



City of Austin, Texas
Austin Water

Financial Status Report
For the Period Ending September 30, 2015

Status Report Based on Unaudited Financial Information



MEMORANDUM

TO: Greg Meszaros, Director
Austin Water

FROM: David Anders, Assistant Director, Finance and Business Services
Austin Water

DATE: November 19, 2015

SUBJECT: Austin Water Unaudited Financial Status Report for the Period Ended September 30, 2015

Attached is Austin Water's Financial Status Report. The combined fund balance at the end of September was \$80.65 million or \$4.52 million more than projected, as detailed in the Executive Summary. The beginning balances were \$8.35 million more than projected, requirements were \$5.71 million below budget, and revenues and transfers in were \$9.54 million below budget.

Recent significant rainfall has dramatically improved the lake levels in Travis and Buchanan. The lake system was at 75 percent full at the end of September. However, Austin Water continues to address drought conditions with mandatory stage II water restrictions and conservation measures. Water service revenues are significantly below projections and wastewater service revenues are slightly below projections this fiscal year through September. The Executive Summary includes more discussion of revenue highlights.

Actual spending for total operating requirements was below budget by a total of \$5.84 million. Payments for debt service requirements were above allotments by \$0.05 million, and transfers out were below allotments by \$0.08 million, resulting in total requirements being below allotments by \$5.71 million. The extent of these variances by program is discussed in the Executive Summary and detail pages.

In addition to the Executive Summary and Fund Summary, this report provides detailed analysis of Revenues, Customer Demand Characteristics, Operating Requirements, Outstanding Debt and Debt Service Requirements, Other Requirements, CIP Expenditures, and Cash Balances.

Please feel free to contact me should you have any questions.

David Anders
Assistant Director
Austin Water

Attachments

cc: Robert Goode, Assistant City Manager
Elaine Hart, CFO, Financial and Administrative Services
Assistant Directors, Austin Water
Division Managers, Austin Water

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City of Austin, Texas Austin Water Executive Summary

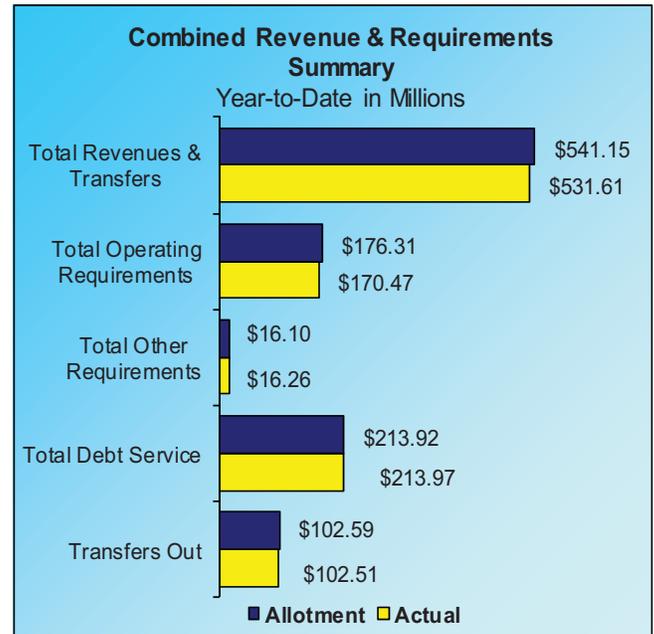


Financial Status Report

Period Ending September 30, 2015

The Combined Water, Reclaimed Water, and Wastewater Operating Fund balance as of September 30, 2015, was \$80.65 million. The combined balance was \$4.52 million more than projected for this date, as shown below:

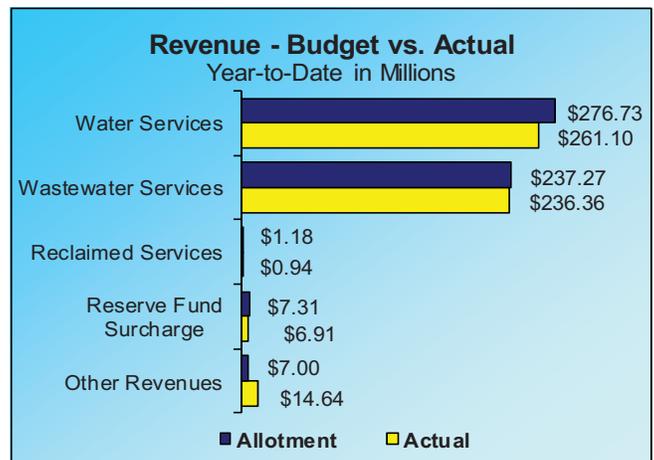
	Allotment	Actual	Difference
Beginning Balance	\$ 43.91	\$ 52.26	\$ 8.35
Water Services	\$ 276.73	\$ 261.10	\$ (15.63)
Wastewater Services	237.27	236.36	(0.91)
Reclaimed Services	1.18	0.94	(0.24)
Reserve Fund Surcharge	7.31	6.91	(0.40)
Other Revenues	7.00	14.64	7.64
Transfers In	11.66	11.66	0.00
Total Revenues & Transfers	\$ 541.15	\$ 531.61	\$ (9.54)
Total Operating Requirements	\$ 176.31	\$ 170.47	5.84
Total Other Requirements	16.10	16.26	(0.16)
Total Debt Service	213.92	213.97	(0.05)
Transfers Out	102.59	102.51	0.08
Total Revenue Requirements	\$ 508.93	\$ 503.22	\$ 5.71
Ending balance	\$ 76.13	\$ 80.65	\$ 4.52
Debt Service Coverage	1.52	1.50	



Revenue Highlights

Total revenues for fiscal year 2014-15 were \$531.61 million or \$9.54 million (1.8%) less than projected.

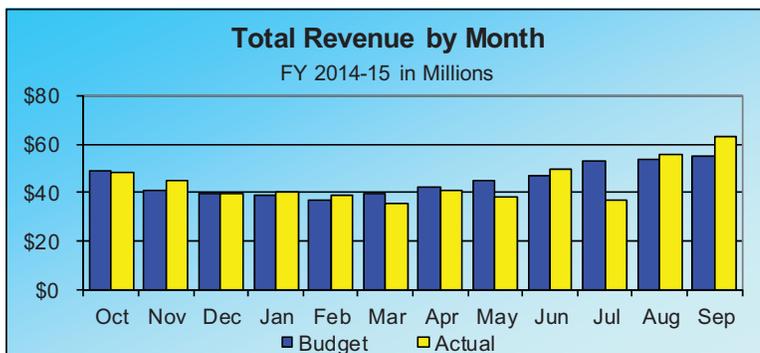
- Water service revenue was \$261.10 million, or \$15.63 million (5.6%) below budget.
- Wastewater service revenue was \$236.36 million, or \$0.91 million (0.4%) below budget.
- Reclaimed service revenue was \$0.94 million, or \$0.24 million (20.0%) below budget.
- Reserve fund surcharge was \$6.91 million, or \$0.40 million (5.5%) below budget.
- Miscellaneous revenue and Interest income totaled \$14.64 million, or \$7.64 million (109.1%) more than budget.
- Transfers In were consistent with the budget.



Water Service revenues for the month were below projections in all classes except Multifamily.

Wastewater Service revenues were above projections in three customer classes to nearly offset revenues below projections in Residential and Large Volume class.

Revenues and Transfers In for September were \$63.02 million or \$8.18 million (14.9%) more than projected.

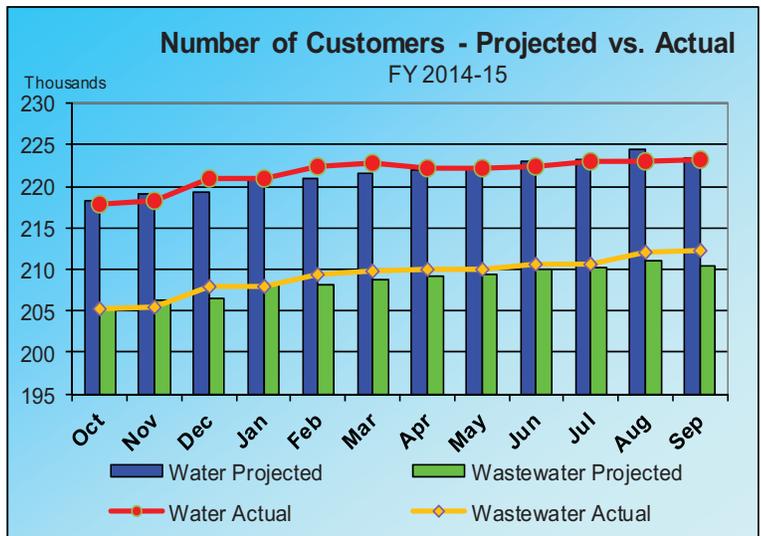


User Characteristics

	Projected	Actual
Water Customers	223,402	223,162
Wastewater Customers	210,405	212,260
Monthly Pumpage	4.28	4.47
YTD Pumpage	45.29	43.48
Monthly Billed Use	4.35	4.50
YTD Billed Use	40.01	37.72
Monthly Influent Flow	2.91	2.83
YTD Influent Flow	36.19	40.71
Monthly Billed Flow	2.35	2.28
YTD Billed Flow	26.32	26.25

(Above in Billions of Gallons)

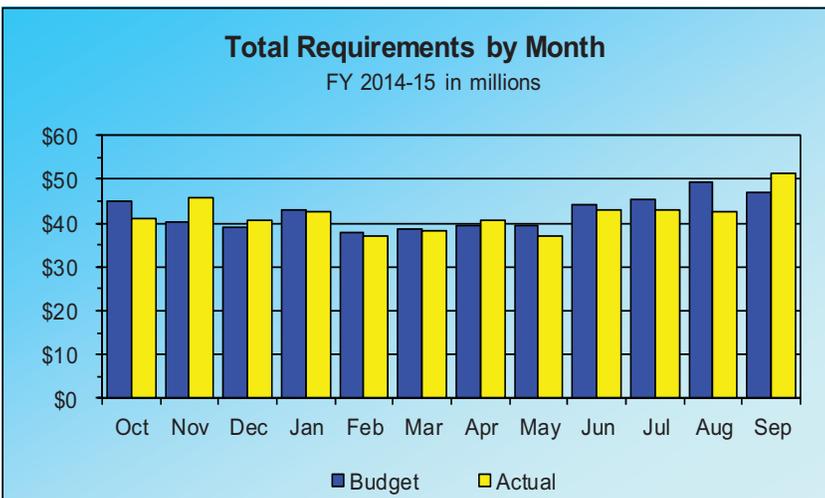
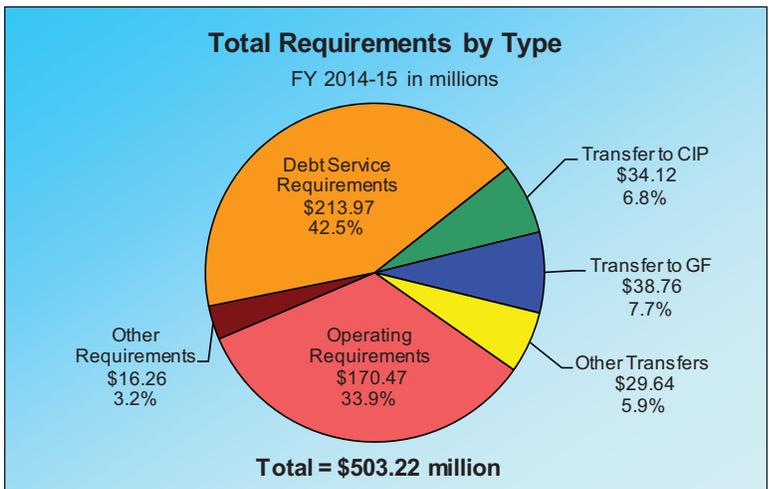
Avg. Residential Use (gal)	9,034	9,164
Avg. Residential Flow (gal)	4,490	4,046



Requirement Highlights

Total requirements for fiscal year 2014-15 were \$503.22 million, or \$5.71 million (1.1%) less than the budget. The graph at right shows the proportions of these requirements to the whole.

- Total operating requirements were \$170.47 million, or \$5.84 million (3.3%) less than budget.
- Total other requirements were \$16.26 million, or \$0.16 million more than budget.
- Debt service requirements were \$213.97 million, or \$0.05 million more than budget.
- Transfers out consist of transfers to Capital Improvement Projects, General Fund, and Other Transfers. These total \$102.51 million, or \$0.08 million (0.1%) less than budget.



Three of the nine program areas: Engineering Services, Water Resources Management, and Support Services—Utility, had higher expenditures than projected. These variances were more than offset by lower than projected expenditures in the other program areas.

Pages 25 and 26 provide details on variances in spending by program area and object code.

September Total Requirements were \$51.33 million, or \$4.24 million (9.0%) more than the budget allotment for the month.

City of Austin, Texas

Austin Water

FUND SUMMARY - COMBINED

As of September 2015

	Approved Budget	Amended Budget	Actual	Variance	%Variance
BEGINING BALANCE	43,912,225	43,912,225	52,261,960	8,349,735	19.0%
REVENUES					
Water Services	276,728,685	276,728,685	261,096,118	(15,632,567)	-5.6%
Wastewater Services	237,271,961	237,271,961	236,363,048	(908,913)	-0.4%
Reserve Fund Surcharge	7,304,753	7,304,753	6,905,035	(399,718)	-5.5%
Miscellaneous Revenue	6,800,000	6,800,000	14,406,442	7,606,442	111.9%
Reclaimed Services	1,180,228	1,180,228	943,855	(236,373)	-20.0%
Interest Income	203,200	203,200	234,735	31,535	15.5%
TOTAL REVENUES	529,488,827	529,488,827	519,949,234	(9,539,593)	-1.8%
TRANSFERS IN					
CIP	9,300,000	9,300,000	9,300,000	-	0.0%
Reclaimed Utility Fund	2,060,000	2,060,000	2,060,000	-	0.0%
Support Services/Infrastructure Funds	300,582	300,582	300,582	-	0.0%
TOTAL TRANSFERS IN	11,660,582	11,660,582	11,660,582	-	0.0%
TOTAL AVAILABLE FUNDS	541,149,409	541,149,409	531,609,816	(9,539,593)	-1.8%
OPERATING PROGRAM REQUIREMENTS					
Treatment	74,695,492	74,695,492	71,446,533	3,248,959	4.3%
Pipeline Operations	40,942,563	40,942,563	40,115,757	826,806	2.0%
Support Services - Utility	20,580,494	20,580,494	21,801,435	(1,220,941)	-5.9%
Other Utility Program Requirements	12,614,444	12,614,444	9,569,967	3,044,477	24.1%
Environmental Affairs & Conservation	11,628,685	11,628,685	10,287,405	1,341,280	11.5%
Engineering Services	8,290,296	8,290,296	8,727,306	(437,010)	-5.3%
Water Resources Management	6,540,588	6,540,588	7,583,760	(1,043,172)	-15.9%
One Stop Shop	648,853	648,853	599,480	49,373	7.6%
Reclaimed Water Services	372,997	372,997	339,436	33,561	9.0%
TOTAL OPERATING PROGRAM REQUIREMENTS	176,314,412	176,314,412	170,471,079	5,843,333	3.3%
OTHER OPERATING REQUIREMENTS					
Utility Billing System Support	15,709,766	15,709,766	15,709,766	-	0.0%
Accrued Payroll	316,512	316,512	475,829	(159,317)	-50.3%
Services-PID contract expense	75,000	75,000	75,000	-	0.0%
TOTAL OTHER OPERATING REQUIREMENTS	16,101,278	16,101,278	16,260,595	(159,317)	-1.0%
TOTAL OPERATING REQUIREMENTS	192,415,690	192,415,690	186,731,674	5,684,016	3.0%
DEBT SERVICE REQUIREMENTS					
Revenue Bond Debt Service	208,666,281	208,666,281	209,233,247	(566,966)	-0.3%
Trf to General Obligation Debt Service	3,978,547	3,978,547	3,973,920	4,627	0.1%
Water District Bonds	714,462	714,462	714,463	(1)	0.0%
Commercial Paper Interest	562,486	562,486	51,533	510,953	90.8%
TOTAL DEBT SERVICE	213,921,776	213,921,776	213,973,163	(51,387)	0.0%
TRANSFERS OUT					
Trf to General Fund	38,755,435	38,755,435	38,755,435	-	0.0%
Trf to Wastewater CIP Fund	20,900,000	20,900,000	20,900,000	-	0.0%
Trf to Support Services Fund	13,325,654	13,325,654	13,325,654	-	0.0%
Trf to Water CIP Fund	12,000,000	12,000,000	11,920,000	80,000	0.7%
Trf to Water Revenue Stab Rsv	7,304,753	7,304,753	7,304,753	-	0.0%
CTM Support	3,455,342	3,455,342	3,455,342	-	0.0%
Trf to Reclaimed Water Fund	2,060,000	2,060,000	2,060,000	-	0.0%
Trf to Reclaimed Water CIP Fund	1,300,000	1,300,000	1,300,000	-	0.0%
Workers' Compensation	1,618,251	1,618,251	1,618,251	-	0.0%
Trf to Economic Development	1,148,827	1,148,827	1,148,827	-	0.0%
Liability Reserve	400,000	400,000	400,000	-	0.0%
Trf to Wireless Communication	229,697	229,697	229,697	-	0.0%
Trf to Environmental Rmdn Fund	83,250	83,250	83,250	-	0.0%
Trf to CTECC Fund	10,860	10,860	10,860	-	0.0%
TOTAL TRANSFERS OUT	102,592,069	102,592,069	102,512,069	80,000	0.1%
TOTAL REQUIREMENTS	508,929,535	508,929,535	503,216,906	5,712,629	1.1%
EXCESS/(DEFICIT)	32,219,874	32,219,874	28,392,910	(3,826,964)	-11.9%
ENDING BALANCE	76,132,099	76,132,099	80,654,870	4,522,771	5.9%
DEBT SERVICE COVERAGE RATIO		1.52	1.50		

City of Austin, Texas

Austin Water

FUND SUMMARY - WATER

As of September 2015

	Approved Budget	Amended Budget	Actual	Variance	%Variance
BEGINING BALANCE	14,652,369	14,652,369	13,249,715	(1,402,654)	-9.6%
REVENUES					
Water Services	276,728,685	276,728,685	261,096,118	(15,632,567)	-5.6%
Reserve Fund Surcharge	7,304,753	7,304,753	6,905,035	(399,718)	-5.5%
Miscellaneous Revenue	3,000,000	3,000,000	8,035,517	5,035,517	167.9%
Interest Income	75,400	75,400	57,751	(17,649)	-23.4%
TOTAL REVENUES	287,108,838	287,108,838	276,094,422	(11,014,416)	-3.8%
TRANSFERS IN					
Support Services/Infrastructure Funds	150,291	150,291	150,291	-	0.0%
CIP	6,300,000	6,300,000	6,300,000	-	0.0%
TOTAL TRANSFERS IN	6,450,291	6,450,291	6,450,291	-	0.0%
TOTAL AVAILABLE FUNDS	293,559,129	293,559,129	282,544,713	(11,014,416)	-3.8%
OPERATING PROGRAM REQUIREMENTS					
Treatment	37,097,812	37,097,812	35,189,781	1,908,031	5.1%
Pipeline Operations	23,691,756	23,691,756	23,153,031	538,725	2.3%
Support Services	10,271,386	10,271,386	10,943,950	(672,564)	-6.5%
Environmental Affairs & Conservation	8,786,653	8,786,653	7,385,808	1,400,845	15.9%
Other Utility Program Requirements	7,750,153	7,750,153	5,356,789	2,393,364	30.9%
Engineering Services	3,367,295	3,367,295	3,597,256	(229,961)	-6.8%
Water Resources Management	3,093,292	3,093,292	3,680,633	(587,341)	-19.0%
One Stop Shop	318,540	318,540	258,891	59,649	18.7%
TOTAL OPERATING PROGRAM REQUIREMENTS	94,376,887	94,376,887	89,566,139	4,810,748	5.1%
OTHER OPERATING REQUIREMENTS					
Utility Billing System Support	11,620,374	11,620,374	11,620,374	-	0.0%
Accrued Payroll	156,722	156,722	233,252	(76,530)	-48.8%
Services-PID contract expense	37,500	37,500	37,500	-	0.0%
TOTAL OTHER OPERATING REQUIREMENTS	11,814,596	11,814,596	11,891,126	(76,530)	-0.6%
TOTAL OPERATING REQUIREMENTS	106,191,483	106,191,483	101,457,265	4,734,218	4.5%
DEBT SERVICE REQUIREMENTS					
Revenue Bond Debt Service	109,954,527	109,954,527	110,263,553	(309,026)	-0.3%
Commercial Paper Debt Interest	364,831	364,831	45,737	319,094	87.5%
Trf to General Obligation Debt Service	1,925,978	1,925,978	1,915,140	10,838	0.6%
Water District Bonds	264,380	264,380	264,380	-	0.0%
TOTAL DEBT SERVICE	112,509,716	112,509,716	112,488,810	20,906	0.0%
TRANSFERS OUT					
Trf to General Fund	19,869,923	19,869,923	19,869,923	-	0.0%
Trf to Water CIP Fund	12,000,000	12,000,000	11,920,000	80,000	0.7%
Trf to Support Services Fund	8,148,781	8,148,781	8,148,781	-	0.0%
Trf to Water Revenue Stab Rsv	7,304,753	7,304,753	7,304,753	-	0.0%
CTM Support	1,727,671	1,727,671	1,727,671	-	0.0%
Workers' Compensation	809,126	809,126	809,126	-	0.0%
Trf to Reclaimed Water Fund	630,000	630,000	630,000	-	0.0%
Trf to Economic Development	621,064	621,064	621,064	-	0.0%
Liability Reserve	200,000	200,000	200,000	-	0.0%
Trf to Wireless Communication	114,849	114,849	114,849	-	0.0%
Trf to Environmental Rmdn Fund	41,625	41,625	41,625	-	0.0%
Trf to CTECC Fund	5,430	5,430	5,430	-	0.0%
TOTAL TRANSFERS OUT	51,473,222	51,473,222	51,393,222	80,000	0.2%
TOTAL REQUIREMENTS	270,174,421	270,174,421	265,339,297	4,835,124	1.8%
EXCESS/(DEFICIT)	23,384,708	23,384,708	17,205,416	(6,179,292)	-26.4%
ENDING BALANCE	38,037,077	38,037,077	30,455,131	(7,581,946)	-19.9%
DEBT SERVICE COVERAGE RATIO		1.55	1.48		

City of Austin, Texas

Austin Water

FUND SUMMARY - WASTEWATER

As of September 2015

	Approved Budget	Amended Budget	Actual	Variance	%Variance
BEGINING BALANCE	27,939,941	27,939,941	37,180,906	9,240,965	33.1%
REVENUES					
Wastewater Services	237,271,961	237,271,961	236,363,048	(908,913)	-0.4%
Miscellaneous Revenue	3,800,000	3,800,000	6,370,924	2,570,924	67.7%
Interest Income	127,000	127,000	175,750	48,750	38.4%
TOTAL REVENUES	241,198,961	241,198,961	242,909,723	1,710,762	0.7%
TRANSFERS IN					
Support Services/Infrastructure Funds	150,291	150,291	150,291	-	0.0%
CIP	3,000,000	3,000,000	3,000,000	-	0.0%
TOTAL TRANSFERS IN	3,150,291	3,150,291	3,150,291	-	0.0%
TOTAL AVAILABLE FUNDS	244,349,252	244,349,252	246,060,014	1,710,762	0.7%
OPERATING PROGRAM REQUIREMENTS					
Treatment	37,597,680	37,597,680	36,256,752	1,340,928	3.6%
Pipeline Operations	17,250,807	17,250,807	16,962,726	288,081	1.7%
Support Services	10,309,108	10,309,108	10,857,485	(548,377)	-5.3%
Engineering Services	4,923,001	4,923,001	5,130,050	(207,049)	-4.2%
Other Utility Program Requirements	4,861,291	4,861,291	4,186,759	674,532	13.9%
Water Resources Management	3,447,296	3,447,296	3,903,127	(455,831)	-13.2%
Environmental Affairs & Conservation	2,842,032	2,842,032	2,901,597	(59,565)	-2.1%
One Stop Shop	330,313	330,313	340,589	(10,276)	-3.1%
TOTAL OPERATING PROGRAM REQUIREMENTS	81,561,528	81,561,528	80,539,085	1,022,443	1.3%
OTHER OPERATING REQUIREMENTS					
Utility Billing System Support	4,089,392	4,089,392	4,089,392	-	0.0%
Accrued Payroll	158,495	158,495	243,122	(84,627)	-53.4%
Services-PID contract expense	37,500	37,500	37,500	-	0.0%
TOTAL OTHER OPERATING REQUIREMENTS	4,285,387	4,285,387	4,370,014	(84,627)	-2.0%
TOTAL OPERATING REQUIREMENTS	85,846,915	85,846,915	84,909,099	937,816	1.1%
DEBT SERVICE REQUIREMENTS					
Revenue Bond Debt Service	96,132,277	96,132,277	96,401,356	(269,079)	-0.3%
Commercial Paper Interest	180,678	180,678	4,944	175,734	97.3%
Trf to General Obligation Debt Service	2,052,569	2,052,569	2,058,780	(6,211)	-0.3%
Water District Bonds	450,082	450,082	450,083	(1)	0.0%
TOTAL DEBT SERVICE	98,815,606	98,815,606	98,915,163	(99,557)	-0.1%
TRANSFERS OUT					
Trf to Wastewater CIP Fund	20,900,000	20,900,000	20,900,000	-	0.0%
Trf to General Fund	18,818,610	18,818,610	18,818,610	-	0.0%
Trf to Support Services Fund	5,176,873	5,176,873	5,176,873	-	0.0%
CTM Support	1,727,671	1,727,671	1,727,671	-	0.0%
Trf to Reclaimed Water Fund	1,430,000	1,430,000	1,430,000	-	0.0%
Workers' Compensation	809,125	809,125	809,125	-	0.0%
Trf to Economic Development	525,360	525,360	525,360	-	0.0%
Liability Reserve	200,000	200,000	200,000	-	0.0%
Trf to Wireless Communication	114,848	114,848	114,848	-	0.0%
Trf to Environmental Rmdn Fund	41,625	41,625	41,625	-	0.0%
Trf to CTECC Fund	5,430	5,430	5,430	-	0.0%
TOTAL TRANSFERS OUT	49,749,542	49,749,542	49,749,542	-	0.0%
TOTAL REQUIREMENTS	234,412,063	234,412,063	233,573,804	838,259	0.4%
EXCESS/(DEFICIT)	9,937,189	9,937,189	12,486,210	2,549,021	25.7%
ENDING BALANCE	37,877,130	37,877,130	49,667,116	11,789,986	31.1%
DEBT SERVICE COVERAGE RATIO		1.53	1.56		

City of Austin, Texas

Austin Water

FUND SUMMARY - RECLAIMED WATER

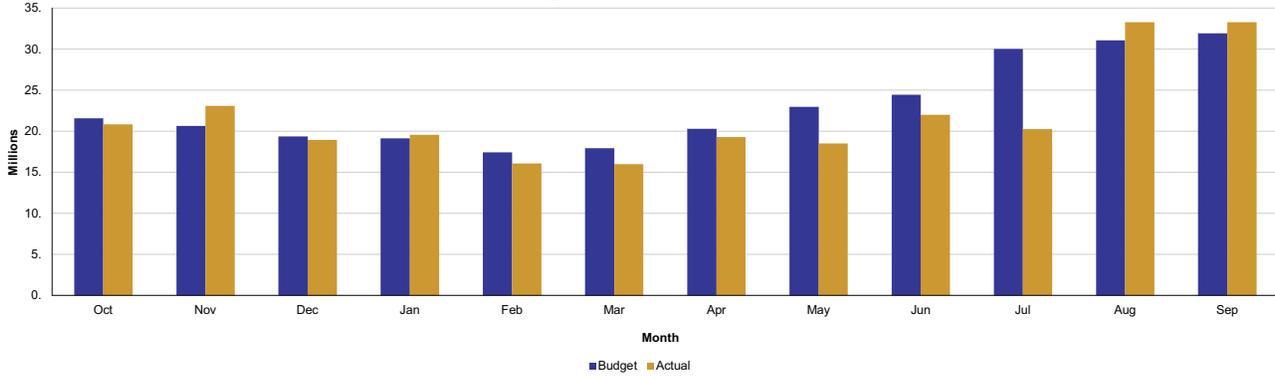
As of September 2015

	Approved Budget	Amended Budget	Actual	Variance	%Variance
BEGINING BALANCE	1,319,915	1,319,915	1,831,339	511,424	38.7%
REVENUES					
Reclaimed Services	1,180,228	1,180,228	943,855	(236,373)	-20.0%
Interest Income	800	800	1,234	434	54.2%
TOTAL REVENUES	1,181,028	1,181,028	945,089	(235,939)	-20.0%
TRANSFERS IN					
Reclaimed Utility Fund	2,060,000	2,060,000	2,060,000	-	0.0%
TOTAL TRANSFERS IN	2,060,000	2,060,000	2,060,000	-	0.0%
TOTAL AVAILABLE FUNDS	3,241,028	3,241,028	3,005,089	(235,939)	-7.3%
OPERATING PROGRAM REQUIREMENTS					
Reclaimed Water Services	372,997	372,997	339,436	33,561	9.0%
Other Utility Program Requirements	3,000	3,000	26,419	(23,419)	-780.6%
TOTAL OPERATING PROGRAM REQUIREMENTS	375,997	375,997	365,855	10,142	2.7%
OTHER OPERATING REQUIREMENTS					
Accrued Payroll	1,295	1,295	(545)	1,840	142.1%
TOTAL OTHER OPERATING REQUIREMENTS	1,295	1,295	(545)	1,840	142.1%
TOTAL OPERATING REQUIREMENTS	377,292	377,292	365,310	11,982	3.2%
DEBT SERVICE REQUIREMENTS					
Revenue Bond Debt Service	2,579,477	2,579,477	2,568,338	11,139	0.4%
Commercial Paper Interest	16,977	16,977	852	16,125	95.0%
TOTAL DEBT SERVICE	2,596,454	2,596,454	2,569,190	27,264	1.1%
TRANSFERS OUT					
Trf to Reclaimed Water CIP Fund	1,300,000	1,300,000	1,300,000	-	0.0%
Trf to General Fund	66,902	66,902	66,902	-	0.0%
Trf to Economic Development	2,403	2,403	2,403	-	0.0%
TOTAL TRANSFERS OUT	1,369,305	1,369,305	1,369,305	-	0.0%
TOTAL REQUIREMENTS	4,343,051	4,343,051	4,303,805	39,246	0.9%
EXCESS/(DEFICIT)	(1,102,023)	(1,102,023)	(1,298,716)	(196,693)	17.8%
ENDING BALANCE	217,892	217,892	532,623	314,731	144.4%
DEBT SERVICE COVERAGE RATIO		0.31	0.23		

REVENUES

Water Services Revenues by Month

Budget vs. Actual FY 2014 - 2015

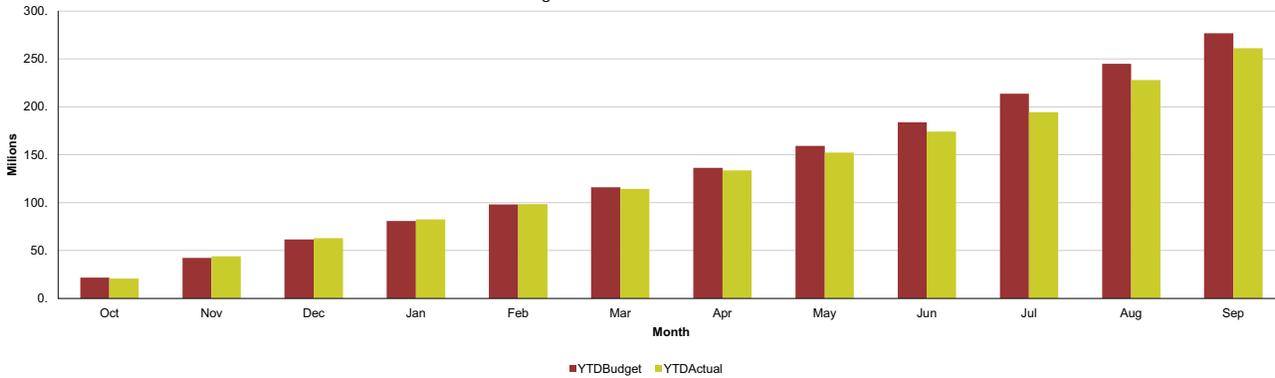


FY 2014 - 2015 Water Service Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	21.56	20.63	19.37	19.13	17.43	17.93	20.29	22.97	24.43	30.01	31.06	31.91
Actual	20.85	23.08	18.93	19.55	16.07	16.00	19.29	18.50	22.01	20.25	33.29	33.27
Variance \$	(0.71)	2.45	(0.44)	0.43	(1.37)	(1.93)	(1.00)	(4.47)	(2.42)	(9.75)	2.22	1.36
Variance %	-3.3%	11.9%	-2.3%	2.2%	-7.8%	-10.8%	-4.9%	-19.4%	-9.9%	-32.5%	7.2%	4.2%

Water Services Revenues by Year-to-Date

Budget vs. Actual FY 2014 - 2015



FY 2014 - 2015 Water Service Revenues by Year-to-Date With Variances (Millions)

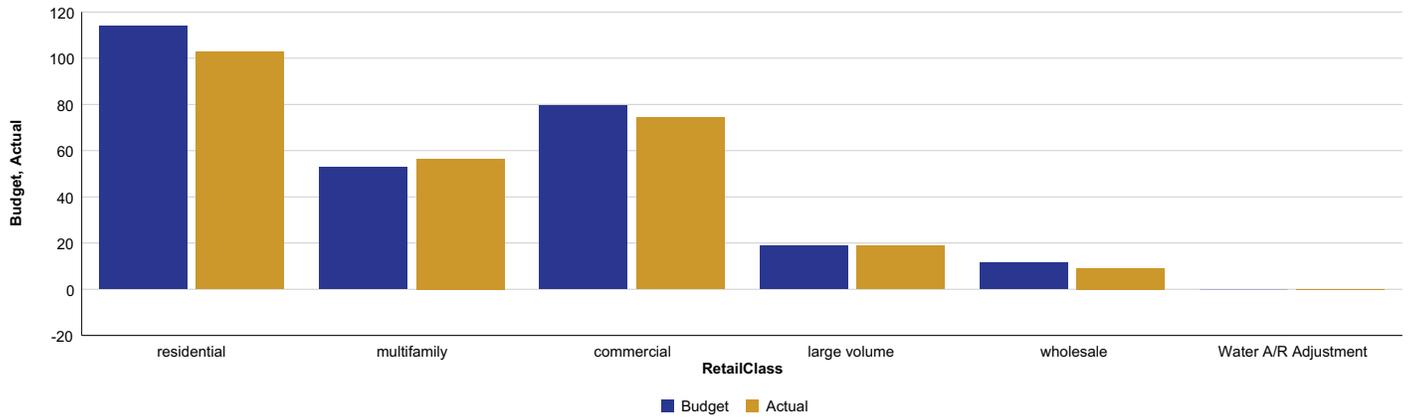
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	21.56	42.19	61.56	80.69	98.12	116.05	136.34	159.31	183.74	213.75	244.81	276.73
YTD Actual	20.85	43.93	62.86	82.42	98.48	114.48	133.77	152.27	174.28	194.54	227.82	261.11
Variance \$	(0.71)	1.74	1.30	1.73	0.36	(1.57)	(2.57)	(7.04)	(9.46)	(19.21)	(16.99)	(15.63)
Variance %	-3.3%	4.1%	2.1%	2.1%	0.4%	-1.4%	-1.9%	-4.4%	-5.1%	-9.0%	-6.9%	-5.6%

Water service revenues for September 2015 totaled \$33.27 million. This is \$1.36 million or 4.2% more than the budget allotment for the month. For the fiscal year, water service revenues totaled \$261.10 million, which is \$15.63 million or 5.6% less than the budget.

Billed water consumption for September 2015 totaled 4.50 billion gallons (BG). This was 0.15 BG or 3.4% more than projected for the month. For the fiscal year, billed water consumption totaled 37.72 BG. This was 2.29 BG or 5.7% below projections.

Year-to-Date Water Service Revenues by Customer Class

Budget vs. Actual FY 2014 - 2015



FY 2014 - 2015 Year-to-Date Water Service Revenues by Customer Class With Variances (Millions)

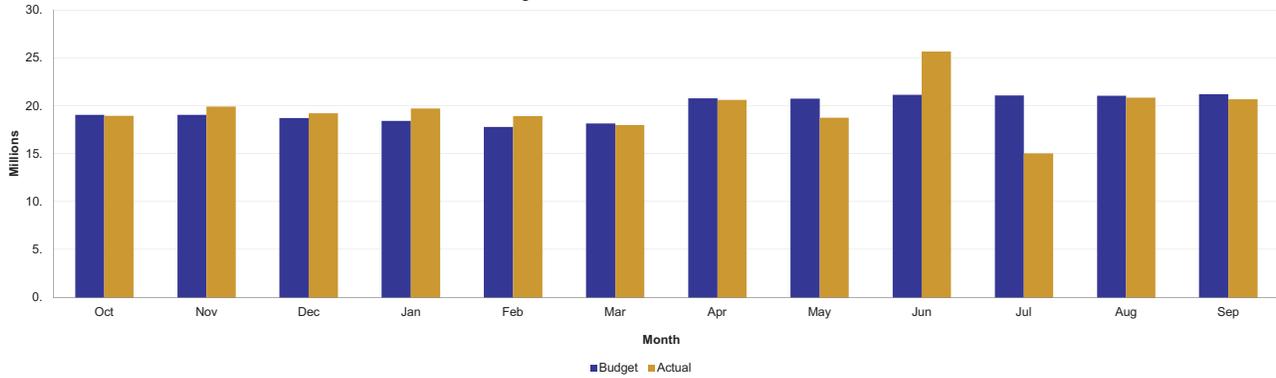
	residential	multifamily	commercial	large volume	wholesale	Water A/R Adjustment	Total
Budget	113.91	52.89	79.61	18.89	11.43	0.00	276.73
Actual	102.70	56.42	74.25	18.73	9.10	-0.11	261.10
Variance \$	(11.21)	3.53	(5.36)	(0.16)	(2.32)	(0.11)	(15.63)
Variance %	-9.8%	6.7%	-6.7%	-0.9%	-20.3%		-5.6%

Water service revenues are collected from a variety of customer classes including Residential, Multifamily, Commercial, Large Volume and Wholesale. The graph above compares the budgeted and actual water service revenues and the revenue stability fee by those classes through September, before any accounts receivable adjustments.

Multifamily revenues are above projections. Residential revenues are below projections by 9.8%. Wholesale revenues are 20.3% below projections, in part as a result of the wholesale rate case. Overall, water revenues are 5.6% below projections.

WasteWater Services Revenues by Month

Budget vs. Actual FY 2014 - 2015

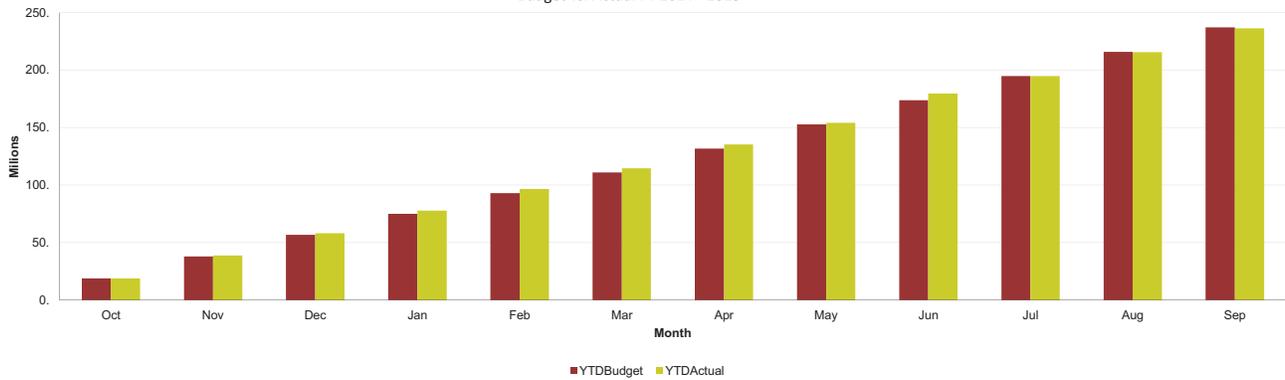


FY 2014 - 2015 Wastewater Service Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	19.05	19.05	18.73	18.41	17.80	18.15	20.79	20.77	21.15	21.10	21.07	21.20
Actual	18.97	19.93	19.21	19.73	18.92	18.01	20.62	18.76	25.67	15.02	20.84	20.68
Variance \$	(0.08)	0.88	0.48	1.32	1.12	(0.14)	(0.17)	(2.01)	4.51	(6.07)	(0.23)	(0.52)
Variance %	-0.4%	4.6%	2.5%	7.2%	6.3%	-0.8%	-0.8%	-9.7%	21.3%	-28.8%	-1.1%	-2.5%

WasteWater Services Revenues by Year-to-Date

Budget vs. Actual FY 2014 - 2015



FY 2014 - 2015 Wastewater Service Revenues by Year-to-Date With Variances (Millions)

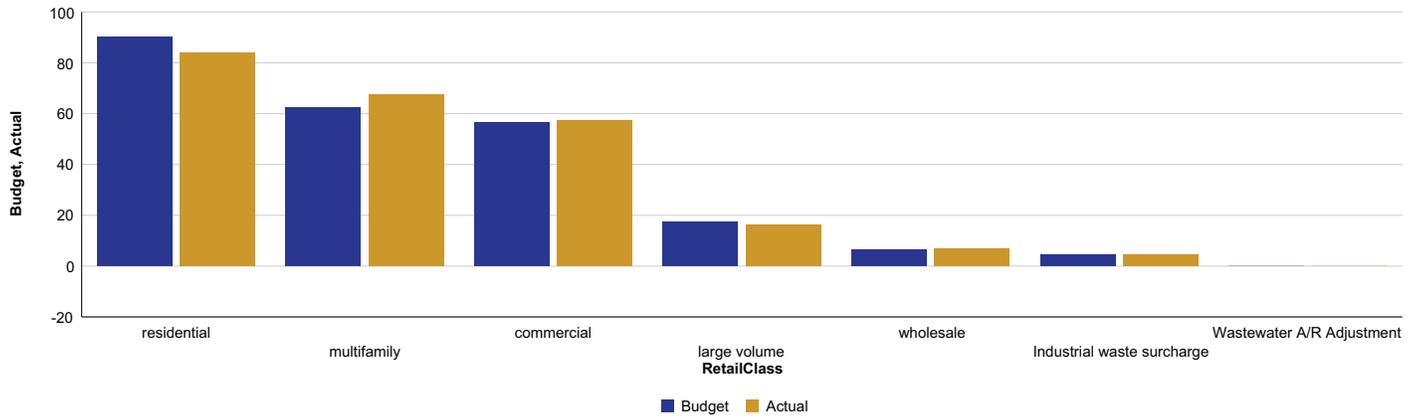
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	19.05	38.10	56.84	75.25	93.05	111.19	131.98	152.75	173.90	195.00	216.07	237.27
YTD Actual	18.97	38.90	58.11	77.85	96.76	114.77	135.39	154.15	179.82	194.85	215.69	236.36
Variance \$	(0.08)	0.80	1.27	2.60	3.72	3.58	3.41	1.40	5.92	(0.16)	(0.38)	(0.91)
Variance %	-0.4%	2.1%	2.2%	3.5%	4.0%	3.2%	2.6%	0.9%	3.4%	-0.1%	-0.2%	-0.4%

Wastewater service revenues for September 2015 totaled \$20.68 million. This is \$0.52 million or 2.5% less than the budget allotment for the month. For the fiscal year, Wastewater service revenues totaled \$236.36 million. This is \$0.91 million or 0.4% less than the budget. A billing error was discovered in June and corrected in July, resulting in billed revenues for June being overstated and those for July being understated.

Wastewater bills are determined by each customer's actual water consumption for the month or wastewater winter average, whichever is lower, except for customers who have installed wastewater measuring devices.

Year-to-Date WasteWater Service Revenues by Customer Class

Budget vs. Actual FY 2014 - 2015



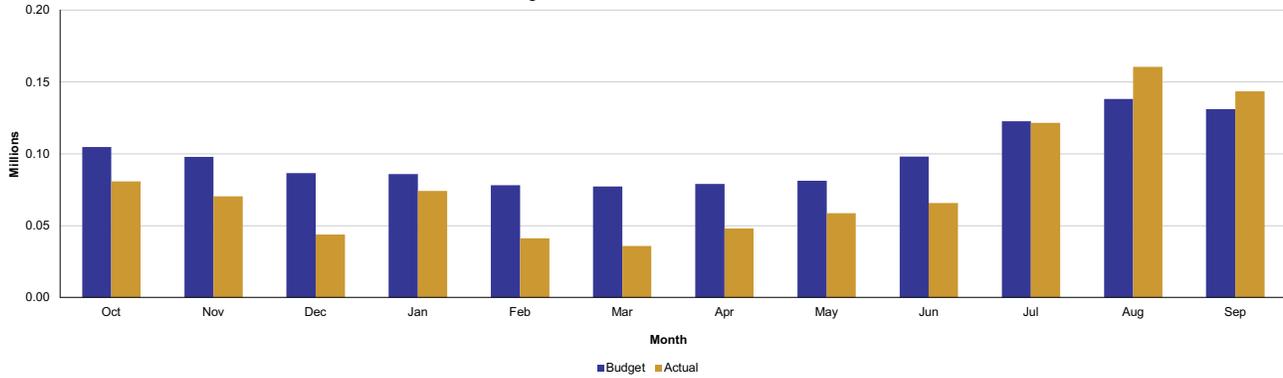
FY 2014 - 2015 Year-to-Date WasteWater Service Revenues by Customer Class With Variances (Millions)

	residential	multifamily	commercial	large volume	wholesale	Industrial waste surcharge	Wastewater A/R Adjustment	Total
Budget	89.99	62.39	56.38	17.43	6.57	4.51	0.00	237.27
Actual	83.93	67.54	57.40	16.19	6.67	4.64	0.00	236.36
Variance \$	(6.07)	5.14	1.02	(1.24)	0.10	0.13	0.00	(0.91)
Variance %	-6.7%	8.2%	1.8%	-7.1%	1.5%	3.0%		-0.4%

Wastewater service revenues are collected from a variety of customer classes including Residential, Multifamily, Commercial, Large Volume, and Wholesale. This graph compares the budgeted and actual wastewater service revenues by those classes for the fiscal year to date, before any accounts receivable adjustments. Residential and Large Volume are below projections by 6.7% and 7.1%, respectively. These negative variances are largely offset by the Multifamily and Commercial revenues' positive variances of 8.2% and 1.8%, respectively. Overall, wastewater revenues are 0.4% below projections.

Reclaimed Services Revenues by Month

Budget vs. Actual FY 2014 - 2015

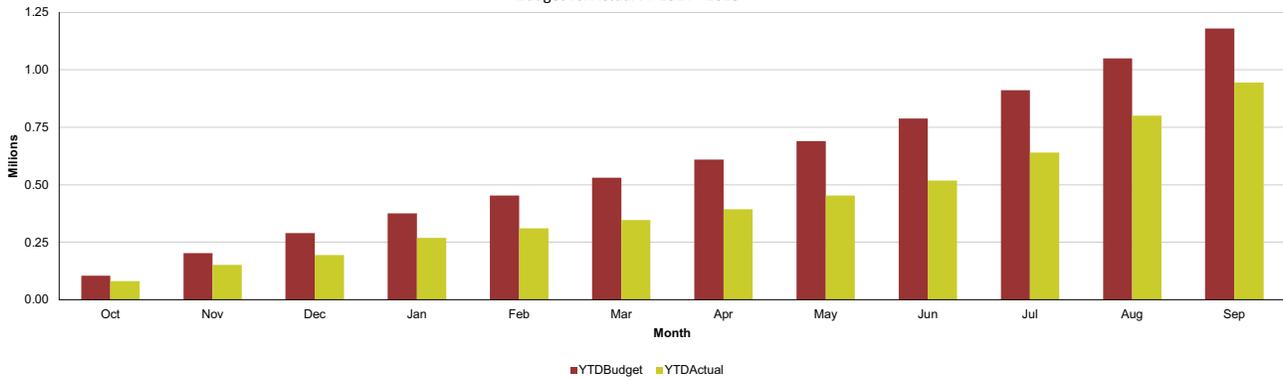


FY 2014 - 2015 Reclaimed Service Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	0.10	0.10	0.09	0.09	0.08	0.08	0.08	0.08	0.10	0.12	0.14	0.13
Actual	0.08	0.07	0.04	0.07	0.04	0.04	0.05	0.06	0.07	0.12	0.16	0.14
Variance \$	(0.02)	(0.03)	(0.04)	(0.01)	(0.04)	(0.04)	(0.03)	(0.02)	(0.03)	(0.00)	0.02	0.01
Variance %	-22.9%	-28.1%	-49.3%	-13.7%	-47.1%	-53.7%	-39.1%	-27.8%	-33.0%	-0.9%	16.1%	9.4%

Reclaimed Services Revenues by Year-to-Date

Budget vs. Actual FY 2014 - 2015



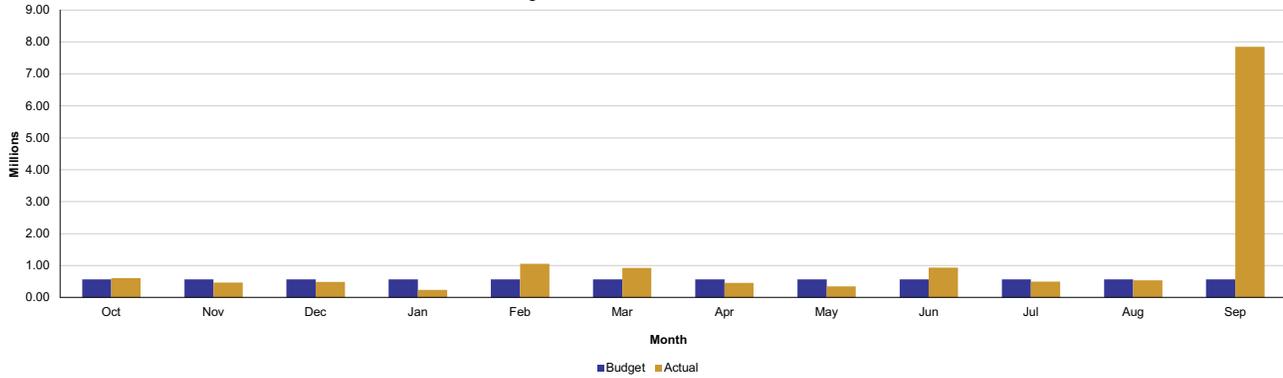
FY 2014 - 2015 Reclaimed Service Revenues by Year-to-Date With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	0.10	0.20	0.29	0.38	0.45	0.53	0.61	0.69	0.79	0.91	1.05	1.18
YTD Actual	0.08	0.15	0.19	0.27	0.31	0.35	0.39	0.45	0.52	0.64	0.80	0.94
Variance \$	(0.02)	(0.05)	(0.09)	(0.11)	(0.14)	(0.18)	(0.21)	(0.24)	(0.27)	(0.27)	(0.25)	(0.24)
Variance %	-22.9%	-25.4%	-32.6%	-28.2%	-31.5%	-34.7%	-35.3%	-34.4%	-34.2%	-29.7%	-23.7%	-19.7%

Reclaimed Water service revenues for September 2015 totaled \$0.14 million. This is 9.4% more than the budget allotment for the month. For the fiscal year, Reclaimed Water service revenues totaled \$0.94 million. This is \$0.24 million or 20.0% less than the budget allotment.

Miscellaneous Revenues by Month

Budget vs. Actual FY 2014 - 2015

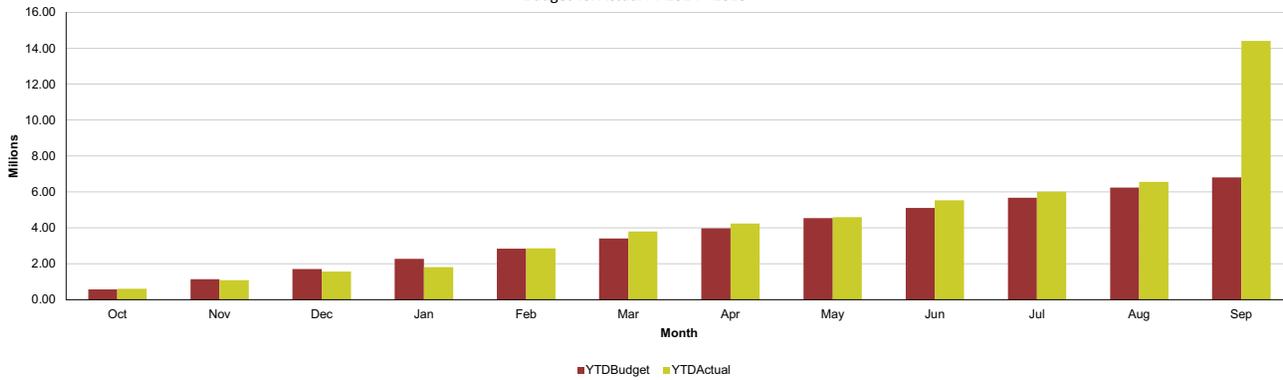


FY 2014 - 2015 Miscellaneous Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57
Actual	0.61	0.47	0.49	0.24	1.05	0.93	0.45	0.35	0.93	0.49	0.54	7.85
Variance \$	0.04	(0.10)	(0.08)	(0.33)	0.48	0.36	(0.11)	(0.22)	0.36	(0.07)	(0.03)	7.28
Variance %	7.6%	-17.0%	-13.9%	-57.4%	85.5%	63.7%	-19.7%	-38.0%	64.3%	-13.1%	-5.0%	1,285.2%

Miscellaneous Revenues by Year-to-Date

Budget vs. Actual FY 2014 - 2015



FY 2014 - 2015 Miscellaneous Revenues by Year-to-Date With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	0.57	1.13	1.70	2.27	2.83	3.40	3.97	4.53	5.10	5.67	6.23	6.80
YTD Actual	0.61	1.08	1.57	1.81	2.86	3.79	4.24	4.60	5.53	6.02	6.56	14.41
Variance \$	0.04	(0.05)	(0.13)	(0.46)	0.03	0.39	0.28	0.06	0.43	0.35	0.32	7.61
Variance %	7.6%	-4.7%	-7.7%	-20.2%	1.0%	11.4%	7.0%	1.4%	8.4%	6.2%	5.2%	111.9%

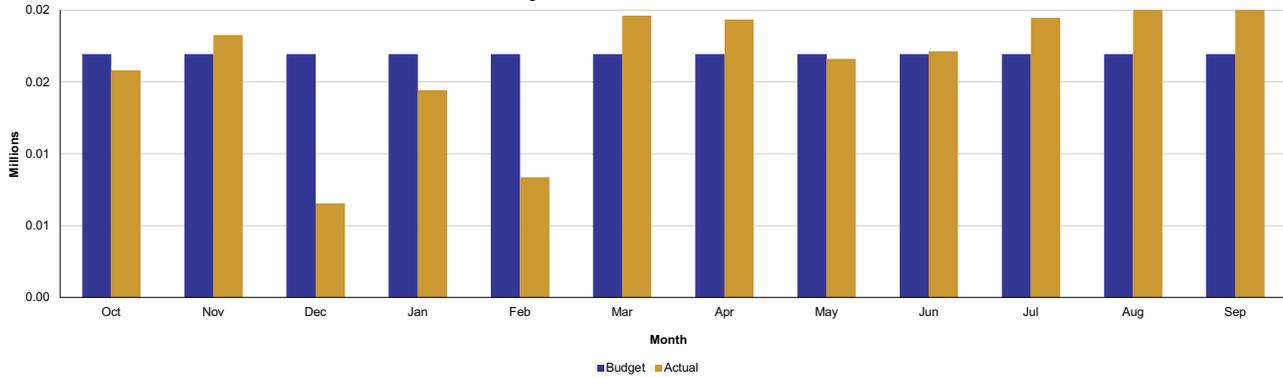
Miscellaneous revenues include revenues from sources other than water and wastewater services, such as new service connection fees, late payment penalties, industrial waste permits, MUD surcharges, damage charges, etc.

Miscellaneous revenues for September 2015 totaled \$7.85 million. This is \$7.28 million or 1,285.2% more than the budget allotment for the month. The large variance is mainly due to the sale of the Lime Creek Quarry site and insurance claim proceeds related to the October 2013 flood. The significant variances in many of the months since January are due to transactions required to implement the order for interim rates for wholesale customers that occurred in earlier in the year.

The combined miscellaneous revenues for the fiscal year totaled \$14.41 million. This is \$7.61 million or 111.9% more than the budget.

Interest Income by Month

Budget vs. Actual FY 2014 - 2015

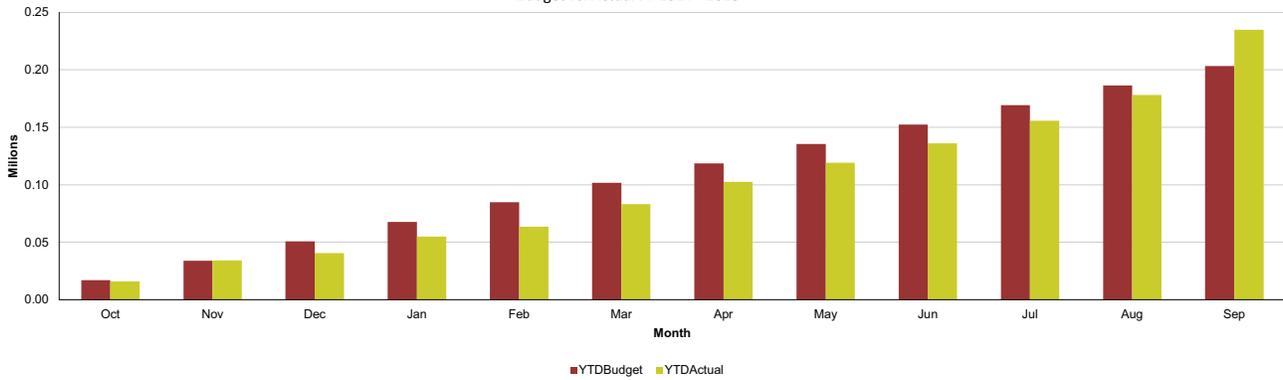


FY 2014 - 2015 Interest Income by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Actual	0.02	0.02	0.01	0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.06
Variance \$	(0.00)	0.00	(0.01)	(0.00)	(0.01)	0.00	0.00	(0.00)	0.00	0.00	0.01	0.04
Variance %	-6.6%	7.9%	-61.3%	-14.8%	-50.6%	15.9%	14.2%	-1.9%	1.2%	14.9%	32.2%	235.2%

Interest Income by Year-to-Date

Budget vs. Actual FY 2014 - 2015



FY 2014 - 2015 Interest Income by Year-to-Date With Variances (Millions)

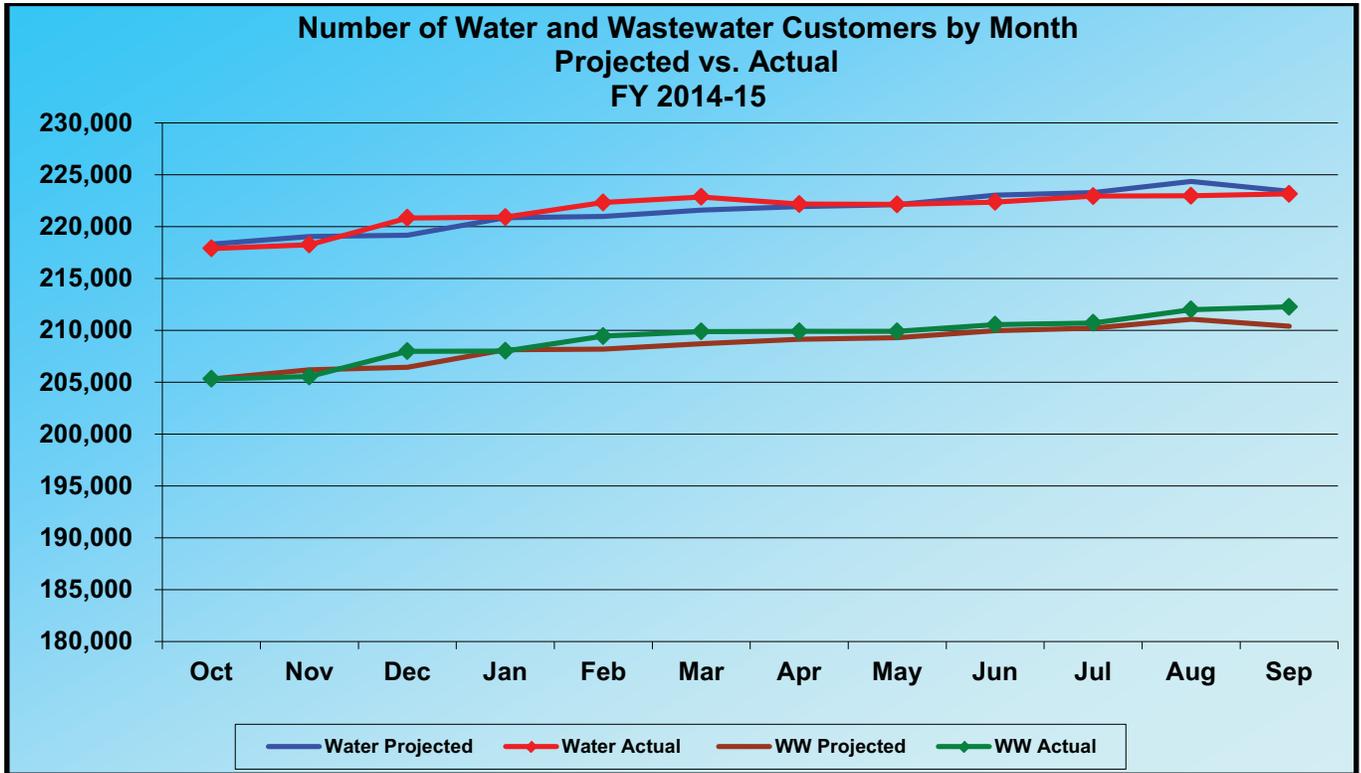
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	0.02	0.03	0.05	0.07	0.08	0.10	0.12	0.14	0.15	0.17	0.19	0.20
YTD Actual	0.02	0.03	0.04	0.06	0.06	0.08	0.10	0.12	0.14	0.16	0.18	0.23
Variance \$	(0.00)	0.00	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	0.03
Variance %	-6.6%	0.6%	-20.0%	-18.7%	-25.1%	-18.3%	-13.6%	-12.2%	-10.7%	-8.1%	-4.5%	15.5%

Interest income includes interest allocated from the City's Investment Pool, the Debt Service Fund, and the CIP funds. Combined interest income for September 2015 totaled \$56,771. This is 235.2% more than the budget allotment for the month.

Interest income for the fiscal year totaled \$234,735. This total is 15.5% more than the budget.

CUSTOMER DEMAND CHARACTERISTICS

Number of Customers



FY 2014-15 Number of Water and Wastewater Customers Compared to Projections

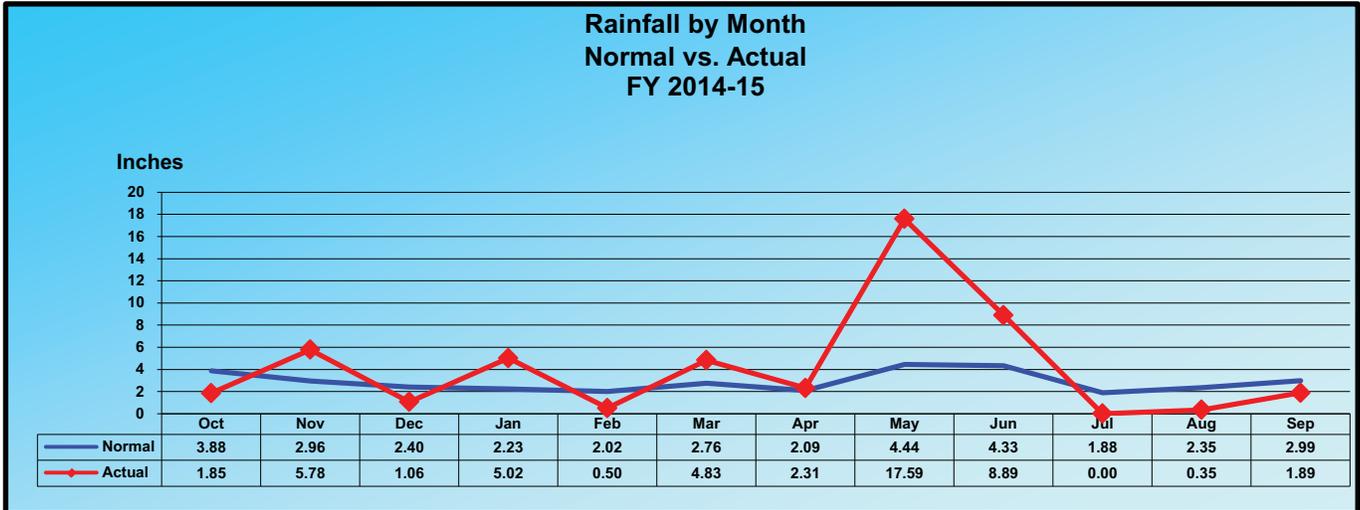
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Water												
Projected	218,325	219,058	219,185	220,863	220,970	221,591	221,922	222,118	223,040	223,301	224,368	223,402
Actual	217,900	218,269	220,844	220,917	222,327	222,870	222,175	222,150	222,380	222,947	222,969	223,162
Variance	(425)	(789)	1,659	54	1,357	1,279	253	32	(660)	(354)	(1,399)	(240)
Monthly Change	866	369	2,575	73	1,410	543	(695)	(25)	230	567	22	193
Wastewater												
Projected	205,310	206,198	206,433	208,121	208,177	208,717	209,134	209,279	209,957	210,201	211,060	210,405
Actual	205,310	205,549	207,984	208,015	209,433	209,882	209,897	209,907	210,545	210,709	211,999	212,260
Variance	0	(649)	1,551	(106)	1,256	1,165	763	628	588	508	939	1,855
Monthly Change	828	239	2,435	31	1,418	449	15	10	638	164	1,290	261

The actual number of water customers as of September 30, 2015, was 223,162. This was 193 more customers than last month and 240 fewer customers than projected for this date. There were 217,034 water customers at September 30, 2014.

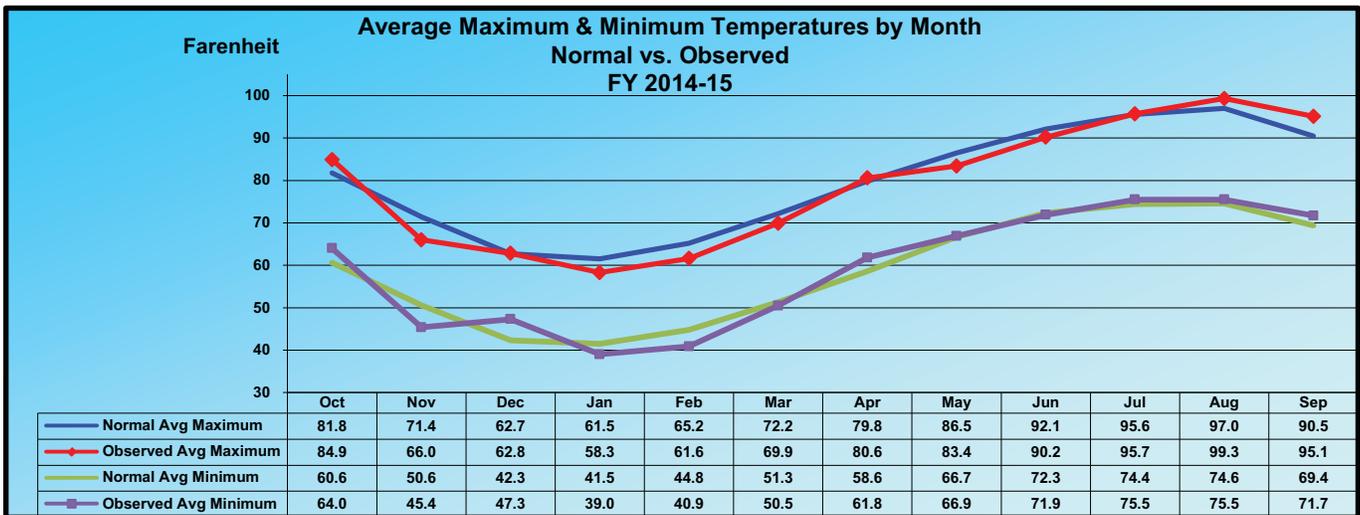
The actual number of wastewater customers as of September 30, 2015, was 212,260. This was 261 more customers than last month and 1,855 more customers than projected for this date. There were 204,482 wastewater customers at September 30, 2014.

The projected number of customers for fiscal year 2014-15 was determined in April 2014 using an historical eight-year average monthly growth rate in accounts. Monthly negative or positive trend fluctuations are due to factors such as housing starts, the rental home market, unanticipated utility system acquisitions, and other factors.

Rainfall and Average Maximum & Minimum Temperatures by Month



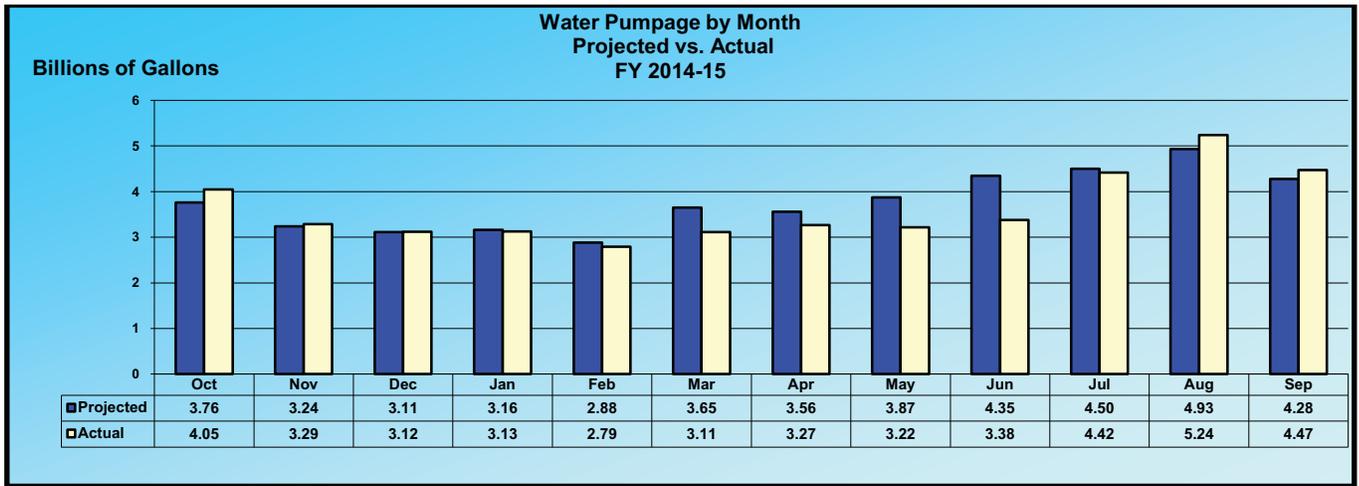
Monthly normal rainfall is based on a 30-year history as reported by the National Weather Service for Austin-Mabry. Last fiscal year the total rainfall was 44.39 inches, 29.3% more than the normal amount of 34.33 inches. In September, there was 1.89 inches of rain, 1.10 inches below normal for the month. For the fiscal year, rainfall totaled 50.07 inches, 45.8% more than the normal amount of 34.33 inches. Generally, as rainfall increases significantly, water pumpage decreases and wastewater effluent increases due to inflow and infiltration. Conversely, as rainfall decreases significantly, water pumpage increases and wastewater effluent decreases.



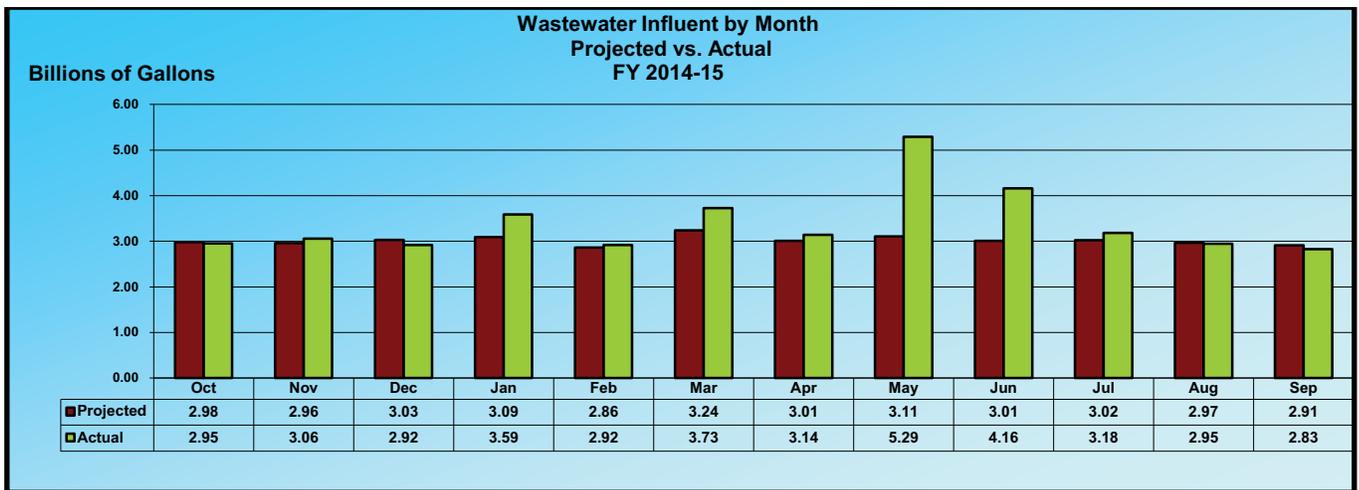
Monthly average maximum and minimum temperatures are reported by the National Weather Service for Austin-Mabry. October started the year with temperatures higher than historic norms, and November was significantly cooler than norms. December's high temperature was very close to historic norms but the low was above normal. January through March, average temperatures were lower than norms. April was slightly above normal, while the rains in May brought down the average high. July and August's average temperatures are above norms, and September temperatures were significantly above normal.

The combined storage in the Highland Lakes two water storage reservoirs, Travis and Buchanan, rose to 66 percent capacity in May and continued to rise in June to 77 percent capacity. However, the capacity decreased to 74 percent in August due to the lack of rain. After the fiscal year end, rains raised the storage level to 78% at the beginning of November.

Water Pumpage and Influent Flow by Month

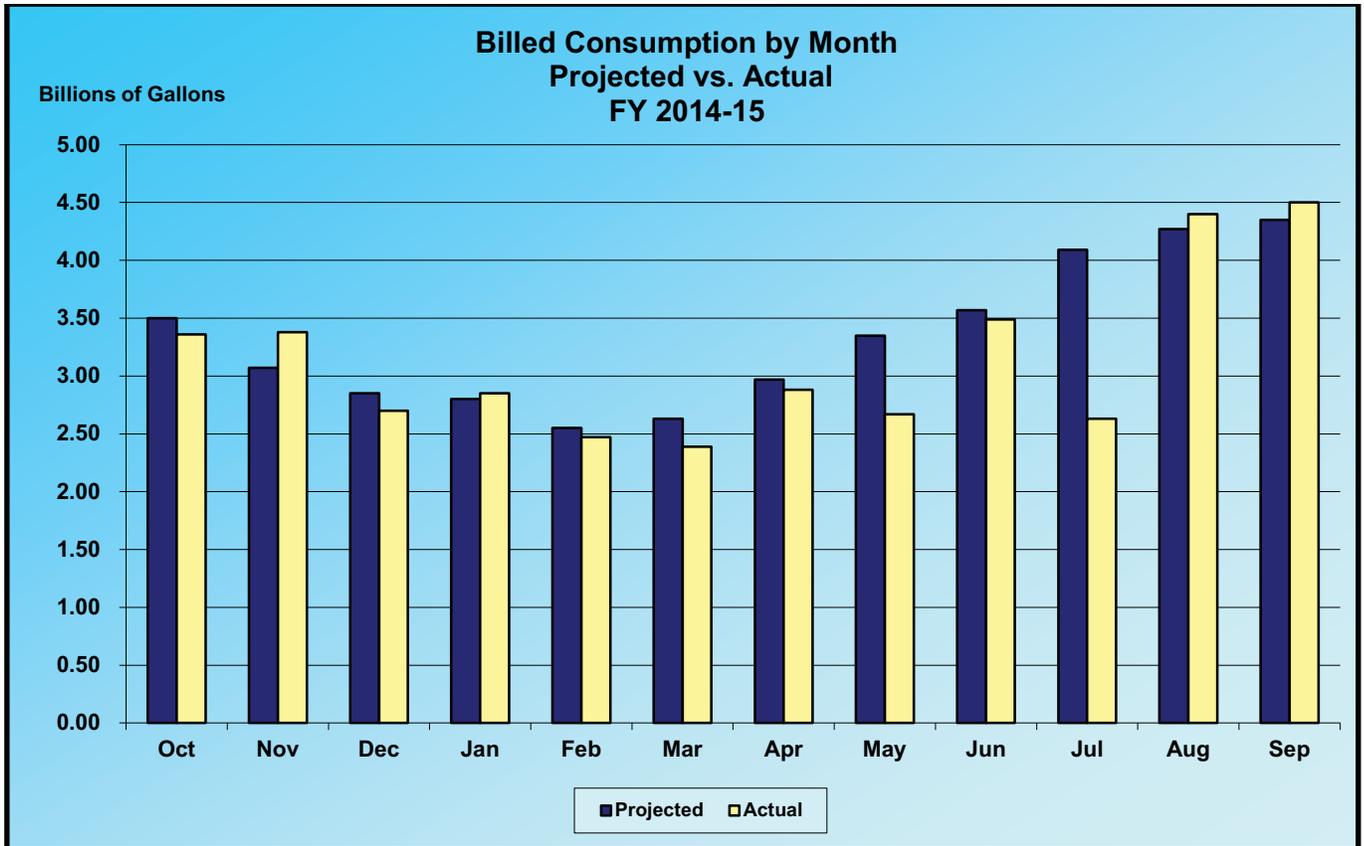


Pumpage during September 2015 averaged 148.99 MGD for a total of 4.47 BG for the month. This compares to a daily average of 119.13 MGD for this fiscal year and a daily average of 118.46 MGD for fiscal year 2013-14.



Influent during September 2015 averaged 94.25 MGD for a total of 2.83 BG. This compares to a daily average of 111.54 MGD for this fiscal year and an average of 102.19 MGD for fiscal year 2013-14.

Billed Water Consumption

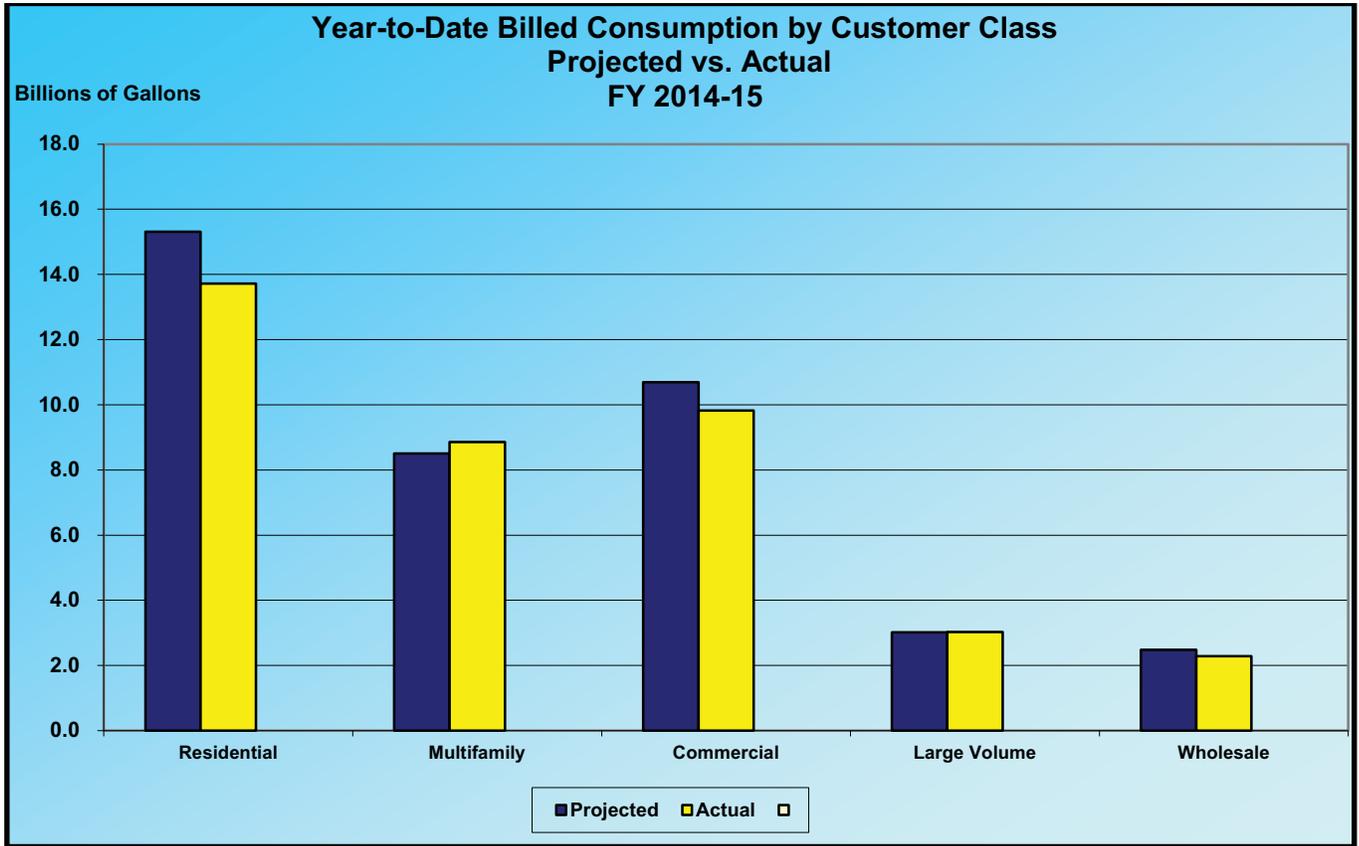


FY 2014-15 Billed Consumption by Month and Year-to-Date (Billions of Gallons)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Month												
Projected	3.50	3.07	2.85	2.80	2.55	2.63	2.97	3.35	3.57	4.09	4.27	4.35
Actual	3.36	3.38	2.70	2.85	2.47	2.39	2.88	2.67	3.49	2.63	4.40	4.50
Variance	(0.14)	0.31	(0.15)	0.05	(0.08)	(0.24)	(0.09)	(0.68)	(0.08)	(1.46)	0.13	0.15
Variance %	-4.0%	10.1%	-5.3%	1.8%	-3.1%	-9.1%	-3.0%	-20.3%	-2.2%	-35.7%	3.0%	3.4%
YTD												
Projected	3.50	6.57	9.42	12.22	14.77	17.40	20.37	23.73	27.30	31.39	35.65	40.01
Actual	3.36	6.74	9.44	12.29	14.76	17.15	20.03	22.70	26.19	28.82	33.22	37.72
Variance	(0.14)	0.17	0.02	0.07	(0.01)	(0.25)	(0.34)	(1.03)	(1.11)	(2.57)	(2.43)	(2.29)
Variance %	-4.0%	2.6%	0.2%	0.6%	-0.1%	-1.4%	-1.7%	-4.3%	-4.1%	-8.2%	-6.8%	-5.7%

Actual billed water consumption for September 2015 was 4.50 BG. This was 0.15 BG or 3.4% more than the projected consumption of 4.35 BG for the month. For the fiscal year, actual billed water consumption was 37.72 BG. This was 2.29 BG or 5.7% less than projected for the period. A billing error was discovered in the data for June and was corrected in July, causing some distortion in the numbers for those months.

Billed Water Consumption (continued)

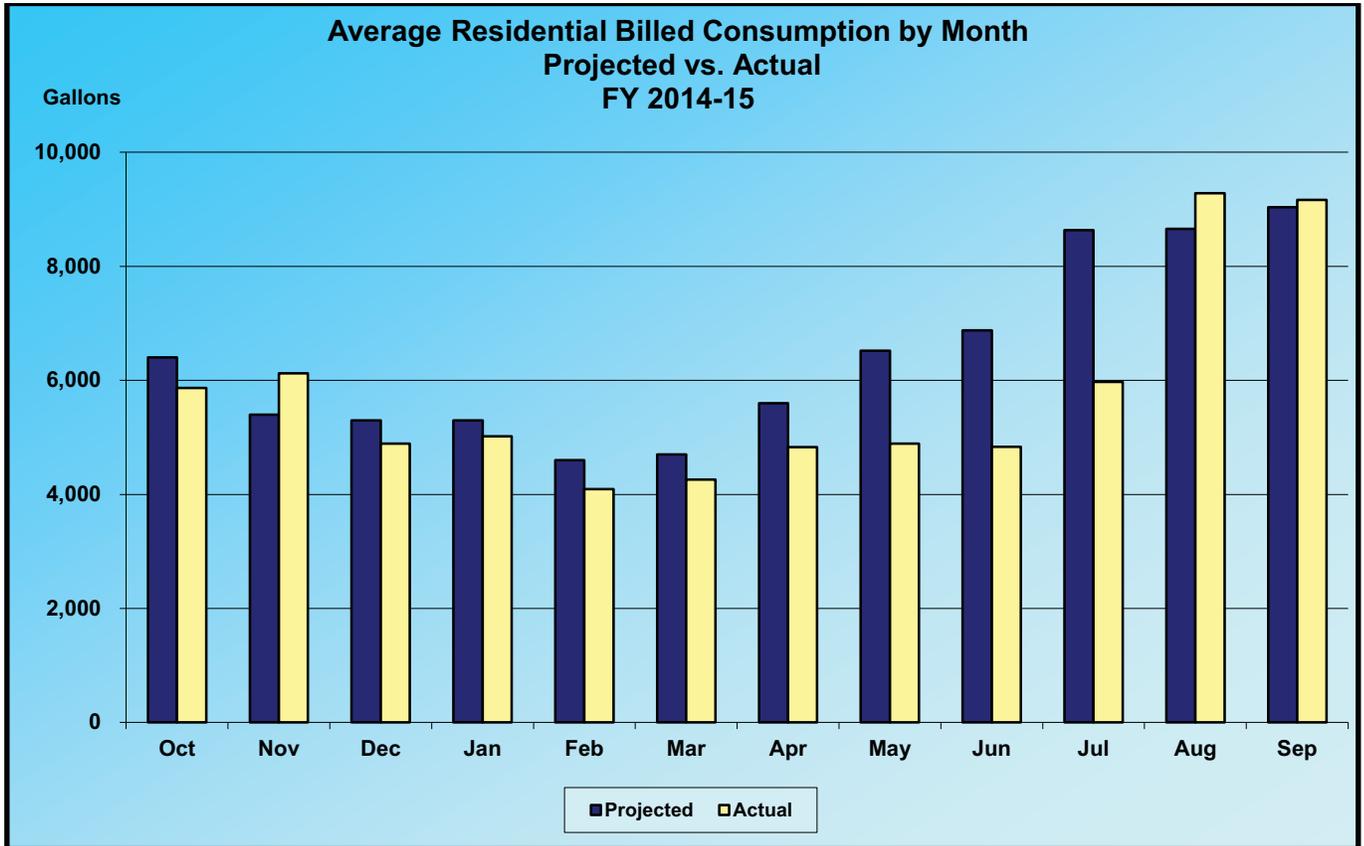


FY 2014-15 Year-to-Date Billed Consumption by Customer Class With Variances (Billions of Gallons)

	Residential	Multifamily	Commercial	Large Volume	Wholesale
YTD					
Projected	15.31	8.51	10.69	3.02	2.48
Actual	13.72	8.86	9.82	3.03	2.29
Variance	(1.59)	0.35	(0.87)	0.01	(0.19)
Variance %	-10.4%	4.1%	-8.1%	0.3%	-7.7%

For fiscal year 2014-15, billed water consumption was 37.72 BG. This was 2.29 BG or 5.7% less than projected for all customer classes combined. Residential, Commercial and Wholesale customer classes were below projections by 10.4%, 8.1%, and 7.7%, respectively. Multifamily was above projections by 4.1%.

Billed Water Consumption (continued)

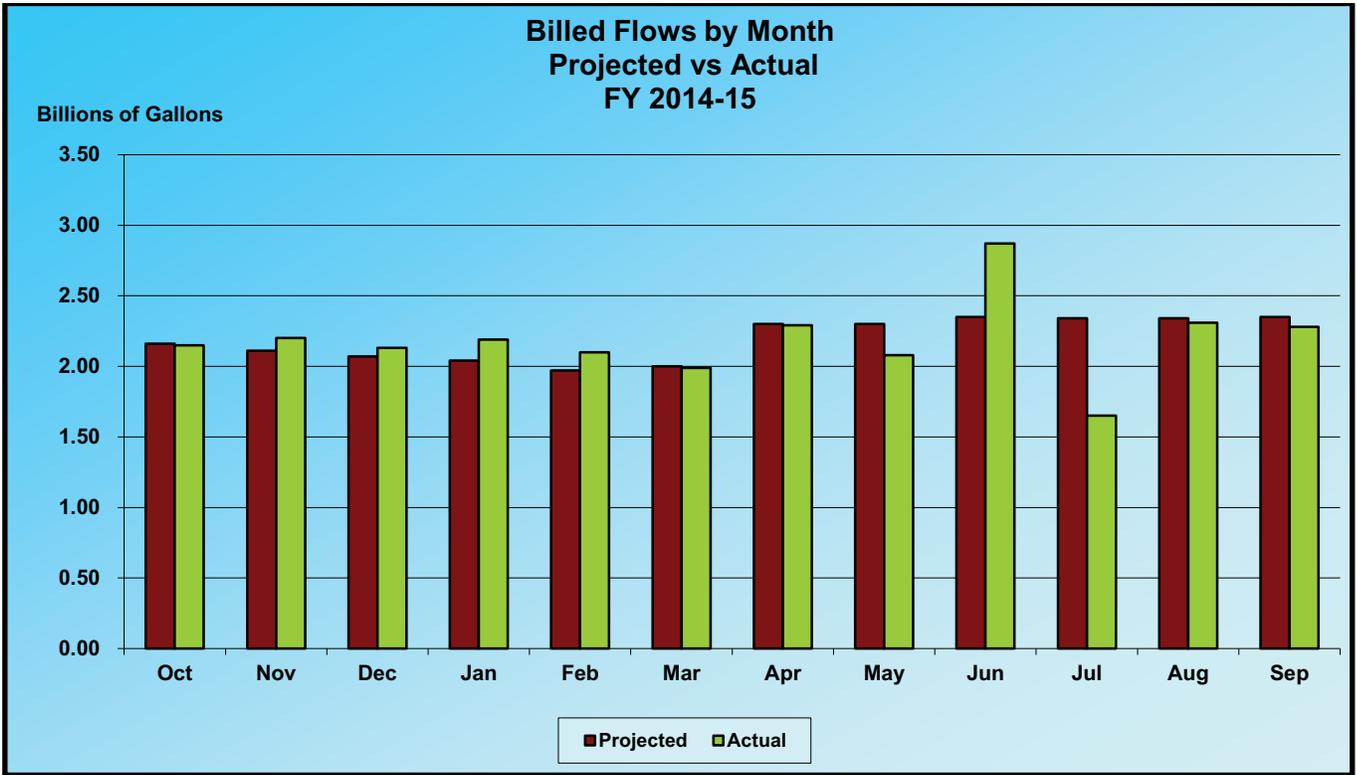


FY 2014-15 Average Residential Billed Consumption by Month

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Projected	6,400	5,400	5,300	5,300	4,600	4,700	5,600	6,520	6,875	8,634	8,656	9,034
Actual	5,867	6,126	4,889	5,017	4,090	4,262	4,829	4,888	4,832	5,971	9,283	9,164
Variance	(533)	726	(411)	(283)	(510)	(438)	(771)	(1,632)	(2,043)	(2,663)	627	130
Variance %	-8.3%	13.4%	-7.8%	-5.3%	-11.1%	-9.3%	-13.8%	-25.0%	-29.7%	-30.8%	7.2%	1.4%

Average Residential billed consumption for September 2015 was 9,164 gallons. This was 130 gallons or 1.4% more than projected for the month.

Billed Wastewater Flows



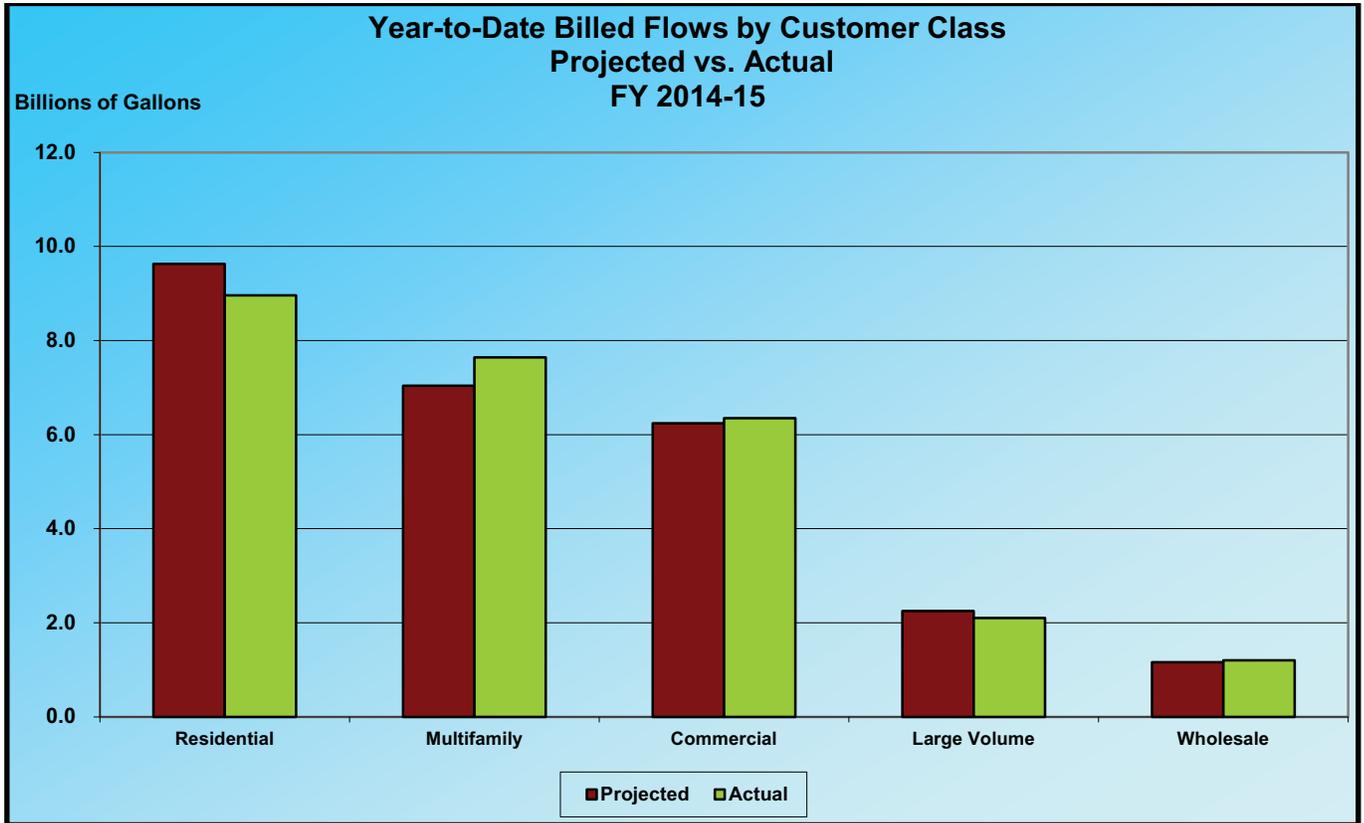
FY 2014-15 Billed Flows by Month and Year-to-Date (Billions of Gallons)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Month												
Projected	2.16	2.11	2.07	2.04	1.97	2.00	2.30	2.30	2.35	2.34	2.34	2.35
Actual	2.15	2.20	2.13	2.19	2.10	1.99	2.29	2.08	2.87	1.65	2.31	2.28
Variance	(0.01)	0.09	0.06	0.15	0.13	(0.01)	(0.01)	(0.22)	0.52	(0.69)	(0.03)	(0.07)
Variance %	-0.5%	4.3%	2.9%	7.4%	6.6%	-0.5%	-0.4%	-9.6%	22.1%	-29.5%	-1.3%	-3.0%
YTD												
Projected	2.16	4.26	6.34	8.37	10.34	12.34	14.65	16.95	19.29	21.63	23.97	26.32
Actual	2.15	4.36	6.49	8.68	10.78	12.77	15.06	17.14	20.01	21.66	23.97	26.25
Variance	(0.01)	0.10	0.15	0.31	0.44	0.43	0.41	0.19	0.72	0.03	-	(0.07)
Variance %	-0.5%	2.3%	2.4%	3.7%	4.3%	3.5%	2.8%	1.1%	3.7%	0.1%	-	-0.3%

Actual billed flows for September 2015 were 2.28 BG, or 0.07 BG less than projected for the month. For the fiscal year, actual billed flows were 26.25 BG, or 0.07 BG less than projected flows. A billing error was discovered in June and corrected in July resulting in June billed flows being overstated and July billed flows being understated.

Wastewater bills are determined by each customer's actual water consumption for the month or wastewater winter average, whichever is lower, except for customers who have wastewater measuring devices installed.

Billed Wastewater Flows (continued)

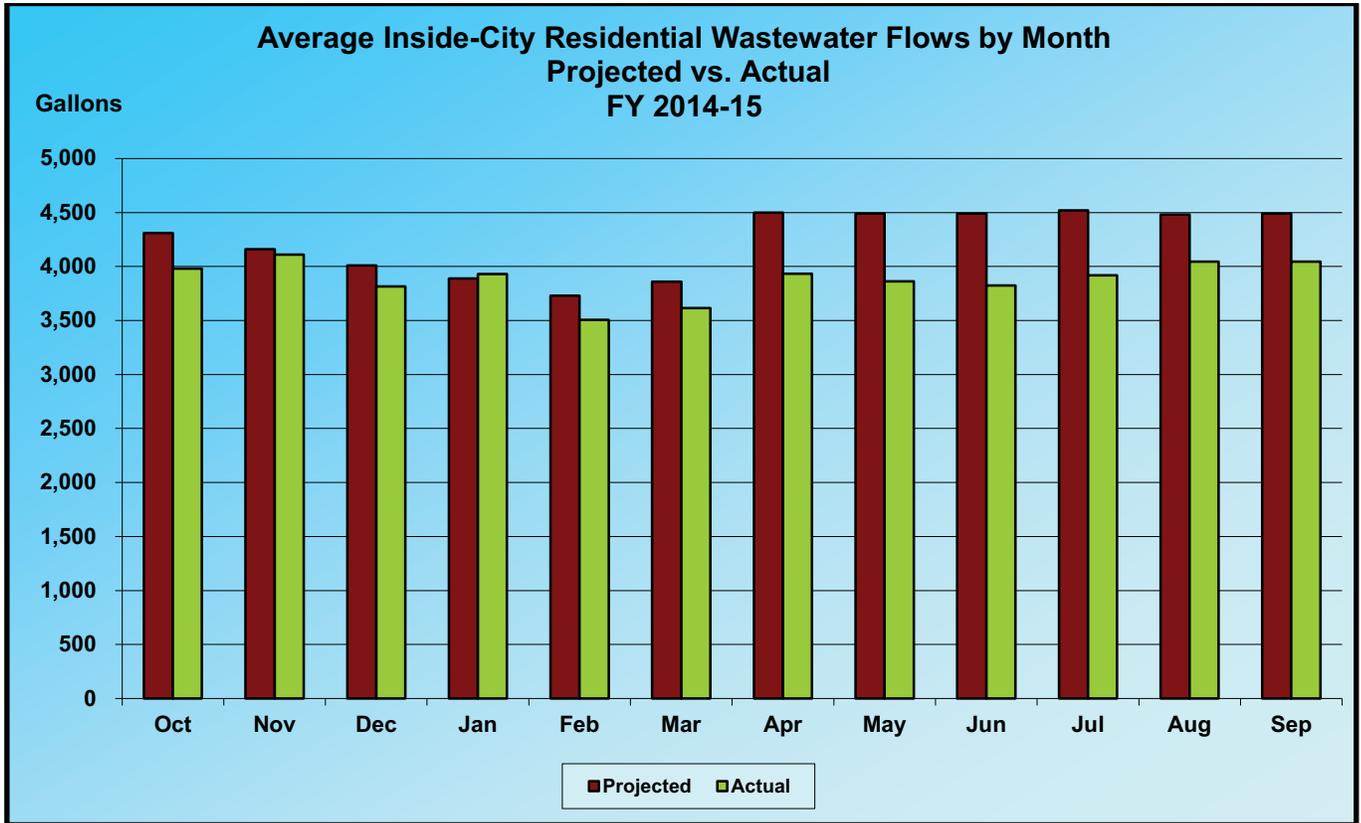


FY 2014-15 Year-to-Date Billed Flows by Customer Class With Variances (Billions of Gallons)

	Residential	Multifamily	Commercial	Large Volume	Wholesale
<u>YTD</u>					
Projected	9.63	7.04	6.24	2.25	1.16
Actual	8.96	7.64	6.35	2.10	1.20
Variance	(0.67)	0.60	0.11	(0.15)	0.04
Variance %	-7.0%	8.5%	1.8%	-6.7%	3.4%

Overall, billed wastewater flows were 26.25 BG for fiscal year 2014-15. As shown in the table above, billed wastewater flows were below projections by a total of 0.82 BG in the Residential and Large Volume customer classes. However; Multifamily, Commercial and Wholesale customer classes exceeded projected billed volume by 0.75 BG to nearly offset the lower billed flows.

Billed Wastewater Flows (continued)



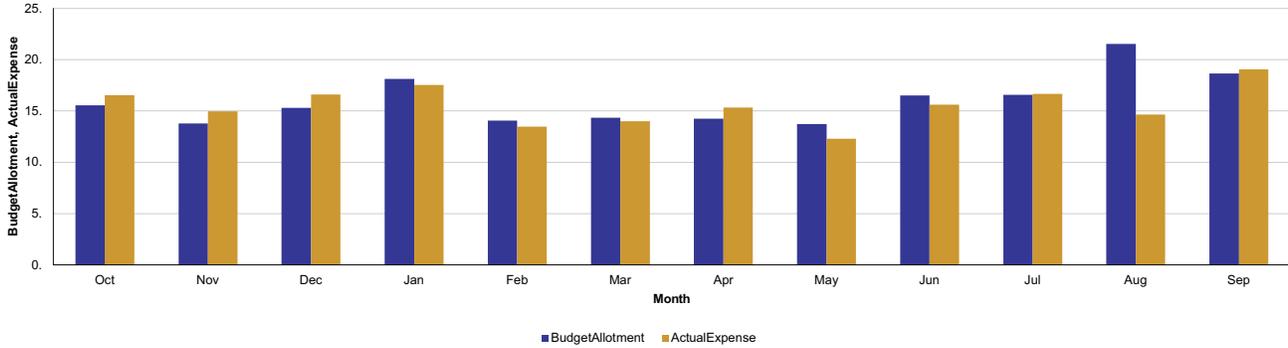
FY 2014-15 Average Inside City Residential Flows by Month

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Projected	4,310	4,160	4,010	3,890	3,730	3,860	4,500	4,490	4,490	4,520	4,480	4,490
Actual	3,981	4,111	3,815	3,930	3,507	3,616	3,932	3,861	3,824	3,918	4,044	4,046
Variance	(329)	(49)	(195)	40	(223)	(244)	(568)	(629)	(666)	(602)	(436)	(444)
Variance %	-7.6%	-1.2%	-4.9%	1.0%	-6.0%	-6.3%	-12.6%	-14.0%	-14.8%	-13.3%	-9.7%	-9.9%

The average Residential billed flow for September 2015 was 4,046 gallons. This was 444 gallons or 9.9% below projections for the month.

OPERATING REQUIREMENTS

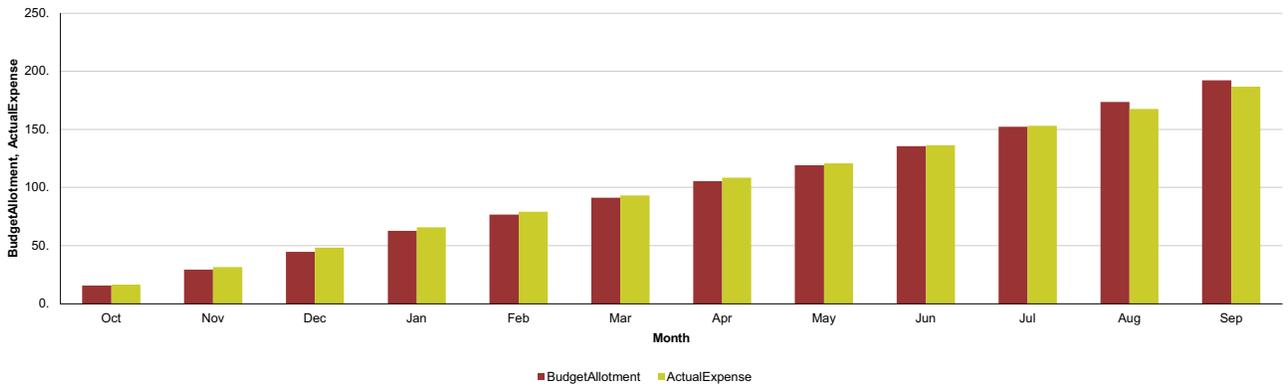
Operating Requirements by Month
Budget vs Actual FY 2014 - 2015



FY 2014 - 2015 Operating Requirements by Month With Variances (Millions)

Month	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget/Allotment	15.56	13.80	15.30	18.14	14.05	14.35	14.24	13.71	16.51	16.57	21.54	18.66
ActualExpense	16.54	14.97	16.61	17.54	13.47	14.00	15.32	12.28	15.62	16.67	14.64	19.06
Variance \$	(0.98)	(1.17)	(1.30)	0.59	0.57	0.35	(1.09)	1.42	0.89	(0.10)	6.90	(0.40)
Variance %	-6.3%	-8.5%	-8.5%	3.3%	4.1%	2.4%	-7.6%	10.4%	5.4%	-0.6%	32.0%	-2.1%

Operating Requirements by Year-to-Date
Budget vs Actual FY 2014 - 2015



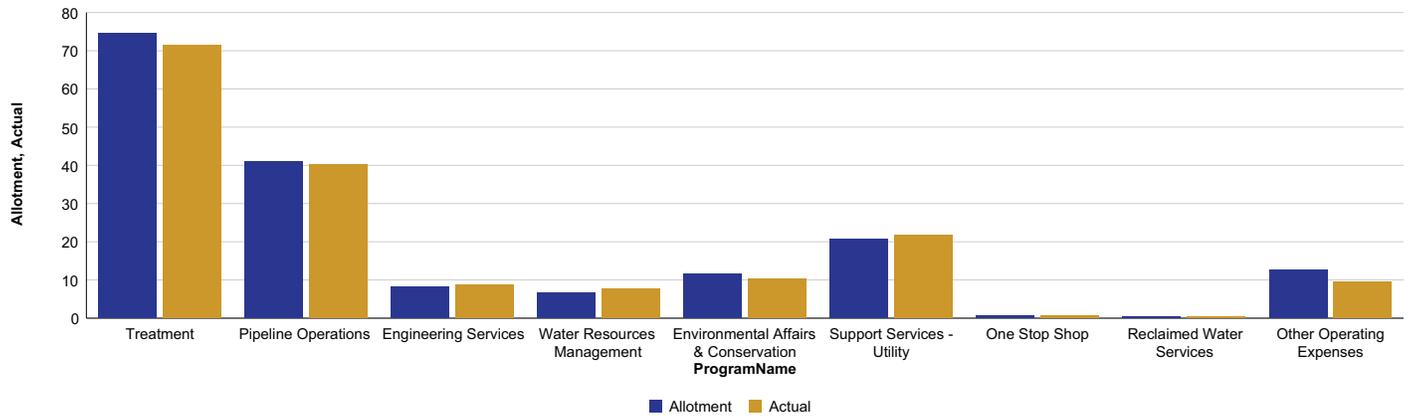
FY 2014 - 2015 Operating Requirements by Year-to-Date With Variances (Millions)

YTD	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget/Allotment	15.56	29.35	44.66	62.79	76.84	91.20	105.43	119.14	135.65	152.22	173.76	192.42
ActualExpense	16.54	31.51	48.12	65.66	79.13	93.14	108.46	120.74	136.36	153.03	167.67	186.73
Variance \$	(0.98)	(2.15)	(3.46)	(2.87)	(2.29)	(1.94)	(3.03)	(1.61)	(0.71)	(0.81)	6.08	5.68
Variance %	-6.3%	-7.3%	-7.7%	-4.6%	-3.0%	-2.1%	-2.9%	-1.3%	-0.5%	-0.5%	3.5%	3.0%

Total Operating Requirements for the fiscal year through September 2015 were \$101.45 million for water, \$84.91 million for wastewater, and \$0.37 million for reclaimed water. The combined Operating Requirements of \$186.73 million were \$5.68 million or 3.0% below budget.

YTD Operating Requirements by Program

Budget vs. Actual FY 2014 - 2015



FY 2014 - 2015 YTD Operating Requirements by Program through September 2015 (Millions)

	Treatment	Pipeline Operations	Engineering Services	Water Resources Management	Environmental Affairs & Conservation	Support Services - Utility	One Stop Shop	Reclaimed Water Services	Other Operating Expenses	Total
Allotment	74.70	40.94	8.29	6.54	11.63	20.58	0.65	0.37	12.61	176.31
Actual	71.45	40.12	8.73	7.58	10.29	21.80	0.60	0.34	9.57	170.47
Variance \$	3.25	0.83	(0.44)	(1.04)	1.34	(1.22)	0.05	0.03	3.04	5.84
Variance %	4.3%	2.0%	-5.3%	-15.9%	11.5%	-5.9%	7.6%	9.0%	24.1%	3.3%

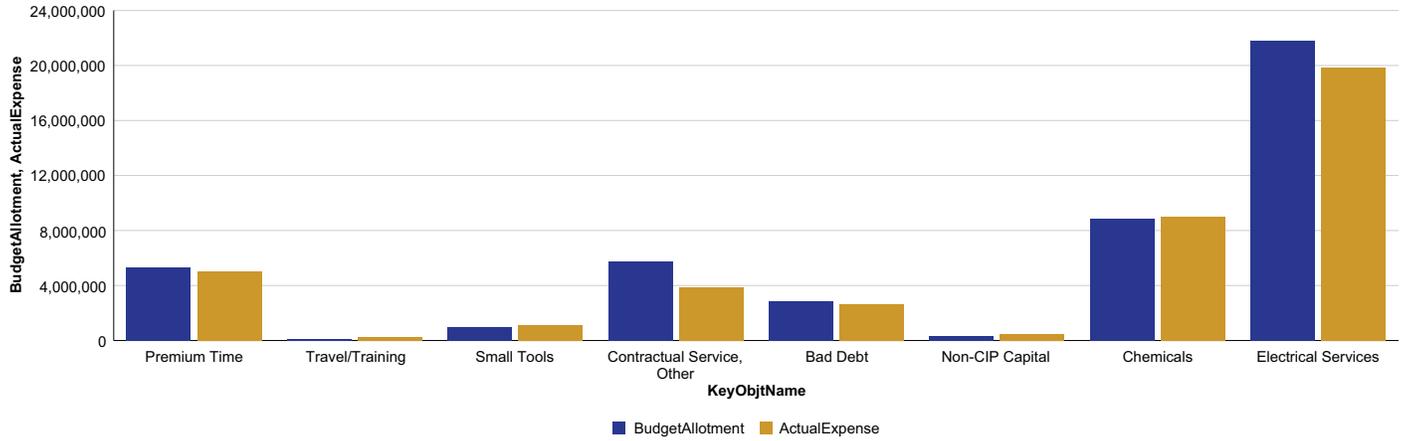
Total Operating Program Requirements as of September 30, 2015 were \$89.56 million for Water, \$80.54 million for Wastewater, and \$0.37 million for Reclaimed Water. The combined Operating Program Requirements of \$170.47 million were \$5.84 million or 3.3% below budget.

Water Resources Management was \$1.04 million or 15.9% above allotment due to a transfer of labor costs to CIP funds which was originally budgeted in the Pipeline Engineering Division, but was later redistributed to other programs. Also, actual labor costs originally budgeted in the One Stop Shop program were charged to the Water Resources Management Program.

Environmental Affairs and Conservation was \$1.34 million or 11.5% below allotment due to lower than estimated spending on the Water Conservation Rebate Programs, Temporary Employees, and Advertising and Publication services.

Other Operating Expenses was \$3.04 million or 24.1% below allotment primarily due to lower than estimated spending for commercial paper administration cost, as well as emergency/contingency funds.

YTD Key Operating Object Codes - Budget Vs Actual - FY 2014 - 2015



FY 2014 - 2015 YTD Operating Requirements Key Object Codes With Variance through September 2015

	Premium Time	Travel/Training	Small Tools	Contractual Service, Other	Bad Debt	Non-CIP Capital	Chemicals	Electrical Services	Total
Budget Allotment	5,327,632	92,642	960,106	5,752,366	2,850,693	319,350	8,890,960	21,768,445	45,962,194
Actual Expense	5,004,815	237,739	1,130,436	3,841,717	2,605,920	466,325	9,010,223	19,821,223	42,118,396
Variance \$	322,817	(145,097)	(170,330)	1,910,649	244,773	(146,975)	(119,263)	1,947,222	3,843,798
Variance %	6.1%	-156.6%	-17.7%	33.2%	8.6%	-46.0%	-1.3%	8.9%	8.4%

Travel/training was \$145,097 or 156.6% above allotment due to the actual expense exceeding the overall budget.

Small Tools was \$170,330 or 17.7% above allotment due to higher than estimated spending in Collection Engineering, Line Locators, Lift Stations, Valve Exercising, Hornsby Bend Maintenance, SAR Maintenance, System Support, and Hydrants Sections.

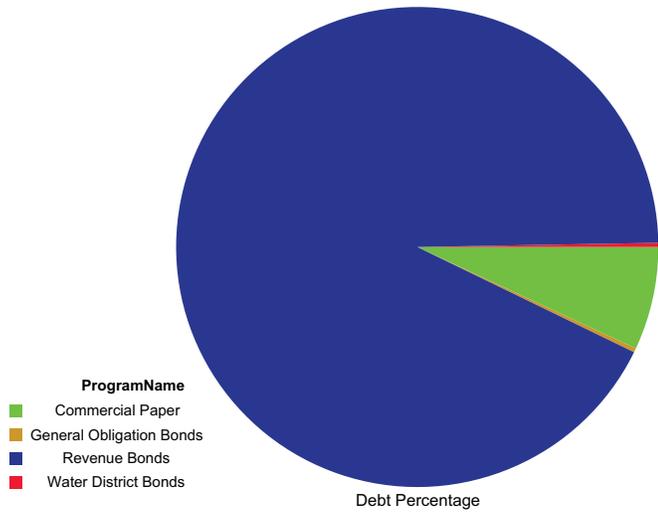
Contractual Services, Other was \$1,910,649 or 33.2% below allotment due to lower than estimated spending for SWAP cost, as well as the emergency/contingency fund spending.

Non-CIP Capital was \$146,975 or 46.0% above allotment due to higher than estimated spending in the Lift Stations, Electrical Maintenance, SAR Maintenance, WW Treatment Lab, TV Inspection, and Hydrants Sections.

DEBT OUTSTANDING & DEBT SERVICE

Total Debt outstanding By Type

Total Debt as of September 2015 \$2,468,252,357 (Principal Only)

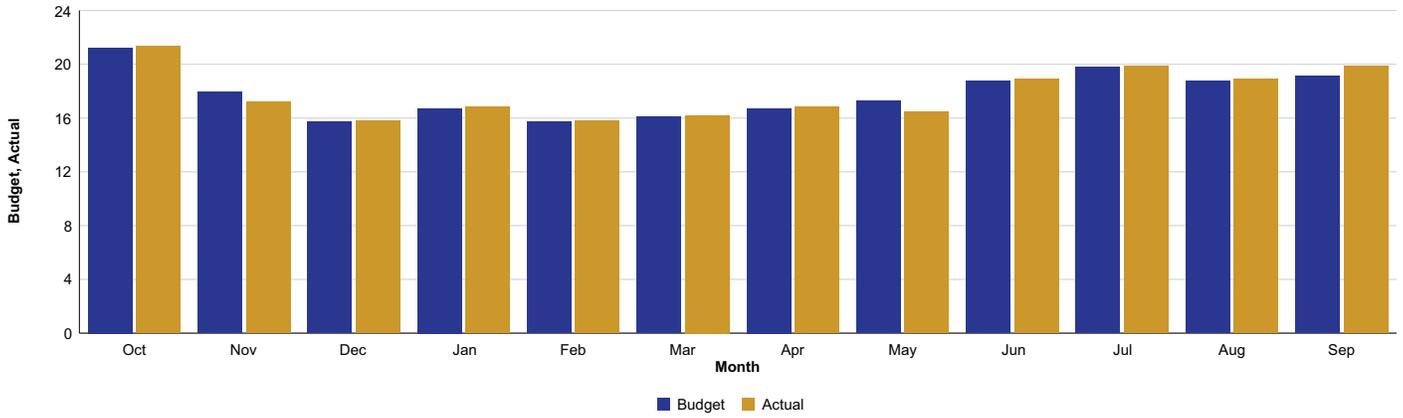


	Debt Outstanding \$	Debt Outstanding %
Commercial Paper	168,535,000	6.8%
General Obligation Bonds	9,580,224	0.4%
Revenue Bonds	2,284,727,446	92.6%
Water District Bonds	5,409,686	0.2%
Total	2,468,252,357	100%

BFY	Utility Debt Per Customer
2007	8,358.55
2008	8,576.62
2009	9,158.20
2010	9,894.96
2011	10,307.65
2012	10,832.55
2013	11,288.09
2014	11,443.78
2015	11,060.36

Combined Debt Service by Month (in Millions)

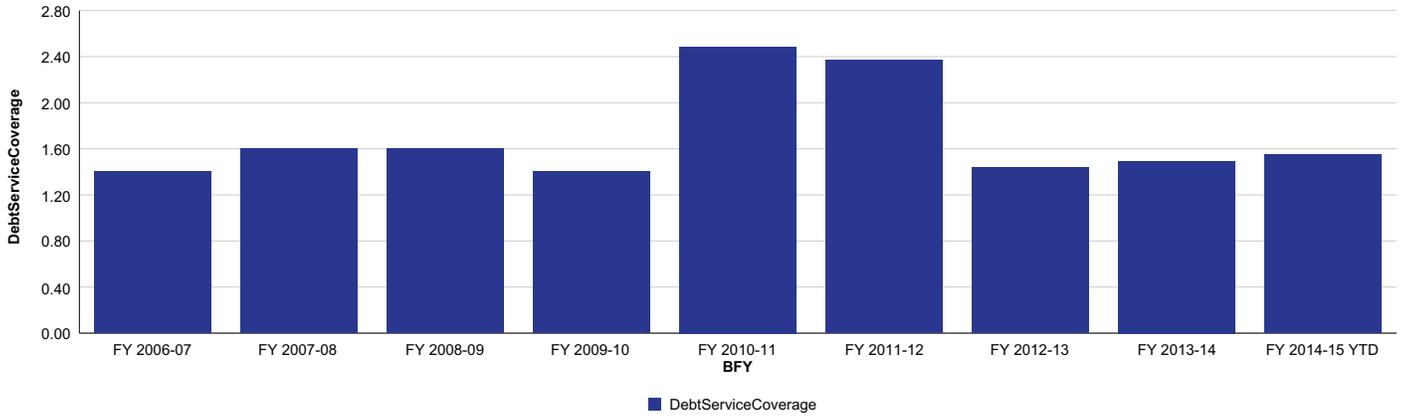
Budget vs. Actual - FY 2014 - 2015



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Budget	21.23	17.96	15.73	16.72	15.73	16.09	16.72	17.25	18.79	19.78	18.78	19.13	213.92
Actual	21.32	17.19	15.77	16.82	15.83	16.21	16.83	16.47	18.89	19.88	18.89	19.88	213.97

Combined debt service requirements include requirements for revenue bonds, commercial paper, general obligation bonds, and water district bonds. Actual combined debt service for the month of September was \$19.88 million, \$0.75 million more than projected for the month. Combined debt service for the fiscal year was \$213.97 million or \$0.05 million more than projected.

Debt Service Coverage
FY 2006- 2007 thru 2014-2015

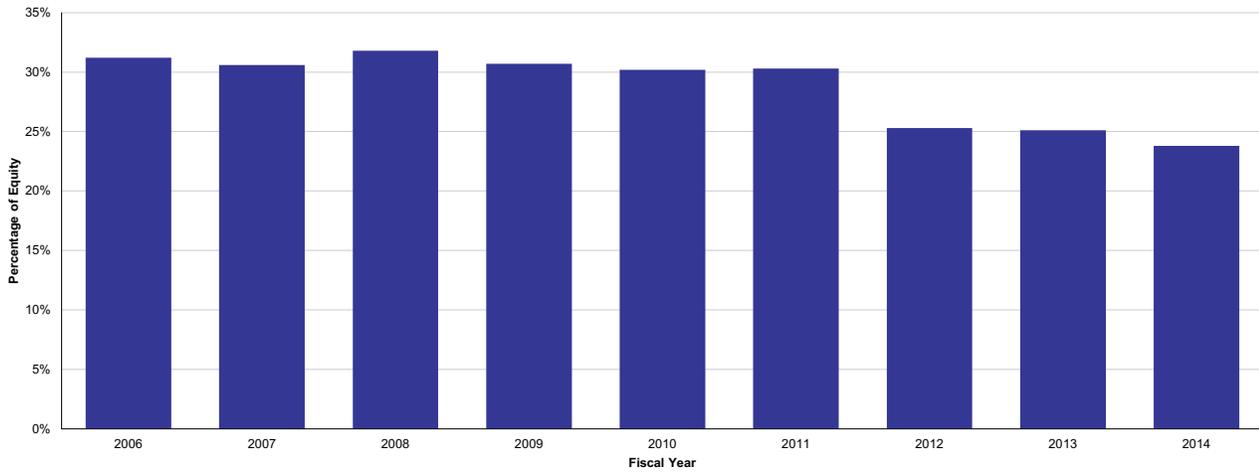


DebtServiceCoverage	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15 YTD
Debt Service Coverage	1.40	1.60	1.60	1.40	2.49	2.37	1.44	1.49	1.50

The Debt Service Coverage graph above indicates how much of revenues, after deducting operating costs, could go towards paying long-term debt service. The utility’s bond covenants require debt service coverage of 1.25 times long-term debt service requirements. City of Austin financial policies target minimum debt service coverage of 1.5 times.

Percent of Equity in Utility Systems

FY 2006 through FY 2014



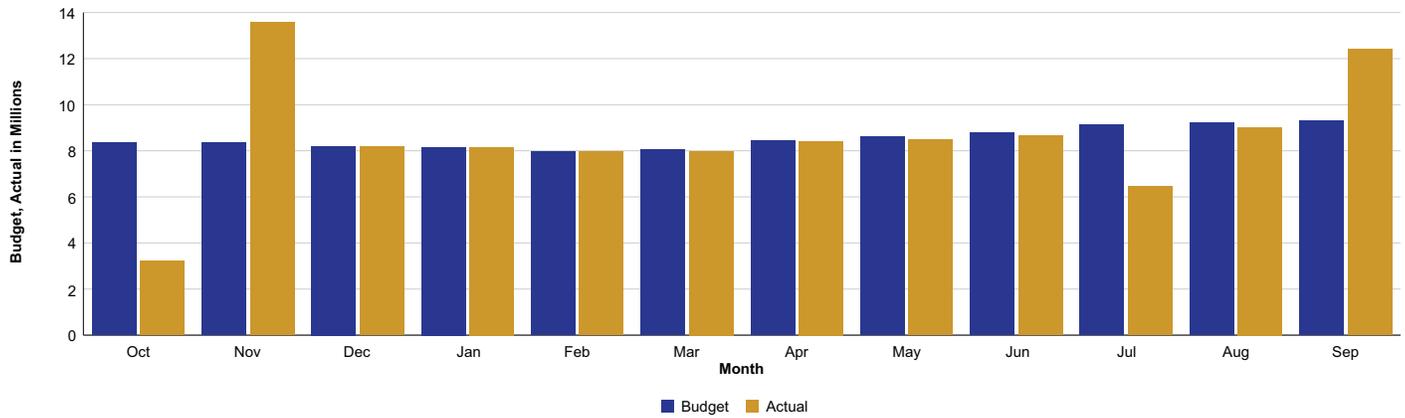
Percentage of Equity	2006	2007	2008	2009	2010	2011	2012	2013	2014
Percent of Equity	31.2%	30.6%	31.8%	30.7%	30.2%	30.3%	25.3%	25.1%	23.8%

The Percent of Equity in Utility Systems is computed by dividing the combined utility system equity by the combined utility system costs net of depreciation. The Percent of Equity is calculated once audited financials from the Controller's Office are available. The percentage for FY 2014 is based on final audited data from the Controller's Office.

OTHER REQUIREMENTS

Total Transfers Out by Month

Budget vs. Actual - FY 2014-2015

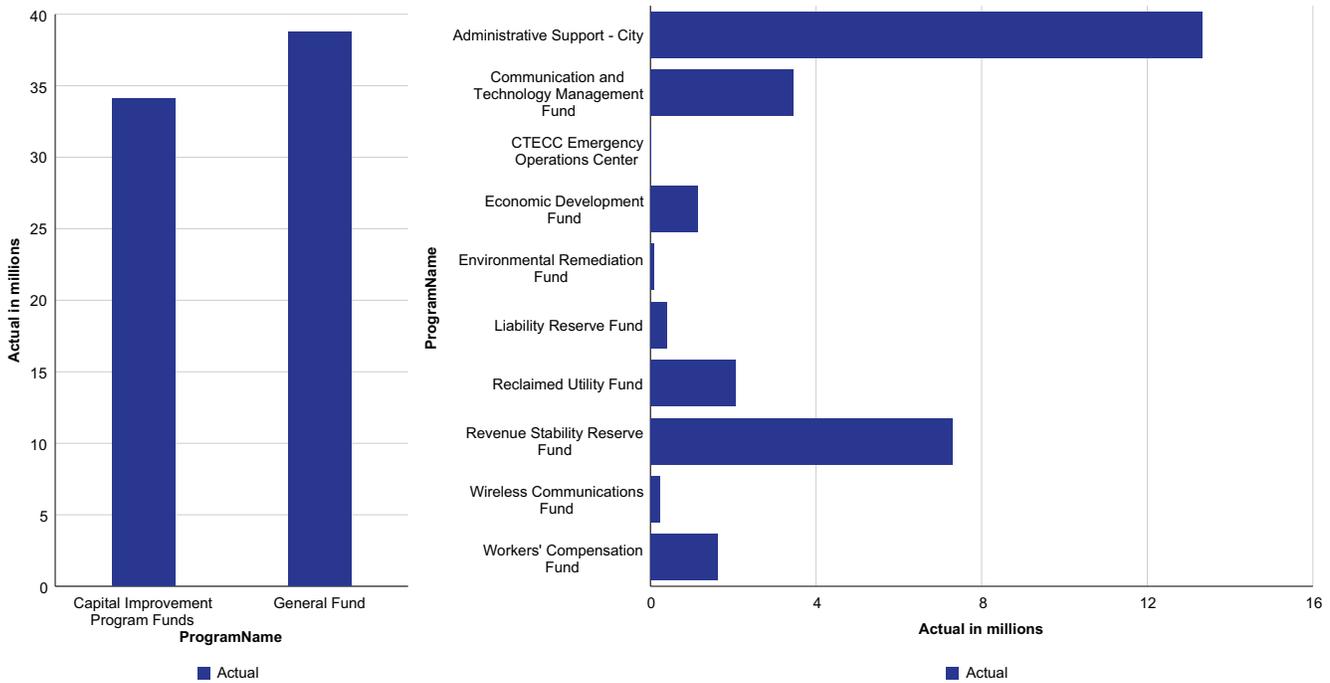


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total YTD
Budget	8.35	8.34	8.20	8.16	7.97	8.04	8.44	8.63	8.78	9.14	9.23	9.29	102.59
Actual	3.23	13.57	8.18	8.16	7.95	7.99	8.42	8.48	8.66	6.45	9.02	12.40	102.51

Transfers Out for fiscal year 2014-15 totaled \$102.51 million. This was \$0.08 million less than the budget for the year because the transfer to the Water CIP Fund was slightly less than budgeted.

Transfers Out includes transfers for Administrative Support to the City, Capital Improvement Program, Communication and Technology Management Fund, CTECC Emergency Operations Center, General Fund, Liability Reserve Fund, Revenue Stability Reserve Fund, Wireless Communications Fund, Economic Development Fund, Reclaimed Utility Fund, Environmental Remediation Fund, and Workers' Compensation Fund.

**Transfers Out by Type
Actual Year-to-Date- FY 2014-2015**

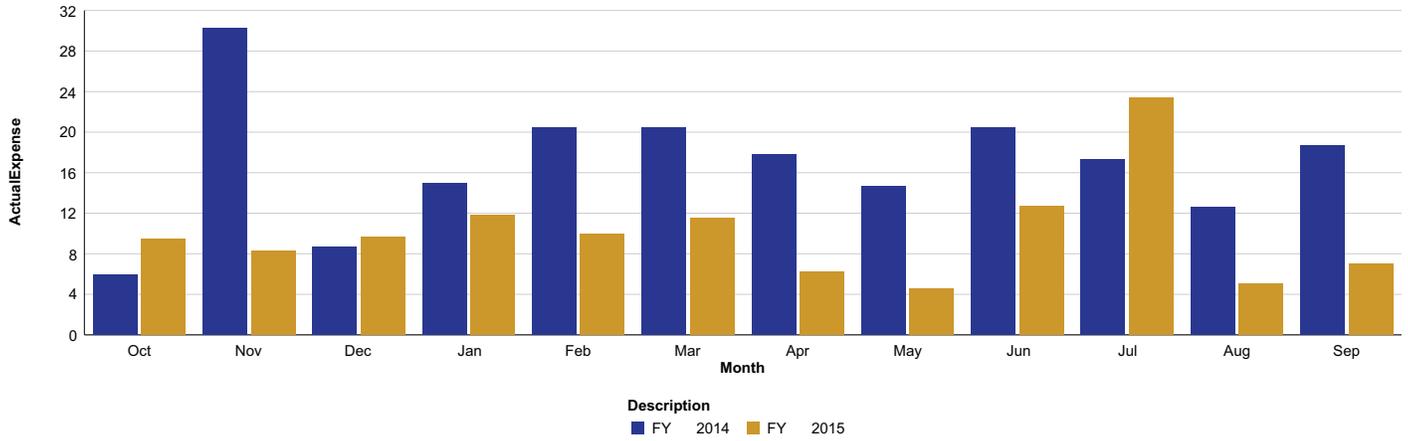


Transfer Out By Type (in millions)	Actual
Capital Improvement Program Funds	34.12
General Fund	38.76
Economic Development Fund	1.15
Environmental Remediation Fund	0.08
Administrative Support - City	13.33
Communication and Technology Management Fund	3.46
CTECC Emergency Operations Center	0.01
Liability Reserve Fund	0.40
Reclaimed Utility Fund	2.06
Revenue Stability Reserve Fund	7.30
Wireless Communications Fund	0.23
Workers' Compensation Fund	1.62
Total	102.51

Transfers Out for fiscal year 2014-15 totaled \$102.51 million. This was \$0.08 million less than the budget for the year because the transfer to the Water CIP Fund was slightly less than budgeted.

Transfers Out includes transfers for Administrative Support to the City, Capital Improvement Program, Communication and Technology Management Fund, CTECC Emergency Operations Center, General Fund, Liability Reserve Fund, Revenue Stability Reserve Fund, Wireless Communications Fund, Economic Development Fund, Reclaimed Utility Fund, Environmental Remediation Fund, and Workers' Compensation Fund.

Actual CIP Expenditures by Month - FY 2014 - 2015 (in Millions)

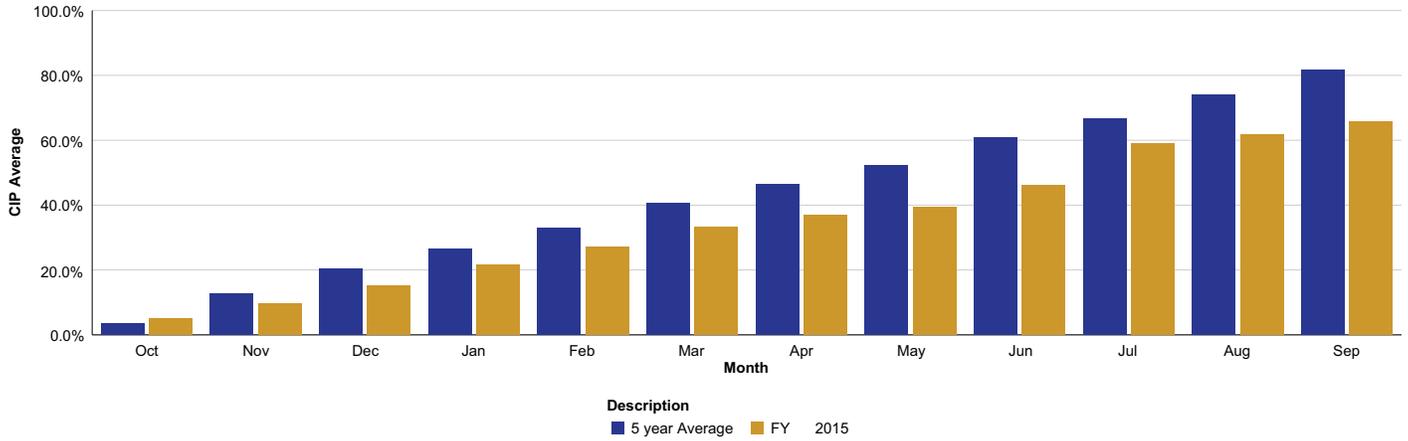


ActualExpense	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
FY 2014	5.94	30.26	8.67	14.93	20.49	20.42	17.83	14.67	20.42	17.29	12.56	18.66	202.16
FY 2015	9.43	8.32	9.70	11.86	9.92	11.53	6.21	4.54	12.66	23.35	5.08	7.03	119.63

CIP expenditures for the fiscal year through September 2015 totaled \$74.39 million for water, \$39.27 million for wastewater, and \$5.97 million for reclaimed, for a combined total of \$119.63 million, or 65.7% of the FY 2014-15 CIP spending plan.

The approved CIP spending plan for FY 2014-15 was \$91.51 million for water, \$83.22 million for wastewater, and \$7.24 million for reclaimed for a combined total of \$181.97 million.

YTD Cumulative CIP Expenditures As a Percentage of Spending Plan - FY 2014 - 2015



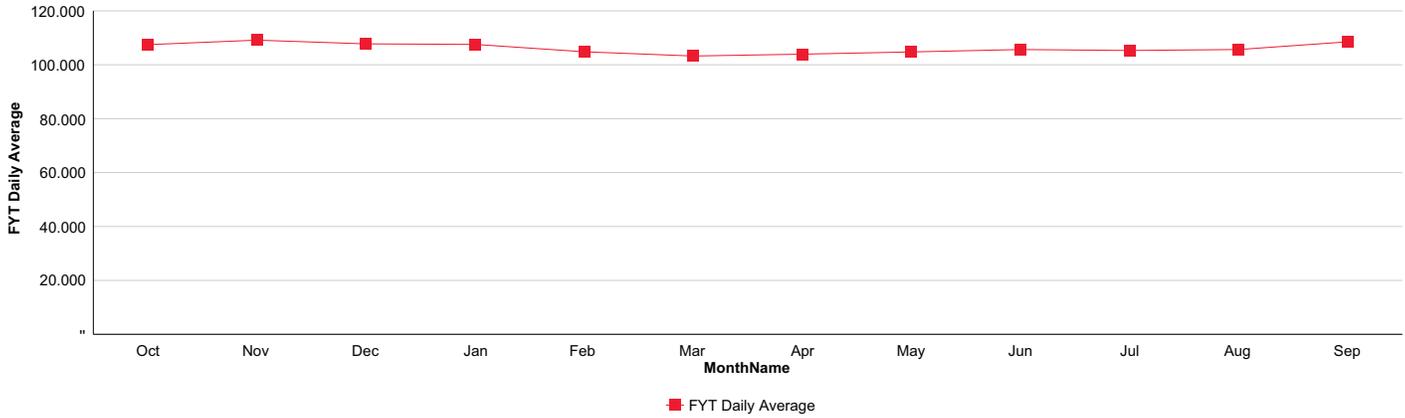
CIPPercent	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2014	2.5%	15.3%	18.9%	25.2%	33.8%	42.4%	50.0%	56.1%	64.8%	72.0%	77.3%	85.0%
FY 2015	5.2%	9.8%	15.1%	21.6%	27.1%	33.4%	36.8%	39.3%	46.3%	59.1%	61.9%	65.7%
5 year Average	3.6%	12.8%	20.3%	26.4%	32.9%	40.6%	46.6%	52.4%	60.8%	66.7%	74.1%	81.8%

CIP expenditures for the fiscal year through September 2015 totaled \$74.39 million for water, \$39.27 million for wastewater, and \$5.97 million for reclaimed, for a combined total of \$119.63 million, or 65.7% of the FY 2014-15 CIP spending plan.

The approved CIP spending plan for FY 2014-15 was \$91.51 million for water, \$83.22 million for wastewater, and \$7.24 million for reclaimed for a combined total of \$181.97 million.

CASH BALANCES

Combined FYTD Daily Average Cash Balance at Month End
FY 2014 - 2015



FY 2014 - 2015 Cash Balances, Operating, CIP, Capital Recovery Fee (CRF) and Total in Millions

Ending_Balance	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Water	29.15	22.80	22.34	14.61	8.60	15.75	13.17	14.24	17.24	(0.74)	33.69	70.89
Wastewater	78.49	73.00	76.43	74.57	73.95	86.46	88.44	90.07	92.29	91.61	95.62	102.50
Reclaimed	1.33	1.35	1.21	1.02	0.76	2.59	2.46	2.27	1.52	1.33	2.67	2.59

Ending_Balance	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Operating	37.46	28.21	35.42	31.31	33.97	35.56	36.17	37.15	35.15	36.04	44.22	62.54
Capital Recovery Fee	1.49	3.19	4.44	5.09	4.26	5.90	7.54	9.10	10.62	13.35	14.67	16.90
CIP	58.15	53.26	47.12	40.27	31.07	48.89	45.37	44.86	49.27	26.30	55.76	77.85
Revenue Stability Reserve Fund	11.87	12.50	13.00	13.54	14.00	14.44	14.99	15.47	16.02	16.51	17.34	18.68

FYT Daily Average	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FYTD Daily Average	107.46	109.14	107.75	107.56	104.82	103.24	103.93	104.77	105.65	105.30	105.65	108.51

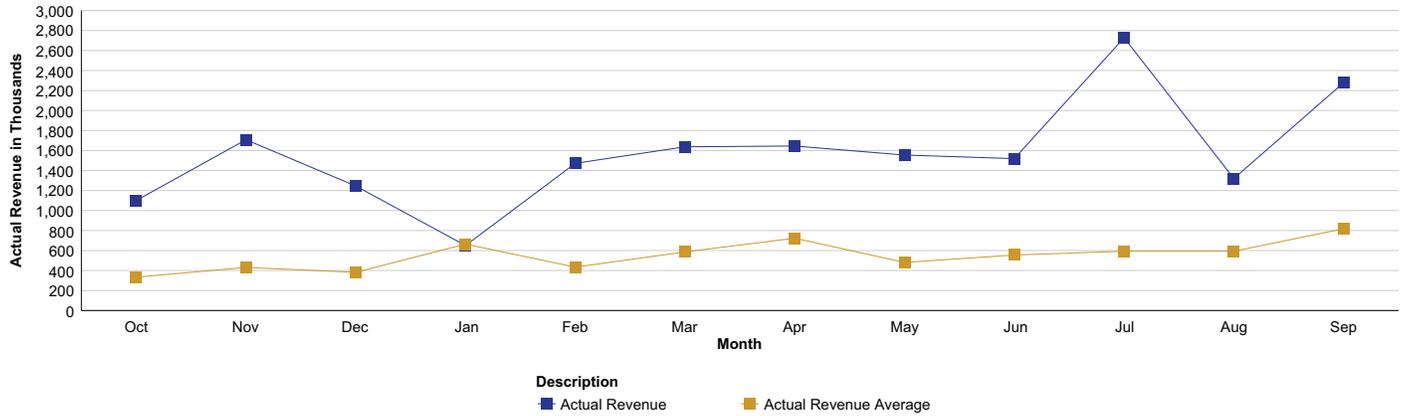
Combined cash balances for Water, Wastewater, and Reclaimed for the month of September 2015 totaled \$175.97 million. The combined cash balance is made up of Operating, CIP, Capital Recovery Fee, and Revenue Stability Reserve Fund cash balances. The average daily cash balance for the fiscal year was \$108.51 million at the end of September.

Combined Operating Cash Balances totaled \$62.54 million. Combined CIP Cash Balances totaled \$77.85 million. CIP cash balances may be kept negative to offset high operating balances as a cash management strategy to limit the amount of cash in all funds to a range determined by economic conditions. This delays the need to issue additional commercial paper to fund CIP projects. The Revenue Stability Reserve Fund totaled \$18.68 million.

Capital Recovery Fee Cash Balances totaled \$16.90 million at the end of the month. In October 2014, \$7.00 million, \$5.00 million from Water and \$2.00 million from Wastewater, was transferred from CRF funds to the Debt Service funds via the Operating funds. In February 2015, \$2.30 million, \$1.30 from Water and \$1.00 from Wastewater, was similarly transferred. Prior to FY 2001-02, CRFs were used solely for debt defeasance, providing only short-term debt service savings. The Utility now transfers CRFs to the operating funds, from which transfers are made to debt service funds.

CRF Collections by Month vs. Rolling Five Years Average

FY 2009 - 2015

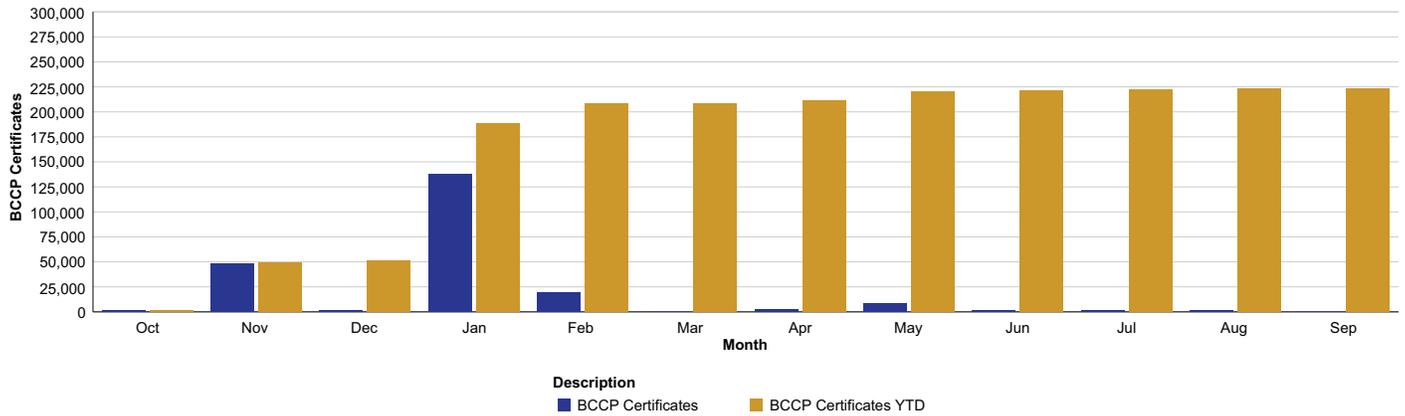


FY 2014 - 2015 CRF Collections by Month, Water, Wastewater, and Total (in Thousands)

ActualRevenue	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Water	752	1,141	886	432	1,064	1,151	1,205	1,062	1,062	1,978	936	1,712	13,380
Wastewater	348	567	359	219	408	487	440	492	457	750	384	566	5,477
Total	1,100	1,708	1,245	650	1,472	1,637	1,645	1,555	1,519	2,727	1,320	2,278	18,857

Capital Recovery Fee (CRF) collections and interest for the month of September 2015 were \$1.71 million from Water and \$0.57 million from Wastewater for a total of \$2.28 million. For the fiscal year, a total of \$18.86 million in CRFs and interest has been collected. CRF collections in September were \$1.46 million more than the five year average of \$0.82 million.

BCCP Revenue Year-to-Date
BCCP Certificates and Interest Earned FY 2014 - 2015



FY 2014 - 2015 BCCP Revenues by Month with Ending Balances

Amount	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Beginning Balance	0	1,145	49,944	51,760	189,502	209,319	209,612	212,575	221,570	222,777	224,378	225,634
Interest	145	199	78	168	117	293	213	195	206	226	257	216
BCCP Cert	1,000	48,600	1,738	137,575	19,700	0	2,750	8,800	1,000	1,375	1,000	0
Ending Balance	1,145	49,944	51,760	189,502	209,319	209,612	212,575	221,570	222,777	224,378	225,634	225,850

The Balcones Canyonlands Conservation Plan (BCCP) fund was transferred to AWU in 2002. The BCCP fund was established to abide by the Interlocal Agreement established between the City of Austin and Travis County. The BCCP Plan is the habitat conservation plan that established the Balcones Canyonlands Preserve system and determined how it would be funded and organized. Travis County works with developers and landowners who want to develop in endangered species habitat. The Participation Certificate fees are split and paid directly to COA and Travis County.

In September 2015, interest in the amount of \$216 accrued. The overall ending balance fiscal year-to-date is \$225,850.