689	50,076	49,055	49,918	48,152	51,987	50,347	49,217
Conservation - Residential Class (c & d)	6,611	2,284	2,296	2,520	3,026	4,106	2,935	3,469	3,948	2,432
Recycled Water Sales	18,436	18,421	18,323	18,359	18,129	18,990	14,968	16,321	16,559	14,148

- (a) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.
(b) Water Supply and EAA fees are billed based on the gallons billed for water sales.
(c) Gallons billed for conservation are included in the gallons billed for water sales.
(d) As part of a rate restructuring which took place on January 1, 2016, a portion of all monthly residential water sales in excess of 7,482 gallons is allocated to fund conservation related programs. Prior to 2016, this allocation was limited to monthly sales in excess of 17,205 gallons.

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

	Fiscal Year									
	2016 (a)	2015 (a)	2014	2013	2012	2011	2010	2009	2008	2007
Water (b):										
Residential Class	457,485	450,725	347,789	343,667	339,204	335,280	331,853	327,610	323,754	318,270
General Class	29,155	28,366	23,777	23,713	23,582	23,369	23,225	23,242	23,104	22,943
Wholesale Class	9	9	7	8	8	7	7	7	7	7
Total Water	486,649	479,100	371,573	367,388	362,794	358,656	355,085	350,859	346,865	341,220
Irrigation Class (c)	9,291	9,829	8,966	8,821	8,633	8,479	8,350	8,202	7,940	7,602
Wastewater:										
Residential Class	409,988	402,409	395,574	390,256	383,553	378,380	373,755	368,948	361,966	352,038
General Class	25,352	25,175	25,079	25,021	24,824	24,550	24,407	24,285	23,999	23,604
Wholesale Class	12	12	12	12	12	12	12	12	13	11
Total Wastewater	435,352	427,596	420,665	415,289	408,389	402,942	398,174	393,245	385,978	375,653
Conservation - Residential Class (d)	83,991	18,539	20,716	20,867	23,804	33,708	21,791	26,665	29,973	15,548
Recycled Water	107	109	102	97	92	80	81	86	76	71

- (a) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.
(b) Water Supply and EAA fees are billed to water customers with water usage.
(c) Represents the number of customers included in Residential, General and Wholesale Classes which also have irrigation meters.
(d) As part of a rate restructuring which took place on January 1, 2016, a portion of all monthly residential water sales in excess of 7,482 gallons is allocated to fund conservation related programs. Prior to 2016, this allocation was limited to monthly sales in excess of 17,205 gallons.

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Water										
Service Availability Charge by meter size:										
5/8"	\$ 10.72	\$ 7.57	\$ 7.31	\$ 7.14	\$ 7.14	\$ 6.91	\$ 6.91	\$ 6.77	\$ 6.56	\$ 6.56
3/4"	\$ 14.19	\$ 10.63	\$ 10.26	\$ 10.01	\$ 10.01	\$ 9.68	\$ 9.68	\$ 8.59	\$ 8.32	\$ 8.32
1"	\$ 21.09	\$ 16.72	\$ 16.14	\$ 15.75	\$ 15.75	\$ 15.23	\$ 15.23	\$ 12.49	\$ 12.10	\$ 12.10
1-1/2"	\$ 38.33	\$ 31.94	\$ 30.83	\$ 30.09	\$ 30.09	\$ 29.10	\$ 29.10	\$ 22.25	\$ 21.56	\$ 21.56
2"	\$ 59.01	\$ 50.18	\$ 48.44	\$ 47.28	\$ 47.28	\$ 45.73	\$ 45.73	\$ 33.95	\$ 32.90	\$ 32.90
3"	\$ 107.30	\$ 92.80	\$ 89.58	\$ 87.44	\$ 87.44	\$ 84.56	\$ 84.56	\$ 61.27	\$ 59.37	\$ 59.37
4"	\$ 176.26	\$ 153.67	\$ 148.33	\$ 144.78	\$ 144.78	\$ 140.02	\$ 140.02	\$ 100.30	\$ 97.19	\$ 97.19
6"	\$ 348.68	\$ 305.86	\$ 295.23	\$ 288.17	\$ 288.17	\$ 278.69	\$ 278.69	\$ 197.89	\$ 191.75	\$ 191.75
8"	\$ 555.59	\$ 488.47	\$ 471.50	\$ 460.22	\$ 460.22	\$ 445.09	\$ 445.09	\$ 314.96	\$ 305.19	\$ 305.19
10"	\$ 796.97	\$ 701.52	\$ 677.14	\$ 660.95	\$ 660.95	\$ 639.22	\$ 639.22	\$ 451.57	\$ 437.57	\$ 437.57
12"	\$ 1,486.66	\$ 1,310.24	\$ 1,264.71	\$ 1,234.47	\$ 1,234.47	\$ 1,193.88	\$ 1,193.88	\$ 841.86	\$ 815.76	\$ 815.76
Reduction applied if usage is less than 2,993 gallons	\$ (2.14)									
Usage (per 100 gallons)										
First 2,992 Gallons	\$ 0.0619									
Next 1,497 Gallons	\$ 0.1083									
Next 1,496 Gallons	\$ 0.1391									
Next 1,496 Gallons	\$ 0.1701									
Next 2,992 Gallons	\$ 0.2010									
Next 4,489 Gallons	\$ 0.2320									
Next 5,237 Gallons	\$ 0.2784									
Over 20,199 Gallons	\$ 0.4020									
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				
Standard:										
First 7,481 gallons							\$ 0.0906	\$ 0.0878	\$ 0.0878	
Next 5,236 gallons							\$ 0.1309	\$ 0.1268	\$ 0.1268	
Next 4,488 gallons							\$ 0.2058	\$ 0.1994	\$ 0.1994	
Over 17,205 gallons							\$ 0.3288	\$ 0.3186	\$ 0.3186	
Seasonal (a):										
First 7,481 gallons							\$ 0.0906	\$ 0.0878	\$ 0.0878	
Next 5,236 gallons							\$ 0.1423	\$ 0.1379	\$ 0.1379	
Next 4,488 gallons							\$ 0.2217	\$ 0.2148	\$ 0.2148	
Over 17,205 gallons							\$ 0.4246	\$ 0.4114	\$ 0.4114	
Sewer										
Service Availability Charge by meter size (b):										
5/8"	\$ 12.29	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
3/4"	\$ 13.52	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
1"	\$ 15.36	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
1-1/2"	\$ 21.51	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
2"	\$ 30.73	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
3"	\$ 61.45	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
4"	\$ 92.18	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
6"	\$ 153.63	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
8"	\$ 245.80	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
10"	\$ 368.71	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
12"	\$ 491.61	\$ 12.69	\$ 11.93	\$ 11.49	\$ 9.86	\$ 8.68	\$ 8.68	\$ 7.76	\$ 7.37	\$ 7.37
Usage per 100 gallons (c):										
1,497 gallons - 2,992 gallons	\$ 0.2627									
Over 2,992 Gallons	\$ 0.3941									
All gallons in excess of 1,496		\$ 0.3365	\$ 0.3163	\$ 0.3047	\$ 0.2615	\$ 0.2302	\$ 0.2302	\$ 0.2057	\$ 0.1953	\$ 0.1953

- (a) Seasonal rate was applied to all billings beginning May 1 and ended on or about September 30 of each year.
At all other times, the Standard rate was applied.
- (b) Includes the first 1,496 gallons.
- (c) 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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Water										
Service Availability Charge by meter size:										
5/8"	\$ 13.94	\$ 9.86	\$ 9.52	\$ 9.29	\$ 9.29	\$ 8.98	\$ 8.98	\$ 8.78	\$ 8.51	\$ 8.51
3/4"	\$ 18.44	\$ 13.82	\$ 13.34	\$ 13.02	\$ 13.02	\$ 12.59	\$ 12.59	\$ 11.16	\$ 10.81	\$ 10.81
1"	\$ 27.42	\$ 21.72	\$ 20.97	\$ 20.47	\$ 20.47	\$ 19.80	\$ 19.80	\$ 16.23	\$ 15.73	\$ 15.73
1-1/2"	\$ 49.83	\$ 41.52	\$ 40.08	\$ 39.12	\$ 39.12	\$ 37.83	\$ 37.83	\$ 28.92	\$ 28.02	\$ 28.02
2"	\$ 76.70	\$ 65.26	\$ 62.99	\$ 61.48	\$ 61.48	\$ 59.46	\$ 59.46	\$ 44.14	\$ 42.77	\$ 42.77
3"	\$ 139.49	\$ 120.66	\$ 116.47	\$ 113.68	\$ 113.68	\$ 109.94	\$ 109.94	\$ 79.65	\$ 77.18	\$ 77.18
4"	\$ 229.13	\$ 199.78	\$ 192.84	\$ 188.23	\$ 188.23	\$ 182.04	\$ 182.04	\$ 130.39	\$ 126.35	\$ 126.35
6"	\$ 453.29	\$ 397.62	\$ 383.80	\$ 374.62	\$ 374.62	\$ 362.30	\$ 362.30	\$ 257.24	\$ 249.26	\$ 249.26
8"	\$ 722.26	\$ 635.03	\$ 612.96	\$ 598.30	\$ 598.30	\$ 578.63	\$ 578.63	\$ 409.45	\$ 396.75	\$ 396.75
10"	\$ 1,036.06	\$ 911.98	\$ 880.29	\$ 859.24	\$ 859.24	\$ 830.99	\$ 830.99	\$ 587.03	\$ 568.83	\$ 568.83
12"	\$ 1,932.66	\$ 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
Reduction applied if usage is less than 2,993 gallons	\$ (2.79)									
Usage (per 100 gallons)										
First 2,992 Gallons	\$ 0.0804									
Next 1,497 Gallons	\$ 0.1407									
Next 1,496 Gallons	\$ 0.1809									
Next 1,496 Gallons	\$ 0.2211									
Next 2,992 Gallons	\$ 0.2613									
Next 4,489 Gallons	\$ 0.3016									
Next 5,237 Gallons	\$ 0.3619									
Over 20,199 Gallons	\$ 0.5227									
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				
Standard:										
First 7,481 gallons							\$ 0.1176	\$ 0.1140	\$ 0.1140	
Next 5,236 gallons							\$ 0.1702	\$ 0.1649	\$ 0.1649	
Next 4,488 gallons							\$ 0.2674	\$ 0.2591	\$ 0.2591	
Over 17,205 gallons							\$ 0.4274	\$ 0.4141	\$ 0.4141	
Seasonal (a):										
First 7,481 gallons							\$ 0.1176	\$ 0.1140	\$ 0.1140	
Next 5,236 gallons							\$ 0.1850	\$ 0.1793	\$ 0.1793	
Next 4,488 gallons							\$ 0.2882	\$ 0.2793	\$ 0.2793	
Over 17,205 gallons							\$ 0.5519	\$ 0.5348	\$ 0.5348	
Sewer										
Service Availability Charge by meter size (b):										
5/8"	\$ 14.75	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
3/4"	\$ 16.23	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
1"	\$ 18.44	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
1-1/2"	\$ 25.81	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
2"	\$ 36.88	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
3"	\$ 73.74	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
4"	\$ 110.62	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
6"	\$ 184.36	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
8"	\$ 294.97	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
10"	\$ 442.45	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
12"	\$ 589.93	\$ 15.25	\$ 14.33	\$ 13.81	\$ 11.85	\$ 10.43	\$ 10.43	\$ 9.32	\$ 8.85	\$ 8.85
Usage per 100 gallons (c):										
1,497 gallons - 2,992 gallons	\$ 0.3153									
Over 2,992 Gallons	\$ 0.4729									
All gallons in excess of 1,496		\$ 0.4038	\$ 0.3795	\$ 0.3656	\$ 0.3138	\$ 0.2762	\$ 0.2762	\$ 0.2468	\$ 0.2343	\$ 0.2343

- (a) Seasonal rate was applied to all billings beginning May 1 and ended on or about September 30 of each year.
At all other times, the Standard rate was applied.
- (b) Includes the first 1,496 gallons.
- (c) 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 (Inside City Limits)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Water										
Service Availability Charge by meter size:										
5/8"	\$ 11.58	\$ 10.53	\$ 10.16	\$ 9.92	\$ 9.92	\$ 9.59	\$ 9.59	\$ 9.81	\$ 9.51	\$ 9.51
3/4"	\$ 16.55	\$ 15.05	\$ 14.53	\$ 14.18	\$ 14.18	\$ 13.71	\$ 13.71	\$ 13.16	\$ 12.75	\$ 12.75
1"	\$ 26.46	\$ 24.08	\$ 23.24	\$ 22.68	\$ 22.68	\$ 21.93	\$ 21.93	\$ 19.21	\$ 18.61	\$ 18.61
1-1/2"	\$ 51.24	\$ 46.65	\$ 45.03	\$ 43.95	\$ 43.95	\$ 42.50	\$ 42.50	\$ 35.03	\$ 33.94	\$ 33.94
2"	\$ 80.92	\$ 73.74	\$ 71.18	\$ 69.48	\$ 69.48	\$ 67.20	\$ 67.20	\$ 52.83	\$ 51.19	\$ 51.19
3"	\$ 150.27	\$ 136.96	\$ 132.20	\$ 129.04	\$ 129.04	\$ 124.80	\$ 124.80	\$ 106.92	\$ 103.60	\$ 103.60
4"	\$ 249.30	\$ 227.28	\$ 219.38	\$ 214.13	\$ 214.13	\$ 207.09	\$ 207.09	\$ 176.40	\$ 170.93	\$ 170.93
6"	\$ 496.88	\$ 453.06	\$ 437.32	\$ 426.86	\$ 426.86	\$ 412.82	\$ 412.82	\$ 350.03	\$ 339.18	\$ 339.18
8"	\$ 794.02	\$ 723.99	\$ 698.83	\$ 682.12	\$ 682.12	\$ 659.69	\$ 659.69	\$ 543.20	\$ 526.36	\$ 526.36
10"	\$ 1,140.64	\$ 1,040.08	\$ 1,003.94	\$ 979.93	\$ 979.93	\$ 947.71	\$ 947.71	\$ 755.89	\$ 732.45	\$ 732.45
12"	\$ 2,131.04	\$ 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
Usage (per 100 gallons)										
Base (a)	\$ 0.1514	\$ 0.1218	\$ 0.1176	\$ 0.1148	\$ 0.1148	\$ 0.1110	\$ 0.1110			
100-125% of base	\$ 0.1742	\$ 0.1457	\$ 0.1406	\$ 0.1372	\$ 0.1372	\$ 0.1327	\$ 0.1327			
125-175% of base	\$ 0.2272	\$ 0.2042	\$ 0.1971	\$ 0.1924	\$ 0.1924	\$ 0.1861	\$ 0.1861			
Over 175% of base	\$ 0.2651	\$ 0.2991	\$ 0.2887	\$ 0.2818	\$ 0.2818	\$ 0.2725	\$ 0.2725			
Usage (per 100 gallons)										
Below base (b)								\$ 0.1086	\$ 0.1052	\$ 0.1052
100-125% of base								\$ 0.1257	\$ 0.1218	\$ 0.1218
125-150% of base								\$ 0.1633	\$ 0.1582	\$ 0.1582
150-200% of base								\$ 0.2138	\$ 0.2072	\$ 0.2072
Over 200% of base								\$ 0.3160	\$ 0.3062	\$ 0.3062
Sewer										
Service Availability Charge by meter size (c):										
By meter size:										
5/8"	\$12.29	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
3/4"	\$13.52	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
1"	\$15.36	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
1-1/2"	\$21.51	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
2"	\$30.73	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
3"	\$61.45	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
4"	\$92.18	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
6"	\$153.63	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
8"	\$245.80	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
10"	\$368.71	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
12"	\$491.61	\$12.69	\$11.93	\$11.49	\$9.86	\$8.68	\$8.68	\$7.76	\$7.37	\$7.37
Usage (per 100 gallons)										
All gallons in excess of 1,496	\$ 0.3520	\$ 0.3365	\$ 0.3163	\$ 0.3047	\$ 0.2615	\$ 0.2302	\$ 0.2302	\$ 0.2057	\$ 0.1953	\$ 0.1953

- (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 - General Class Rates (Outside City Limits)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Water										
Service Availability Charge by meter size:										
5/8"	\$ 14.16	\$ 13.69	\$ 13.21	\$ 12.89	\$ 12.89	\$ 12.47	\$ 12.47	\$ 11.83	\$ 11.46	\$ 11.46
3/4"	\$ 20.17	\$ 19.56	\$ 18.88	\$ 18.43	\$ 18.43	\$ 17.82	\$ 17.82	\$ 15.72	\$ 15.23	\$ 15.23
1"	\$ 32.15	\$ 31.29	\$ 30.20	\$ 29.48	\$ 29.48	\$ 28.51	\$ 28.51	\$ 22.94	\$ 22.23	\$ 22.23
1-1/2"	\$ 62.09	\$ 60.65	\$ 58.54	\$ 57.14	\$ 57.14	\$ 55.26	\$ 55.26	\$ 41.69	\$ 40.40	\$ 40.40
2"	\$ 97.98	\$ 95.87	\$ 92.54	\$ 90.33	\$ 90.33	\$ 87.36	\$ 87.36	\$ 63.01	\$ 61.06	\$ 61.06
3"	\$ 181.81	\$ 178.06	\$ 171.87	\$ 167.76	\$ 167.76	\$ 162.24	\$ 162.24	\$ 125.31	\$ 121.42	\$ 121.42
4"	\$ 301.52	\$ 295.46	\$ 285.19	\$ 278.37	\$ 278.37	\$ 269.22	\$ 269.22	\$ 206.48	\$ 200.08	\$ 200.08
6"	\$ 600.85	\$ 588.98	\$ 568.51	\$ 554.91	\$ 554.91	\$ 536.66	\$ 536.66	\$ 409.39	\$ 396.70	\$ 396.70
8"	\$ 960.05	\$ 941.20	\$ 908.49	\$ 886.76	\$ 886.76	\$ 857.60	\$ 857.60	\$ 637.69	\$ 617.92	\$ 617.92
10"	\$ 1,379.09	\$ 1,352.11	\$ 1,305.13	\$ 1,273.92	\$ 1,273.92	\$ 1,232.03	\$ 1,232.03	\$ 891.35	\$ 863.71	\$ 863.71
12"	\$ 2,576.40	\$ 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
Usage (per 100 gallons)										
Base (a)	\$ 0.1969	\$ 0.1584	\$ 0.1529	\$ 0.1492	\$ 0.1492	\$ 0.1443	\$ 0.1443			
100-125% of base	\$ 0.2265	\$ 0.1893	\$ 0.1827	\$ 0.1783	\$ 0.1783	\$ 0.1724	\$ 0.1724			
125-175% of base	\$ 0.2954	\$ 0.2654	\$ 0.2562	\$ 0.2501	\$ 0.2501	\$ 0.2419	\$ 0.2419			
Over 175% of base	\$ 0.3446	\$ 0.3887	\$ 0.3752	\$ 0.3662	\$ 0.3662	\$ 0.3542	\$ 0.3542			
Usage (per 100 gallons)										
Below base (b)								\$ 0.1410	\$ 0.1366	\$ 0.1366
100-125% of base								\$ 0.1635	\$ 0.1584	\$ 0.1584
125-150% of base								\$ 0.2121	\$ 0.2055	\$ 0.2055
150-200% of base								\$ 0.2778	\$ 0.2692	\$ 0.2692
Over 200% of base								\$ 0.4109	\$ 0.3982	\$ 0.3982
Sewer										
Service Availability Charge by meter size (c):										
By meter size:										
5/8"	\$14.75	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
3/4"	\$16.23	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
1"	\$18.44	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
1-1/2"	\$25.81	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
2"	\$36.88	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
3"	\$73.74	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
4"	\$110.62	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
6"	\$184.36	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
8"	\$294.97	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
10"	\$442.45	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
12"	\$589.93	\$15.25	\$14.33	\$13.81	\$11.85	\$10.43	\$10.43	\$9.32	\$8.85	\$8.85
Usage (per 100 gallons)										
All gallons in excess of 1,496	\$ 0.4224	\$ 0.4038	\$ 0.3795	\$ 0.3656	\$ 0.3138	\$ 0.2762	\$ 0.2762	\$ 0.2468	\$ 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 12 - Wholesale Class Rates

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Water										
Service Availability Charge by meter size:										
6"	\$ 450.50	\$ 397.62	\$ 383.80	\$ 374.62	\$ 374.62	\$ 362.30	\$ 362.30	\$ 257.24	\$ 249.26	\$ 249.26
8"	\$ 719.48	\$ 635.03	\$ 612.96	\$ 598.30	\$ 598.30	\$ 578.63	\$ 578.63	\$ 409.45	\$ 396.75	\$ 396.75
10"	\$ 1,033.28	\$ 911.98	\$ 880.29	\$ 859.24	\$ 859.24	\$ 830.99	\$ 830.99	\$ 587.03	\$ 568.83	\$ 568.83
12"	\$ 1,929.88	\$ 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
Usage (<i>per 100 gallons</i>)										
Base (a)	\$ 0.1755									
Over Base	\$ 0.5266									
Usage (<i>per 100 gallons</i>)										
Base (a)		\$ 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			
Below base (b)								\$ 0.1025	\$ 0.0993	\$ 0.0993
100-125% of base								\$ 0.1279	\$ 0.1239	\$ 0.1239
125-150% of base								\$ 0.1760	\$ 0.1705	\$ 0.1705
150-200% of base								\$ 0.2346	\$ 0.2273	\$ 0.2273
Over 200% of base								\$ 0.3075	\$ 0.2980	\$ 0.2980
Sewer										
Service Availability Charge	\$ 287.82	\$ 149.02	\$ 140.06	\$ 134.93	\$ 115.82	\$ 101.95	\$ 101.95	\$ 91.11	\$ 86.50	\$ 86.50
Usage (<i>per 100 gallons</i>)	\$ 0.3756	\$ 0.3641	\$ 0.3422	\$ 0.3297	\$ 0.2830	\$ 0.2491	\$ 0.2491	\$ 0.2226	\$ 0.2113	\$ 0.2113

(a) 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.

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

San Antonio Water System
Schedule 13 - Irrigation Class Rates

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Inside City Limits										
Service Availability Charge by meter size:										
5/8"	\$ 11.58	\$ 10.53	\$ 10.16	\$ 9.92	\$ 9.92	\$ 9.59	\$ 9.59	\$ 9.81	\$ 9.51	\$ 9.51
3/4"	\$ 16.55	\$ 15.05	\$ 14.53	\$ 14.18	\$ 14.18	\$ 13.71	\$ 13.71	\$ 13.16	\$ 12.75	\$ 12.75
1"	\$ 26.46	\$ 24.08	\$ 23.24	\$ 22.68	\$ 22.68	\$ 21.93	\$ 21.93	\$ 19.21	\$ 18.61	\$ 18.61
1-1/2"	\$ 51.24	\$ 46.65	\$ 45.03	\$ 43.95	\$ 43.95	\$ 42.50	\$ 42.50	\$ 35.03	\$ 33.94	\$ 33.94
2"	\$ 80.92	\$ 73.74	\$ 71.18	\$ 69.48	\$ 69.48	\$ 67.20	\$ 67.20	\$ 52.83	\$ 51.19	\$ 51.19
3"	\$ 150.27	\$ 136.96	\$ 132.20	\$ 129.04	\$ 129.04	\$ 124.80	\$ 124.80	\$ 106.92	\$ 103.60	\$ 103.60
4"	\$ 249.30	\$ 227.28	\$ 219.38	\$ 214.13	\$ 214.13	\$ 207.09	\$ 207.09	\$ 176.40	\$ 170.93	\$ 170.93
6"	\$ 496.88	\$ 453.06	\$ 437.32	\$ 426.86	\$ 426.86	\$ 412.82	\$ 412.82	\$ 350.03	\$ 339.18	\$ 339.18
8"	\$ 794.02	\$ 723.99	\$ 698.83	\$ 682.12	\$ 682.12	\$ 659.69	\$ 659.69	\$ 543.20	\$ 526.36	\$ 526.36
10"	\$ 1,140.64	\$ 1,040.08	\$ 1,003.94	\$ 979.93	\$ 979.93	\$ 947.71	\$ 947.71	\$ 755.89	\$ 732.45	\$ 732.45
12"	\$ 2,131.04	\$ 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
Usage (per 100 gallons)										
First 8,229 gallons	\$ 0.2752									
Next 9,725 gallons	\$ 0.3852									
Next 144,362 gallons	\$ 0.4953									
Over 162,316 gallons	\$ 0.6329									
Standard:										
First 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			
Seasonal (a):										
First 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			
First 12,717 gallons								\$ 0.1526	\$ 0.1479	\$ 0.1479
Next 4,488 gallons								\$ 0.2290	\$ 0.2219	\$ 0.2219
Over 17,205 gallons								\$ 0.3160	\$ 0.3062	\$ 0.3062
Outside City Limits										
Service Availability Charge by meter size:										
5/8"	\$ 14.16	\$ 13.69	\$ 13.21	\$ 12.89	\$ 12.89	\$ 12.47	\$ 12.47	\$ 11.83	\$ 11.46	\$ 11.46
3/4"	\$ 20.17	\$ 19.56	\$ 18.88	\$ 18.43	\$ 18.43	\$ 17.82	\$ 17.82	\$ 15.72	\$ 15.23	\$ 15.23
1"	\$ 32.15	\$ 31.29	\$ 30.20	\$ 29.48	\$ 29.48	\$ 28.51	\$ 28.51	\$ 22.94	\$ 22.23	\$ 22.23
1-1/2"	\$ 62.09	\$ 60.65	\$ 58.54	\$ 57.14	\$ 57.14	\$ 55.26	\$ 55.26	\$ 41.69	\$ 40.40	\$ 40.40
2"	\$ 97.98	\$ 95.87	\$ 92.54	\$ 90.33	\$ 90.33	\$ 87.36	\$ 87.36	\$ 63.01	\$ 61.06	\$ 61.06
3"	\$ 181.81	\$ 178.06	\$ 171.87	\$ 167.76	\$ 167.76	\$ 162.24	\$ 162.24	\$ 125.31	\$ 121.42	\$ 121.42
4"	\$ 301.52	\$ 295.46	\$ 285.19	\$ 278.37	\$ 278.37	\$ 269.22	\$ 269.22	\$ 206.48	\$ 200.08	\$ 200.08
6"	\$ 600.85	\$ 588.98	\$ 568.51	\$ 554.91	\$ 554.91	\$ 536.66	\$ 536.66	\$ 409.39	\$ 396.70	\$ 396.70
8"	\$ 960.05	\$ 941.20	\$ 908.49	\$ 886.76	\$ 886.76	\$ 857.60	\$ 857.60	\$ 637.69	\$ 617.92	\$ 617.92
10"	\$ 1,379.09	\$ 1,352.11	\$ 1,305.13	\$ 1,273.92	\$ 1,273.92	\$ 1,232.03	\$ 1,232.03	\$ 891.35	\$ 863.71	\$ 863.71
12"	\$ 2,576.40	\$ 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
Usage (per 100 gallons)										
First 8,229 gallons	\$ 0.3577									
Next 9,725 gallons	\$ 0.5008									
Next 144,362 gallons	\$ 0.6439									
Over 162,316 gallons	\$ 0.8227									
Standard:										
First 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			
Seasonal (a):										
First 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			
First 12,717 gallons								\$ 0.1982	\$ 0.1921	\$ 0.1921
Next 4,488 gallons								\$ 0.2976	\$ 0.2884	\$ 0.2884
Over 17,205 gallons								\$ 0.4109	\$ 0.3982	\$ 0.3982

(a) Seasonal rate was applied to all billings beginning May 1 and ended on or about September 30 of each year. At all other times, the Standard rate was applied.

San Antonio Water System
Schedule 14 - Other Fees

	Fiscal Year																			
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007										
Water Supply Fee (a):																				
Usage (per 100 gallons)																				
Residential Class																				
First 2,992 Gallons	\$	0.0892																		
Next 1,497 Gallons	\$	0.1561																		
Next 1,496 Gallons	\$	0.2007																		
Next 1,496 Gallons	\$	0.2454																		
Next 2,992 Gallons	\$	0.2900																		
Next 4,489 Gallons	\$	0.3346																		
Next 5,237 Gallons	\$	0.4015																		
Over 20,199 Gallons	\$	0.5798																		
First 5,985 gallons		\$	0.1285	\$	0.1223	\$	0.1080	\$	0.1054	\$	0.1023									
Next 6,732 gallons		\$	0.1858	\$	0.1768	\$	0.1562	\$	0.1524	\$	0.1480									
Next 4,488 gallons		\$	0.2622	\$	0.2495	\$	0.2204	\$	0.2150	\$	0.2087									
Over 17,205 gallons		\$	0.4589	\$	0.4366	\$	0.3857	\$	0.3763	\$	0.3653									
All usage									\$	0.1529	\$	0.1487	\$	0.1487						
General Class																				
Base (b)	\$	0.1683	\$	0.1976	\$	0.1880	\$	0.1661	\$	0.1620	\$	0.1573	\$	0.1573	\$	0.1529	\$	0.1487	\$	0.1487
100-125% of base	\$	0.1936	\$	0.1976	\$	0.1880	\$	0.1661	\$	0.1620	\$	0.1573	\$	0.1573	\$	0.1529	\$	0.1487	\$	0.1487
125-175% of base	\$	0.2525	\$	0.1976	\$	0.1880	\$	0.1661	\$	0.1620	\$	0.1573	\$	0.1573	\$	0.1529	\$	0.1487	\$	0.1487
Over 175% of base	\$	0.2946	\$	0.1976	\$	0.1880	\$	0.1661	\$	0.1620	\$	0.1573	\$	0.1573	\$	0.1529	\$	0.1487	\$	0.1487
Wholesale Class																				
Base (c)	\$	0.2193	\$	0.1976	\$	0.1880	\$	0.1661	\$	0.1620	\$	0.1573	\$	0.1573	\$	0.1529	\$	0.1487	\$	0.1487
Over Base	\$	0.6579	\$	0.1976	\$	0.1880	\$	0.1661	\$	0.1620	\$	0.1573	\$	0.1573	\$	0.1529	\$	0.1487	\$	0.1487
Irrigation Class																				
First 8,229 gallons	\$	0.2202																		
Next 9,725 gallons	\$	0.3083																		
Next 144,362 gallons	\$	0.3964																		
Over 162,316 gallons	\$	0.5066																		
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							
All usage														\$	0.1529	\$	0.1487	\$	0.1487	
EAA Fee (d)	\$	0.04259	\$	0.03311	\$	0.03295	\$	0.03425	\$	0.03901	\$	0.01407	\$	0.01841	\$	0.01222	\$	0.01769	\$	0.01352
State-Imposed TCEQ Fees (e)																				
Water Connection Fee	\$	0.18	\$	0.18	\$	0.18	\$	0.17	\$	0.17	\$	0.19	\$	0.19						
Wastewater Connection Fee	\$	0.06	\$	0.06	\$	0.06	\$	0.06	\$	0.06	\$	0.05	\$	0.05						

- (a) Applies to all billed potable water.
- (b) Base is defined as 100% of the previous average annual usage.
- (c) 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.
- (d) 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.
- (e) 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 15 - Recycled Water Rates

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Edwards Exchange Customers (a)										
Service Availability Charge by meter size:										
5/8"	\$ 10.42	\$ 9.51	\$ 9.26	\$ 9.04	\$ 9.04	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74
3/4"	\$ 13.56	\$ 12.37	\$ 12.05	\$ 11.76	\$ 11.76	\$ 11.37	\$ 11.37	\$ 11.37	\$ 11.37	\$ 11.37
1"	\$ 17.66	\$ 16.11	\$ 15.69	\$ 15.31	\$ 15.31	\$ 14.81	\$ 14.81	\$ 14.81	\$ 14.81	\$ 14.81
1-1/2"	\$ 28.07	\$ 25.61	\$ 24.95	\$ 24.35	\$ 24.35	\$ 23.55	\$ 23.55	\$ 23.55	\$ 23.55	\$ 23.55
2"	\$ 41.05	\$ 37.45	\$ 36.48	\$ 35.61	\$ 35.61	\$ 34.44	\$ 34.44	\$ 34.44	\$ 34.44	\$ 34.44
3"	\$ 109.17	\$ 99.61	\$ 97.03	\$ 94.71	\$ 94.71	\$ 91.60	\$ 91.60	\$ 91.60	\$ 91.60	\$ 91.60
4"	\$ 162.27	\$ 148.06	\$ 144.22	\$ 140.77	\$ 140.77	\$ 136.14	\$ 136.14	\$ 136.14	\$ 136.14	\$ 136.14
6"	\$ 309.55	\$ 282.44	\$ 275.12	\$ 268.54	\$ 268.54	\$ 259.71	\$ 259.71	\$ 259.71	\$ 259.71	\$ 259.71
8"	\$ 466.60	\$ 425.73	\$ 414.70	\$ 404.78	\$ 404.78	\$ 391.47	\$ 391.47	\$ 391.47	\$ 391.47	\$ 391.47
10"	\$ 639.81	\$ 583.77	\$ 568.64	\$ 555.04	\$ 555.04	\$ 536.79	\$ 536.79	\$ 536.79	\$ 536.79	\$ 536.79
12"	\$ 789.42	\$ 720.27	\$ 701.61	\$ 684.83	\$ 684.83	\$ 662.31	\$ 662.31	\$ 662.31	\$ 662.31	\$ 662.31
Usage (per 100 gallons)										
Standard:										
Transferred amount	\$ 0.0274	\$ 0.0250	\$ 0.0244	\$ 0.0238	\$ 0.0238	\$ 0.0230	\$ 0.0230	\$ 0.0230	\$ 0.0230	\$ 0.0230
In excess of transferred amount	\$ 0.1028	\$ 0.0938	\$ 0.0914	\$ 0.0892	\$ 0.0892	\$ 0.0863	\$ 0.0863	\$ 0.0863	\$ 0.0863	\$ 0.0863
Seasonal (b):										
Transferred amount	\$ 0.0274	\$ 0.0250	\$ 0.0244	\$ 0.0238	\$ 0.0238	\$ 0.0230	\$ 0.0230	\$ 0.0230	\$ 0.0230	\$ 0.0230
In excess of transferred amount	\$ 0.1093	\$ 0.0997	\$ 0.0971	\$ 0.0948	\$ 0.0948	\$ 0.0917	\$ 0.0917	\$ 0.0917	\$ 0.0917	\$ 0.0917
Non-exchange Customers										
Service Availability Charge by meter size:										
5/8"	\$ 10.42	\$ 9.51	\$ 9.26	\$ 9.04	\$ 9.04	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74
3/4"	\$ 13.56	\$ 12.37	\$ 12.05	\$ 11.76	\$ 11.76	\$ 11.37	\$ 11.37	\$ 11.37	\$ 11.37	\$ 11.37
1"	\$ 17.66	\$ 16.11	\$ 15.69	\$ 15.31	\$ 15.31	\$ 14.81	\$ 14.81	\$ 14.81	\$ 14.81	\$ 14.81
1-1/2"	\$ 28.07	\$ 25.61	\$ 24.95	\$ 24.35	\$ 24.35	\$ 23.55	\$ 23.55	\$ 23.55	\$ 23.55	\$ 23.55
2"	\$ 41.05	\$ 37.45	\$ 36.48	\$ 35.61	\$ 35.61	\$ 34.44	\$ 34.44	\$ 34.44	\$ 34.44	\$ 34.44
3"	\$ 109.17	\$ 99.61	\$ 97.03	\$ 94.71	\$ 94.71	\$ 91.60	\$ 91.60	\$ 91.60	\$ 91.60	\$ 91.60
4"	\$ 162.27	\$ 148.06	\$ 144.22	\$ 140.77	\$ 140.77	\$ 136.14	\$ 136.14	\$ 136.14	\$ 136.14	\$ 136.14
6"	\$ 309.55	\$ 282.44	\$ 275.12	\$ 268.54	\$ 268.54	\$ 259.71	\$ 259.71	\$ 259.71	\$ 259.71	\$ 259.71
8"	\$ 466.60	\$ 425.73	\$ 414.70	\$ 404.78	\$ 404.78	\$ 391.47	\$ 391.47	\$ 391.47	\$ 391.47	\$ 391.47
10"	\$ 639.81	\$ 583.77	\$ 568.64	\$ 555.04	\$ 555.04	\$ 536.79	\$ 536.79	\$ 536.79	\$ 536.79	\$ 536.79
12"	\$ 789.42	\$ 720.27	\$ 701.61	\$ 684.83	\$ 684.83	\$ 662.31	\$ 662.31	\$ 662.31	\$ 662.31	\$ 662.31
Usage (per 100 gallons)										
Standard:										
First 748,000 gallons	\$ 0.1100	\$ 0.1004	\$ 0.0978	\$ 0.0955	\$ 0.0955	\$ 0.0924	\$ 0.0924	\$ 0.0924	\$ 0.0924	\$ 0.0924
Over 748,000 gallons	\$ 0.1124	\$ 0.1026	\$ 0.0999	\$ 0.0975	\$ 0.0975	\$ 0.0943	\$ 0.0943	\$ 0.0943	\$ 0.0943	\$ 0.0943
Seasonal (b):										
First 748,000 gallons	\$ 0.1183	\$ 0.1079	\$ 0.1051	\$ 0.1026	\$ 0.1026	\$ 0.0992	\$ 0.0992	\$ 0.0992	\$ 0.0992	\$ 0.0992
Over 748,000 gallons	\$ 0.1194	\$ 0.1089	\$ 0.1061	\$ 0.1036	\$ 0.1036	\$ 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 16 - Impact Fees**

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Water										
Flow - All Areas	\$ 1,182.00	\$ 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
System Development:										
Low Elevation Service Area	\$ 619.00	\$ 619.00	\$ 619.00	\$ 579.00	\$ 579.00	\$ 579.00	\$ 668.00	\$ 668.00	\$ 668.00	\$ 668.00
Middle Elevation Service Area	\$ 799.00	\$ 799.00	\$ 799.00	\$ 774.00	\$ 774.00	\$ 774.00	\$ 591.00	\$ 591.00	\$ 591.00	\$ 591.00
High Elevation Service Area	\$ 883.00	\$ 883.00	\$ 883.00	\$ 966.00	\$ 966.00	\$ 966.00	\$ 1,356.00	\$ 1,356.00	\$ 1,356.00	\$ 1,356.00
Wastewater										
Treatment:										
Dos Rios/Leon Creek Service Area	\$ 786.00	\$ 786.00	\$ 786.00	\$ 552.00	\$ 552.00	\$ 552.00				
Medio Creek	\$ 1,429.00	\$ 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
Far West-Medio Service Areas							\$ 901.00	\$ 901.00	\$ 901.00	\$ 901.00
Collection:										
Medio Creek	\$ 838.00	\$ 838.00	\$ 838.00	\$ 582.00	\$ 582.00	\$ 582.00				
Upper Medina	\$ 1,565.00	\$ 1,565.00	\$ 1,565.00	\$ 1,053.00	\$ 1,053.00	\$ 1,053.00				
Lower Medina	\$ 475.00	\$ 475.00	\$ 475.00	\$ 594.00	\$ 594.00	\$ 594.00				
Upper Collection	\$ 2,520.00	\$ 2,520.00	\$ 2,520.00	\$ 1,795.00	\$ 1,795.00	\$ 1,795.00				
Middle Collection	\$ 1,469.00	\$ 1,469.00	\$ 1,469.00	\$ 1,142.00	\$ 1,142.00	\$ 1,142.00				
Lower Collection	\$ 719.00	\$ 719.00	\$ 719.00	\$ 552.00	\$ 552.00	\$ 552.00				
Lower Service Area							\$ 413.00	\$ 413.00	\$ 413.00	\$ 413.00
Upper Service Area							\$ 691.00	\$ 691.00	\$ 691.00	\$ 691.00
Far West-Medio Service Areas							\$ 394.00	\$ 394.00	\$ 394.00	\$ 394.00
Far West-Potranco, Big Saus, & Lucas Service Area							\$ 772.00	\$ 772.00	\$ 772.00	\$ 772.00
Water Supply - All Areas (a)	\$ 2,796.00	\$ 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

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 17 - Ten Largest Customers - Water
Current Year and Nine Years Ago**

Customer	Principal Business	Usage (a) (million gallons)	%	Total Revenue (b) (in thousands)	%
Fiscal Year Ended December 31, 2016:					
CITY OF SAN ANTONIO	Municipal Entity	495	0.8%	\$ 3,041	0.9%
H.E. BUTT GROCERY COMPANY	Grocery	571	0.9%	2,661	0.7%
SAN ANTONIO HOUSING AUTHORITY	Public Housing	474	0.7%	2,257	0.6%
EAST CENTRAL SPECIAL UTILITY DISTRICT	Retail Water Utility	259	0.4%	2,244	0.6%
NORTHSIDE INDEPENDENT SCHOOL DISTRICT	School System	285	0.4%	1,743	0.5%
BEXAR COUNTY	County Government	370	0.6%	1,574	0.4%
NORTHEAST INDEPENDENT SCHOOL DISTRICT	School System	263	0.4%	1,572	0.4%
UNIVERSITY OF TEXAS AT SAN ANTONIO	University	225	0.4%	1,374	0.4%
CPS ENERGY	Public Power Utility	261	0.4%	1,181	0.3%
MARRIOTT HOTELS	Hotels	197	0.3%	1,133	0.3%
Subtotal (10 largest)		3,400	5.3%	18,781	5.3%
Balance from Other Customers		60,534	94.7%	337,170	94.7%
Total		63,934	100.0%	\$ 355,951	100.0%
Fiscal Year Ended December 31, 2007:					
CITY OF SAN ANTONIO	Municipal Entity	577	1.2%	\$ 2,273	1.3%
SAN ANTONIO HOUSING AUTHORITY	Public Housing	534	1.1%	1,672	0.9%
HEB GROCERY	Grocery	412	0.8%	1,301	0.7%
NORTHSIDE INDEPENDENT SCHOOL DISTRICT	School System	234	0.5%	891	0.5%
BEXAR COUNTY	County Government	375	0.8%	852	0.5%
CPS ENERGY	Public Power Utility	276	0.6%	795	0.4%
MAXIM INTEGRATED PRODUCT, INC.	Electronics	276	0.6%	768	0.4%
SAN ANTONIO INDEPENDENT SCHOOL DISTRICT	School System	154	0.3%	644	0.4%
AMERICAN OPPORTUNITY FOR HOUSING	Housing Services	172	0.3%	555	0.3%
NORTHEAST INDEPENDENT SCHOOL DISTRICT	School System	140	0.3%	532	0.3%
Subtotal (10 largest)		3,150	6.4%	10,283	5.7%
Balance from Other Customers		46,361	93.6%	171,065	94.3%
Total		49,511	100.0%	\$ 181,348	100.0%

(a) Potable water only

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

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

Customer	Principal Business	Usage (million gallons)	%	Total Revenue (in thousands)	%
Fiscal Year Ended December 31, 2016:					
HEB GROCERY	Grocery	485	1.0%	\$ 2,657	1.2%
SAN ANTONIO HOUSING AUTHORITY	Public Housing	461	1.0%	1,699	0.8%
BEXAR COUNTY	County Government	308	0.7%	1,184	0.5%
CITY OF SAN ANTONIO	Municipal Entity	189	0.4%	820	0.4%
TOYOTA	Automobile Manufacturer	208	0.4%	739	0.3%
NORTHSIDE INDEPENDENT SCHOOL DISTRICT	School System	163	0.3%	695	0.3%
FRITO LAY, INC.	Food Manufacturer	65	0.1%	694	0.3%
TOWERJAZZ TEXAS INC.	Electronics	185	0.4%	659	0.3%
PEPSI COLA BOTTLING	Beverage Producer	72	0.2%	564	0.3%
UNIVERSITY OF TEXAS AT SAN ANTONIO	University	155	0.3%	554	0.2%
Subtotal (10 largest)		2,291	4.9%	10,264	4.6%
Balance from Other Customers		44,674	95.1%	212,032	95.4%
Total		46,965	100.0%	\$ 222,296	100.0%

Fiscal Year Ended December 31, 2007:

HEB GROCERY	Grocery	334	0.7%	\$ 1,189	1.0%
SAN ANTONIO HOUSING AUTHORITY	Public Housing	534	1.1%	1,054	0.9%
BEXAR COUNTY	County Government	274	0.6%	525	0.5%
MAXIM INTEGRATED PRODUCT INC.	Electronics	257	0.5%	501	0.4%
CITY OF SAN ANTONIO	Municipal Entity	210	0.4%	441	0.4%
OAK FARMS DAIRY	Dairy Producer	56	0.1%	391	0.3%
FRITO LAY, INC.	Food Manufacturer	55	0.1%	376	0.3%
AMERICAN OPPORTUNITY FOR HOUSING	Housing Services	151	0.3%	297	0.3%
NORTHSIDE INDEPENDENT SCHOOL DISTRICT	School System	124	0.3%	249	0.2%
THE UNIVERSITY OF TEXAS AT SAN ANTONIO	University	121	0.3%	236	0.2%
Subtotal (10 largest)		2,116	4.5%	5,259	4.6%
Balance from Other Customers		44,901	95.5%	109,916	95.4%
Total		47,017	100.0%	\$ 115,175	100.0%

Excludes Wholesale Wastewater usage and revenues.

San Antonio Water System
Schedule 19 - Ten Largest Customers - Wholesale Wastewater
Current Year and Nine Years Ago
Unaudited

Customer	Principal Business	Total Revenue (in thousands)	%
Fiscal Year Ended December 31, 2016:			
Joint Base San Antonio - Ft. Sam Houston	Military	\$ 1,779	20.4%
Lackland Air Force Base	Military	1,536	17.6%
Leon Valley	Municipal Government	1,439	16.5%
Alamo Heights	Municipal Government	1,200	13.7%
Bexar County Water Control District No. 10	County Government	691	7.9%
Balcones Heights	Municipal Government	549	6.3%
Kirby	Municipal Government	529	6.1%
Olmos Park	Municipal Government	387	4.4%
Lackland Annex	Military	290	3.3%
Airforce Village	Residential Community	114	1.3%
Subtotal (10 largest)		8,513	97.5%
Balance from Other Customers		216	2.5%
Total		<u>\$ 8,729</u>	<u>100.0%</u>

Fiscal Year Ended December 31, 2007:

Alamo Heights	Municipal Government	\$ 959	14.8%
Lackland Air Force Base	Military	902	13.9%
Leon Valley	Municipal Government	870	13.4%
Ft. Sam Houston Army Base	Military	656	10.1%
Terrell Hills	Municipal Government	609	9.4%
Castle Hills	Municipal Government	536	8.3%
Bexar County Water Control District No. 10	County Government	536	8.3%
Balcones Heights	Municipal Government	345	5.3%
Kirby	Municipal Government	322	5.0%
Lackland Annex	Military	312	4.8%
Subtotal (10 largest)		6,047	93.5%
Balance from Other Customers		422	6.5%
Total		<u>\$ 6,469</u>	<u>100.0%</u>

San Antonio Water System
Schedule 20 - Ratios of Total Outstanding Debt by Type
(\$ in thousands, except debt per customer)
Unaudited

Year	Total Debt Outstanding by Type						Gross Revenues (d)	Ratio of Total Debt to Gross Revenue	Customer Connections (e)	Debt Per Customer Connection
	Revenue Bonds (b)			Commercial Paper Notes (b)	Other Debt (c)	Total Debt Outstanding				
	Principal Outstanding	Unamortized Premium & Discount	Net Revenue Bonds Payable							
2016 (a)	\$ 2,630,350	\$ 209,932	\$ 2,840,282	\$ 241,610	\$ -	\$ 3,081,892	\$ 630,603	4.89	926,165	\$ 3,328
2015 (a)	2,600,096	130,267	2,730,363	135,305	88,700	2,954,368	563,111	5.25	912,430	3,238
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

(a) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.

(b) Details regarding outstanding revenue bonds and commercial paper notes can be found in the notes to the financial statements.

(c) Includes notes payable and capital leases payable.

(d) Gross revenues are defined as operating revenues plus nonoperating revenues.

(e) Customer connections represent the combined number of billed accounts for water and wastewater services at fiscal year-end.

San Antonio Water System
Schedule 21 - 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)	Coverage	Senior Lien Debt (e)	Coverage (f)
2016 (g)	\$ 623,032	\$ 315,395	307,637	\$ 78,570	\$ 98,158	\$ 176,728	1.74	\$ 185,149	1.66	\$ 84,009	3.66
2015 (g)	555,712	291,246	264,466	71,355	101,064	172,419	1.53	178,516	1.48	114,320	2.31
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

- (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.
- (g) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.

San Antonio Water System
Schedule 22 - Demographic and Economic Statistics
Last Ten Calendar Years
Unaudited

Year	Population (a)	Median Age (a)	Personal Income (a) (thousands of dollars)	Per Capita Personal Income (a)	School Enrollment (a)	Building Permits - Dwelling Units (b)	Employment (c)	Unemployment Rate (c)
2016	1,469,824	33.1	\$ 34,905,380	\$ 23,748	403,558	12,241	1,101,524	3.6%
2015	1,436,697	33.2	32,790,329	22,823	401,771	7,824	1,073,329	3.5%
2014	1,416,291	33.0	31,581,326	22,414	407,047	10,334	1,041,494	3.7%
2013	1,383,194	33.2	30,752,552	22,233	397,500	6,129	1,020,845	4.9%
2012	1,359,730	32.7	29,038,394	21,356	396,718	8,005	1,000,015	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%

(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

San Antonio Water System
Schedule 23 - Principal Employers
Current Year and Nine Years Ago
 Unaudited

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment ¹	Employees	Rank	Percentage of Total City Employment ²
Joint Base San Antonio (JBSA) - Lackland, Fort Sam & Randolph ³	93,434	1	9.49%	42,468	1,5,8	5.25%
H.E.B. Food Stores	20,000	2	2.03%	14,588	2	1.80%
USAA	17,000	3	1.73%	14,258	3	1.76%
Northside Independent School District	13,161	4	1.34%	12,701	4	1.57%
City of San Antonio	12,032	5	1.22%	11,239	6	1.39%
North East Independent School District	9,292	6	0.94%	7,557	7	0.93%
Methodist Health Care System	8,600	7	0.87%	6,520	9	0.81%
San Antonio Independent School District	7,382	8	0.75%			
Wells Fargo	6,100	9	0.62%			
Baptist Health Systems	5,800	10	0.59%			
SBC Communications (AT&T)				5,611	10	0.69%
Total	192,801		19.58%	114,942		14.20%

Source: Economic Development Division, City of San Antonio, Texas, Book of Lists 2016, and Department of Defense personnel statistics.

¹ Percent based on an Employment Estimate of 984,800 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2016. Figure provided by the Texas Workforce Commission.

² Percent based on an Employment Estimate of 809,200 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2007. Figure provided by the Texas Workforce Commission.

³ In fiscal year 2012, Lackland, Fort Sam and Randolph military operations were consolidated into Joint Base San Antonio. In fiscal year 2007, the employee counts were 23,227, 11,735, and 7,506, respectively.

Table provided courtesy of City of San Antonio Finance Department

San Antonio Water System
Schedule 24 - Number of Employees by Functional Group

Functional Group	Fiscal Year (a)									
	2016	2015	2014	2013	2012 (b)	2011	2010	2009	2008	2007
President/CEO	7	10	13	14	16	11	12	13	12	10
Production & Treatment Operations	302	138	131	292	363	353	358	368	341	337
Distribution & Collection Operations	540	485	446	455	482	416	430	435	403	422
Operation Services	112	346	257	116	166	189	178	180	177	117
Sewer System Improvements	33	31	31	28						
Public Affairs	24	28	26	24	32	32	32	32	19	21
Customer Service	229	233	235	229	222	215	206	210	212	208
Engineering & Construction	166	191	221	202	225	201	189	201	193	188
Water Resources	40	42	138	158	62	62	54	63	55	116
Financial Services	65	67	62	64	52	67	69	58	56	55
Information Services	92	72	65	64	57	57	54	58	56	64
Human Resources	45	42	35	44	27	50	49	48	46	44
Legal	37	39	39	42	44	16	16	30	25	26
	1,692	1,724	1,699	1,732	1,748	1,669	1,647	1,696	1,595	1,608

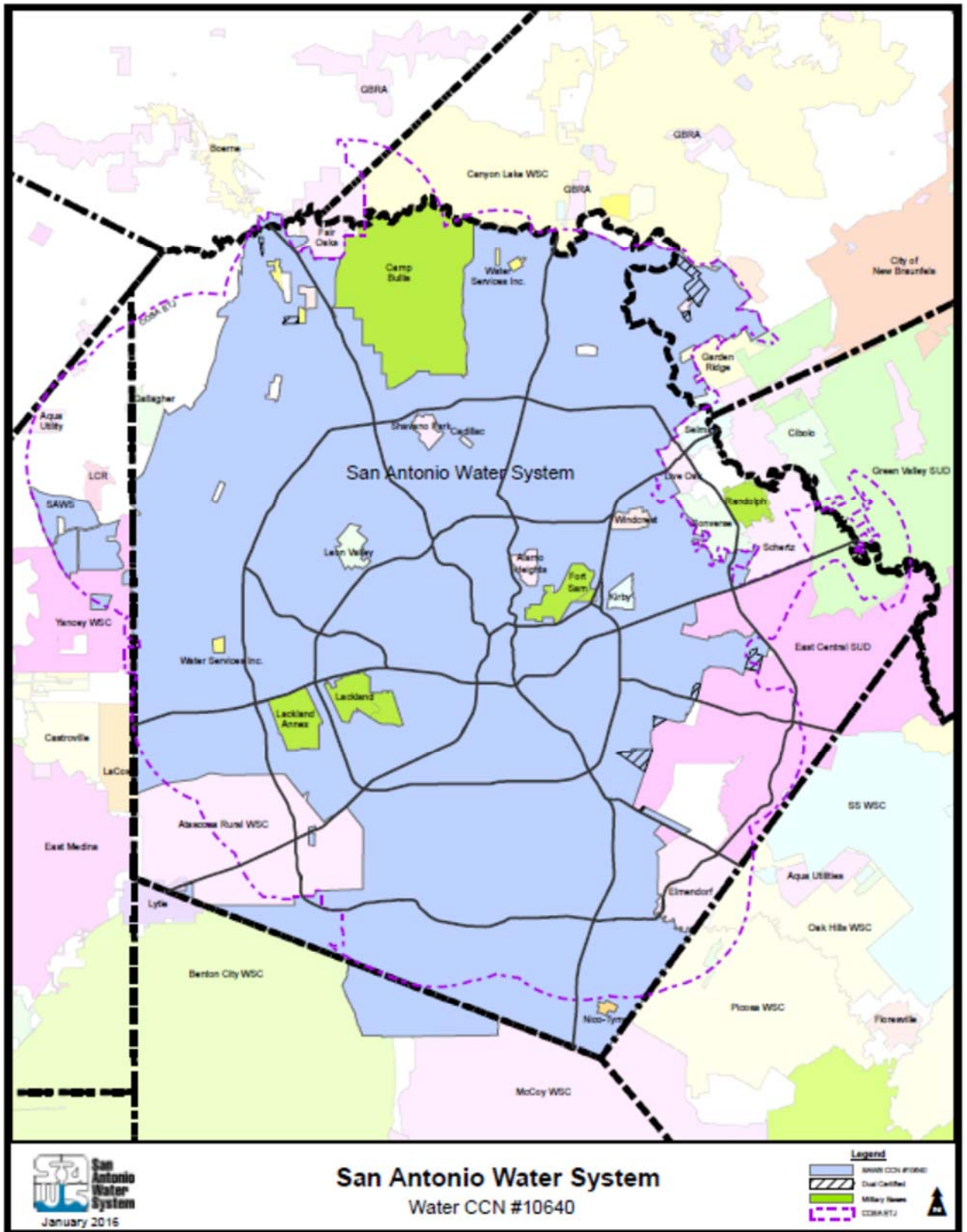
- (a) SAWS periodically restructures its operations which can impact the comparability of the figures by functional group. As a result of a significant restructuring, the employee information for 2007 is not available to report in a comparable fashion.
- (b) In 2012 SAWS assumed operational control of the former Bexar Metropolitan Water District (BexarMet). The employee figures shown above include the employees of the former BexarMet beginning in 2012. As the merger of the former BexarMet into SAWS was not completed until January 1, 2015, a number of these employees were allocated to the special purpose entity formulated to maintain this entity until completion of the merger. The number of employees allocated to this special purpose entity during the years 2012, 2013 and 2014 were 70, 207 and 204, respectively. For further discussion of the merger, see Note C to the financial statements.

San Antonio Water System
Schedule 25 - Capital Assets
(amounts in thousands)

	Fiscal Year									
	2016 (a)	2015 (a)	2014	2013	2012	2011	2010	2009	2008	2007
Water Delivery	\$ 2,664,891	\$ 2,489,921	\$ 1,998,502	\$ 1,882,369	\$ 1,806,882	\$ 1,680,136	\$ 1,621,171	\$ 1,548,754	\$ 1,472,040	\$ 1,349,664
Water Supply:										
Water Resources	1,036,861	740,434	708,825	628,445	585,055	556,979	546,491	429,129	353,988	249,278
Recycle	178,219	177,487	159,171	159,059	155,556	152,993	151,640	151,184	149,308	164,414
Conservation	559	558	511	465	436	444	441	335	221	262
Stormwater	321	354	302	277	211	179	187	183	161	147
Wastewater	2,702,938	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
Chilled Water and Steam	62,800	61,162	51,117	56,929	53,011	52,948	52,957	52,007	50,303	50,169
Working Capital	-	-	-	-	-	-	-	-	-	-
Construction in Progress	228,595	485,962	368,688	506,829	571,547	522,438	415,810	427,971	372,607	361,192
Total assets before accumulated depreciation	6,875,184	6,507,462	5,677,193	5,436,429	5,141,113	4,824,503	4,550,529	4,314,496	4,037,908	3,699,856
Accumulated Depreciation	1,989,093	1,859,676	1,587,715	1,472,429	1,369,885	1,271,438	1,187,662	1,140,232	1,070,718	1,002,264
Net Capital Assets	\$ 4,886,091	\$ 4,647,786	\$ 4,089,478	\$ 3,964,000	\$ 3,771,228	\$ 3,553,065	\$ 3,362,867	\$ 3,174,264	\$ 2,967,190	\$ 2,697,592

(a) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.

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



San Antonio Water System
Schedule 26 - Operating and Capital Indicators - Water
Unaudited

	Fiscal Year									
	2016 (f)	2015 (f)	2014	2013	2012	2011	2010	2009	2008	2007
Rainfall (Inches)	43.92	44.22	27.63	32.00	39.40	17.58	37.39	30.69	13.76	47.25
Customers/Connections (a)	488,705	482,821	373,920	367,408	365,099	360,281	356,546	352,059	348,834	344,168
Water Pumpage (Million Gallons)										
Annual Water Pumped	88,016	83,138	69,834	69,020	70,338	74,627	69,591	68,191	71,785	63,395
ASR Recharge (b)	11,159	6,911	1,569	2,629	3,742	3,928	8,320	5,542	3,535	6,582
ASR Production (b)	697	1,903	6,374	4,793	1,446	4,309	556	472	407	141
Annual Pumped for Usage	76,857	76,227	68,265	66,391	66,596	70,699	61,272	62,649	68,250	56,813
Average Daily	240.5	227.8	191.3	189.1	192.2	204.5	190.7	186.8	194.9	169.2
Maximum Daily	359.9	335.0	261.0	270.2	264.0	265.6	314.0	273.8	299.0	225.6
Metered Usage (Million Gallons)	63,934	62,896	57,261	55,108	55,320	59,133	52,578	55,295	58,828	49,511
Available Water Supply (Million Gallons)										
Permitted Edwards Aquifer rights (c)	93,289	94,144	83,126	82,902	84,822	84,640	85,035	81,923	71,738	69,505
Non-Edwards supply (d)	27,710	23,233	12,931	11,476	7,431	6,098	6,132	6,256	6,256	4,171
Stored in ASR (e)	39,429	28,967	23,959	28,764	30,928	28,632	29,013	21,249	16,179	13,051
Total water available for production	160,428	146,344	121,086	122,484	123,080	119,393	120,077	109,320	94,766	86,768
Number of Wells in Service	191	182	147	149	143	139	144	140	136	126
Overhead Storage Capacity (Million Gallons)	119.9	119.9	101.8	91.3	81.2	81.2	73.9	66.5	65.2	64.2
Total Storage Capacity (Million Gallons)	269.2	261.7	220.6	197.4	183.7	184.1	180.8	166.2	165.0	164.0
Miles of Water Main in Place	6,961	6,831	5,259	5,072	5,022	4,988	4,936	4,866	4,802	4,673
Water Main Breaks	1,194	2,363	2,018	1,863	2,128	3,397	1,475	3,212	2,594	1,392
Fire Hydrants in Place	39,988	38,460	28,753	28,323	27,914	27,566	27,115	26,599	25,955	25,004

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

(b) Gallons pumped for ASR recharge and ASR production are included in annual water pumped.

(c) Based on permitted rights authorized by the Edwards Aquifer Authority (EAA) as of December 31st. 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, Canyon Lake, Medina Lake and Lake Dunlap. There are no legally imposed reductions in these supplies during drought; however, production of water from certain of these sources is physically limited during periods of drought.

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

(f) Amounts reflect the merger of SAWS and SAWS District Special Project effective January 1, 2015. For further discussion, see Note C to the financial statements.

San Antonio Water System
Schedule 27 - Monthly Residential Service Charges for Ten Major Texas Cities - Water
Unaudited

CITY	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Arlington										
6000 Gallons	\$24.20	\$22.40	\$21.12	\$19.49	\$19.49	\$19.49	\$19.47	\$18.99	\$18.91	\$17.44
9000 Gallons	\$32.57	\$29.78	\$27.96	\$25.55	\$25.55	\$25.55	\$25.53	\$24.84	\$24.70	\$22.48
Austin										
6000 Gallons	\$38.35	\$37.37	\$37.21	\$29.74	\$26.16	\$26.16	\$20.34	\$19.18	\$17.93	\$16.93
9000 Gallons	\$70.30	\$66.88	\$62.60	\$51.74	\$35.40	\$35.40	\$28.68	\$27.04	\$25.22	\$24.22
Corpus Christi ¹										
6000 Gallons	\$42.37	\$34.76	\$34.76	\$32.25	\$30.55	\$28.97	\$27.76	\$25.54	\$25.34	\$23.44
9000 Gallons	\$66.29	\$55.78	\$55.78	\$51.79	\$48.76	\$45.67	\$43.30	\$39.10	\$38.62	\$33.98
Dallas										
6000 Gallons	\$21.35	\$20.86	\$19.87	\$19.39	\$18.58	\$17.62	\$16.72	\$16.16	\$15.50	\$14.68
9000 Gallons	\$34.10	\$33.25	\$31.60	\$30.70	\$29.23	\$27.67	\$26.17	\$25.16	\$23.90	\$22.39
El Paso ²										
6000 Gallons	\$23.82	\$21.62	\$17.84	\$17.84	\$17.01	\$16.53	\$16.53	\$16.53	\$16.53	\$15.27
9000 Gallons	\$31.28	\$28.42	\$24.10	\$24.10	\$22.99	\$22.34	\$22.34	\$22.34	\$22.34	\$20.15
Ft. Worth										
6000 Gallons	\$28.60	\$26.62	\$24.82	\$23.32	\$23.32	\$22.33	\$22.25	\$21.75	\$20.45	\$19.71
9000 Gallons	\$40.77	\$38.49	\$36.05	\$34.55	\$34.55	\$33.08	\$32.92	\$32.42	\$30.52	\$29.51
Houston										
6000 Gallons	\$32.42	\$31.97	\$30.62	\$30.26	\$27.78	\$25.51	\$23.65	\$21.91	\$20.85	\$20.49
9000 Gallons	\$47.42	\$46.76	\$44.78	\$44.27	\$40.62	\$37.30	\$34.60	\$30.67	\$29.19	\$28.71
Lubbock										
6000 Gallons	\$44.56	\$45.18	\$43.86	\$45.00	\$45.00	\$40.02	\$40.02	\$34.02	\$23.41	\$20.20
9000 Gallons	\$58.84	\$63.72	\$56.79	\$57.00	\$57.00	\$48.03	\$48.03	\$43.99	\$30.67	\$26.47
Plano										
6000 Gallons	\$25.98	\$25.98	\$25.41	\$23.10	\$22.55	\$20.50	\$20.50	\$19.35	\$16.71	\$16.41
9000 Gallons	\$35.28	\$35.28	\$33.72	\$30.66	\$29.18	\$26.53	\$26.53	\$25.05	\$21.63	\$21.15
San Antonio (Standard) ²										
6000 Gallons	\$27.09	\$23.50	\$22.65	\$21.54	\$21.67	\$19.59	\$19.85	\$22.11	\$21.81	\$21.56
9000 Gallons	\$41.96	\$34.43	\$33.16	\$31.37	\$31.53	\$28.44	\$28.83	\$30.40	\$30.03	\$29.66

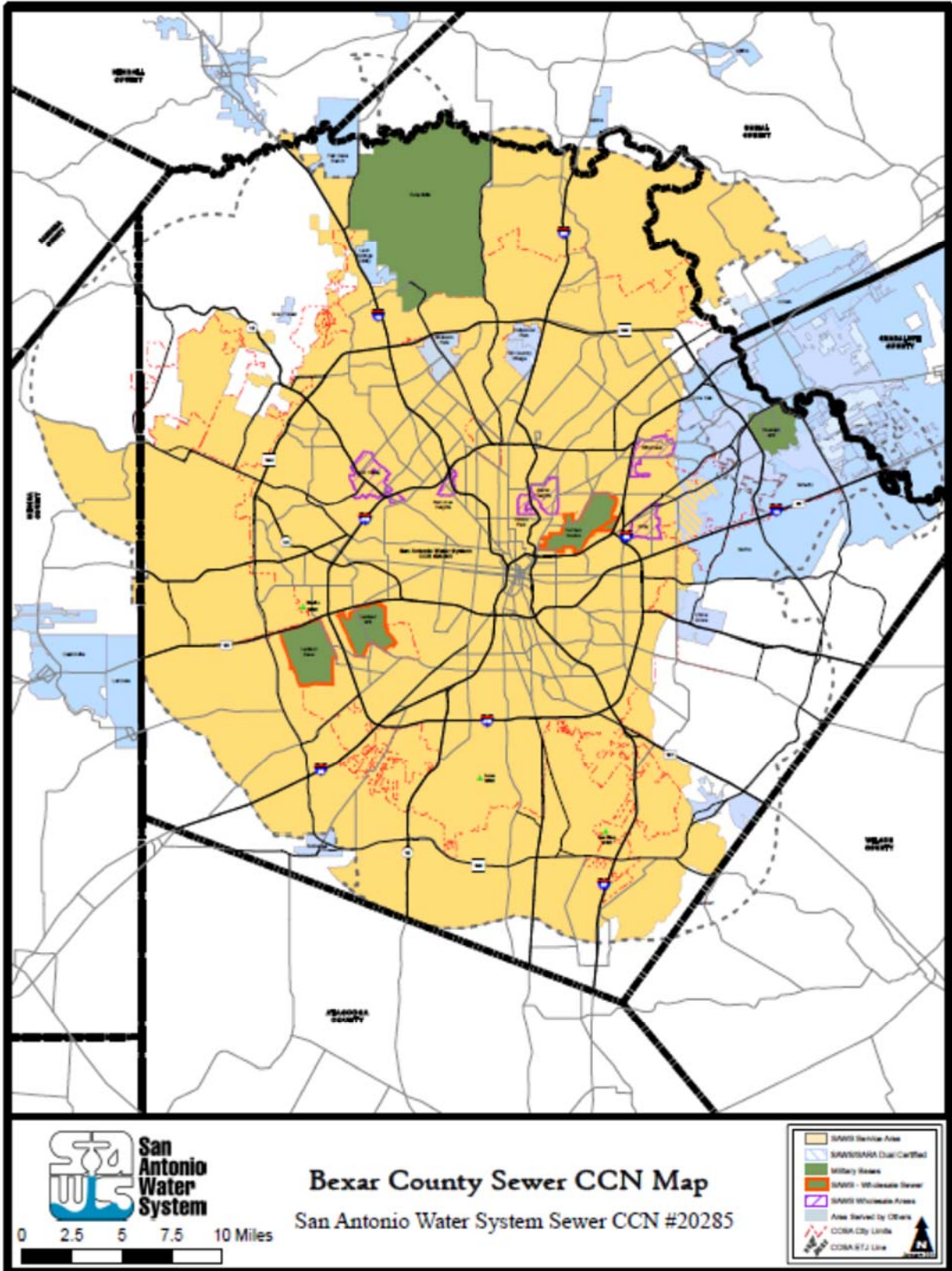
Source: Based on rates posted on each respective city's website.

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

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

² Assumes Standard rates and includes Water Supply Fee.

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



San Antonio Water System
Schedule 28 - Operating and Capital Indicators - Wastewater
Unaudited

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Customers/Connections (a)	437,460	429,609	424,257	416,801	412,275	405,119	400,096	395,161	389,894	379,962
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	98.26	93.84	85.20	78.47	79.04	74.97	86.47	74.37	76.53	93.34
Maximum Monthly Average Flow	117.01	112.44	91.19	86.78	87.01	76.63	103.66	89.36	81.43	131.98
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)	38.59	35.04	28.98	37.68	38.62	35.07	38.83	34.99	34.71	40.26
Maximum Monthly Average Flow (two outfalls)	45.06	44.26	39.03	44.16	43.77	36.46	45.30	64.74	38.62	55.49
Medio Creek										
Permit Flow	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	8.50
Average Annual Flow	7.73	6.92	7.08	7.76	7.29	6.83	7.53	6.32	5.87	6.94
Maximum Monthly Average Flow	9.73	8.24	7.49	8.45	8.14	6.97	8.71	7.45	6.57	10.51
Total										
Permit Flow	187.00	187.00	187.00	187.00	187.00	187.00	187.00	187.00	187.00	179.50
Average Annual Flow	144.58	135.79	121.26	124.26	124.95	116.87	132.83	115.68	117.11	140.54
Maximum Monthly Average Flow	171.80	162.54	137.71	139.40	138.92	120.06	157.67	161.55	126.62	197.98
Amount Treated Annually (millions of gallons)	49,282	48,563	50,689	50,076	49,055	49,918	48,151	51,987	50,347	49,218
Amount Treated Peak Day (millions of gallons)	311	286	196	221	199	160	258	194	174	294
Miles of Sewer Main In Place	5,375	5,322	5,247	5,238	5,200	5,163	5,118	5,085	5,001	4,877
Number of Manholes in Place	105,346	103,874	100,017	99,037	98,136	97,280	96,200	95,541	94,027	91,105
Number of Lift Stations	155	153	156	155	159	159	158	164	162	167

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

San Antonio Water System
Schedule 29 - Monthly Residential Service Charges for Ten Major Texas Cities - Wastewater
Unaudited

CITY	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Arlington										
6000 Gallons	\$31.56	\$31.10	\$30.26	\$28.03	\$28.03	\$27.37	\$26.89	\$25.97	\$25.29	\$23.10
9000 Gallons	\$42.69	\$42.20	\$41.24	\$38.02	\$38.02	\$37.03	\$36.31	\$35.03	\$34.05	\$31.05
Austin										
6000 Gallons	\$62.30	\$59.86	\$55.84	\$54.40	\$54.30	\$50.35	\$48.77	\$46.28	\$44.34	\$42.18
9000 Gallons	\$93.95	\$89.68	\$83.23	\$81.22	\$81.06	\$75.49	\$73.22	\$69.47	\$66.66	\$63.72
Corpus Christi										
6000 Gallons	\$60.79	\$52.23	\$52.23	\$46.96	\$43.21	\$43.21	\$40.80	\$35.95	\$34.15	\$28.91
9000 Gallons	\$80.86	\$69.48	\$69.48	\$62.71	\$57.69	\$57.69	\$54.47	\$48.01	\$45.60	\$38.61
Dallas										
6000 Gallons	\$36.56	\$35.78	\$34.15	\$33.80	\$33.00	\$31.70	\$29.99	\$29.33	\$28.63	\$27.07
9000 Gallons	\$52.49	\$51.38	\$49.00	\$48.50	\$47.40	\$45.50	\$43.01	\$42.11	\$41.20	\$38.86
El Paso										
6000 Gallons	\$19.73	\$17.79	\$16.48	\$16.48	\$15.68	\$15.22	\$15.22	\$15.22	\$15.22	\$14.21
9000 Gallons	\$26.35	\$23.77	\$22.01	\$22.01	\$20.93	\$20.31	\$20.31	\$20.31	\$20.31	\$18.97
Ft. Worth										
6000 Gallons	\$34.49	\$30.60	\$27.96	\$27.96	\$26.84	\$26.27	\$26.27	\$25.67	\$25.67	\$24.63
9000 Gallons	\$48.49	\$43.16	\$39.39	\$39.39	\$37.70	\$36.86	\$36.86	\$36.26	\$36.26	\$34.70
Houston										
6000 Gallons	\$39.87	\$39.31	\$37.65	\$37.20	\$34.15	\$31.38	\$29.09	\$24.84	\$22.67	\$22.29
9000 Gallons	\$63.51	\$62.62	\$59.97	\$59.25	\$54.40	\$49.98	\$46.34	\$36.69	\$33.95	\$33.39
Lubbock										
6000 Gallons	\$35.02	\$28.70	\$27.50	\$27.50	\$27.50	\$24.30	\$24.30	\$22.10	\$15.97	\$14.76
9000 Gallons	\$44.53	\$36.05	\$34.25	\$34.25	\$34.25	\$30.45	\$30.45	\$28.25	\$21.46	\$19.83
Plano										
6000 Gallons	\$39.23	\$37.40	\$34.40	\$33.54	\$33.54	\$33.54	\$33.54	\$33.54	\$27.95	\$27.10
9000 Gallons	\$54.86	\$52.31	\$47.51	\$46.32	\$46.32	\$46.32	\$46.32	\$46.32	\$38.60	\$37.24
San Antonio										
6000 Gallons	\$28.13	\$27.91	\$26.24	\$25.26	\$21.70	\$19.12	\$19.10	\$17.02	\$16.17	\$16.17
9000 Gallons	\$39.96	\$38.00	\$35.73	\$34.40	\$29.54	\$26.02	\$26.00	\$23.20	\$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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances	Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
Water System Revenue	\$ -				- %	15-May 2007	\$ -	\$ -	\$ -	-
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	-	-	-	-
	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	(1)	17468 19175	Serial	5.000	2018	8,540	-	5,725	2,815
	4,430	(1)	19176 20061	Serial	5.000	2019	4,430	-	2,970	1,460
	4,655	(1)	20062 20992	Serial	5.000	2020	4,655	-	3,120	1,535
	4,880	(1)	20993 21968	Serial	4.300	2021	4,880	-	3,270	1,610
	5,110	(1)	21969 22990	Serial	5.000	2022	5,110	-	3,425	1,685
	5,375	(1)	22991 24065	Serial	5.000	2023	5,375	-	3,600	1,775
	5,650	(1)	24066 25195	Serial	5.000	2024	5,650	-	3,785	1,865
	5,940	(1)	25196 26383	Serial	5.000	2025	5,940	-	3,980	1,960
	6,230	(1)	26384 27629	Serial	4.500	2026	6,230	-	4,175	2,055
	-				-	2027	-	-	-	-
	-				-	2028	-	-	-	-
	16,245	(1)	27630 30878	Serial	4.375	2029	16,245	-	10,890	5,355
	16,965	(1)(33)	30879 34271	Term	4.500	2030	16,965	-	11,370	5,595
	17,730	(1)(33)	34272 37817	Term	4.500	2031	17,730	-	11,885	5,845
	18,525	(1)(33)	37818 41522	Term	4.500	2032	18,525	-	12,415	6,110
	28,645	(1)(33)	41523 47251	Term	4.500	2033	28,645	-	19,200	9,445
	37,530	(1)(33)	47252 54757	Term	4.500	2034	37,530	-	25,155	12,375
	11,900	(1)(33)	54758 57137	Term	4.500	2035	11,900	-	7,975	3,925
	12,450	(1)(33)	57138 59627	Term	4.500	2036	12,450	-	8,345	4,105
	13,025	(1)(33)	59628 62232	Term	4.500	2037	13,025	-	8,730	4,295
	<u>\$ 311,160</u>						<u>\$ 242,570</u>	<u>\$ -</u>	<u>\$ 160,390</u>	<u>\$ 82,180</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE REFUNDING BONDS	Original Issue	Call Options	Bond Numbers		Bond Type	Interest Rates	Maturity Dates		Balances	Transactions		Balances
									Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
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	-	-	-	-
	3,170	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	(2)	6180	6798	Serial	5.000		2019	3,095	-	3,095	-
	550	(2)	6799	6908	Serial	4.000		2019	550	-	550	-
	3,430	(2)	6909	7594	Serial	5.000		2020	3,430	-	3,430	-
	400	(2)	7595	7674	Serial	4.000		2020	400	-	400	-
	4,025	(2)	7675	8479	Serial	5.000		2021	4,025	-	4,025	-
	3,525	(2)	8480	9184	Serial	5.000		2022	3,525	-	3,525	-
	700	(2)	9185	9324	Serial	4.000		2022	700	-	700	-
	3,080	(2)	9325	9940	Serial	5.000		2023	3,080	-	3,080	-
	1,355	(2)	9941	10211	Serial	4.200		2023	1,355	-	1,355	-
	2,935	(2)	10212	10798	Serial	5.000		2024	2,935	-	2,935	-
	1,715	(2)	10799	11141	Serial	4.300		2024	1,715	-	1,715	-
	400	(2)	11142	11221	Serial	4.500		2025	400	-	400	-
	4,485	(2)(34)	11222	12118	Term	5.125		2025	4,485	-	4,485	-
	5,140	(2)(34)	12119	13146	Term	5.125		2026	5,140	-	5,140	-
	5,410	(2)(34)	13147	14228	Term	5.125		2027	5,410	-	5,410	-
	2,995	(2)	14229	14827	Serial	5.000		2028	2,995	-	2,995	-
	2,695	(2)(34)	14828	15366	Term	5.125		2028	2,695	-	2,695	-
	1,665	(2)	15367	15699	Serial	5.000		2029	1,665	-	1,665	-
	4,325	(2)(34)	15700	16564	Term	5.125		2029	4,325	-	4,325	-
	6,305	(2)(34)	16565	17825	Term	5.250		2030	6,305	-	6,305	-
	6,645	(2)(34)	17826	19154	Term	5.250		2031	6,645	-	6,645	-
	7,005	(2)(34)	19155	20555	Term	5.250		2032	7,005	-	7,005	-
	7,385	(2)(34)	20556	22032	Term	5.250		2033	7,385	-	7,385	-
	7,780	(2)(34)	22033	23588	Term	5.250		2034	7,780	-	7,780	-
	8,205	(2)(34)	23589	25229	Term	5.375		2035	8,205	-	8,205	-
	8,660	(2)(34)	25230	26961	Term	5.375		2036	8,660	-	8,660	-
	9,135	(2)(34)	26962	28788	Term	5.375		2037	9,135	-	9,135	-
	9,640	(2)(34)	28789	30716	Term	5.375		2038	9,640	-	9,640	-
	10,175	(2)(34)	30717	32751	Term	5.375		2039	10,175	-	10,175	-
	<u>\$ 163,755</u>								<u>\$ 142,825</u>	<u>\$ -</u>	<u>\$ 136,030</u>	<u>\$ 6,795</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
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	(3)	1	538	3.319	2015	-	-	-	-	-
	2,755	(3)	539	1089	3.825	2016	2,755	-	2,755	-	-
	2,825	(3)	1090	1654	4.293	2017	2,825	-	-	-	2,825
	2,910	(3)	1655	2236	4.443	2018	2,910	-	-	-	2,910
	2,995	(3)	2237	2835	4.543	2019	2,995	-	-	-	2,995
	3,085	(3)	2836	3452	4.743	2020	3,085	-	-	-	3,085
	3,185	(3)	3453	4089	4.953	2021	3,185	-	-	-	3,185
	3,290	(3)	4090	4747	5.143	2022	3,290	-	-	-	3,290
	3,405	(3)	4748	5428	5.233	2023	3,405	-	-	-	3,405
	3,525	(3)	5429	6133	5.373	2024	3,525	-	-	-	3,525
	3,650	(3)(35)	6134	6863	5.502	2025	3,650	-	-	-	3,650
	4,995	(3)(35)	6864	7862	5.502	2026	4,995	-	-	-	4,995
	3,965	(3)(35)	7863	8655	5.502	2027	3,965	-	-	-	3,965
	3,300	(3)(35)	8656	9315	5.502	2028	3,300	-	-	-	3,300
	4,230	(3)(35)	9316	10161	5.502	2029	4,230	-	-	-	4,230
	4,385	(3)(35)	10162	11038	5.602	2030	4,385	-	-	-	4,385
	4,550	(3)(35)	11039	11948	5.602	2031	4,550	-	-	-	4,550
	4,715	(3)(35)	11949	12891	5.602	2032	4,715	-	-	-	4,715
	4,890	(3)(35)	12892	13869	5.602	2033	4,890	-	-	-	4,890
	5,075	(3)(35)	13870	14884	5.602	2034	5,075	-	-	-	5,075
	5,260	(3)(35)	14885	15936	5.602	2035	5,260	-	-	-	5,260
	5,455	(3)(35)	15937	17027	5.602	2036	5,455	-	-	-	5,455
	5,660	(3)(35)	17028	18159	5.602	2037	5,660	-	-	-	5,660
	5,870	(3)(35)	18160	19333	5.602	2038	5,870	-	-	-	5,870
	6,085	(3)(35)	19334	20550	5.602	2039	6,085	-	-	-	6,085
	<u>\$ 102,750</u>						<u>\$ 100,060</u>	<u>\$ -</u>	<u>\$ 2,755</u>	<u>\$ -</u>	<u>\$ 97,305</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
Water System Revenue Bonds	\$ -				- %	15-May 2010	\$ -	\$ -	\$ -	\$ -	-
Taxable, Series 2010B	-				-	2011	-	-	-	-	-
(Direct Subsidy - Build America Bonds)	1,635	(4)	1	327	1.109	2012	-	-	-	-	-
Paying Agent: USBank	1,645	(4)	328	656	1.457	2013	-	-	-	-	-
Bonds Dated: 11-15-10	1,665	(4)	657	989	1.933	2014	-	-	-	-	-
	1,685	(4)	990	1326	2.233	2015	-	-	-	-	-
	1,715	(4)	1327	1669	2.756	2016	1,715	-	1,715	-	-
	1,750	(4)	1670	2019	3.106	2017	1,750	-	-	-	1,750
	1,785	(4)	2020	2376	3.670	2018	1,785	-	-	-	1,785
	1,830	(4)	2377	2742	3.820	2019	1,830	-	-	-	1,830
	1,880	(4)	2743	3118	3.970	2020	1,880	-	-	-	1,880
	1,930	(4)	3119	3504	4.170	2021	1,930	-	-	-	1,930
	1,985	(4)	3505	3901	4.370	2022	1,985	-	-	-	1,985
	2,040	(4)	3902	4309	4.620	2023	2,040	-	-	-	2,040
	2,105	(4)	4310	4730	4.920	2024	2,105	-	-	-	2,105
	2,175	(4)	4731	5165	5.120	2025	2,175	-	-	-	2,175
	2,255	(4)(36)	5166	5616	6.170	2026	2,255	-	-	-	2,255
	2,350	(4)(36)	5617	6086	6.170	2027	2,350	-	-	-	2,350
	2,445	(4)(36)	6087	6575	6.170	2028	2,445	-	-	-	2,445
	2,545	(4)(36)	6576	7084	6.170	2029	2,545	-	-	-	2,545
	2,650	(4)(36)	7085	7614	6.170	2030	2,650	-	-	-	2,650
	2,760	(4)(36)	7615	8166	6.170	2031	2,760	-	-	-	2,760
	2,870	(4)(36)	8167	8740	6.170	2032	2,870	-	-	-	2,870
	2,990	(4)(36)	8741	9338	6.220	2033	2,990	-	-	-	2,990
	33,560	(4)(36)	9339	16050	6.220	2034	33,560	-	-	-	33,560
	4,495	(4)(36)	16051	16949	5.920	2035	4,495	-	-	-	4,495
	4,670	(4)(36)	16950	17883	5.920	2036	4,670	-	-	-	4,670
	4,855	(4)(36)	17884	18854	5.920	2037	4,855	-	-	-	4,855
	5,045	(4)(36)	18855	19863	5.920	2038	5,045	-	-	-	5,045
	5,240	(4)(36)	19864	20911	5.920	2039	5,240	-	-	-	5,240
	5,445	(4)(36)	20912	22000	5.920	2040	5,445	-	-	-	5,445
	<u>\$ 110,000</u>						<u>\$ 103,370</u>	<u>\$ -</u>	<u>\$ 1,715</u>	<u>\$ -</u>	<u>\$ 101,655</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
								Issued	Retired	
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	-	-	-	-
	2,340	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	(5)	5101 5844	Serial	5.000	2022	3,720	-	-	3,720
	3,950	(5)	5845 6634	Serial	5.000	2023	3,950	-	-	3,950
	4,195	(5)	6635 7473	Serial	5.000	2024	4,195	-	-	4,195
	4,455	(5)	7474 8364	Serial	5.000	2025	4,455	-	-	4,455
	4,735	(5)	8365 9311	Serial	5.000	2026	4,735	-	-	4,735
	<u>\$ 46,555</u>						<u>\$ 38,660</u>	<u>\$ -</u>	<u>\$ 2,340</u>	<u>\$ 36,320</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
Water System Revenue	\$ -				- %	15-May 2011	\$ -	\$ -	\$ -	\$ -	-
Refunding Bonds, Series 2011A	665	NONE	1	133	2.000	2012	-	-	-	-	-
Paying Agent: USBank	5,400	NONE	134	1213	3.000	2013	-	-	-	-	-
Bonds Dated: 10-06-11	1,385	NONE	1214	1490	2.000	2014	-	-	-	-	-
	1,420	NONE	1491	1774	3.000	2015	-	-	-	-	-
	1,460	NONE	1775	2066	3.000	2016	1,460	-	1,460	-	-
	2,060	NONE	2067	2478	5.000	2017	2,060	-	-	-	2,060
	1,600	NONE	2479	2798	5.000	2018	1,600	-	-	-	1,600
	550	NONE	2799	2908	3.000	2018	550	-	-	-	550
	3,985	NONE	2909	3705	4.000	2019	3,985	-	-	-	3,985
	1,695	NONE	3706	4044	5.000	2020	1,695	-	-	-	1,695
	3,705	NONE	4045	4785	4.000	2020	3,705	-	-	-	3,705
	5,575	(6)	4786	5900	5.000	2021	5,575	-	-	-	5,575
	1,000	(6)	5901	6100	3.250	2021	1,000	-	-	-	1,000
	6,730	(6)	6101	7446	5.000	2022	6,730	-	-	-	6,730
	7,890	(6)	7447	9024	5.000	2023	7,890	-	-	-	7,890
	8,490	(6)	9025	10722	5.000	2024	8,490	-	-	-	8,490
	8,930	(6)	10723	12508	5.000	2025	8,930	-	-	-	8,930
	9,370	(6)	12509	14382	5.000	2026	9,370	-	-	-	9,370
	5,585	(6)	14383	15499	5.000	2027	5,585	-	-	-	5,585
	7,000	(6)	15500	16899	4.500	2027	7,000	-	-	-	7,000
	14,445	(6)	16900	19788	5.000	2028	14,445	-	-	-	14,445
	8,990	(6)	19789	21586	5.000	2029	8,990	-	-	-	8,990
	9,450	(6)	21587	23476	5.000	2030	9,450	-	-	-	9,450
	9,935	(6)	23477	25463	5.000	2031	9,935	-	-	-	9,935
	10,445	(6)	25464	27552	5.000	2032	10,445	-	-	-	10,445
	2,465	(6)(37)	27553	28045	5.000	2033	2,465	-	-	-	2,465
	2,590	(6)(37)	28046	28563	5.000	2034	2,590	-	-	-	2,590
	2,725	(6)(37)	28564	29108	5.000	2035	2,725	-	-	-	2,725
	2,865	(6)(37)	29109	29681	5.000	2036	2,865	-	-	-	2,865
	3,010	(6)(37)	29682	30283	5.000	2037	3,010	-	-	-	3,010
	3,165	(6)(37)	30284	30916	5.000	2038	3,165	-	-	-	3,165
	3,330	(6)(37)	30917	31582	5.000	2039	3,330	-	-	-	3,330
	3,500	(6)(37)	31583	32282	5.000	2040	3,500	-	-	-	3,500
	3,680	(6)(37)	32283	33018	5.000	2041	3,680	-	-	-	3,680
	<u>\$ 165,090</u>						<u>\$ 156,220</u>	<u>\$ -</u>	<u>\$ 1,460</u>	<u>\$ -</u>	<u>\$ 154,760</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances	Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
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	-	-	-	-
	2,795	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	(7)	14408 17775	Serial	5.000	2023	16,840	-	-	16,840
	17,675	(7)	17776 21310	Serial	5.000	2024	17,675	-	-	17,675
	18,540	(7)	21311 25018	Serial	5.000	2025	18,540	-	-	18,540
	19,450	(7)	25019 28908	Serial	5.000	2026	19,450	-	-	19,450
	39,450	(7)	28909 36798	Serial	5.000	2027	39,450	-	-	39,450
	41,265	(7)	36799 45051	Serial	4.000	2028	41,265	-	-	41,265
	<u>\$ 225,255</u>						<u>\$ 217,275</u>	<u>\$ -</u>	<u>\$ 2,795</u>	<u>\$ 214,480</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
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	-	-	-	-	-
	2,880	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	(8)	6111 6919	Serial	4.000	2023	4,045	-	-	-	4,045
	4,255	(8)	6920 7770	Serial	5.000	2024	4,255	-	-	-	4,255
	4,470	(8)	7771 8664	Serial	3.250	2025	4,470	-	-	-	4,470
	4,700	(8)	8665 9604	Serial	5.000	2026	4,700	-	-	-	4,700
	4,940	(8)	9605 10592	Serial	5.000	2027	4,940	-	-	-	4,940
	5,195	(8)	10593 11631	Serial	5.000	2028	5,195	-	-	-	5,195
	5,460	(8)	11632 12723	Serial	5.000	2029	5,460	-	-	-	5,460
	5,740	(8)	12724 13871	Serial	5.000	2030	5,740	-	-	-	5,740
	6,035	(8)	13872 15078	Serial	5.000	2031	6,035	-	-	-	6,035
	6,310	(8)(38)	15079 16340	Term	5.000	2032	6,310	-	-	-	6,310
	6,570	(8)(38)	16341 17654	Term	5.000	2033	6,570	-	-	-	6,570
	6,840	(8)(38)	17655 19022	Term	5.000	2034	6,840	-	-	-	6,840
	7,155	(8)	19023 20453	Serial	5.000	2035	7,155	-	-	-	7,155
	7,520	(8)	20454 21957	Serial	5.000	2036	7,520	-	-	-	7,520
	4,140	(8)	21958 22785	Serial	5.000	2037	4,140	-	-	-	4,140
	3,765	(8)(38)	22786 23538	Term	5.000	2037	3,765	-	-	-	3,765
	8,310	(8)(38)	23539 25200	Term	5.000	2038	8,310	-	-	-	8,310
	8,740	(8)(38)	25201 26948	Term	5.000	2039	8,740	-	-	-	8,740
	9,185	(8)(38)	26949 28785	Term	5.000	2040	9,185	-	-	-	9,185
	9,585	(8)(38)	28786 30702	Term	5.000	2041	9,585	-	-	-	9,585
	9,925	(8)(38)	30703 32687	Term	5.000	2042	9,925	-	-	-	9,925
	<u>\$ 163,435</u>						<u>\$ 156,325</u>	<u>\$ -</u>	<u>\$ 2,880</u>	<u>\$ -</u>	<u>\$ 153,445</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
								Issued	Retired	
Water System Junior Lien Revenue and Refunding Bonds, Series 2007	\$ -	NONE			- %	15-May 2007	\$ -	\$ -	\$ -	\$ -
Paying Agent: USBank	335	NONE	1	67	1.700	2008	-	-	-	-
Bonds Dated: 01-23-07	340	NONE	68	135	1.700	2009	-	-	-	-
	350	NONE	136	205	1.700	2010	-	-	-	-
	355	NONE	206	276	1.700	2011	-	-	-	-
	360	NONE	277	348	1.700	2012	-	-	-	-
	365	NONE	349	421	1.750	2013	-	-	-	-
	370	NONE	422	495	1.800	2014	-	-	-	-
	380	NONE	496	571	1.850	2015	-	-	-	-
	385	NONE	572	648	1.900	2016	385	-	385	-
	395	NONE	649	727	1.950	2017	395	-	-	395
	400	(9)	728	807	2.000	2018	400	-	-	400
	410	(9)	808	889	2.050	2019	410	-	-	410
	420	(9)	890	973	2.100	2020	420	-	-	420
	430	(9)	974	1059	2.150	2021	430	-	-	430
	435	(9)	1060	1146	2.200	2022	435	-	-	435
	445	(9)	1147	1235	2.250	2023	445	-	-	445
	455	(9)	1236	1326	2.250	2024	455	-	-	455
	470	(9)	1327	1420	2.300	2025	470	-	-	470
	480	(9)	1421	1516	2.300	2026	480	-	-	480
	490	(9)	1517	1614	2.400	2027	490	-	-	490
	<u>\$ 8,070</u>						<u>\$ 5,215</u>	<u>\$ -</u>	<u>\$ 385</u>	<u>\$ 4,830</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
								Issued	Retired	
Water System Junior Lien	\$ -				- %	15-May 2007	\$ -	\$ -	\$ -	-
Revenue and Refunding	1,330	NONE	1	266	2.700	2008	-	-	-	-
Bonds, Series 2007A	1,365	NONE	267	539	2.700	2009	-	-	-	-
Paying Agent: USBank	1,400	NONE	540	819	2.700	2010	-	-	-	-
Bonds Dated: 01-23-07	1,440	NONE	820	1107	2.700	2011	-	-	-	-
	1,480	NONE	1108	1403	2.700	2012	-	-	-	-
	1,520	NONE	1404	1707	2.750	2013	-	-	-	-
	1,565	NONE	1708	2020	2.800	2014	-	-	-	-
	1,610	NONE	2021	2342	2.850	2015	-	-	-	-
	1,655	NONE	2343	2673	2.900	2016	1,655	-	1,655	-
	1,705	NONE	2674	3014	2.950	2017	1,705	-	-	1,705
	1,755	(10)	3015	3365	3.000	2018	1,755	-	-	1,755
	1,810	(10)	3366	3727	3.050	2019	1,810	-	-	1,810
	1,865	(10)	3728	4100	3.100	2020	1,865	-	-	1,865
	1,925	(10)	4101	4485	3.150	2021	1,925	-	-	1,925
	1,985	(10)	4486	4882	3.200	2022	1,985	-	-	1,985
	2,050	(10)	4883	5292	3.250	2023	2,050	-	-	2,050
	2,120	(10)	5293	5716	3.250	2024	2,120	-	-	2,120
	2,190	(10)	5717	6154	3.300	2025	2,190	-	-	2,190
	2,265	(10)	6155	6607	3.300	2026	2,265	-	-	2,265
	2,340	(10)	6608	7075	3.400	2027	350	-	-	350
	<u>\$ 35,375</u>						<u>\$ 21,675</u>	<u>\$ -</u>	<u>\$ 1,655</u>	<u>\$ 20,020</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
								Issued	Retired	
Water System Junior Lien	\$ -				- %	15-May 2008	\$ -	\$ -	\$ -	-
Revenue Bonds, Series 2008	800	NONE	1	160	0.100	2009	-	-	-	-
Paying Agent: Wells Fargo	690	NONE	161	298	0.550	2010	-	-	-	-
Bonds Dated: 12-04-08	695	NONE	299	437	0.850	2011	-	-	-	-
	700	NONE	438	577	1.150	2012	-	-	-	-
	710	NONE	578	719	1.350	2013	-	-	-	-
	720	NONE	720	863	1.650	2014	-	-	-	-
	730	NONE	864	1009	1.850	2015	-	-	-	-
	745	NONE	1010	1158	2.050	2016	745	-	745	-
	760	NONE	1159	1310	2.250	2017	760	-	-	760
	780	NONE	1311	1466	2.450	2018	780	-	-	780
	800	(11)	1467	1626	2.700	2019	800	-	-	800
	825	(11)	1627	1791	2.900	2020	825	-	-	825
	850	(11)	1792	1961	3.050	2021	850	-	-	850
	875	(11)	1962	2136	3.200	2022	875	-	-	875
	905	(11)	2137	2317	3.250	2023	905	-	-	905
	935	(11)	2318	2504	3.450	2024	935	-	-	935
	970	(11)	2505	2698	3.550	2025	970	-	-	970
	1,005	(11)	2699	2899	3.600	2026	1,005	-	-	1,005
	1,040	(11)	2900	3107	3.650	2027	1,040	-	-	1,040
	1,080	(11)	3108	3323	3.650	2028	1,080	-	-	1,080
	1,120	(11)	3324	3547	3.750	2029	1,120	-	-	1,120
	1,165	(11)	3548	3780	3.800	2030	1,165	-	-	1,165
	1,210	(11)	3781	4022	3.800	2031	1,210	-	-	1,210
	1,255	(11)	4023	4273	3.850	2032	1,255	-	-	1,255
	1,305	(11)	4274	4534	3.850	2033	1,305	-	-	1,305
	1,355	(11)	4535	4805	3.850	2034	1,355	-	-	1,355
	1,410	(11)	4806	5087	3.850	2035	1,410	-	-	1,410
	1,465	(11)	5088	5380	3.850	2036	1,465	-	-	1,465
	1,520	(11)	5381	5684	3.850	2037	1,520	-	-	1,520
	1,580	(11)	5685	6000	3.950	2038	1,580	-	-	1,580
	<u>\$ 30,000</u>						<u>\$ 24,955</u>	<u>\$ -</u>	<u>\$ 745</u>	<u>\$ 24,210</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
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	-	-	-	-
	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	(12)	1011	1126	Serial	3.700	2019	580	-	-	580
	600	(12)	1127	1246	Serial	3.900	2020	600	-	-	600
	625	(12)	1247	1371	Serial	4.050	2021	625	-	-	625
	650	(12)	1372	1501	Serial	4.200	2022	650	-	-	650
	680	(12)	1502	1637	Serial	4.250	2023	680	-	-	680
	710	(12)	1638	1779	Serial	4.450	2024	710	-	-	710
	740	(12)	1780	1927	Serial	4.550	2025	740	-	-	740
	775	(12)	1928	2082	Serial	4.600	2026	775	-	-	775
	815	(12)	2083	2245	Serial	4.650	2027	815	-	-	815
	850	(12)	2246	2415	Serial	4.650	2028	850	-	-	850
	890	(12)	2416	2593	Serial	4.750	2029	890	-	-	890
	935	(12)	2594	2780	Serial	4.800	2030	935	-	-	935
	980	(12)	2781	2976	Serial	4.800	2031	980	-	-	980
	1,030	(12)	2977	3182	Serial	4.850	2032	1,030	-	-	1,030
	1,080	(12)	3183	3398	Serial	4.850	2033	1,080	-	-	1,080
	1,135	(12)	3399	3625	Serial	4.850	2034	1,135	-	-	1,135
	1,190	(12)	3626	3863	Serial	4.850	2035	1,190	-	-	1,190
	1,250	(12)	3864	4113	Serial	4.850	2036	1,250	-	-	1,250
	1,315	(12)	4114	4376	Serial	4.850	2037	1,315	-	-	1,315
	1,380	(12)	4377	4652	Serial	4.950	2038	1,255	-	-	1,255
	<u>\$ 23,260</u>							<u>\$ 19,700</u>	<u>\$ -</u>	<u>\$ 520</u>	<u>\$ 19,180</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
								Issued	Retired	
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	-	-	-	-
	1,300	NONE	1546	1805	1.750	2016	1,300	-	1,300	-
	1,325	NONE	1806	2070	2.000	2017	1,325	-	-	1,325
	1,355	NONE	2071	2341	2.150	2018	1,355	-	-	1,355
	1,385	NONE	2342	2618	2.400	2019	1,385	-	-	1,385
	1,420	(13)	2619	2902	2.750	2020	1,420	-	-	1,420
	1,460	(13)	2903	3194	2.950	2021	1,460	-	-	1,460
	1,505	(13)	3195	3495	3.100	2022	1,505	-	-	1,505
	1,555	(13)	3496	3806	3.250	2023	1,555	-	-	1,555
	1,605	(13)	3807	4127	3.350	2024	1,605	-	-	1,605
	1,665	(13)	4128	4460	3.700	2025	1,665	-	-	1,665
	1,730	(13)	4461	4806	3.800	2026	1,730	-	-	1,730
	1,795	(13)	4807	5165	3.900	2027	1,795	-	-	1,795
	1,870	(13)	5166	5539	4.000	2028	1,870	-	-	1,870
	1,945	(13)	5540	5928	4.000	2029	1,945	-	-	1,945
	2,025	(13)	5929	6333	4.050	2030	2,025	-	-	2,025
	2,105	(13)	6334	6754	4.100	2031	2,105	-	-	2,105
	2,200	(13)	6755	7194	4.150	2032	2,200	-	-	2,200
	2,300	(13)	7195	7654	4.200	2033	2,300	-	-	2,300
	2,395	(13)	7655	8133	4.250	2034	2,395	-	-	2,395
	2,500	(13)	8134	8633	4.250	2035	2,500	-	-	2,500
	2,610	(13)	8634	9155	4.250	2036	2,610	-	-	2,610
	2,720	(13)	9156	9699	4.250	2037	2,720	-	-	2,720
	2,840	(13)	9700	10267	4.250	2038	2,840	-	-	2,840
	2,965	(13)	10268	10860	4.350	2039	2,965	-	-	2,965
	<u>\$ 54,300</u>						<u>\$ 46,575</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ 45,275</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
								Issued	Retired	
Water System Junior Lien Revenue and Refunding Bonds, Series 2009A Paying Agent: Wells Fargo Bonds Dated: 11-01-09	\$ -				-	15-May 2009	-	-	-	-
	-				-	2010	-	-	-	-
	-				-	2011	-	-	-	-
	-				-	2012	-	-	-	-
	-				-	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	(14)	1816	2283	1.642	2020	2,340	-	-	2,340
	2,385	(14)	2284	2760	1.947	2021	2,385	-	-	2,385
	2,430	(14)	2761	3246	2.131	2022	2,430	-	-	2,430
	2,485	(14)	3247	3743	2.280	2023	2,485	-	-	2,485
	2,545	(14)	3744	4252	2.351	2024	2,545	-	-	2,545
	2,605	(14)	4253	4773	2.532	2025	2,605	-	-	2,605
	2,675	(14)	4774	5308	2.463	2026	2,675	-	-	2,675
	2,745	(14)	5309	5857	2.706	2027	2,745	-	-	2,745
	2,820	(14)	5858	6421	2.661	2028	2,820	-	-	2,820
	2,895	(14)	6422	7000	2.815	2029	2,895	-	-	2,895
	<u>\$ 35,000</u>						<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ 2,240</u>	<u>\$ 32,760</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
Water System Junior Lien	\$ -				- %	15-May 2010	\$ -	\$ -	\$ -	\$ -	-
Revenue Refunding Bonds, Series 2010	5,725	NONE	1 1145	Serial	2.000	2011	-	-	-	-	-
Paying Agent: Wells Fargo	5,865	NONE	1146 2318	Serial	3.000	2012	-	-	-	-	-
Bonds Dated: 02-01-10	6,035	NONE	2319 3525	Serial	3.000	2013	-	-	-	-	-
	6,240	NONE	3526 4773	Serial	4.000	2014	-	-	-	-	-
	6,490	NONE	4774 6071	Serial	4.000	2015	-	-	-	-	-
	6,745	NONE	6072 7420	Serial	4.000	2016	6,745	-	6,745	-	-
	7,025	NONE	7421 8825	Serial	4.250	2017	7,025	-	-	-	7,025
	7,345	NONE	8826 10294	Serial	5.000	2018	7,345	-	-	-	7,345
	4,275	NONE	10295 11149	Serial	4.000	2019	4,275	-	-	-	4,275
	3,400	NONE	11150 11829	Serial	4.250	2019	3,400	-	-	-	3,400
	<u>\$ 59,145</u>						<u>\$ 28,790</u>	<u>\$ -</u>	<u>\$ 6,745</u>	<u>\$ -</u>	<u>\$ 22,045</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
								Issued	Retired	
Water System Junior Lien Revenue and Refunding Bonds, Series 2010A Paying Agent: US Bank N.A. Bonds Dated: 12-14-10	\$ -				- %	15-May 2010	\$ -	\$ -	\$ -	\$ -
	510	NONE	1	102	-	2011	-	-	-	-
	475	NONE	103	197	-	2012	-	-	-	-
	475	NONE	198	292	-	2013	-	-	-	-
	475	NONE	293	387	-	2014	-	-	-	-
	480	NONE	388	482	-	2015	-	-	-	-
	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	(15)	971	1072	1.890	2021	510	-	-	510
	520	(15)	1073	1176	2.020	2022	520	-	-	520
	530	(15)	1177	1282	2.110	2023	530	-	-	530
	540	(15)	1283	1390	2.210	2024	540	-	-	540
	555	(15)	1391	1501	2.300	2025	555	-	-	555
	565	(15)	1502	1614	2.430	2026	565	-	-	565
	580	(15)	1615	1730	2.540	2027	580	-	-	580
	595	(15)	1731	1849	2.630	2028	595	-	-	595
	615	(15)	1850	1972	2.670	2029	615	-	-	615
	630	(15)	1973	2098	2.750	2030	630	-	-	630
	650	(15)	2099	2228	2.860	2031	650	-	-	650
	665	(15)	2229	2361	2.900	2032	665	-	-	665
	685	(15)	2362	2498	2.970	2033	685	-	-	685
	705	(15)	2499	2639	3.060	2034	705	-	-	705
	730	(15)	2640	2785	3.110	2035	730	-	-	730
	750	(15)	2786	2935	3.110	2036	750	-	-	750
	775	(15)	2936	3090	3.110	2037	775	-	-	775
	800	(15)	3091	3250	3.110	2038	800	-	-	800
	825	(15)	3251	3415	3.110	2039	825	-	-	825
	855	(15)	3416	3586	3.310	2040	855	-	-	855
	<u>\$ 17,930</u>						<u>\$ 15,520</u>	<u>\$ -</u>	<u>\$ 480</u>	<u>\$ 15,040</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
Water System Junior Lien Revenue Bonds, Series 2011 Paying Agent: US Bank N.A. Bonds Dated: 08-18-11	\$ -				- %	15-May 2011	\$ -	\$ -	\$ -	\$ -	-
	1,120	NONE	1	224	-	2012	-	-	-	-	-
	1,175	NONE	225	459	-	2013	-	-	-	-	-
	1,175	NONE	460	694	-	2014	-	-	-	-	-
	1,175	NONE	695	929	-	2015	-	-	-	-	-
	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	(16)	2344	2583	0.980	2022	1,200	-	-	-	1,200
	1,215	(16)	2584	2826	1.150	2023	1,215	-	-	-	1,215
	1,230	(16)	2827	3072	1.320	2024	1,230	-	-	-	1,230
	1,245	(16)	3073	3321	1.490	2025	1,245	-	-	-	1,245
	1,265	(16)	3322	3574	1.620	2026	1,265	-	-	-	1,265
	1,285	(16)	3575	3831	1.720	2027	1,285	-	-	-	1,285
	1,310	(16)	3832	4093	1.820	2028	1,310	-	-	-	1,310
	1,335	(16)	4094	4360	1.920	2029	1,335	-	-	-	1,335
	1,360	(16)	4361	4632	2.070	2030	1,360	-	-	-	1,360
	1,390	(16)	4633	4910	2.070	2031	1,390	-	-	-	1,390
	<u>\$ 24,550</u>						<u>\$ 19,905</u>	<u>\$ -</u>	<u>\$ 1,175</u>	<u>\$ 18,730</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
Water System Junior Lien Revenue and Refunding Bonds, Series 2011A Paying Agent: US Bank N.A. Bonds Dated: 08-18-11	\$ -				- %	15-May 2011	\$ -	\$ -	\$ -	\$ -	-
	335	NONE	1	67	Serial	2012	-	-	-	-	-
	455	NONE	68	158	Serial	2013	-	-	-	-	-
	455	NONE	159	249	Serial	2014	-	-	-	-	-
	455	NONE	250	340	Serial	2015	-	-	-	-	-
	455	NONE	341	431	Serial	2016	455	-	455	-	-
	460	NONE	432	523	Serial	2017	460	-	-	-	460
	465	NONE	524	616	Serial	2018	465	-	-	-	465
	475	NONE	617	711	Serial	2019	475	-	-	-	475
	480	NONE	712	807	Serial	2020	480	-	-	-	480
	490	NONE	808	905	Serial	2021	490	-	-	-	490
	500	(17)	906	1005	Serial	2022	500	-	-	-	500
	510	(17)	1006	1107	Serial	2023	510	-	-	-	510
	525	(17)	1108	1212	Serial	2024	525	-	-	-	525
	540	(17)	1213	1320	Serial	2025	540	-	-	-	540
	555	(17)	1321	1431	Serial	2026	555	-	-	-	555
	570	(17)	1432	1545	Serial	2027	570	-	-	-	570
	590	(17)	1546	1663	Serial	2028	590	-	-	-	590
	605	(17)	1664	1784	Serial	2029	605	-	-	-	605
	625	(17)	1785	1909	Serial	2030	625	-	-	-	625
	645	(17)	1910	2038	Serial	2031	645	-	-	-	645
	670	(17)	2039	2172	Serial	2032	670	-	-	-	670
	690	(17)	2173	2310	Serial	2033	690	-	-	-	690
	715	(17)	2311	2453	Serial	2034	715	-	-	-	715
	745	(17)	2454	2602	Serial	2035	745	-	-	-	745
	770	(17)	2603	2756	Serial	2036	770	-	-	-	770
	800	(17)	2757	2916	Serial	2037	800	-	-	-	800
	830	(17)	2917	3082	Serial	2038	830	-	-	-	830
	860	(17)	3083	3254	Serial	2039	860	-	-	-	860
	895	(17)	3255	3433	Serial	2040	895	-	-	-	895
	930	(17)	3434	3619	Serial	2041	930	-	-	-	930
	<u>\$ 18,095</u>						<u>\$ 16,395</u>	<u>\$ -</u>	<u>\$ 455</u>	<u>\$ -</u>	<u>\$ 15,940</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances	Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
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 Bonds Dated: 04-11-12	2,965	NONE	580	1172	2.000	2014	-	-	-	-
	3,055	NONE	1173	1783	4.000	2015	-	-	-	-
	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>\$ 22,975</u>	<u>\$ -</u>	<u>\$ 3,210</u>	<u>\$ 19,765</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, 2016
(amounts in thousands)

**WATER SYSTEM
REVENUE BONDS**

Water System Junior Lien
Revenue Bonds, Series 2012
Paying Agent: US Bank N.A.
Bonds Dated: 08-28-12

	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances Outstanding		Transactions		Balances Outstanding December 31, 2016
							January 1, 2016	Retired	Issued	Retired	
\$	-				- %	15-May 2012	\$ -	\$ -	\$ -	\$ -	-
	545	NONE	1	109	-	2013	-	-	-	-	-
	590	NONE	110	227	-	2014	-	-	-	-	-
	590	NONE	228	345	-	2015	-	-	-	-	-
	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	(18)	1176	1296	0.830	2023	605	-	-	-	605
	610	(18)	1297	1418	0.920	2024	610	-	-	-	610
	615	(18)	1419	1541	1.010	2025	615	-	-	-	615
	625	(18)	1542	1666	1.090	2026	625	-	-	-	625
	630	(18)	1667	1792	1.160	2027	630	-	-	-	630
	635	(18)	1793	1919	1.230	2028	635	-	-	-	635
	645	(18)	1920	2048	1.300	2029	645	-	-	-	645
	655	(18)	2049	2179	1.370	2030	655	-	-	-	655
	665	(18)	2180	2312	1.430	2031	665	-	-	-	665
	675	(18)	2313	2447	1.490	2032	675	-	-	-	675
	685	(18)	2448	2584	1.550	2033	685	-	-	-	685
	695	(18)	2585	2723	1.620	2034	695	-	-	-	695
	705	(18)	2724	2864	1.690	2035	705	-	-	-	705
	720	(18)	2865	3008	1.750	2036	720	-	-	-	720
	730	(18)	3009	3154	1.790	2037	730	-	-	-	730
	745	(18)	3155	3303	1.810	2038	745	-	-	-	745
	760	(18)	3304	3455	1.820	2039	760	-	-	-	760
	770	(18)	3456	3609	1.830	2040	770	-	-	-	770
	785	(18)	3610	3766	1.840	2041	785	-	-	-	785
	800	(18)	3767	3926	1.850	2042	800	-	-	-	800
\$	<u>19,630</u>						\$ <u>17,905</u>	\$ -	\$ <u>590</u>	\$ <u>17,315</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers		Bond Type	Interest Rates	Maturity Dates		Balances	Transactions		Balances
									Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
Water System Junior Lien	\$ -					- %	15-May	2013	\$ -	\$ -	\$ -	\$ -
Revenue Bonds, Series 2013A	2,395	NONE	1	479	Serial	0.000		2014	-	-	-	-
Paying Agent: Bank of New York	2,390	NONE	480	957	Serial	0.000		2015	-	-	-	-
Bonds Dated: 05-07-13	2,390	NONE	958	1435	Serial	0.000		2016	2,390	-	2,390	-
	2,390	NONE	1436	1913	Serial	0.000		2017	2,390	-	-	2,390
	2,390	NONE	1914	2391	Serial	0.000		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	(19)	4805	5296	Serial	0.940		2024	2,460	-	-	2,460
	2,485	(19)	5297	5793	Serial	1.020		2025	2,485	-	-	2,485
	2,515	(19)	5794	6296	Serial	1.090		2026	2,515	-	-	2,515
	2,540	(19)	6297	6804	Serial	1.150		2027	2,540	-	-	2,540
	2,570	(19)	6805	7318	Serial	1.220		2028	2,570	-	-	2,570
	2,605	(19)	7319	7839	Serial	1.270		2029	2,605	-	-	2,605
	2,635	(19)	7840	8366	Serial	1.330		2030	2,635	-	-	2,635
	2,675	(19)	8367	8901	Serial	1.380		2031	2,675	-	-	2,675
	2,720	(19)	8902	9445	Serial	2.050		2032	2,720	-	-	2,720
	2,775	(19)	9446	10000	Serial	2.050		2033	2,775	-	-	2,775
	<u>\$ 50,000</u>								<u>\$ 45,215</u>	<u>\$ -</u>	<u>\$ 2,390</u>	<u>\$ 42,825</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances	Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
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	-	-	-	-
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	(20)	8073	8666	5.000	2024	2,970	-	-	2,970
	3,120	(20)	8667	9290	5.000	2025	3,120	-	-	3,120
	3,285	(20)	9291	9947	5.000	2026	3,285	-	-	3,285
	3,450	(20)	9948	10637	5.000	2027	3,450	-	-	3,450
	3,630	(20)	10638	11363	5.000	2028	3,630	-	-	3,630
	3,815	(20)	11364	12126	5.000	2029	3,815	-	-	3,815
	4,015	(20)	12127	12929	5.000	2030	4,015	-	-	4,015
	4,220	(20)	12930	13773	5.000	2031	4,220	-	-	4,220
	4,440	(20)	13774	14661	5.000	2032	4,440	-	-	4,440
	4,670	(20)	14662	15595	5.000	2033	4,670	-	-	4,670
	4,910	(20)	15596	16577	5.000	2034	4,910	-	-	4,910
	<u>\$ 82,885</u>						<u>\$ 77,295</u>	<u>\$ -</u>	<u>\$ 3,870</u>	<u>\$ 73,425</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances	Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
Water System Junior Lien	\$ -				- %	15-May 2013	\$ -	\$ -	\$ -	-
Revenue Bonds, Series 2013C	1,230	NONE	1 246	Serial	0.000	2014	-	-	-	-
Paying Agent: Bank of New York	1,210	NONE	247 488	Serial	0.000	2015	-	-	-	-
Bonds Dated: 12-05-13	1,210	NONE	489 730	Serial	0.000	2016	1,210	-	1,210	-
	1,210	NONE	731 972	Serial	0.000	2017	1,210	-	-	1,210
	1,210	NONE	973 1214	Serial	0.400	2018	1,210	-	-	1,210
	1,210	NONE	1215 1456	Serial	0.420	2019	1,210	-	-	1,210
	1,220	NONE	1457 1700	Serial	0.790	2020	1,220	-	-	1,220
	1,230	NONE	1701 1946	Serial	1.110	2021	1,230	-	-	1,230
	1,245	NONE	1947 2195	Serial	1.300	2022	1,245	-	-	1,245
	1,260	NONE	2196 2447	Serial	1.480	2023	1,260	-	-	1,260
	1,280	(21)	2448 2703	Serial	1.650	2024	1,280	-	-	1,280
	1,305	(21)	2704 2964	Serial	1.810	2025	1,305	-	-	1,305
	1,330	(21)	2965 3230	Serial	1.970	2026	1,330	-	-	1,330
	1,355	(21)	3231 3501	Serial	2.120	2027	1,355	-	-	1,355
	1,385	(21)	3502 3778	Serial	2.270	2028	1,385	-	-	1,385
	1,420	(21)	3779 4062	Serial	2.390	2029	1,420	-	-	1,420
	1,455	(21)	4063 4353	Serial	2.510	2030	1,455	-	-	1,455
	1,495	(21)	4354 4652	Serial	2.590	2031	1,495	-	-	1,495
	1,535	(21)	4653 4959	Serial	2.680	2032	1,535	-	-	1,535
	1,575	(21)	4960 5274	Serial	2.740	2033	1,575	-	-	1,575
	<u>\$ 26,370</u>						<u>\$ 23,930</u>	<u>\$ -</u>	<u>\$ 1,210</u>	<u>\$ 22,720</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates		Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
									Issued	Retired	
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	-	-	-	-
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	(22)	3149	3484	1.960		2024	1,680	-	-	1,680
	1,715	(22)	3485	3827	2.150		2025	1,715	-	-	1,715
	1,755	(22)	3828	4178	2.340		2026	1,755	-	-	1,755
	1,800	(22)	4179	4538	2.470		2027	1,800	-	-	1,800
	1,845	(22)	4539	4907	2.590		2028	1,845	-	-	1,845
	1,895	(22)	4908	5286	2.710		2029	1,895	-	-	1,895
	1,950	(22)	5287	5676	2.820		2030	1,950	-	-	1,950
	2,005	(22)	5677	6077	2.900		2031	2,005	-	-	2,005
	2,065	(22)	6078	6490	2.980		2032	2,065	-	-	2,065
	2,130	(22)	6491	6916	3.050		2033	2,130	-	-	2,130
	2,195	(22)	6917	7355	3.110		2034	2,195	-	-	2,195
	2,265	(22)	7356	7808	3.170		2035	2,265	-	-	2,265
	2,340	(22)	7809	8276	3.220		2036	2,340	-	-	2,340
	2,415	(22)	8277	8759	3.260		2037	2,415	-	-	2,415
	2,495	(22)	8760	9258	3.300		2038	2,495	-	-	2,495
	2,580	(22)	9259	9774	3.330		2039	2,580	-	-	2,580
	2,665	(22)	9775	10307	3.350		2040	2,665	-	-	2,665
	2,760	(22)	10308	10859	3.370		2041	2,760	-	-	2,760
	2,855	(22)	10860	11430	3.380		2042	2,855	-	-	2,855
	2,950	(22)	11431	12020	3.390		2043	2,950	-	-	2,950
	<u>\$ 60,100</u>							<u>\$ 57,050</u>	<u>\$ -</u>	<u>\$ 1,555</u>	<u>\$ 55,495</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers		Bond Type	Interest Rates	Maturity Dates		Balances	Transactions		Balances
									Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
Water System Junior Lien	\$ -					2.000 %	15-May	2013	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding Bonds, Series 2013E (No Reserve Fund)	3,180	NONE	1	636	Serial	4.000		2014	-	-	-	-
Paying Agent: USBank	3,370	NONE	637	1310	Serial	4.000		2015	-	-	-	-
Bonds Dated: 11-06-13	3,505	NONE	1311	2011	Serial	5.000		2016	3,505	-	3,505	-
	3,670	NONE	2012	2745	Serial	4.000		2017	3,670	-	-	3,670
	3,840	NONE	2746	3513	Serial	5.000		2018	3,840	-	-	3,840
	4,015	NONE	3514	4316	Serial	4.000		2019	4,015	-	-	4,015
	4,200	NONE	4317	5156	Serial	5.000		2020	4,200	-	-	4,200
	4,395	NONE	5157	6035	Serial	5.000		2021	4,395	-	-	4,395
	4,620	NONE	6036	6959	Serial	5.000		2022	4,620	-	-	4,620
	4,855	NONE	6960	7930	Serial	5.000		2023	4,855	-	-	4,855
	5,105	(23)	7931	8951	Serial	5.000		2024	5,105	-	-	5,105
	5,365	(23)	8952	10024	Serial	5.000		2025	5,365	-	-	5,365
	5,640	(23)	10025	11152	Serial	5.000		2026	5,640	-	-	5,640
	5,930	(23)	11153	12338	Serial	5.000		2027	5,930	-	-	5,930
	6,235	(23)	12339	13585	Serial	5.000		2028	6,235	-	-	6,235
	6,555	(23)	13586	14896	Serial	5.000		2029	6,555	-	-	6,555
	4,870	(23)	14897	15870	Serial	4.000		2030	4,870	-	-	4,870
	<u>\$ 79,350</u>								<u>\$ 72,800</u>	<u>\$ -</u>	<u>\$ 3,505</u>	<u>\$ 69,295</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates*	Maturity Dates		Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
									Issued	Retired	
Water System Junior Lien	\$ -	NONE			%	1-May	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	(41)	1	392	Term	Variable	2030	1,960	1,025	1,960	1,025
	6,990	(41)	393	1790	Term	Variable	2031	6,990	6,075	6,990	6,075
	7,075	(41)	1791	3205	Term	Variable	2032	7,075	6,290	7,075	6,290
	7,165	(41)	3206	4638	Term	Variable	2033	7,165	6,515	7,165	6,515
	7,255	(41)	4639	6089	Term	Variable	2034	7,255	6,745	7,255	6,745
	7,345	(41)	6090	7558	Term	Variable	2035	7,345	6,980	7,345	6,980
	7,440	(41)	7559	9046	Term	Variable	2036	7,440	7,225	7,440	7,225
	7,535	(41)	9047	10553	Term	Variable	2037	7,535	7,475	7,535	7,475
	7,630	(41)	10554	12079	Term	Variable	2038	7,630	7,735	7,630	7,735
	7,725	(41)	12080	13624	Term	Variable	2039	7,725	7,995	7,725	7,995
	7,820	(41)	13625	15188	Term	Variable	2040	7,820	8,260	7,820	8,260
	7,920	(41)	15189	16772	Term	Variable	2041	7,920	8,540	7,920	8,540
	8,020	(41)	16773	18376	Term	Variable	2042	8,020	8,825	8,020	8,825
	8,120	(41)	18377	20000	Term	Variable	2043	8,120	9,110	8,120	9,110
	<u>\$ 100,000</u>							<u>\$ 100,000</u>	<u>\$ 98,795</u>	<u>\$ 100,000</u>	<u>\$ 98,795</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 which expired on October 31, 2016. On November 1, 2016, the bonds were mandatorily tendered for purchase and remarketed into a fixed rate mode for a five-year interest rate period, ending October 31, 2021. At the end of the remarketing period, the Bonds will be remarketed or refunded into another term period or will be converted into another mode.

San Antonio Water System
ANALYSIS OF CHANGES IN BONDED DEBT
For the Year Ended December 31, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances	Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
Water System Junior Lien	\$ -				- %	15-May 2014	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding Bonds, Series 2014A (No Reserve Fund)	3,140	NONE	1 628	Serial	2.000	2015	-	-	-	-
Paying Agent: USBank	4,480	NONE	629 1524	Serial	3.000	2016	4,480	-	4,480	-
Bonds Dated: 04-30-14	3,425	NONE	1525 2209	Serial	4.000	2017	3,425	-	-	3,425
	3,655	NONE	2210 2940	Serial	3.000	2018	3,655	-	-	3,655
	7,710	NONE	2941 4482	Serial	5.000	2019	7,710	-	-	7,710
	7,960	NONE	4483 6074	Serial	5.000	2020	7,960	-	-	7,960
	8,375	NONE	6075 7749	Serial	5.000	2021	8,375	-	-	8,375
	8,800	NONE	7750 9509	Serial	5.000	2022	8,800	-	-	8,800
	9,265	NONE	9510 11362	Serial	5.000	2023	9,265	-	-	9,265
	9,735	(24)	11363 13309	Serial	5.000	2024	9,735	-	-	9,735
	10,235	(24)	13310 15356	Serial	5.000	2025	10,235	-	-	10,235
	10,770	(24)	15357 17510	Serial	5.000	2026	10,770	-	-	10,770
	5,190	(24)	17511 18548	Serial	5.000	2027	5,190	-	-	5,190
	5,455	(24)	18549 19639	Serial	5.000	2028	5,455	-	-	5,455
	5,735	(24)	19640 20786	Serial	5.000	2029	5,735	-	-	5,735
	<u>\$ 103,930</u>						<u>\$ 100,790</u>	<u>\$ -</u>	<u>\$ 4,480</u>	<u>\$ 96,310</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates*	Maturity Dates	Balances	Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
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	(42)	1 1198	Term	Variable	2030	5,990	-	-	5,990
	6,080	(42)	1199 2414	Term	Variable	2031	6,080	-	-	6,080
	6,170	(42)	2415 3648	Term	Variable	2032	6,170	-	-	6,170
	6,265	(42)	3649 4901	Term	Variable	2033	6,265	-	-	6,265
	6,360	(42)	4902 6173	Term	Variable	2034	6,360	-	-	6,360
	6,455	(42)	6174 7464	Term	Variable	2035	6,455	-	-	6,455
	6,555	(42)	7465 8775	Term	Variable	2036	6,555	-	-	6,555
	6,650	(42)	8776 10105	Term	Variable	2037	6,650	-	-	6,650
	6,755	(42)	10106 11456	Term	Variable	2038	6,755	-	-	6,755
	6,855	(42)	11457 12827	Term	Variable	2039	6,855	-	-	6,855
	6,960	(42)	12828 14219	Term	Variable	2040	6,960	-	-	6,960
	7,065	(42)	14220 15632	Term	Variable	2041	7,065	-	-	7,065
	7,170	(42)	15633 17066	Term	Variable	2042	7,170	-	-	7,170
	7,280	(42)	17067 18522	Term	Variable	2043	7,280	-	-	7,280
	7,390	(42)	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 th 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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates		Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
									Issued	Retired	
Water System Junior Lien	\$ -				- %	15-May	2014	\$ -	\$ -	\$ -	-
Revenue Bonds, Series 2014C	1,070	NONE	1	214	0.000		2015	-	-	-	-
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	(25)	2163	2388	1.420		2025	1,130	-	-	1,130
	1,145	(25)	2389	2617	1.550		2026	1,145	-	-	1,145
	1,165	(25)	2618	2850	1.650		2027	1,165	-	-	1,165
	1,185	(25)	2851	3087	1.740		2028	1,185	-	-	1,185
	1,205	(25)	3088	3328	1.830		2029	1,205	-	-	1,205
	1,230	(25)	3329	3574	1.910		2030	1,230	-	-	1,230
	1,250	(25)	3575	3824	1.990		2031	1,250	-	-	1,250
	1,280	(25)	3825	4080	2.070		2032	1,280	-	-	1,280
	1,305	(25)	4081	4341	2.140		2033	1,305	-	-	1,305
	1,335	(25)	4342	4608	2.200		2034	1,335	-	-	1,335
	1,365	(25)	4609	4881	2.260		2035	1,365	-	-	1,365
	1,395	(25)	4882	5160	2.310		2036	1,395	-	-	1,395
	1,430	(25)	5161	5446	2.350		2037	1,430	-	-	1,430
	1,465	(25)	5447	5739	2.380		2038	1,465	-	-	1,465
	1,500	(25)	5740	6039	2.410		2039	1,500	-	-	1,500
	1,535	(25)	6040	6346	2.430		2040	1,535	-	-	1,535
	1,575	(25)	6347	6661	2.450		2041	1,575	-	-	1,575
	1,610	(25)	6662	6983	2.450		2042	1,610	-	-	1,610
	1,650	(25)	6984	7313	2.460		2043	1,650	-	-	1,650
	1,695	(25)	7314	7652	2.460		2044	1,695	-	-	1,695
	<u>\$ 38,260</u>							<u>\$ 37,190</u>	<u>\$ -</u>	<u>\$ 1,070</u>	<u>\$ 36,120</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates		Balances Outstanding January 1, 2016	Transactions		Balances Outstanding December 31, 2016
									Issued	Retired	
Water System Junior Lien	\$ -				- %	15-May	2014	\$ -	\$ -	\$ -	-
Revenue Bonds, Series 2014D	1,055	NONE	1	211	0.000		2015	-	-	-	-
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	(26)	2122	2341	1.240		2025	1,100	-	-	1,100
	1,115	(26)	2342	2564	1.350		2026	1,115	-	-	1,115
	1,130	(26)	2565	2790	1.440		2027	1,130	-	-	1,130
	1,145	(26)	2791	3019	1.530		2028	1,145	-	-	1,145
	1,165	(26)	3020	3252	1.620		2029	1,165	-	-	1,165
	1,185	(26)	3253	3489	1.690		2030	1,185	-	-	1,185
	1,205	(26)	3490	3730	1.760		2031	1,205	-	-	1,205
	1,225	(26)	3731	3975	1.830		2032	1,225	-	-	1,225
	1,250	(26)	3976	4225	1.900		2033	1,250	-	-	1,250
	1,275	(26)	4226	4480	1.960		2034	1,275	-	-	1,275
	<u>\$ 22,400</u>							<u>\$ 21,345</u>	<u>\$ -</u>	<u>\$ 1,050</u>	<u>\$ 20,295</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
Water System Junior Lien	\$ -				- %	15-May 2015	\$ -	\$ -	\$ -	\$ -	
Revenue Bonds, Series 2015A	2,180	NONE	1 436	Serial	0.000	2016	2,180	-	2,180	-	
Paying Agent: Bank of New York	2,180	NONE	437 872	Serial	0.000	2017	2,180	-	-	2,180	
Bonds Dated: 01-21-15	2,180	NONE	873 1308	Serial	0.000	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	(27)	3959 4413	Serial	1.150	2025	2,275	-	-	2,275	
	2,305	(27)	4414 4874	Serial	1.250	2026	2,305	-	-	2,305	
	2,330	(27)	4875 5340	Serial	1.330	2027	2,330	-	-	2,330	
	2,365	(27)	5341 5813	Serial	1.390	2028	2,365	-	-	2,365	
	2,400	(27)	5814 6293	Serial	1.440	2029	2,400	-	-	2,400	
	2,435	(27)	6294 6780	Serial	1.490	2030	2,435	-	-	2,435	
	2,470	(27)	6781 7274	Serial	1.540	2031	2,470	-	-	2,470	
	2,510	(27)	7275 7776	Serial	1.590	2032	2,510	-	-	2,510	
	2,550	(27)	7777 8286	Serial	1.640	2033	2,550	-	-	2,550	
	2,595	(27)	8287 8805	Serial	1.690	2034	2,595	-	-	2,595	
	2,640	(27)	8806 9333	Serial	1.740	2035	2,640	-	-	2,640	
	2,685	(27)	9334 9870	Serial	1.780	2036	2,685	-	-	2,685	
	2,735	(27)	9871 10417	Serial	1.810	2037	2,735	-	-	2,735	
	2,785	(27)	10418 10974	Serial	1.840	2038	2,785	-	-	2,785	
	2,835	(27)	10975 11541	Serial	1.870	2039	2,835	-	-	2,835	
	2,890	(27)	11542 12119	Serial	1.900	2040	2,890	-	-	2,890	
	2,945	(27)	12120 12708	Serial	1.930	2041	2,945	-	-	2,945	
	3,005	(27)	12709 13309	Serial	1.950	2042	3,005	-	-	3,005	
	3,065	(27)	13310 13922	Serial	1.960	2043	3,065	-	-	3,065	
	3,125	(27)	13923 14547	Serial	1.970	2044	3,125	-	-	3,125	
	3,185	(27)	14548 15184	Serial	1.970	2045	3,185	-	-	3,185	
	<u>\$ 75,920</u>						<u>\$ 75,920</u>	<u>\$ -</u>	<u>\$ 2,180</u>	<u>\$ 73,740</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers		Bond Type	Interest Rates	Maturity Dates		Balances	Transactions		Balances
									Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
Water System Junior Lien	\$ 1,950	NONE	1	390	Serial	2.000 %	15-May	2015	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding Bonds, Series 2015B (No Reserve Fund)	3,115	NONE	391	1013	Serial	5.000		2016	3,115	-	3,115	-
Paying Agent: USBank	3,265	NONE	1014	1666	Serial	5.000		2017	3,265	-	-	3,265
Bonds Dated: 02-18-15	3,435	NONE	1667	2353	Serial	5.000		2018	3,435	-	-	3,435
	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	(28)	7298	7652	Serial	5.000		2026	1,775	-	-	1,775
	1,865	(28)	7653	8025	Serial	5.000		2027	1,865	-	-	1,865
	1,960	(28)	8026	8417	Serial	5.000		2028	1,960	-	-	1,960
	2,065	(28)	8418	8830	Serial	5.000		2029	2,065	-	-	2,065
	2,170	(28)	8831	9264	Serial	5.000		2030	2,170	-	-	2,170
	2,280	(28)	9265	9720	Serial	5.000		2031	2,280	-	-	2,280
	2,395	(28)	9721	10199	Serial	5.000		2032	2,395	-	-	2,395
	2,520	(28)	10200	10703	Serial	5.000		2033	2,520	-	-	2,520
	2,650	(28)	10704	11233	Serial	5.000		2034	2,650	-	-	2,650
	15,515	(28)	11234	14336	Serial	4.000		2035	15,515	-	-	15,515
	18,260	(28)	14337	17988	Serial	5.000		2035	18,260	-	-	18,260
	16,120	(28)	17989	21212	Serial	4.000		2036	16,120	-	-	16,120
	19,225	(28)	21213	25057	Serial	5.000		2036	19,225	-	-	19,225
	36,880	(28)	25058	32433	Serial	4.000		2037	36,880	-	-	36,880
	38,585	(28), (39)	32434	40150	Term	5.000		2038	38,585	-	-	38,585
	40,565	(28), (39)	40151	48263	Term	5.000		2039	40,565	-	-	40,565
	42,425	(28)	48264	56748	Serial	4.000		2040	42,425	-	-	42,425
	3,595	(28), (39)	56749	57467	Term	4.000		2041	3,595	-	-	3,595
	3,740	(28), (39)	57468	58215	Term	4.000		2042	3,740	-	-	3,740
	3,895	(28), (39)	58216	58994	Term	4.000		2043	3,895	-	-	3,895
	4,050	(28), (39)	58995	59804	Term	4.000		2044	4,050	-	-	4,050
	4,215	(28), (39)	59805	60647	Term	4.000		2045	4,215	-	-	4,215
	<u>\$ 303,235</u>								<u>\$ 301,285</u>	<u>\$ -</u>	<u>\$ 3,115</u>	<u>\$ 298,170</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
Water System Junior Lien Revenue Refunding Bonds, Series 2016A (No Reserve Fund) Paying Agent: USBank Bonds Dated: 02-25-16	\$ -				- %	15-May 2016	\$ -	\$ -	\$ -	\$ -	
	-				-	2017	-	-	-	-	
	5,055	NONE	1	1011	5.000%	2018	-	5,055	-	5,055	
	3,335	NONE	1012	1678	5.000%	2019	-	3,335	-	3,335	
	10,710	NONE	1679	3820	5.000%	2020	-	10,710	-	10,710	
	1,225	NONE	3821	4065	4.000%	2021	-	1,225	-	1,225	
	10,030	NONE	4066	6071	5.000%	2021	-	10,030	-	10,030	
	11,820	NONE	6072	8435	5.000%	2022	-	11,820	-	11,820	
	9,520	NONE	8436	10339	5.000%	2023	-	9,520	-	9,520	
	9,995	NONE	10340	12338	5.000%	2024	-	9,995	-	9,995	
	10,500	NONE	12339	14438	5.000%	2025	-	10,500	-	10,500	
	8,900	NONE	14439	16218	5.000%	2026	-	8,900	-	8,900	
	5,970	(29)	16219	17412	5.000%	2027	-	5,970	-	5,970	
	1,880	(29)	17413	17788	5.000%	2028	-	1,880	-	1,880	
	9,930	(29)	17789	19774	5.000%	2029	-	9,930	-	9,930	
	10,425	(29)	19775	21859	5.000%	2030	-	10,425	-	10,425	
	16,205	(29)	21860	25100	5.000%	2031	-	16,205	-	16,205	
	17,015	(29)	25101	28503	5.000%	2032	-	17,015	-	17,015	
	5,805	(29)	28504	29664	5.000%	2033	-	5,805	-	5,805	
	6,095	(29)	29665	30883	5.000%	2034	-	6,095	-	6,095	
	6,350	NONE	30884	32153	3.000%	2035	-	6,350	-	6,350	
	2,940	NONE	32154	32741	3.000%	2036	-	2,940	-	2,940	
	3,035	NONE	32742	33348	3.125%	2037	-	3,035	-	3,035	
	3,160	(29)	33349	33980	5.000%	2038	-	3,160	-	3,160	
	3,320	(29)	33981	34644	5.000%	2039	-	3,320	-	3,320	
	345	NONE	34645	34713	3.250%	2040	-	345	-	345	
	<u>\$ 173,565</u>						<u>\$ -</u>	<u>\$ 173,565</u>	<u>\$ -</u>	<u>\$ 173,565</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers		Bond Type	Interest Rates	Maturity Dates		Balances	Transactions		Balances
									Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
Water System Junior Lien	\$ 7,155	NONE	1	1431	Serial	0.550%	15-May	2016	\$ -	\$ 7,155	\$ 7,155	\$ -
Revenue Refunding Bonds, Taxable	7,895	NONE	1432	3010	Serial	0.935%		2017	-	7,895	-	7,895
Series 2016B (No Reserve Fund)	7,960	NONE	3011	4602	Serial	1.054%		2018	-	7,960	-	7,960
Paying Agent: USBank	6,995	NONE	4603	6001	Serial	1.234%		2019	-	6,995	-	6,995
Bonds Dated: 02-25-16	-					0.000%		2020	-	-	-	-
	-					0.000%		2021	-	-	-	-
	-					0.000%		2022	-	-	-	-
	-					0.000%		2023	-	-	-	-
	-					0.000%		2024	-	-	-	-
	-					0.000%		2025	-	-	-	-
	-					0.000%		2026	-	-	-	-
	-					0.000%		2027	-	-	-	-
	2,840	NONE	6002	6569	Serial	3.026%		2028	-	2,840	-	2,840
	4,885	NONE	6570	7546	Serial	3.126%		2029	-	4,885	-	4,885
	5,045	NONE	7547	8555	Serial	3.206%		2030	-	5,045	-	5,045
	<u>\$ 42,775</u>								<u>\$ -</u>	<u>\$ 42,775</u>	<u>\$ 7,155</u>	<u>\$ 35,620</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances	Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
Water System Junior Lien	\$ -				- %	15-May 2016	\$ -	\$ -	\$ -	\$ -
Revenue and Refunding Bonds, Series 2016C (No Reserve Fund)	-				-	2017	-	-	-	-
	-				-	2018	-	-	-	-
Paying Agent: USBank	3,360	NONE	1	672	3.000%	2019	-	3,360	-	3,360
Bonds Dated: 11-01-16	3,505	NONE	673	1373	5.000%	2020	-	3,505	-	3,505
	3,685	NONE	1374	2110	5.000%	2021	-	3,685	-	3,685
	3,875	NONE	2111	2885	5.000%	2022	-	3,875	-	3,875
	4,075	NONE	2886	3700	5.000%	2023	-	4,075	-	4,075
	7,290	NONE	3701	5158	5.000%	2024	-	7,290	-	7,290
	7,670	NONE	5159	6692	5.000%	2025	-	7,670	-	7,670
	8,065	NONE	6693	8305	5.000%	2026	-	8,065	-	8,065
	8,470	(30)	8306	9999	5.000%	2027	-	8,470	-	8,470
	8,910	(30)	10000	11781	5.000%	2028	-	8,910	-	8,910
	9,365	(30)	11782	13654	5.000%	2029	-	9,365	-	9,365
	9,845	(30)	13655	15623	5.000%	2030	-	9,845	-	9,845
	10,345	(30)	15624	17692	5.000%	2031	-	10,345	-	10,345
	10,885	(30)	17693	19869	5.000%	2032	-	10,885	-	10,885
	28,635	(30)	19870	25596	5.000%	2033	-	28,635	-	28,635
	35,180	(30)	25597	32632	5.000%	2034	-	35,180	-	35,180
	18,595	(30)	32633	36351	5.000%	2035	-	18,595	-	18,595
	19,555	(30)	36352	40262	5.000%	2036	-	19,555	-	19,555
	20,450	(30)	40263	44352	4.000%	2037	-	20,450	-	20,450
	14,470	(30)	44353	47246	4.000%	2038	-	14,470	-	14,470
	15,140	(30), (40)	47247	50274	5.000%	2039	-	15,140	-	15,140
	6,570	(30), (40)	50275	51588	5.000%	2040	-	6,570	-	6,570
	6,905	(30), (40)	51589	52969	5.000%	2041	-	6,905	-	6,905
	7,260	(30), (40)	52970	54421	5.000%	2042	-	7,260	-	7,260
	7,635	(30), (40)	54422	55948	5.000%	2043	-	7,635	-	7,635
	8,025	(30), (40)	55949	57553	5.000%	2044	-	8,025	-	8,025
	8,435	(30), (40)	57554	59240	5.000%	2045	-	8,435	-	8,435
	8,865	(30), (40)	59241	61013	5.000%	2046	-	8,865	-	8,865
	<u>\$ 305,065</u>						<u>\$ -</u>	<u>\$ 305,065</u>	<u>\$ -</u>	<u>\$ 305,065</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances	Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016
Water System Junior Lien	\$ -				- %	15-May 2016	\$ -	\$ -	\$ -	\$ -
Revenue Bonds, Series 2016D	165	NONE	1 33	Serial	0.000%	2017	-	165	-	165
Paying Agent: USBank	385	NONE	34 110	Serial	0.000%	2018	-	385	-	385
Bonds Dated: 12-15-16	385	NONE	111 187	Serial	0.000%	2019	-	385	-	385
	385	NONE	188 264	Serial	0.000%	2020	-	385	-	385
	385	NONE	265 341	Serial	0.000%	2021	-	385	-	385
	385	NONE	342 418	Serial	0.080%	2022	-	385	-	385
	390	NONE	419 496	Serial	0.240%	2023	-	390	-	390
	390	NONE	497 574	Serial	0.410%	2024	-	390	-	390
	390	NONE	575 652	Serial	0.550%	2025	-	390	-	390
	390	NONE	653 730	Serial	0.660%	2026	-	390	-	390
	395	(31)	731 809	Serial	0.770%	2027	-	395	-	395
	400	(31)	810 889	Serial	0.880%	2028	-	400	-	400
	400	(31)	890 969	Serial	0.980%	2029	-	400	-	400
	405	(31)	970 1050	Serial	1.050%	2030	-	405	-	405
	410	(31)	1051 1132	Serial	1.120%	2031	-	410	-	410
	415	(31)	1133 1215	Serial	1.190%	2032	-	415	-	415
	420	(31)	1216 1299	Serial	1.250%	2033	-	420	-	420
	425	(31)	1300 1384	Serial	1.300%	2034	-	425	-	425
	430	(31)	1385 1470	Serial	1.340%	2035	-	430	-	430
	435	(31)	1471 1557	Serial	1.370%	2036	-	435	-	435
	440	(31)	1558 1645	Serial	1.400%	2037	-	440	-	440
	450	(31)	1646 1735	Serial	1.430%	2038	-	450	-	450
	455	(31)	1736 1826	Serial	1.460%	2039	-	455	-	455
	460	(31)	1827 1918	Serial	1.470%	2040	-	460	-	460
	465	(31)	1919 2011	Serial	1.480%	2041	-	465	-	465
	475	(31)	2012 2106	Serial	1.490%	2042	-	475	-	475
	480	(31)	2107 2202	Serial	1.500%	2043	-	480	-	480
	490	(31)	2203 2300	Serial	1.510%	2044	-	490	-	490
	495	(31)	2301 2399	Serial	1.520%	2045	-	495	-	495
	505	(31)	2400 2500	Serial	1.530%	2046	-	505	-	505
	<u>\$ 12,500</u>						<u>\$ -</u>	<u>\$ 12,500</u>	<u>\$ -</u>	<u>\$ 12,500</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, 2016
(amounts in thousands)

WATER SYSTEM REVENUE BONDS	Original Issue	Call Options	Bond Numbers	Bond Type	Interest Rates	Maturity Dates	Balances		Transactions		Balances
							Outstanding January 1, 2016	Issued	Retired	Outstanding December 31, 2016	
Water System Junior Lien	\$ -				- %	15-May 2016	\$ -	\$ -	\$ -	\$ -	
Revenue Bonds, Series 2016E	185	NONE	1	37	Serial	0.000%	-	185	-	185	
Paying Agent: USBank	440	NONE	38	125	Serial	0.000%	-	440	-	440	
Bonds Dated: 12-15-16	440	NONE	126	213	Serial	0.000%	-	440	-	440	
	440	NONE	214	301	Serial	0.000%	-	440	-	440	
	440	NONE	302	389	Serial	0.040%	-	440	-	440	
	445	NONE	390	478	Serial	0.130%	-	445	-	445	
	445	NONE	479	567	Serial	0.290%	-	445	-	445	
	445	NONE	568	656	Serial	0.460%	-	445	-	445	
	445	NONE	657	745	Serial	0.600%	-	445	-	445	
	450	NONE	746	835	Serial	0.710%	-	450	-	450	
	450	(32)	836	925	Serial	0.820%	-	450	-	450	
	455	(32)	926	1016	Serial	0.930%	-	455	-	455	
	460	(32)	1017	1108	Serial	1.030%	-	460	-	460	
	465	(32)	1109	1201	Serial	1.100%	-	465	-	465	
	470	(32)	1202	1295	Serial	1.170%	-	470	-	470	
	475	(32)	1296	1390	Serial	1.240%	-	475	-	475	
	480	(32)	1391	1486	Serial	1.300%	-	480	-	480	
	490	(32)	1487	1584	Serial	1.350%	-	490	-	490	
	495	(32)	1585	1683	Serial	1.390%	-	495	-	495	
	500	(32)	1684	1783	Serial	1.420%	-	500	-	500	
	510	(32)	1784	1885	Serial	1.450%	-	510	-	510	
	515	(32)	1886	1988	Serial	1.480%	-	515	-	515	
	525	(32)	1989	2093	Serial	1.510%	-	525	-	525	
	530	(32)	2094	2199	Serial	1.520%	-	530	-	530	
	540	(32)	2200	2307	Serial	1.530%	-	540	-	540	
	550	(32)	2308	2417	Serial	1.540%	-	550	-	550	
	555	(32)	2418	2528	Serial	1.550%	-	555	-	555	
	565	(32)	2529	2641	Serial	1.560%	-	565	-	565	
	575	(32)	2642	2756	Serial	1.570%	-	575	-	575	
	580	(32)	2757	2872	Serial	1.580%	-	580	-	580	
	<u>\$ 14,360</u>						<u>\$ -</u>	<u>\$ 14,360</u>	<u>\$ -</u>	<u>\$ 14,360</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 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.
- (2) 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.
- (3) 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.

- (4) 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.

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.

San Antonio Water System Analysis of Changes in Bonded Debt

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.

- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) 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.
- (11) 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

San Antonio Water System
Analysis of Changes in Bonded Debt

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

- (12) 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.
- (13) 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.
- (14) 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.
- (15) 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.
- (16) 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 date of redemption. Bonds having the same maturity will be selected at random and by lot by the Paying Agent/ Registrar.
- (17) 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.
- (18) 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.
- (19) 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

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

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

- (20) 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.
- (21) 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.
- (22) 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.
- (23) 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.
- (24) 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.
- (25) 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.
- (26) 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.
- (27) 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.

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

- (28) Series 2015B Junior Lien, Serial Bonds stated to mature on and after May 15, 2026 and the Term Bonds stated to mature on May 15, 2039 and May 15, 2045 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.
- (29) Series 2016A Junior Lien, Serial Bonds stated to mature on and after May 15, 2027 are subject to early redemption, at the option of the City, on May 15, 2026, 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 2016C Junior Lien, Serial Bonds stated to mature on and after May 15, 2027 and the Term Bonds stated to mature on May 15, 2041 and May 15, 2046 are subject to early redemption, at the option of the City, on November 15, 2026, 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 2016D Junior Lien, Serial Bonds stated to mature on and after May 15, 2027 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on November 15, 2026, 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.
- (32) Series 2016E Junior Lien, Serial Bonds stated to mature on and after May 15, 2027 shall be subject to redemption prior to Stated Maturities, in inverse order of Stated Maturity, at the option of the City, on November 15, 2026, 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:

- (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:

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, 2037</u> <i>(amounts in thousands)</i>	
<u>Year</u>	Principal <u>Amount</u>	<u>Year</u>	Principal <u>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

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

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> Stated to Mature <u>On May 15, 2029</u> <i>(amounts in thousands)</i>		<u>Term Bonds</u> Stated to Mature <u>On May 15, 2034</u> <i>(amounts in thousands)</i>		<u>Term Bonds</u> 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:

<u>Term Bonds</u> Stated to Mature <u>On May 15, 2029</u> <i>(amounts in thousands)</i>		<u>Term Bonds</u> 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:

<u>Term Bonds</u> Stated to Mature <u>On May 15, 2032</u> <i>(amounts in thousands)</i>		<u>Term Bonds</u> Stated to Mature <u>On May 15, 2034</u> <i>(amounts in thousands)</i>		<u>Term Bonds</u> 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

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

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:

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

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

2045 4,215 (1)

- (40) The Series 2016C, 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, 2041</u> <i>(amounts in thousands)</i>		Term Bonds Stated to Mature <u>On May 15, 2046</u> <i>(amounts in thousands)</i>	
<u>Year</u>	Principal <u>Amount</u>	<u>Year</u>	Principal <u>Amount</u>
2039	\$ 15,140	2042	\$ 7,260
2040	6,570	2043	7,635
2041	6,905 (1)	2044	8,025
		2045	8,435
		2046	8,865 (1)

Mandatory Tender:

- (41) On November 1, 2021, 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 Term 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>	Principal <u>Amount</u>
2030	\$ 1,025
2031	6,075
2032	6,290
2033	6,515
2034	6,745
2035	6,980

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

2036	7,225
2037	7,475
2038	7,735
2039	7,995
2040	8,260
2041	8,540
2042	8,825
2043	9,110 (1)

- (42) 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.

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)

(1) Payable at stated maturity

San Antonio Water System
WATER SYSTEM 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 Payment</u>	<u>Total Annual Payment</u>	<u>Total Debt Outstanding</u>
01-May-2017		\$ 2,108		\$ 2,108	\$ 2,108		
15-May-2017	83,040	52,273	1,813	50,460	133,500		
01-Nov-2017		988		988	988		
15-Nov-2017		50,337	1,784	48,553	48,553	185,149	2,547,310
01-May-2018		2,108		2,108	2,108		
15-May-2018	85,435	50,337	1,784	48,553	133,988		
01-Nov-2018		988		988	988		
15-Nov-2018		48,917	1,752	47,165	47,165	184,249	2,461,875
01-May-2019		2,108		2,108	2,108		
15-May-2019	86,540	48,917	1,752	47,165	133,705		
01-Nov-2019		988		988	988		
15-Nov-2019		47,503	1,719	45,784	45,784	182,585	2,375,335
01-May-2020		2,108		2,108	2,108		
15-May-2020	90,420	47,503	1,719	45,784	136,204		
01-Nov-2020		988		988	988		
15-Nov-2020		45,702	1,683	44,019	44,019	183,319	2,284,915
01-May-2021		2,108		2,108	2,108		
15-May-2021	95,030	45,702	1,683	44,019	139,049		
01-Nov-2021		988		988	988		
15-Nov-2021		43,730	1,644	42,086	42,086	184,231	2,189,885
01-May-2022		2,355		2,355	2,355		
15-May-2022	98,605	43,730	1,644	42,086	140,691		
01-Nov-2022		1,235		1,235	1,235		
15-Nov-2022		41,617	1,602	40,015	40,015	184,296	2,091,280
01-May-2023		2,355		2,355	2,355		
15-May-2023	97,130	41,617	1,602	40,015	137,145		
01-Nov-2023		1,235		1,235	1,235		
15-Nov-2023		39,528	1,558	37,970	37,970	178,705	1,994,150
01-May-2024		2,355		2,355	2,355		
15-May-2024	102,725	39,528	1,558	37,970	140,695		
01-Nov-2024		1,235		1,235	1,235		
15-Nov-2024		37,292	1,510	35,782	35,782	180,067	1,891,425
01-May-2025		2,355		2,355	2,355		
15-May-2025	105,220	37,292	1,510	35,782	141,002		
01-Nov-2025		1,235		1,235	1,235		
15-Nov-2025		34,990	1,459	33,531	33,531	178,123	1,786,205
01-May-2026		2,355		2,355	2,355		
15-May-2026	108,940	34,990	1,459	33,531	142,471		
01-Nov-2026		1,235		1,235	1,235		
15-Nov-2026		32,566	1,391	31,175	31,175	177,236	1,677,265
01-May-2027		2,355		2,355	2,355		
15-May-2027	115,630	32,566	1,391	31,175	146,805		
01-Nov-2027		1,235		1,235	1,235		
15-Nov-2027		29,966	1,333	28,633	28,633	179,028	1,561,635
01-May-2028		2,355		2,355	2,355		
15-May-2028	118,660	29,966	1,333	28,633	147,293		
01-Nov-2028		1,235		1,235	1,235		
15-Nov-2028		27,496	1,278	26,218	26,218	177,101	1,442,975
01-May-2029		2,355		2,355	2,355		
15-May-2029	90,530	27,496	1,278	26,218	116,748		
01-Nov-2029		1,235		1,235	1,235		
15-Nov-2029		25,551	1,215	24,336	24,336	144,674	1,352,445

San Antonio Water System
WATER SYSTEM 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 Payment</u>	<u>Total Annual Payment</u>	<u>Total Debt Outstanding</u>
01-May-2030	7,015	2,310		2,310	9,325		
15-May-2030	83,345	25,551	1,215	24,336	107,681		
01-Nov-2030		1,222		1,222	1,222		
15-Nov-2030		23,771	1,148	22,623	22,623	140,851	1,262,085
01-May-2031	12,155	2,229		2,229	14,384		
15-May-2031	81,800	23,771	1,148	22,623	104,423		
01-Nov-2031		1,146		1,146	1,146		
15-Nov-2031		21,962	1,079	20,883	20,883	140,836	1,168,130
01-May-2032	12,460	2,085		2,085	14,545		
15-May-2032	83,905	21,962	1,079	20,883	104,788		
01-Nov-2032		1,068		1,068	1,068		
15-Nov-2032		20,094	1,007	19,087	19,087	139,488	1,071,765
01-May-2033	12,780	1,937		1,937	14,717		
15-May-2033	87,220	20,094	1,007	19,087	106,307		
01-Nov-2033		986		986	986		
15-Nov-2033		18,160	932	17,228	17,228	139,238	971,765
01-May-2034	13,105	1,784		1,784	14,889		
15-May-2034	124,590	18,160	932	17,228	141,818		
01-Nov-2034		902		902	902		
15-Nov-2034		15,049	546	14,503	14,503	172,112	834,070
01-May-2035	13,435	1,628		1,628	15,063		
15-May-2035	96,755	15,049	546	14,503	111,258		
01-Nov-2035		815		815	815		
15-Nov-2035		12,885	455	12,430	12,430	139,566	723,880
01-May-2036	13,780	1,468		1,468	15,248		
15-May-2036	97,375	12,885	455	12,430	109,805		
01-Nov-2036		724		724	724		
15-Nov-2036		10,675	360	10,315	10,315	136,092	612,725
01-May-2037	14,125	1,303		1,303	15,428		
15-May-2037	101,480	10,675	360	10,315	111,795		
01-Nov-2037		631		631	631		
15-Nov-2037		8,569	261	8,308	8,308	136,162	497,120
01-May-2038	14,490	1,134		1,134	15,624		
15-May-2038	94,365	8,569	261	8,308	102,673		
01-Nov-2038		534		534	534		
15-Nov-2038		6,389	159	6,230	6,230	125,061	388,265
01-May-2039	14,850	961		961	15,811		
15-May-2039	95,725	6,389	159	6,230	101,955		
01-Nov-2039		434		434	434		
15-Nov-2039		4,089	53	4,036	4,036	122,236	277,690
01-May-2040	15,220	784		784	16,004		
15-May-2040	78,070	4,089	53	4,036	82,106		
01-Nov-2040		331		331	331		
15-Nov-2040		2,457		2,457	2,457	100,898	184,400
01-May-2041	15,605	602		602	16,207		
15-May-2041	33,765	2,457		2,457	36,222		
01-Nov-2041		224		224	224		
15-Nov-2041		1,825		1,825	1,825	54,478	135,030
01-May-2042	15,995	415		415	16,410		
15-May-2042	30,220	1,825		1,825	32,045		
01-Nov-2042		114		114	114		
15-Nov-2042		1,283		1,283	1,283	49,852	88,815

San Antonio Water System
WATER SYSTEM 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 Payment</u>	<u>Total Annual Payment</u>	<u>Total Debt Outstanding</u>
01-May-2043	16,390	223		223	16,613		
15-May-2043	20,230	1,283		1,283	21,513		
15-Nov-2043		906		906	906	39,032	52,195
01-May-2044	7,390	27		27	7,417		
15-May-2044	17,950	906		906	18,856		
15-Nov-2044		565		565	565	26,838	26,855
15-May-2045	16,905	565		565	17,470		
15-Nov-2045		231		231	231	17,701	9,950
15-May-2046	9,950	231		231	10,181		
						10,181	-
	<u>\$ 2,630,350</u>	<u>\$ 1,432,704</u>	<u>\$ 53,669</u>	<u>\$ 1,379,035</u>	<u>\$ 4,009,385</u>	<u>\$ 4,009,385</u>	

* Interest rate subsidy reduced by sequestration rate of 6.9% as of federal fiscal year 2017.

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-2017	\$ 31,105	\$ 20,974	\$ 1,813	\$ 19,161	\$ 50,266	\$	815,835
15-Nov-2017		20,235	1,784	18,451	18,451	68,717	
15-May-2018	26,535	20,235	1,784	18,451	44,986		789,300
15-Nov-2018		19,641	1,752	17,889	17,889	62,875	
15-May-2019	20,895	19,641	1,752	17,889	38,784		768,405
15-Nov-2019		19,191	1,719	17,472	17,472	56,256	
15-May-2020	31,605	19,191	1,719	17,472	49,077		736,800
15-Nov-2020		18,451	1,683	16,768	16,768	65,845	
15-May-2021	33,975	18,451	1,683	16,768	50,743		702,825
15-Nov-2021		17,624	1,644	15,980	15,980	66,723	
15-May-2022	37,310	17,624	1,644	15,980	53,290		665,515
15-Nov-2022		16,696	1,602	15,094	15,094	68,384	
15-May-2023	39,945	16,696	1,602	15,094	55,039		625,570
15-Nov-2023		15,698	1,558	14,140	14,140	69,179	
15-May-2024	42,110	15,698	1,558	14,140	56,250		583,460
15-Nov-2024		14,640	1,510	13,130	13,130	69,380	
15-May-2025	44,180	14,640	1,510	13,130	57,310		539,280
15-Nov-2025		13,525	1,459	12,066	12,066	69,376	
15-May-2026	47,560	13,525	1,459	12,066	59,626		491,720
15-Nov-2026		12,314	1,391	10,923	10,923	70,549	
15-May-2027	63,290	12,314	1,391	10,923	74,213		428,430
15-Nov-2027		10,726	1,333	9,393	9,393	83,606	
15-May-2028	66,650	10,726	1,333	9,393	76,043		361,780
15-Nov-2028		9,243	1,278	7,965	7,965	84,008	
15-May-2029	26,580	9,243	1,278	7,965	34,545		335,200
15-Nov-2029		8,571	1,215	7,356	7,356	41,901	
15-May-2030	27,820	8,571	1,215	7,356	35,176		307,380
15-Nov-2030		7,860	1,148	6,712	6,712	41,888	
15-May-2031	29,125	7,860	1,148	6,712	35,837		278,255
15-Nov-2031		7,117	1,079	6,038	6,038	41,875	
15-May-2032	30,450	7,117	1,079	6,038	36,488		247,805
15-Nov-2032		6,371	1,007	5,364	5,364	41,852	
15-May-2033	26,360	6,371	1,007	5,364	31,724		221,445
15-Nov-2033		5,737	932	4,805	4,805	36,529	
15-May-2034	60,440	5,737	932	4,805	65,245		161,005
15-Nov-2034		4,071	546	3,525	3,525	68,770	
15-May-2035	23,560	4,071	546	3,525	27,085		137,445
15-Nov-2035		3,455	455	3,000	3,000	30,085	
15-May-2036	24,615	3,455	455	3,000	27,615		112,830
15-Nov-2036		2,811	360	2,451	2,451	30,066	
15-May-2037	25,725	2,811	360	2,451	28,176		87,105
15-Nov-2037		2,140	261	1,879	1,879	30,055	
15-May-2038	22,390	2,140	261	1,879	24,269		64,715
15-Nov-2038		1,539	159	1,380	1,380	25,649	
15-May-2039	23,395	1,539	159	1,380	24,775		41,320
15-Nov-2039		912	53	859	859	25,634	
15-May-2040	18,130	912	53	859	18,989		23,190
15-Nov-2040		433	-	433	433	19,422	
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	
	\$ 846,940	\$ 499,324	\$ 53,669	\$ 445,655	\$ 1,292,595	\$ 1,292,595	

* Interest rate subsidy reduced by sequestration rate of 6.9% as of federal fiscal year 2017.

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-2017	\$ 8,370	\$	1,885	\$	10,255		
15-Nov-2017			1,689		1,689		11,944
15-May-2018	2,815		1,689		4,504		
15-Nov-2018			1,618		1,618		6,122
15-May-2019	1,460		1,618		3,078		
15-Nov-2019			1,582		1,582		4,660
15-May-2020	1,535		1,582		3,117		
15-Nov-2020			1,543		1,543		4,660
15-May-2021	1,610		1,543		3,153		
15-Nov-2021			1,509		1,509		4,662
15-May-2022	1,685		1,509		3,194		
15-Nov-2022			1,467		1,467		4,661
15-May-2023	1,775		1,467		3,242		
15-Nov-2023			1,422		1,422		4,664
15-May-2024	1,865		1,422		3,287		
15-Nov-2024			1,376		1,376		4,663
15-May-2025	1,960		1,376		3,336		
15-Nov-2025			1,327		1,327		4,663
15-May-2026	2,055		1,327		3,382		
15-Nov-2026			1,280		1,280		4,662
15-May-2027	-		1,280		1,280		
15-Nov-2027			1,280		1,280		2,560
15-May-2028	-		1,280		1,280		
15-Nov-2028			1,280		1,280		2,560
15-May-2029	5,355		1,280		6,635		
15-Nov-2029			1,163		1,163		7,798
15-May-2030	5,595		1,163		6,758		
15-Nov-2030			1,037		1,037		7,795
15-May-2031	5,845		1,037		6,882		
15-Nov-2031			906		906		7,788
15-May-2032	6,110		906		7,016		
15-Nov-2032			768		768		7,784
15-May-2033	9,445		768		10,213		
15-Nov-2033			556		556		10,769
15-May-2034	12,375		556		12,931		
15-Nov-2034			277		277		13,208
15-May-2035	3,925		277		4,202		
15-Nov-2035			189		189		4,391
15-May-2036	4,105		189		4,294		
15-Nov-2036			97		97		4,391
15-May-2037	4,295		97		4,392		
							4,392
	\$ 82,180	\$	46,617	\$	128,797	\$	128,797

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-2017	\$	3,315	\$	162	\$	3,477	
15-Nov-2017				79		79	3,556
15-May-2018		3,480		79		3,559	
							3,559
	\$	6,795	\$	320	\$	7,115	\$ 7,115

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-2017	\$ 2,825	\$ 2,623	\$ 855	\$ 1,768	\$ 4,593	
15-Nov-2017		2,562	835	1,727	1,727	6,320
15-May-2018	2,910	2,562	835	1,727	4,637	
15-Nov-2018		2,497	814	1,683	1,683	6,320
15-May-2019	2,995	2,497	814	1,683	4,678	
15-Nov-2019		2,429	792	1,637	1,637	6,315
15-May-2020	3,085	2,429	792	1,637	4,722	
15-Nov-2020		2,356	768	1,588	1,588	6,310
15-May-2021	3,185	2,356	768	1,588	4,773	
15-Nov-2021		2,277	742	1,535	1,535	6,308
15-May-2022	3,290	2,277	742	1,535	4,825	
15-Nov-2022		2,193	715	1,478	1,478	6,303
15-May-2023	3,405	2,193	715	1,478	4,883	
15-Nov-2023		2,104	686	1,418	1,418	6,301
15-May-2024	3,525	2,104	686	1,418	4,943	
15-Nov-2024		2,009	655	1,354	1,354	6,297
15-May-2025	3,650	2,009	655	1,354	5,004	
15-Nov-2025		1,909	622	1,287	1,287	6,291
15-May-2026	4,995	1,909	622	1,287	6,282	
15-Nov-2026		1,771	577	1,194	1,194	7,476
15-May-2027	3,965	1,771	577	1,194	5,159	
15-Nov-2027		1,662	542	1,120	1,120	6,279
15-May-2028	3,300	1,662	542	1,120	4,420	
15-Nov-2028		1,571	512	1,059	1,059	5,479
15-May-2029	4,230	1,571	512	1,059	5,289	
15-Nov-2029		1,455	474	981	981	6,270
15-May-2030	4,385	1,455	474	981	5,366	
15-Nov-2030		1,332	434	898	898	6,264
15-May-2031	4,550	1,332	434	898	5,448	
15-Nov-2031		1,205	393	812	812	6,260
15-May-2032	4,715	1,205	393	812	5,527	
15-Nov-2032		1,073	350	723	723	6,250
15-May-2033	4,890	1,073	350	723	5,613	
15-Nov-2033		936	305	631	631	6,244
15-May-2034	5,075	936	305	631	5,706	
15-Nov-2034		794	259	535	535	6,241
15-May-2035	5,260	794	259	535	5,795	
15-Nov-2035		646	211	435	435	6,230
15-May-2036	5,455	646	211	435	5,890	
15-Nov-2036		493	161	332	332	6,222
15-May-2037	5,660	493	161	332	5,992	
15-Nov-2037		335	109	226	226	6,218
15-May-2038	5,870	335	109	226	6,096	
15-Nov-2038		170	56	114	114	6,210
15-May-2039	6,085	170	56	114	6,199	
						6,199
	<u>\$ 97,305</u>	<u>\$ 70,181</u>	<u>\$ 22,879</u>	<u>\$ 47,302</u>	<u>\$ 144,607</u>	<u>\$ 144,607</u>

* Interest rate subsidy reduced by sequestration rate of 6.9% as of federal fiscal year 2017.

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-2017	\$ 1,750	\$ 2,939	\$ 958	\$ 1,981	\$ 3,731	
15-Nov-2017		2,912	949	1,963	1,963	5,694
15-May-2018	1,785	2,912	949	1,963	3,748	
15-Nov-2018		2,879	938	1,941	1,941	5,689
15-May-2019	1,830	2,879	938	1,941	3,771	
15-Nov-2019		2,844	927	1,917	1,917	5,688
15-May-2020	1,880	2,844	927	1,917	3,797	
15-Nov-2020		2,807	915	1,892	1,892	5,689
15-May-2021	1,930	2,807	915	1,892	3,822	
15-Nov-2021		2,767	902	1,865	1,865	5,687
15-May-2022	1,985	2,767	902	1,865	3,850	
15-Nov-2022		2,723	887	1,836	1,836	5,686
15-May-2023	2,040	2,723	887	1,836	3,876	
15-Nov-2023		2,676	872	1,804	1,804	5,680
15-May-2024	2,105	2,676	872	1,804	3,909	
15-Nov-2024		2,624	855	1,769	1,769	5,678
15-May-2025	2,175	2,624	855	1,769	3,944	
15-Nov-2025		2,569	837	1,732	1,732	5,676
15-May-2026	2,255	2,569	837	1,732	3,987	
15-Nov-2026		2,499	814	1,685	1,685	5,672
15-May-2027	2,350	2,499	814	1,685	4,035	
15-Nov-2027		2,427	791	1,636	1,636	5,671
15-May-2028	2,445	2,427	791	1,636	4,081	
15-Nov-2028		2,351	766	1,585	1,585	5,666
15-May-2029	2,545	2,351	766	1,585	4,130	
15-Nov-2029		2,273	741	1,532	1,532	5,662
15-May-2030	2,650	2,273	741	1,532	4,182	
15-Nov-2030		2,191	714	1,477	1,477	5,659
15-May-2031	2,760	2,191	714	1,477	4,237	
15-Nov-2031		2,106	686	1,420	1,420	5,657
15-May-2032	2,870	2,106	686	1,420	4,290	
15-Nov-2032		2,017	657	1,360	1,360	5,650
15-May-2033	2,990	2,017	657	1,360	4,350	
15-Nov-2033		1,924	627	1,297	1,297	5,647
15-May-2034	33,560	1,924	627	1,297	34,857	
15-Nov-2034		881	287	594	594	35,451
15-May-2035	4,495	881	287	594	5,089	
15-Nov-2035		748	244	504	504	5,593
15-May-2036	4,670	748	244	504	5,174	
15-Nov-2036		609	199	410	410	5,584
15-May-2037	4,855	609	199	410	5,265	
15-Nov-2037		466	152	314	314	5,579
15-May-2038	5,045	466	152	314	5,359	
15-Nov-2038		316	103	213	213	5,572
15-May-2039	5,240	316	103	213	5,453	
15-Nov-2039		161	53	108	108	5,561
15-May-2040	5,445	161	53	108	5,553	
						5,553
	<u>\$ 101,655</u>	<u>\$ 94,479</u>	<u>\$ 30,790</u>	<u>\$ 63,689</u>	<u>\$ 165,344</u>	<u>\$ 165,344</u>

* Interest rate subsidy reduced by sequestration rate of 6.9% as of federal fiscal year 2017.

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-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
	\$ 36,320	\$	9,967	\$	46,287	\$	46,287

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-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
	\$ 154,760	\$	88,967	\$	243,727	\$	243,727

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-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
	\$ 214,480	\$	79,677	\$	294,157	\$	294,157

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-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
	\$ 153,445	\$ 109,116	\$ 262,561	\$ 262,561

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-2017		\$ 2,108	\$ 2,108		
15-May-2017	51,935	31,299	83,234		
01-Nov-2017		988	988		
15-Nov-2017		30,102	30,102	116,432	1,731,475
01-May-2018		2,108	2,108		
15-May-2018	58,900	30,102	89,002		
01-Nov-2018		988	988		
15-Nov-2018		29,276	29,276	121,374	1,672,575
01-May-2019		2,108	2,108		
15-May-2019	65,645	29,276	94,921		
01-Nov-2019		988	988		
15-Nov-2019		28,312	28,312	126,329	1,606,930
01-May-2020		2,108	2,108		
15-May-2020	58,815	28,312	87,127		
01-Nov-2020		988	988		
15-Nov-2020		27,251	27,251	117,474	1,548,115
01-May-2021		2,108	2,108		
15-May-2021	61,055	27,251	88,306		
01-Nov-2021		988	988		
15-Nov-2021		26,106	26,106	117,508	1,487,060
01-May-2022		2,355	2,355		
15-May-2022	61,295	26,106	87,401		
01-Nov-2022		1,235	1,235		
15-Nov-2022		24,921	24,921	115,912	1,425,765
01-May-2023		2,355	2,355		
15-May-2023	57,185	24,921	82,106		
01-Nov-2023		1,235	1,235		
15-Nov-2023		23,830	23,830	109,526	1,368,580
01-May-2024		2,355	2,355		
15-May-2024	60,615	23,830	84,445		
01-Nov-2024		1,235	1,235		
15-Nov-2024		22,652	22,652	110,687	1,307,965
01-May-2025		2,355	2,355		
15-May-2025	61,040	22,652	83,692		
01-Nov-2025		1,235	1,235		
15-Nov-2025		21,465	21,465	108,747	1,246,925
01-May-2026		2,355	2,355		
15-May-2026	61,380	21,465	82,845		
01-Nov-2026		1,235	1,235		
15-Nov-2026		20,252	20,252	106,687	1,185,545
01-May-2027		2,355	2,355		
15-May-2027	52,340	20,252	72,592		
01-Nov-2027		1,235	1,235		
15-Nov-2027		19,240	19,240	95,422	1,133,205
01-May-2028		2,355	2,355		
15-May-2028	52,010	19,240	71,250		
01-Nov-2028		1,235	1,235		
15-Nov-2028		18,253	18,253	93,093	1,081,195

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-2029		2,355	2,355		
15-May-2029	63,950	18,253	82,203		
01-Nov-2029		1,235	1,235		
15-Nov-2029		16,980	16,980	102,773	1,017,245
01-May-2030	7,015	2,310	9,325		
15-May-2030	55,525	16,980	72,505		
01-Nov-2030		1,222	1,222		
15-Nov-2030		15,911	15,911	98,963	954,705
01-May-2031	12,155	2,229	14,384		
15-May-2031	52,675	15,911	68,586		
01-Nov-2031		1,146	1,146		
15-Nov-2031		14,845	14,845	98,961	889,875
01-May-2032	12,460	2,085	14,545		
15-May-2032	53,455	14,845	68,300		
01-Nov-2032		1,068	1,068		
15-Nov-2032		13,723	13,723	97,636	823,960
01-May-2033	12,780	1,937	14,717		
15-May-2033	60,860	13,723	74,583		
01-Nov-2033		986	986		
15-Nov-2033		12,423	12,423	102,709	750,320
01-May-2034	13,105	1,784	14,889		
15-May-2034	64,150	12,423	76,573		
01-Nov-2034		902	902		
15-Nov-2034		10,978	10,978	103,342	673,065
01-May-2035	13,435	1,628	15,063		
15-May-2035	73,195	10,978	84,173		
01-Nov-2035		815	815		
15-Nov-2035		9,430	9,430	109,481	586,435
01-May-2036	13,780	1,468	15,248		
15-May-2036	72,760	9,430	82,190		
01-Nov-2036		724	724		
15-Nov-2036		7,864	7,864	106,026	499,895
01-May-2037	14,125	1,303	15,428		
15-May-2037	75,755	7,864	83,619		
01-Nov-2037		631	631		
15-Nov-2037		6,429	6,429	106,107	410,015
01-May-2038	14,490	1,134	15,624		
15-May-2038	71,975	6,429	78,404		
01-Nov-2038		534	534		
15-Nov-2038		4,850	4,850	99,412	323,550
01-May-2039	14,850	961	15,811		
15-May-2039	72,330	4,850	77,180		
01-Nov-2039		434	434		
15-Nov-2039		3,177	3,177	96,602	236,370
01-May-2040	15,220	784	16,004		
15-May-2040	59,940	3,177	63,117		
01-Nov-2040		331	331		
15-Nov-2040		2,024	2,024	81,476	161,210

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-2041	15,605	602	16,207		
15-May-2041	20,500	2,024	22,524		
01-Nov-2041		224	224		
15-Nov-2041		1,651	1,651	40,606	125,105
01-May-2042	15,995	415	16,410		
15-May-2042	20,295	1,651	21,946		
01-Nov-2042		114	114		
15-Nov-2042		1,283	1,283	39,753	88,815
01-May-2043	16,390	223	16,613		
15-May-2043	20,230	1,283	21,513		
15-Nov-2043		906	906	39,032	52,195
01-May-2044	7,390	27	7,417		
15-May-2044	17,950	906	18,856		
15-Nov-2044		565	565	26,838	26,855
15-May-2045	16,905	565	17,470		
15-Nov-2045		231	231	17,701	9,950
15-May-2046	9,950	231	10,181		
				10,181	-
	<u>\$ 1,783,410</u>	<u>\$ 933,380</u>	<u>\$ 2,716,790</u>	<u>\$ 2,716,790</u>	

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-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
	<u>\$ 4,830</u>	<u>\$</u>	<u>625</u>	<u>\$</u>	<u>5,455</u>	<u>\$</u>	<u>5,455</u>

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-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
	\$ 20,020	\$	3,463	\$	23,483	\$	23,483

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-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
	\$ 24,210	\$	11,288	\$	35,498	\$	35,498

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-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
	\$ 19,180	\$	11,653	\$	30,833	\$	30,833

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-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
	<u>\$ 45,275</u>	<u>\$</u>	<u>24,316</u>	<u>\$</u>	<u>69,591</u>	<u>\$</u>	<u>69,591</u>

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-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>\$ 32,760</u>	<u>\$ 5,417</u>	<u>\$ 38,177</u>	<u>\$ 38,177</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-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
	\$	22,045	\$	1,489	\$	23,534	\$ 23,534

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-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
	\$ 15,040	\$	5,754	\$	20,794	\$	20,794

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-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
	\$ 18,730	\$	2,327	\$	21,057	\$	21,057

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-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
	\$ 15,940	\$	7,728	\$	23,668	\$	23,668

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-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
	<u>\$ 19,765</u>	<u>\$</u>	<u>2,496</u>	<u>\$</u>	<u>22,261</u>	<u>\$</u>	<u>22,261</u>

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-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
	\$ 17,315	\$ 3,696	\$ 21,011	\$ 21,011

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-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
	\$ 42,825	\$	4,848	\$	47,673	\$	47,673

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-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
	\$ 73,425	\$	33,091	\$	106,516	\$	106,516

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-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		1,597
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
	\$ 22,720	\$	4,422	\$	27,142	\$	27,142

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-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
	\$ 55,495	\$	25,541	\$	81,036	\$	81,036

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-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
	\$ 69,295	\$	25,546	\$	94,841	\$	94,841

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>
01-May-2017	\$ -	\$ 988	\$ 988	
01-Nov-2017		988	988	1,976
01-May-2018	-	988	988	
01-Nov-2018		988	988	1,976
01-May-2019	-	988	988	
01-Nov-2019		988	988	1,976
01-May-2020	-	988	988	
01-Nov-2020		988	988	1,976
01-May-2021	-	988	988	
01-Nov-2021		988	988	1,976
01-May-2022	-	1,235	1,235	
01-Nov-2022		1,235	1,235	2,470
01-May-2023	-	1,235	1,235	
01-Nov-2023		1,235	1,235	2,470
01-May-2024	-	1,235	1,235	
01-Nov-2024		1,235	1,235	2,470
01-May-2025	-	1,235	1,235	
01-Nov-2025		1,235	1,235	2,470
01-May-2026	-	1,235	1,235	
01-Nov-2026		1,235	1,235	2,470
01-May-2027	-	1,235	1,235	
01-Nov-2027		1,235	1,235	2,470
01-May-2028	-	1,235	1,235	
01-Nov-2028		1,235	1,235	2,470
01-May-2029	-	1,235	1,235	
01-Nov-2029		1,235	1,235	2,470
01-May-2030	1,025	1,235	2,260	
01-Nov-2030		1,222	1,222	3,482
01-May-2031	6,075	1,222	7,297	
01-Nov-2031		1,146	1,146	8,443
01-May-2032	6,290	1,146	7,436	
01-Nov-2032		1,068	1,068	8,504
01-May-2033	6,515	1,068	7,583	
01-Nov-2033		986	986	8,569
01-May-2034	6,745	986	7,731	
01-Nov-2034		902	902	8,633
01-May-2035	6,980	902	7,882	
01-Nov-2035		815	815	8,697
01-May-2036	7,225	815	8,040	
01-Nov-2036		724	724	8,764
01-May-2037	7,475	724	8,199	
01-Nov-2037		631	631	8,830
01-May-2038	7,735	631	8,366	
01-Nov-2038		534	534	8,900
01-May-2039	7,995	534	8,529	
01-Nov-2039		434	434	8,963
01-May-2040	8,260	434	8,694	
01-Nov-2040		331	331	9,025
01-May-2041	8,540	331	8,871	
01-Nov-2041		224	224	9,095
01-May-2042	8,825	224	9,049	
01-Nov-2042		114	114	9,163
01-May-2043	9,110	114	9,224	
				9,224
	<u>\$ 98,795</u>	<u>\$ 49,137</u>	<u>\$ 147,932</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, which expired October 31, 2016. On November 1, 2016, the bonds were remarketed into a fixed rate Term Mode for a five-year period ending October 31, 2021 at 2.00%. At the end of the remarketing period, the Bonds will be remarketed or refunded into another term period or will be converted into another mode. Interest listed above is based on 2.00% through October 31, 2021 and budgeted interest rates thereafter of 2.50%. 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-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
	<u>\$ 96,310</u>	<u>\$</u>	<u>32,472</u>	<u>\$</u>	<u>128,782</u>	<u>\$</u>	<u>128,782</u>

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>
2017	\$ -	\$ 1,120	\$ 1,120	\$ 100,000
2018	-	1,120	1,120	100,000
2019	-	1,120	1,120	100,000
2020	-	1,120	1,120	100,000
2021	-	1,120	1,120	100,000
2022	-	1,120	1,120	100,000
2023	-	1,120	1,120	100,000
2024	-	1,120	1,120	100,000
2025	-	1,120	1,120	100,000
2026	-	1,120	1,120	100,000
2027	-	1,120	1,120	100,000
2028	-	1,120	1,120	100,000
2029	-	1,120	1,120	100,000
2030	5,990	1,075	7,065	94,010
2031	6,080	1,007	7,087	87,930
2032	6,170	939	7,109	81,760
2033	6,265	869	7,134	75,495
2034	6,360	798	7,158	69,135
2035	6,455	726	7,181	62,680
2036	6,555	653	7,208	56,125
2037	6,650	579	7,229	49,475
2038	6,755	503	7,258	42,720
2039	6,855	427	7,282	35,865
2040	6,960	350	7,310	28,905
2041	7,065	271	7,336	21,840
2042	7,170	191	7,361	14,670
2043	7,280	109	7,389	7,390
2044	7,390	27	7,417	-
	<u>\$ 100,000</u>	<u>\$ 23,084</u>	<u>\$ 123,084</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 1.12%. 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-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
	\$ 36,120	\$	11,893	\$	48,013	\$	48,013

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-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
	\$ 20,295	\$	2,867	\$	23,162	\$	23,162

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-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
	\$ 73,740	\$	19,566	\$	93,306	\$	93,306

San Antonio Water System
WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING 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-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
	\$ 298,170	\$ 257,501	\$ 555,671	\$ 555,671

San Antonio Water System
WATER SYSTEM JUNIOR LIEN REVENUE REFUNDING BONDS
SERIES 2016A

(amounts in thousands)

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi- Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2017	\$ -	\$ 4,209	\$ 4,209	
15-Nov-2017		4,209	4,209	8,418
15-May-2018	5,055	4,209	9,264	
15-Nov-2018		4,082	4,082	13,346
15-May-2019	3,335	4,082	7,417	
15-Nov-2019		3,999	3,999	11,416
15-May-2020	10,710	3,999	14,709	
15-Nov-2020		3,731	3,731	18,440
15-May-2021	11,255	3,731	14,986	
15-Nov-2021		3,456	3,456	18,442
15-May-2022	11,820	3,456	15,276	
15-Nov-2022		3,160	3,160	18,436
15-May-2023	9,520	3,160	12,680	
15-Nov-2023		2,922	2,922	15,602
15-May-2024	9,995	2,922	12,917	
15-Nov-2024		2,673	2,673	15,590
15-May-2025	10,500	2,673	13,173	
15-Nov-2025		2,410	2,410	15,583
15-May-2026	8,900	2,410	11,310	
15-Nov-2026		2,188	2,188	13,498
15-May-2027	5,970	2,188	8,158	
15-Nov-2027		2,038	2,038	10,196
15-May-2028	1,880	2,038	3,918	
15-Nov-2028		1,991	1,991	5,909
15-May-2029	9,930	1,991	11,921	
15-Nov-2029		1,743	1,743	13,664
15-May-2030	10,425	1,743	12,168	
15-Nov-2030		1,482	1,482	13,650
15-May-2031	16,205	1,482	17,687	
15-Nov-2031		1,077	1,077	18,764
15-May-2032	17,015	1,077	18,092	
15-Nov-2032		652	652	18,744
15-May-2033	5,805	652	6,457	
15-Nov-2033		507	507	6,964
15-May-2034	6,095	507	6,602	
15-Nov-2034		354	354	6,956
15-May-2035	6,350	354	6,704	
15-Nov-2035		259	259	6,963
15-May-2036	2,940	259	3,199	
15-Nov-2036		215	215	3,414
15-May-2037	3,035	215	3,250	
15-Nov-2037		168	168	3,418
15-May-2038	3,160	168	3,328	
15-Nov-2038		89	89	3,417
15-May-2039	3,320	89	3,409	
15-Nov-2039		6	6	3,415
15-May-2040	345	6	351	
			-	351
	\$ 173,565	\$ 91,031	\$ 264,596	\$ 264,596

San Antonio Water System
WATER SYSTEM JUNIOR LIEN REVENUE REFUNDING BONDS
TAXABLE SERIES 2016B

(amounts in thousands)

	<u>Principal</u>		<u>Interest</u>		<u>Total Semi- Annual Payment</u>		<u>Total Annual Payment</u>
15-May-2017	\$ 7,895	\$	322	\$	8,217		
15-Nov-2017			285		285		8,502
15-May-2018	7,960		285		8,245		
15-Nov-2018			243		243		8,488
15-May-2019	6,995		243		7,238		
15-Nov-2019			200		200		7,438
15-May-2020	-		200		200		
15-Nov-2020			200		200		400
15-May-2021	-		200		200		
15-Nov-2021			200		200		400
15-May-2022	-		200		200		
15-Nov-2022			200		200		400
15-May-2023	-		200		200		
15-Nov-2023			200		200		400
15-May-2024	-		200		200		
15-Nov-2024			200		200		400
15-May-2025	-		200		200		
15-Nov-2025			200		200		400
15-May-2026	-		200		200		
15-Nov-2026			200		200		400
15-May-2027	-		200		200		
15-Nov-2027			200		200		400
15-May-2028	2,840		200		3,040		
15-Nov-2028			157		157		3,197
15-May-2029	4,885		157		5,042		
15-Nov-2029			81		81		5,123
15-May-2030	5,045		81		5,126		
					-		5,126
	\$ 35,620	\$	5,454	\$	41,074	\$	41,074

San Antonio Water System
WATER SYSTEM JUNIOR LIEN REVENUE AND REFUNDING BONDS
SERIES 2016C

(amounts in thousands)

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi- Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2017	\$ -	\$ 7,995	\$ 7,995	
15-Nov-2017		7,418	7,418	15,413
15-May-2018	-	7,418	7,418	
15-Nov-2018		7,418	7,418	14,836
15-May-2019	3,360	7,418	10,778	
15-Nov-2019		7,368	7,368	18,146
15-May-2020	3,505	7,368	10,873	
15-Nov-2020		7,280	7,280	18,153
15-May-2021	3,685	7,280	10,965	
15-Nov-2021		7,188	7,188	18,153
15-May-2022	3,875	7,188	11,063	
15-Nov-2022		7,091	7,091	18,154
15-May-2023	4,075	7,091	11,166	
15-Nov-2023		6,990	6,990	18,156
15-May-2024	7,290	6,990	14,280	
15-Nov-2024		6,807	6,807	21,087
15-May-2025	7,670	6,807	14,477	
15-Nov-2025		6,616	6,616	21,093
15-May-2026	8,065	6,616	14,681	
15-Nov-2026		6,414	6,414	21,095
15-May-2027	8,470	6,414	14,884	
15-Nov-2027		6,202	6,202	21,086
15-May-2028	8,910	6,202	15,112	
15-Nov-2028		5,979	5,979	21,091
15-May-2029	9,365	5,979	15,344	
15-Nov-2029		5,745	5,745	21,089
15-May-2030	9,845	5,745	15,590	
15-Nov-2030		5,499	5,499	21,089
15-May-2031	10,345	5,499	15,844	
15-Nov-2031		5,241	5,241	21,085
15-May-2032	10,885	5,241	16,126	
15-Nov-2032		4,968	4,968	21,094
15-May-2033	28,635	4,968	33,603	
15-Nov-2033		4,253	4,253	37,856
15-May-2034	35,180	4,253	39,433	
15-Nov-2034		3,373	3,373	42,806
15-May-2035	18,595	3,373	21,968	
15-Nov-2035		2,908	2,908	24,876
15-May-2036	19,555	2,908	22,463	
15-Nov-2036		2,419	2,419	24,882
15-May-2037	20,450	2,419	22,869	
15-Nov-2037		2,010	2,010	24,879
15-May-2038	14,470	2,010	16,480	
15-Nov-2038		1,721	1,721	18,201
15-May-2039	15,140	1,721	16,861	
15-Nov-2039		1,342	1,342	18,203
15-May-2040	6,570	1,342	7,912	
15-Nov-2040		1,178	1,178	9,090
15-May-2041	6,905	1,178	8,083	
15-Nov-2041		1,006	1,006	9,089
15-May-2042	7,260	1,006	8,266	
15-Nov-2042		824	824	9,090
15-May-2043	7,635	824	8,459	
15-Nov-2043		633	633	9,092
15-May-2044	8,025	633	8,658	
15-Nov-2044		433	433	9,091
15-May-2045	8,435	433	8,868	
15-Nov-2045		222	222	9,090
15-May-2046	8,865	222	9,087	
			-	9,087
	\$ 305,065	\$ 261,087	\$ 566,152	\$ 566,152

San Antonio Water System
WATER SYSTEM JUNIOR LIEN REVENUE BONDS
SERIES 2016D
(amounts in thousands)

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2017	\$ 165	\$ 52	\$ 217	
15-Nov-2017		62	62	279
15-May-2018	385	62	447	
15-Nov-2018		62	62	509
15-May-2019	385	62	447	
15-Nov-2019		62	62	509
15-May-2020	385	62	447	
15-Nov-2020		62	62	509
15-May-2021	385	62	447	
15-Nov-2021		62	62	509
15-May-2022	385	62	447	
15-Nov-2022		62	62	509
15-May-2023	390	62	452	
15-Nov-2023		61	61	513
15-May-2024	390	61	451	
15-Nov-2024		61	61	512
15-May-2025	390	61	451	
15-Nov-2025		60	60	511
15-May-2026	390	60	450	
15-Nov-2026		58	58	508
15-May-2027	395	58	453	
15-Nov-2027		57	57	510
15-May-2028	400	57	457	
15-Nov-2028		55	55	512
15-May-2029	400	55	455	
15-Nov-2029		53	53	508
15-May-2030	405	53	458	
15-Nov-2030		51	51	509
15-May-2031	410	51	461	
15-Nov-2031		49	49	510
15-May-2032	415	49	464	
15-Nov-2032		46	46	510
15-May-2033	420	46	466	
15-Nov-2033		44	44	510
15-May-2034	425	44	469	
15-Nov-2034		41	41	510
15-May-2035	430	41	471	
15-Nov-2035		38	38	509
15-May-2036	435	38	473	
15-Nov-2036		35	35	508
15-May-2037	440	35	475	
15-Nov-2037		32	32	507
15-May-2038	450	32	482	
15-Nov-2038		29	29	511
15-May-2039	455	29	484	
15-Nov-2039		25	25	509
15-May-2040	460	25	485	
15-Nov-2040		22	22	507
15-May-2041	465	22	487	
15-Nov-2041		18	18	505
15-May-2042	475	18	493	
15-Nov-2042		15	15	508
15-May-2043	480	15	495	
15-Nov-2043		11	11	506
15-May-2044	490	11	501	
15-Nov-2044		8	8	509
15-May-2045	495	8	503	
15-Nov-2045		4	4	507
15-May-2046	505	4	509	
			-	509
	\$ 12,500	\$ 2,542	\$ 15,042	\$ 15,042

San Antonio Water System
WATER SYSTEM JUNIOR LIEN REVENUE BONDS
SERIES 2016E
(amounts in thousands)

	<u>Principal</u>	<u>Interest</u>	<u>Total Semi-Annual Payment</u>	<u>Total Annual Payment</u>
15-May-2017	\$ 185	\$ 62	\$ 247	
15-Nov-2017		75	75	322
15-May-2018	440	75	515	
15-Nov-2018		75	75	590
15-May-2019	440	75	515	
15-Nov-2019		75	75	590
15-May-2020	440	75	515	
15-Nov-2020		75	75	590
15-May-2021	440	75	515	
15-Nov-2021		75	75	590
15-May-2022	445	75	520	
15-Nov-2022		74	74	594
15-May-2023	445	74	519	
15-Nov-2023		74	74	593
15-May-2024	445	74	519	
15-Nov-2024		73	73	592
15-May-2025	445	73	518	
15-Nov-2025		71	71	589
15-May-2026	450	71	521	
15-Nov-2026		70	70	591
15-May-2027	450	70	520	
15-Nov-2027		68	68	588
15-May-2028	455	68	523	
15-Nov-2028		66	66	589
15-May-2029	460	66	526	
15-Nov-2029		63	63	589
15-May-2030	465	63	528	
15-Nov-2030		61	61	589
15-May-2031	470	61	531	
15-Nov-2031		58	58	589
15-May-2032	475	58	533	
15-Nov-2032		55	55	588
15-May-2033	480	55	535	
15-Nov-2033		52	52	587
15-May-2034	490	52	542	
15-Nov-2034		49	49	591
15-May-2035	495	49	544	
15-Nov-2035		45	45	589
15-May-2036	500	45	545	
15-Nov-2036		42	42	587
15-May-2037	510	42	552	
15-Nov-2037		38	38	590
15-May-2038	515	38	553	
15-Nov-2038		34	34	587
15-May-2039	525	34	559	
15-Nov-2039		30	30	589
15-May-2040	530	30	560	
15-Nov-2040		26	26	586
15-May-2041	540	26	566	
15-Nov-2041		22	22	588
15-May-2042	550	22	572	
15-Nov-2042		18	18	590
15-May-2043	555	18	573	
15-Nov-2043		14	14	587
15-May-2044	565	14	579	
15-Nov-2044		9	9	588
15-May-2045	575	9	584	
15-Nov-2045		5	5	589
15-May-2046	580	5	585	
			-	585
	\$ 14,360	\$ 3,046	\$ 17,406	\$ 17,406

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San Antonio Water System
REVENUE BOND DEBT COVERAGE RATIO
For the Year Ended December 31, 2016
(\$ in thousands)

Operating Revenues	\$	622,457
Less Revenues from City Public Service Contract		3,245
		619,212
Nonoperating Revenues		8,146
Less: Federal Subsidy - Build America Bonds		3,786
Interest on Project Funds		540
		3,820
Gross Revenues		623,032
Maintenance & Operation Expense before Depreciation		315,395
Pledged Revenues	\$	307,637
Current Annual Bond Debt service requirement for all Outstanding Bonds ¹	\$	176,728
Current Annual Combined Debt Coverage Ratio		1.74
Maximum Annual Bond Debt service requirement for all Outstanding Bonds ¹	\$	185,149
Maximum Annual Combined Debt Coverage Ratio		1.66

¹Annual debt service requirements consist of principal and interest payments net of the U.S. federal interest subsidy on the Series 2009B & 2010B revenue bonds.

