



City of Austin, Texas
Austin Water

Financial Status Report
For the Period Ending February 29, 2016

Status Report Based on Unaudited Financial Information



MEMORANDUM

TO: Greg Meszaros, Director
Austin Water

FROM: David Anders, Assistant Director, Financial Services
Austin Water

DATE: March 17, 2016

SUBJECT: Unaudited Financial Status Report for the Period Ended February 29, 2016

Attached is Austin Water's Financial Status Report. The combined fund balance at the end of February was \$103.99, or \$20.81 million more than projected, as detailed in the Executive Summary. The beginning balances were \$5.88 million more than projected, year-to-date requirements were \$1.81 million below allotments, and revenues and transfers in were \$13.12 million above projections.

Significant rainfall in the fall of 2015 improved the lake levels in Travis and Buchanan, and these levels have held. The lake system was at 90 percent full at the end of February. However, Austin Water continues to address drought conditions with mandatory Stage II water restrictions and conservation measures. Water service revenues are significantly above projections and wastewater service revenues are slightly above projections this fiscal year through February. The Executive Summary includes more discussion of revenue highlights.

Actual spending for operating requirements was below budget allotments by \$1.11 million, and spending for other requirements was below budget allotments by \$0.49. Payments for debt service requirements were below allotments by \$0.08 million, and transfers out were below allotments by \$0.12 million. Total requirements were below allotments by \$1.81 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

Financial Status Report Table of Contents

Executive Summary	ES-1
Fund Summary	1
Revenues	8
Water Service Revenues by Month and Class	9
Wastewater Service Revenues by Month and Class	11
Reclaimed Service Revenues by Month	13
Miscellaneous Revenues	14
Interest Income	15
Customer Demand Characteristics	16
Number of Water and Wastewater Customers by Month	17
Rainfall and Temperature by Month	18
Water Pumpage and Wastewater Influent Flow by Month	19
Billed Water Consumption by Month and Class	20
Average Inside-City Residential Consumption	22
Billed Wastewater Flows by Month and Class	23
Average Inside-City Residential Flows	25
Operating Requirements	26
Operating Requirements by Month	27
YTD Operating Requirements by Program	28
YTD Key Operating Object Codes	29
Debt Outstanding & Debt Service	30
Total Debt Outstanding by Type	31
Combined Debt Service by Month	32
Debt Service Coverage / Percent of Equity in Utility Systems	33
Other Requirements	35
Transfers Out by Month and by Type	36
CIP Expenditures by Month and as a Percentage of Spending Plan	38
Cash Balances	40
Combined Operating, CIP, and CRF Cash Balances	41
CRF Collections	42
BCCP Revenue	43



City of Austin, Texas

Austin Water

Executive Summary

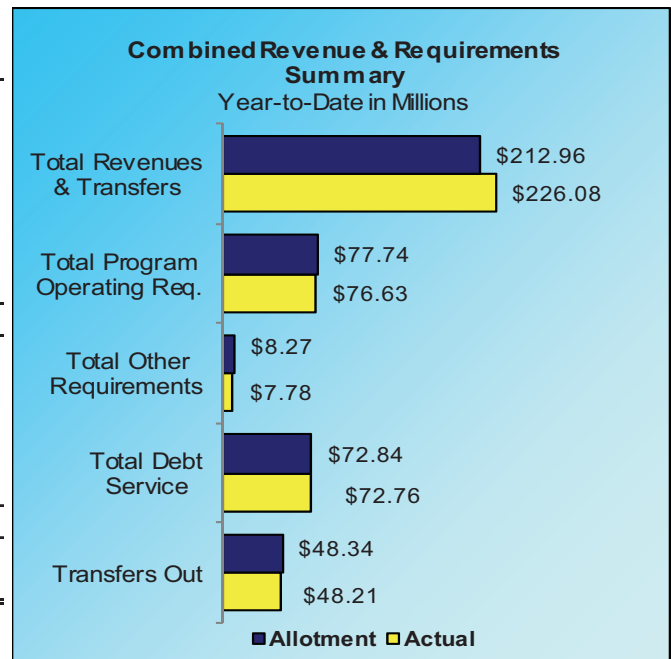


Financial Status Report

Period Ending February 29, 2016

The Combined Water, Reclaimed Water, and Wastewater Operating Fund balance as of February 29, 2016, was \$103.99 million. The combined balance was \$20.81 million more than projected for this date, as shown below:

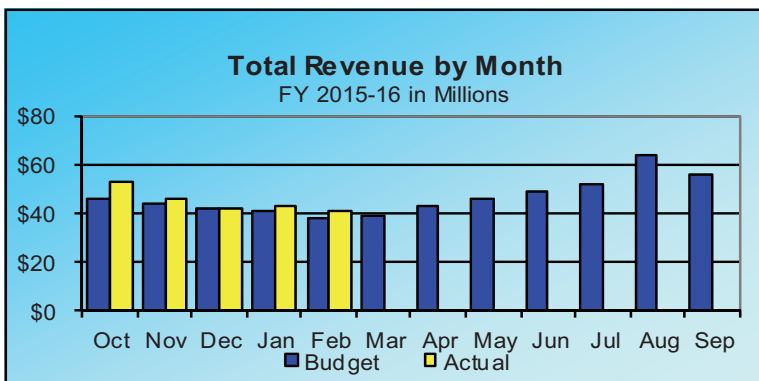
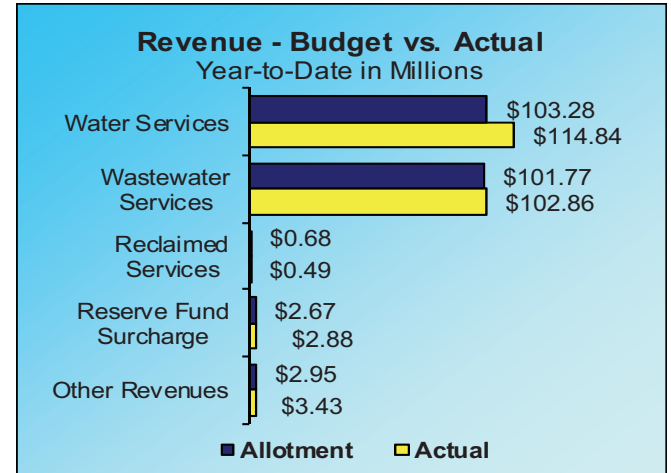
	Allotment	Actual	Difference
Beginning Balance	\$ 77.41	\$ 83.29	\$ 5.88
Water Services	\$ 103.28	\$ 114.84	\$ 11.55
Wastewater Services	101.77	102.86	1.09
Reclaimed Services	0.68	0.49	(0.19)
Reserve Fund Surcharge	2.67	2.88	0.21
Other Revenues	2.95	3.43	0.48
Transfers In	1.60	1.59	(0.01)
Total Revenues & Transfers	\$ 212.96	\$ 226.08	\$ 13.12
Total Program Operating Req.	\$ 77.74	\$ 76.63	1.11
Total Other Requirements	8.27	7.78	0.49
Total Debt Service	72.84	72.76	0.08
Transfers Out	48.34	48.21	0.12
Total Revenue Requirements	\$ 207.19	\$ 205.38	\$ 1.81
Ending balance	\$ 83.18	\$ 103.99	\$ 20.81
Debt Service Coverage	1.67	1.87	



Revenue Highlights

Total revenues for the fiscal year through February were \$226.08 million. This is \$13.12 million or 6.2% more than projected.

- Water services were \$114.84 million, or 11.2% above projections.
- Wastewater services were \$102.86 million, or 1.1% above projections.
- Reclaimed services were \$0.49 million, or 28.6% below projections.
- Reserve fund surcharge was \$2.88 million, or 7.8% above projections.
- Other revenues, including miscellaneous and interest income totaled \$3.43 million, or 16.1% more than projected.
- Transfers In were \$1.59 million, or 0.7% less than budgeted amounts.



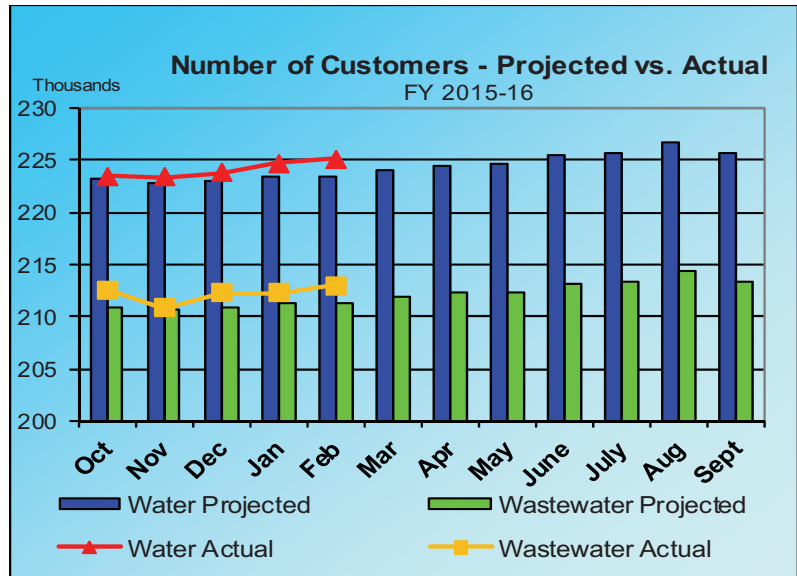
Year-to-date Water Services were above projections in all five classes.

Wastewater Services were above projections in three customer classes and the industrial waste surcharge to offset revenues below projections in the Residential and Wholesale classes.

Revenues and Transfers In for February were \$41.38 million, which was \$2.70 million or 7.0% above the projection.

User Characteristics

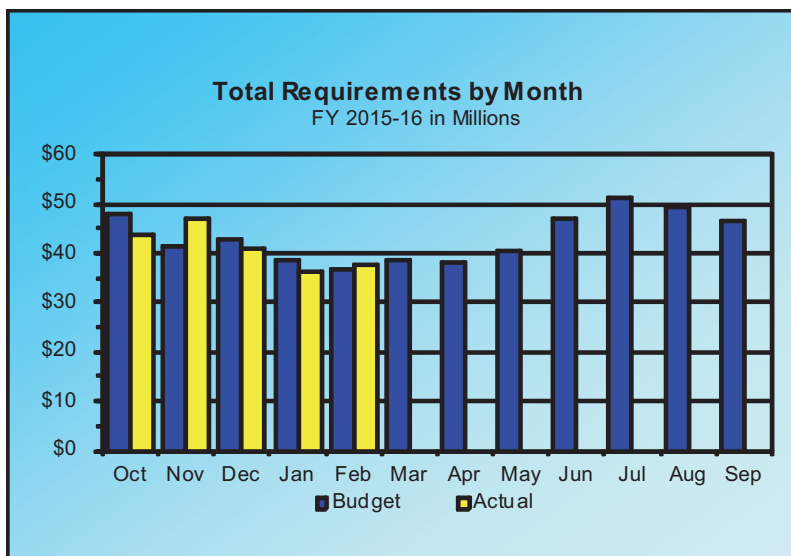
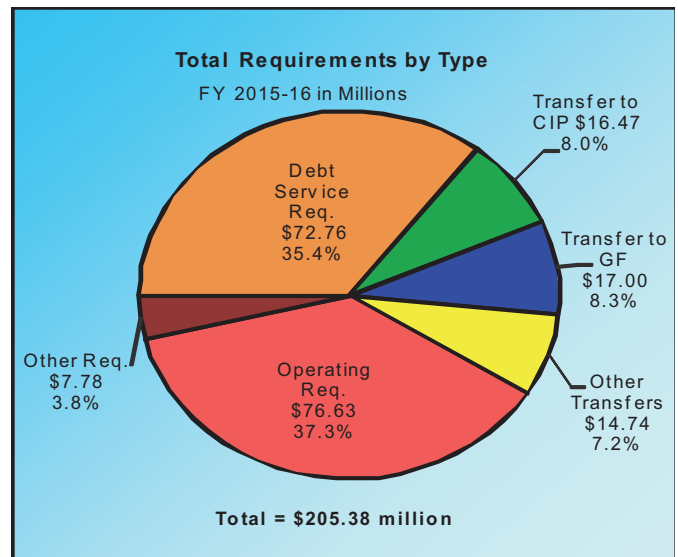
	Projected	Actual
Water Customers	223,495	225,148
Wastewater Customers	211,333	213,007
Monthly Pumpage	2.86	3.19
YTD Pumpage	15.97	17.20
Monthly Billed Use	2.56	2.68
YTD Billed Use	14.88	15.87
Monthly Influent Flow	2.86	2.84
YTD Influent Flow	15.03	16.90
Monthly Billed Flow	2.03	2.11
YTD Billed Flow	10.83	10.98
(Above in Billions of Gallons)		
Avg. Residential Use (gal)	4,600	4,514
Avg. Residential Flow (gal)	3,520	3,537



Requirement Highlights

Total requirements for the fiscal year through February were \$205.38 million. This is \$1.81 million, or 0.9%, less than the budget allotments. The graph at the right shows the proportions of these requirements to the whole.

- Total program operating requirements were \$76.63 million, or 1.4% less than budgeted.
- Total other requirements were \$7.78 million, or 6.0% less than budgeted.
- Debt service requirements were \$72.76 million, or 0.1% less than budgeted.
- Transfers out consist of transfers to Capital Improvement Projects, General Fund, and Other Transfers. These total \$48.21 million, or 0.3% less than budgeted.



Four of the nine program areas (Treatment, Engineering Services, Support Services, and Reclaimed Water Services) had higher expenditures than projected. These variances were more than offset by lower than projected expenditures in the other program areas.

Pages 28 and 29 provide details on variances in spending by program area and object code.

Total Requirements were \$37.55 million for the month, resulting in 2.9% or \$1.05 million more than the budget allotment for the month.

City of Austin, Texas
Austin Water Utility
FUND SUMMARY - COMBINED
As of February 2016

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
BEGINNING BALANCE	77,405,715	77,405,715	77,405,715	83,286,578	5,880,863	7.6%
REVENUE						
Water Services	277,632,006	277,632,006	103,283,189	114,837,181	11,553,992	11.2%
Wastewater Services	255,115,283	255,115,283	101,772,940	102,865,359	1,092,419	1.1%
Reserve Fund Surcharge	7,204,421	7,204,421	2,674,162	2,883,589	209,427	7.8%
Other Revenue	5,746,424	5,746,424	2,394,348	2,395,911	1,563	0.1%
Reclaimed Water Services	1,770,107	1,770,107	679,444	485,328	(194,116)	-28.6%
Public Health Licenses, Permits, Inspections	600,500	600,500	250,206	225,439	(24,767)	-17.3%
Miscellaneous Franchise Fees	232,000	232,000	96,669	6,885	(89,784)	-92.9%
Interest	181,874	181,874	75,775	301,584	225,809	298.0%
Building Rental/Lease	144,800	144,800	60,338	30,168	(30,170)	-50.0%
Land & Infrastructure Rental/Lease	75,800	75,800	31,581	16,500	(15,081)	-47.8%
Property Sales	55,200	55,200	23,000	0	(23,000)	-100.0%
Scrap Sales	48,800	48,800	20,331	9,934	(10,397)	-51.1%
Development Fees	0	0	0	1,456	1,456	100.0%
Other Fines	0	0	0	438,375	438,375	100.0%
Total Revenue	548,807,215	548,807,215	211,361,983	224,497,708	13,135,725	6.2%
TRANSFERS IN						
CIP	10,300,000	10,300,000	0	0	0	0.0%
Austin Water Utility	3,400,000	3,400,000	1,416,670	1,416,690	20	0.0%
Support Services/Infrastructure Funds	300,582	300,582	125,240	168,982	43,742	34.9%
Austin Resource Recovery	130,431	130,431	54,345	0	(54,345)	-100.0%
Total Transfers In	14,131,013	14,131,013	1,596,255	1,585,672	(10,583)	-0.7%
TOTAL AVAILABLE FUNDS	562,938,228	562,938,228	212,958,238	226,083,380	13,125,142	6.2%
PROGRAM REQUIREMENTS						
Treatment	77,840,734	77,840,734	31,153,486	32,086,672	(933,186)	-3.0%
Pipeline Operations	41,201,279	41,201,279	17,464,891	16,935,579	529,312	3.0%
Support Services	22,592,094	22,592,094	9,539,494	10,217,523	(678,029)	-7.1%
Environmental Affairs & Conservation	11,848,732	11,848,732	5,520,933	4,642,202	878,731	15.9%
Other Utility Program Requirements	11,494,210	11,494,210	5,766,378	4,801,599	964,779	16.7%
Engineering Services	8,504,005	8,504,005	4,134,058	4,145,069	(11,011)	-0.3%
Water Resources Management	8,275,601	8,275,601	3,716,947	3,386,598	330,349	8.9%
One Stop Shop	653,101	653,101	278,779	251,551	27,228	9.8%
Reclaimed Water Services	388,355	388,355	160,042	160,746	(704)	-0.4%
Total Program Requirements	182,798,111	182,798,111	77,735,008	76,627,539	1,107,469	1.4%
OTHER REQUIREMENTS						
Utility Billing System Support	18,317,220	18,317,220	7,770,942	7,632,175	138,767	1.8%
Accrued Payroll	745,854	745,854	310,772	0	310,772	100.0%
Interdepartmental Charges	166,242	166,242	69,268	69,222	46	0.1%
Market Study Adjustment	133,117	133,117	55,465	0	55,465	100.0%
Services-PID contract expense	75,000	75,000	67,708	75,000	(7,292)	-10.8%
Total Other Requirements	19,437,433	19,437,433	8,274,155	7,776,397	497,758	6.0%
DEBT SERVICE REQUIREMENTS						
Trf to Util D/S Separate Lien	180,655,096	180,655,096	63,595,781	63,659,849	(64,068)	-0.1%
Tfr to Utility D/S Sub Lien	11,345,846	11,345,846	6,381,846	6,381,570	276	0.0%
Trf to GO Debt Service	4,010,080	4,010,080	2,005,040	2,000,760	4,280	0.2%
Tfr to Utility D/S Prior Lien	2,700,906	2,700,906	675,906	675,296	610	0.1%
Tfr to Util D/S Tax/Rev Bonds	727,005	727,005	0	0	0	0.0%
Commercial paper interest	439,862	439,862	183,276	43,460	139,816	76.3%
Total Debt Service Requirements	199,878,795	199,878,795	72,841,849	72,760,935	80,914	0.1%

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
TRANSFERS OUT						
Trf to General Fund	40,793,280	40,793,280	16,997,025	16,997,025	0	0.0%
Trf to Wastewater CIP Fund	23,250,000	23,250,000	9,274,000	9,274,000	0	0.0%
Trf to Water CIP Fund	17,300,000	17,300,000	6,435,000	6,435,000	0	0.0%
Trf to Support Services Fund	12,384,793	12,384,793	5,160,331	5,160,331	0	0.0%
Trf to Water Revenue Stab Rsv	9,204,421	9,204,421	5,001,840	4,879,524	122,316	2.4%
CTM Support	3,871,271	3,871,271	1,613,071	1,613,071	0	0.0%
Trf to Reclaimed Water Fund	3,400,000	3,400,000	1,416,690	1,416,690	0	0.0%
Trf to Economic Development	2,011,254	2,011,254	840,539	840,539	0	0.0%
Trf to Reclaimed Water CIP Fund	2,000,000	2,000,000	768,000	768,000	0	0.0%
Workers' Compensation	1,286,209	1,286,209	535,935	535,935	0	0.0%
Liability Reserve	400,000	400,000	166,690	166,690	0	0.0%
Trf to Wireless Communication	283,472	283,472	118,132	118,132	0	0.0%
Trf to CTECC Fund	9,925	9,925	9,925	9,925	0	0.0%
Total Transfers Out	116,194,625	116,194,625	48,337,178	48,214,862	122,316	0.3%
TOTAL REQUIREMENTS	518,308,964	518,308,964	207,188,190	205,379,733	1,808,457	0.9%
EXCESS (DEFICIENCY)	44,629,264	44,629,264	5,770,048	20,703,647	14,933,599	258.8%
ENDING BALANCE	122,034,979	122,034,979	83,175,763	103,990,225	20,814,462	25.0%
DEBT SERVICE COVERAGE RATIO		1.69	1.67	1.87		

Note: Numbers may not add due to rounding.

City of Austin, Texas

Austin Water Utility

FUND SUMMARY - WATER

As of February 2016

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
BEGINNING BALANCE	29,748,765	29,748,765	29,748,765	31,518,057	1,769,292	5.9%
REVENUE						
Water Revenue	277,632,006	277,632,006	103,283,189	114,837,181	11,553,992	11.2%
Reserve Fund Surcharge	7,204,421	7,204,421	2,674,162	2,883,589	209,427	7.8%
Other Revenue	2,791,136	2,791,136	1,162,978	1,077,217	(85,761)	-7.4%
Miscellaneous Franchise Fees	160,600	160,600	66,919	6,885	(60,034)	-89.7%
Building Rental/Lease	84,400	84,400	35,169	15,084	(20,085)	-57.1%
Interest	76,400	76,400	31,830	123,705	91,875	288.6%
Land & Infrastructure Rental/Lease	75,800	75,800	31,581	16,500	(15,081)	-47.8%
Scrap Sales	27,300	27,300	11,375	4,967	(6,408)	-56.3%
Property Sales	26,900	26,900	11,206	0	(11,206)	-100.0%
Other Fines	0	0	0	438,375	438,375	100.0%
Public Health Licenses, Permits, Inspections	0	0	0	18,308	18,308	100.0%
Total Revenue	288,078,963	288,078,963	107,308,409	119,421,810	12,113,401	11.3%
TRANSFERS IN						
CIP	7,100,000	7,100,000	0	0	0	0.0%
Support Services/Infrastructure Funds	150,291	150,291	62,620	84,491	21,871	34.9%
Total Transfers In	7,250,291	7,250,291	62,620	84,491	21,871	34.9%
TOTAL AVAILABLE FUNDS	295,329,254	295,329,254	107,371,029	119,506,301	12,135,272	11.3%
PROGRAM REQUIREMENTS						
Treatment	38,251,428	38,251,428	15,597,668	16,215,698	(618,030)	-4.0%
Pipeline Operations	23,792,976	23,792,976	10,059,665	9,890,865	168,800	1.7%
Support Services	11,374,646	11,374,646	4,796,964	5,080,059	(283,095)	-5.9%
Environmental Affairs & Conservation	8,967,318	8,967,318	4,304,926	3,449,773	855,153	19.9%
Other Utility Program Requirements	6,885,199	6,885,199	3,198,175	1,855,370	1,342,805	42.0%
Water Resources Management	3,935,790	3,935,790	1,764,129	1,632,812	131,317	7.4%
Engineering Services	3,082,919	3,082,919	1,043,896	1,384,337	(340,441)	-32.6%
One Stop Shop	242,953	242,953	104,123	102,001	2,122	2.0%
Total Program Requirements	96,533,229	96,533,229	40,869,546	39,610,915	1,258,631	3.1%
OTHER REQUIREMENTS						
Utility Billing System Support	13,466,330	13,466,330	5,712,989	5,610,971	102,018	1.8%
Accrued Payroll	377,669	377,669	157,362	0	157,362	100.0%
Interdepartmental Charges	83,121	83,121	34,634	34,611	23	0.1%
Market Study Adjustment	80,249	80,249	33,437	0	33,437	100.0%
Services-PID contract expense	37,500	37,500	30,208	37,500	(7,292)	-24.1%
Total Other Requirements	14,044,869	14,044,869	5,968,630	5,683,082	285,548	4.8%
DEBT SERVICE REQUIREMENTS						
Trf to Util D/S Separate Lien	94,142,706	94,142,706	33,401,674	33,215,721	185,953	0.6%
Tfr to Utility D/S Sub Lien	6,154,137	6,154,137	3,475,137	3,475,396	(259)	0.0%
Trf to GO Debt Service	1,923,523	1,923,523	961,680	959,612	2,068	0.2%
Tfr to Utility D/S Prior Lien	608,244	608,244	152,244	152,067	177	0.1%
Commercial paper interest	368,621	368,621	153,592	37,586	116,006	75.5%
Tfr to Util D/S Tax/Rev Bonds	269,021	269,021	0	0	0	0.0%
Total Debt Service Requirements	103,466,252	103,466,252	38,144,327	37,840,382	303,945	0.8%

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
TRANSFERS OUT						
Trf to General Fund	21,157,159	21,157,159	8,815,459	8,815,459	0	0.0%
Trf to Water CIP Fund	17,300,000	17,300,000	6,435,000	6,435,000	0	0.0%
Trf to Water Revenue Stab Rsv	9,204,421	9,204,421	5,001,840	4,879,524	122,316	2.4%
Trf to Administrative Support Fund	7,369,386	7,369,386	3,070,574	3,070,574	0	0.0%
CTM Support	1,935,635	1,935,635	806,535	806,535	0	0.0%
Trf to Reclaimed Water Fund	1,700,000	1,700,000	708,345	708,345	0	0.0%
Trf to Economic Development	1,087,301	1,087,301	453,101	453,101	0	0.0%
Workers' Compensation	643,105	643,105	267,961	267,961	0	0.0%
Trf to Wireless Communication	283,472	283,472	118,132	118,132	0	0.0%
Liability Reserve	200,000	200,000	83,345	83,345	0	0.0%
Trf to CTECC Fund	4,962	4,962	4,962	4,962	0	0.0%
Total Transfers Out	60,885,441	60,885,441	25,765,254	25,642,938	122,316	0.5%
TOTAL REQUIREMENTS	274,929,791	274,929,791	110,747,757	108,777,317	1,970,440	1.8%
EXCESS (DEFICIENCY)	20,399,463	20,399,463	(3,376,728)	10,728,984	14,105,712	-417.7%
ENDING BALANCE	50,148,228	50,148,228	26,372,037	42,247,041	15,875,004	60.2%
DEBT SERVICE COVERAGE RATIO		1.65	1.52	1.89		

Note: Numbers may not add due to rounding.

City of Austin, Texas
Austin Water Utility
FUND SUMMARY - RECLAIMED WATER
As of February 2016

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
BEGINNING BALANCE	561,984	561,984	561,984	532,625	(29,359)	-5.2%
REVENUE						
Other Revenue	0	0	0	0	0	0.0%
Reclaimed Water Services	1,770,107	1,770,107	679,444	485,328	(194,116)	-28.6%
Interest	1,374	1,374	570	2,123	1,553	272.5%
Total Revenue	1,771,481	1,771,481	680,014	487,451	(192,563)	-28.3%
TRANSFERS IN						
Austin Water Utility	3,400,000	3,400,000	1,416,670	1,416,690	20	0.0%
Total Transfers In	3,400,000	3,400,000	1,416,670	1,416,690	20	0.0%
TOTAL AVAILABLE FUNDS	5,171,481	5,171,481	2,096,684	1,904,141	(192,543)	-9.2%
PROGRAM REQUIREMENTS						
Reclaimed Water Services	388,355	388,355	160,042	160,746	(704)	-0.4%
Other Utility Program Requirements	21,567	21,567	8,352	6,152	2,200	26.3%
Total Program Requirements	409,922	409,922	168,394	166,898	1,496	0.9%
OTHER REQUIREMENTS						
Accrued Payroll	2,729	2,729	1,137	0	1,137	100.0%
Market Study Adjustment	1,584	1,584	660	0	660	100.0%
Total Other Requirements	4,313	4,313	1,797	0	1,797	100.0%
DEBT SERVICE REQUIREMENTS						
Trf to Util D/S Separate Lien	2,757,871	2,757,871	848,585	844,379	4,206	0.5%
Commercial paper interest	4,224	4,224	1,760	929	831	47.2%
Total Debt Service Requirements	2,762,095	2,762,095	850,345	845,308	5,037	0.6%
TRANSFERS OUT						
Trf to Reclaimed Water CIP Fnd	2,000,000	2,000,000	768,000	768,000	0	0.0%
Trf to General Fund	75,184	75,184	31,329	31,329	0	0.0%
Trf to Economic Development	4,204	4,204	4,204	4,204	0	0.0%
Total Transfers Out	2,079,388	2,079,388	803,533	803,533	0	0.0%
TOTAL REQUIREMENTS	5,255,718	5,255,718	1,824,069	1,815,739	8,330	0.5%
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(84,237)	(84,237)	272,615	88,402	(200,873)	-73.7%
ENDING BALANCE	477,747	477,747	834,599	621,027	(230,232)	-27.6%
DEBT SERVICE COVERAGE RATIO		0.64	0.80	0.58		

Note: Numbers may not add due to rounding.

City of Austin, Texas
Austin Water Utility
FUND SUMMARY - WASTEWATER
As of February 2016

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
BEGINNING BALANCE	47,094,966	47,094,966	47,094,966	51,235,896	4,140,930	8.8%
REVENUE						
Wastewater Revenue	255,115,283	255,115,283	101,772,940	102,865,359	1,092,419	1.1%
Other Revenue	2,955,288	2,955,288	1,231,370	1,318,694	87,324	7.1%
Public Health Licenses, Permits, Inspections	600,500	600,500	250,206	207,131	(43,247)	-17.3%
Interest	104,100	104,100	43,375	175,756	132,381	305.2%
Miscellaneous Franchise Fees	71,400	71,400	29,750	0	(29,750)	-100.0%
Building Rental/Lease	60,400	60,400	25,169	15,084	(10,085)	-40.1%
Property Sales	28,300	28,300	11,794	0	(11,794)	-100.0%
Scrap Sales	21,500	21,500	8,956	4,967	(3,989)	-44.5%
Development Fees	0	0	0	1,456	1,456	100.0%
Total Revenue	258,956,771	258,956,771	103,373,560	104,588,447	1,214,714	1.2%
TRANSFERS IN						
CIP	3,200,000	3,200,000	0	0	0	0.0%
Support Services/Infrastructure Funds	150,291	150,291	62,620	84,491	21,871	34.9%
Austin Resource Recovery Fund	130,431	130,431	54,345	0	(54,345)	-100.0%
Total Transfers In	3,480,722	3,480,722	116,965	84,491	(32,474)	-27.8%
TOTAL AVAILABLE FUNDS	262,437,493	262,437,493	103,490,525	104,672,938	1,182,240	1.1%
PROGRAM REQUIREMENTS						
Treatment	39,589,306	39,589,306	15,555,818	15,870,974	(315,156)	-2.0%
Pipeline Operations	17,408,303	17,408,303	7,405,226	7,044,714	360,512	4.9%
Support Services	11,217,448	11,217,448	4,742,530	5,137,464	(394,934)	-8.3%
Engineering Services	5,421,086	5,421,086	3,090,162	2,760,732	329,430	10.7%
Other Utility Program Requirements	4,587,444	4,587,444	2,559,851	2,940,077	(380,226)	-14.9%
Water Resources Management	4,339,811	4,339,811	1,952,818	1,753,786	199,032	10.2%
Environmental Affairs & Conservation	2,881,414	2,881,414	1,216,007	1,192,429	23,578	1.9%
One Stop Shop	410,148	410,148	174,656	149,550	25,106	14.4%
Total Program Requirements	85,854,960	85,854,960	36,697,068	36,849,726	(152,658)	-0.4%
OTHER REQUIREMENTS						
Utility Billing System Support	4,850,890	4,850,890	2,057,953	2,021,204	36,749	1.8%
Accrued Payroll	365,456	365,456	152,273	0	152,273	100.0%
Interdepartmental Charges	83,121	83,121	34,634	34,611	23	0.1%
Market Study Adjustment	51,284	51,284	21,368	0	21,368	100.0%
Services-PID contract expense	37,500	37,500	37,500	37,500	0	0.0%
Total Other Requirements	5,388,251	5,388,251	2,303,728	2,093,315	(210,413)	-9.1%
DEBT SERVICE REQUIREMENTS						
Trf to Util D/S Separate Lien	83,754,519	83,754,519	29,345,522	29,599,749	(254,227)	-0.9%
Tfr to Utility D/S Sub Lien	5,191,709	5,191,709	2,906,709	2,906,174	535	0.0%
Trf to GO Debt Service	2,086,557	2,086,557	1,043,360	1,041,148	2,212	0.2%
Tfr to Utility D/S Prior Lien	2,092,662	2,092,662	523,662	523,229	433	0.1%
Commercial paper interest	67,017	67,017	27,924	4,945	22,979	82.3%
Tfr to Util D/S Tax/Rev Bonds	457,984	457,984	0	0	0	0.0%
Total Debt Service Requirements	93,650,448	93,650,448	33,847,177	34,075,245	(228,068)	-0.7%

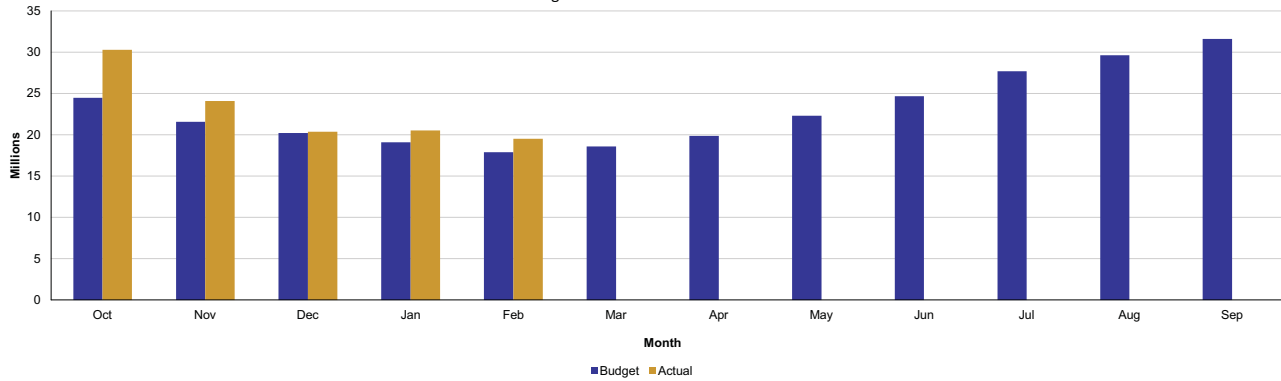
	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
TRANSFERS OUT						
Trf to Wastewater CIP Fund	23,250,000	23,250,000	9,274,000	9,274,000	0	0.0%
Trf to General Fund	19,560,937	19,560,937	8,150,237	8,150,237	0	0.0%
Trf to Support Services Fund	5,015,407	5,015,407	2,089,757	2,089,757	0	0.0%
CTM Support	1,935,636	1,935,636	806,536	806,536	0	0.0%
Trf to Reclaimed Water Fund	1,700,000	1,700,000	708,345	708,345	0	0.0%
Trf to Economic Development	919,749	919,749	383,234	383,234	0	0.0%
Workers' Compensation	643,104	643,104	267,974	267,974	0	0.0%
Liability Reserve	200,000	200,000	83,345	83,345	0	0.0%
Trf to CTECC Fund	4,963	4,963	4,963	4,963	0	0.0%
Total Transfers Out	53,229,796	53,229,796	21,768,391	21,768,391	0	0.0%
TOTAL REQUIREMENTS	238,123,455	238,123,455	94,616,364	94,786,677	(591,139)	-0.6%
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	24,314,038	24,314,038	8,874,161	9,886,261	1,773,379	1.8%
ENDING BALANCE	71,409,004	71,409,004	55,969,127	61,122,157	5,914,309	10.6%
DEBT SERVICE COVERAGE RATIO		1.75	1.87	1.89		

Note: Numbers may not add due to rounding.

REVENUES

Water Services Revenues by Month

Budget vs. Actual FY 2015 -2016

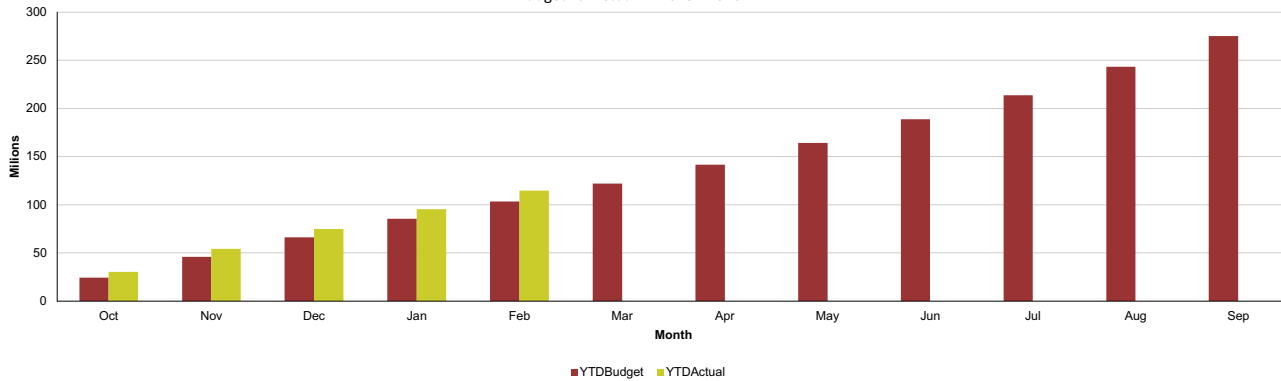


FY 2015 - 2016 Water Service Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	24.48	21.57	20.23	19.10	17.90	18.59	19.87	22.30	24.66	27.70	29.63	31.61
Actual	30.31	24.10	20.36	20.55	19.53							
Variance \$	5.83	2.53	0.13	1.45	1.62							
Variance %	23.8%	11.7%	0.6%	7.6%	9.1%							

Water Services Revenues by Year-to-Date

Budget vs. Actual FY 2015 - 2016



FY 2015 - 2016 Water Service Revenues by Year-to-Date With Variances (Millions)

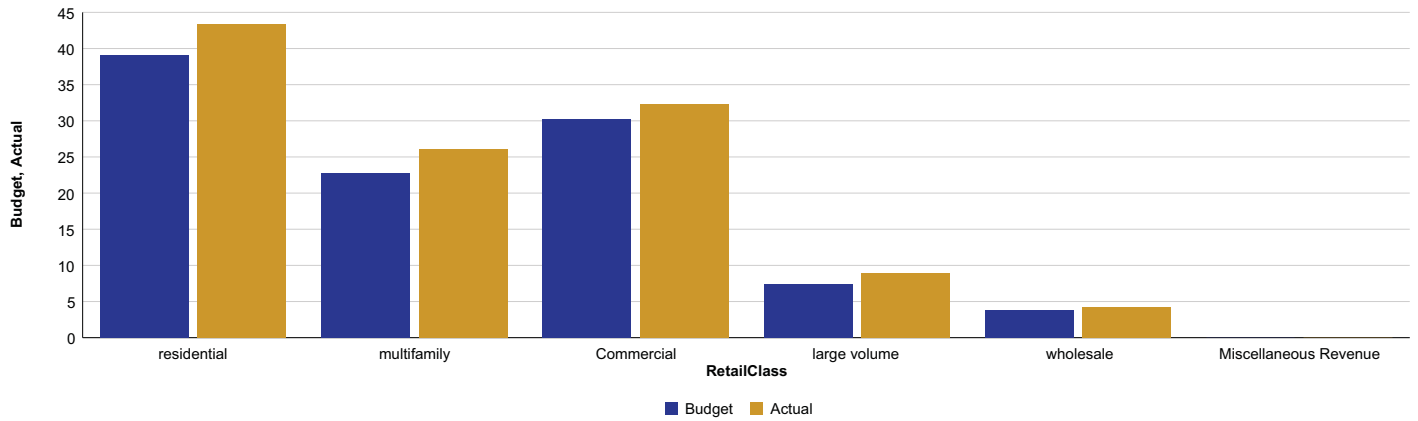
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	24.48	46.05	66.28	85.38	103.28	121.87	141.74	164.04	188.70	213.75	243.38	275.00
YTD Actual	30.31	54.41	74.76	95.31	114.84							
Variance \$	5.83	8.36	8.48	9.93	11.55							
Variance %	23.8%	18.2%	12.8%	11.6%	11.2%							

Water service revenues for February 2016 totaled \$19.53 million. This is \$1.62 million, or 9.1%, more than the budget allotment for the month. For the fiscal year, water service revenues totaled \$114.84 million, which is \$11.55 million, or 11.2%, more than the budget allotment.

Billed water consumption for February 2016 totaled 2.68 billion gallons (BG). This was 0.12 BG, or 4.7%, more than projected for the month. For the fiscal year, billed water consumption totaled 15.87 BG. This was 0.99 BG, or 6.7%, more than projected.

Year-to-Date Water Service Revenues by Customer Class

Budget vs. Actual FY 2015 - 2016



FY 2015 - 2016 Year-to-Date Water Service Revenues by Customer Class With Variances (Millions)

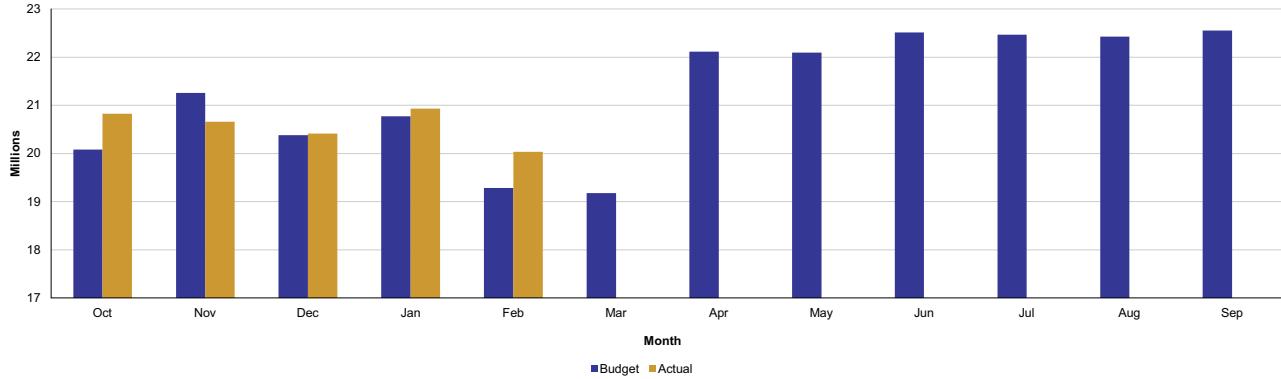
	residential	multifamily	Commercial	large volume	wholesale	Miscellaneous Revenue	Total
Budget	39.11	22.69	30.28	7.42	3.78	0.00	103.28
Actual	43.39	26.11	32.32	8.87	4.15	0.00	114.84
Variance \$	4.28	3.42	2.04	1.44	0.37	0.00	11.55
Variance %	10.9%	15.1%	6.8%	19.4%	9.9%		11.2%

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 February, before any accounts receivable adjustments.

All five customer classes are above projections. Overall, water revenues are 11.2% higher than projected.

WasteWater Services Revenues by Month

Budget vs. Actual FY 2015 - 2016

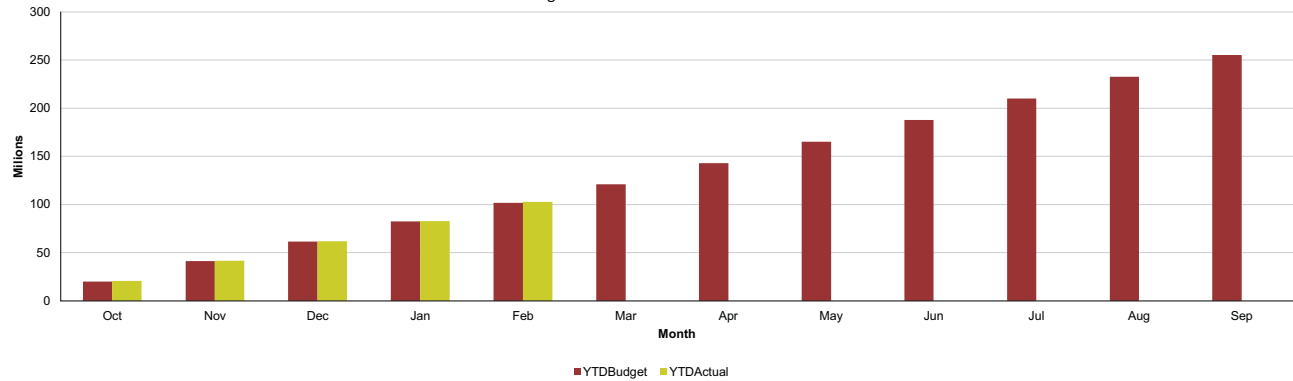


FY 2015 - 2016 Wastewater Service Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	20.08	21.26	20.38	20.77	19.28	19.18	22.11	22.10	22.51	22.46	22.43	22.55
Actual	20.83	20.66	20.42	20.93	20.04							
Variance \$	0.74	(0.60)	0.04	0.16	0.75							
Variance %	3.7%	-2.8%	0.2%	0.8%	3.9%							

WasteWater Services Revenues by Year-to-Date

Budget vs. Actual FY 2015 - 2016



FY 2015 - 2016 Wastewater Service Revenues by Year-to-Date With Variances (Millions)

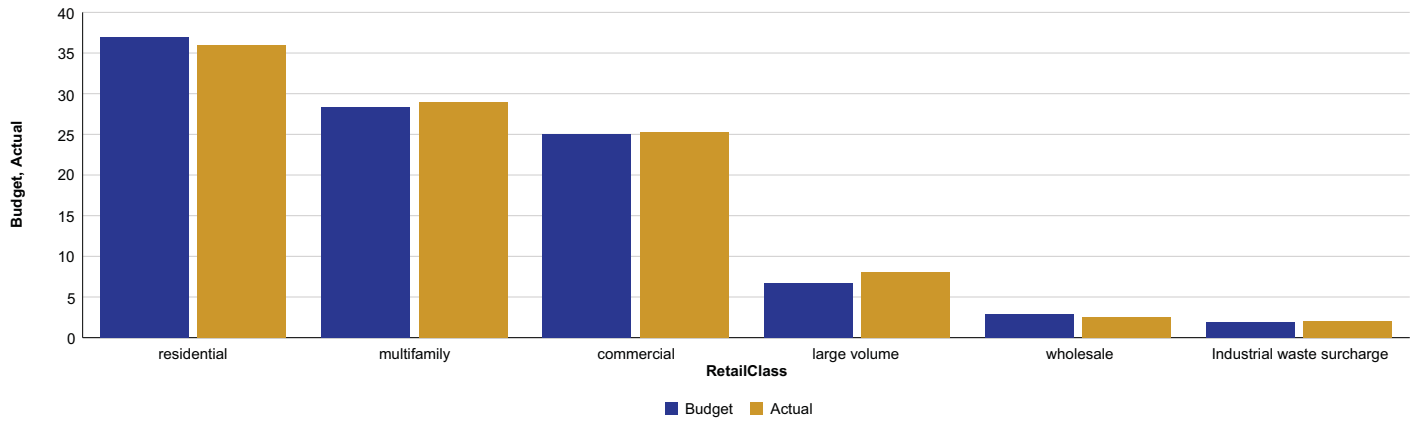
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	20.08	41.34	61.72	82.49	101.77	120.95	143.06	165.16	187.67	210.14	232.56	255.12
YTD Actual	20.83	41.49	61.90	82.83	102.87							
Variance \$	0.74	0.15	0.18	0.34	1.09							
Variance %	3.7%	0.4%	0.3%	0.4%	1.1%							

Wastewater service revenues for February 2016 totaled \$20.04 million. This is \$0.75 million or 3.9% more than the budget allotment for the month. For the fiscal year, Wastewater service revenues totaled \$102.87 million. This is \$1.09 million, or 1.1%, more than the budget allotment.

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 2015 - 2016



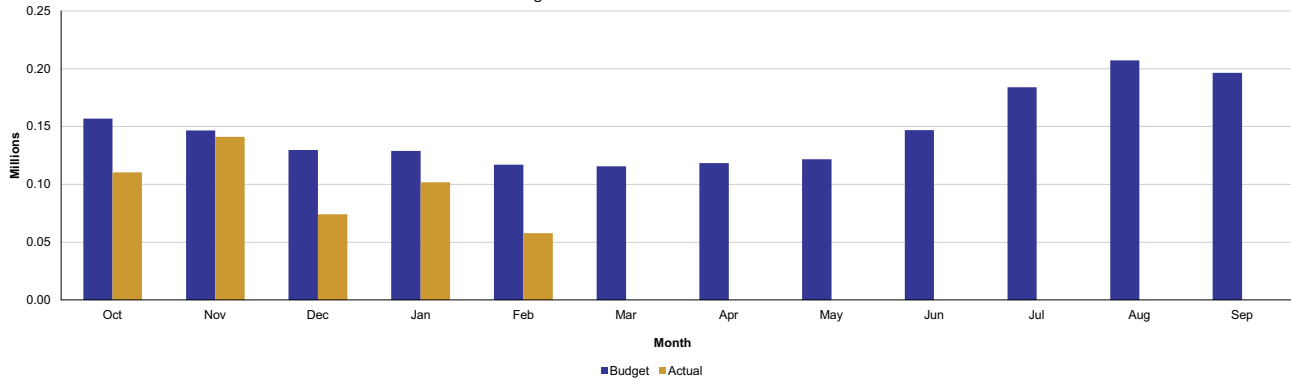
FY 2015 - 2016 Year-to-Date WasteWater Service Revenues by Customer Class With Variances (Millions)

	residential	multifamily	commercial	large volume	wholesale	Industrial waste surcharge	Total
Budget	36.95	28.33	24.98	6.74	2.86	1.91	101.77
Actual	35.93	28.99	25.30	8.11	2.55	1.98	102.87
Variance \$	(1.02)	0.66	0.33	1.37	(0.31)	0.07	1.09
Variance %	-2.8%	2.3%	1.3%	20.3%	-10.8%	3.9%	1.1%

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 Wholesale are below projections by 2.8% and 10.8%, respectively. These negative variances are largely offset by the Large Volume revenues' positive variance of 20.3%. Overall, wastewater revenues are 1.1% above projections.

Reclaimed Services Revenues by Month

Budget vs. Actual FY 2015 - 2016

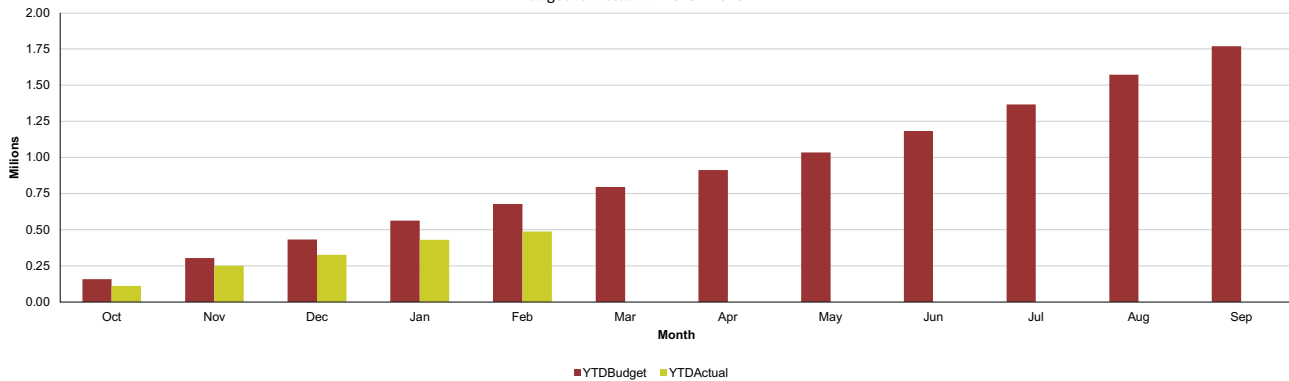


FY 2015 - 2016 Reclaimed Service Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	0.16	0.15	0.13	0.13	0.12	0.12	0.12	0.12	0.15	0.18	0.21	0.20
Actual	0.11	0.14	0.07	0.10	0.06							
Variance \$	(0.05)	(0.01)	(0.06)	(0.03)	(0.06)							
Variance %	-29.6%	-3.9%	-42.9%	-20.9%	-50.6%							

Reclaimed Services Revenues by Year-to-Date

Budget vs. Actual FY 2015 - 2016



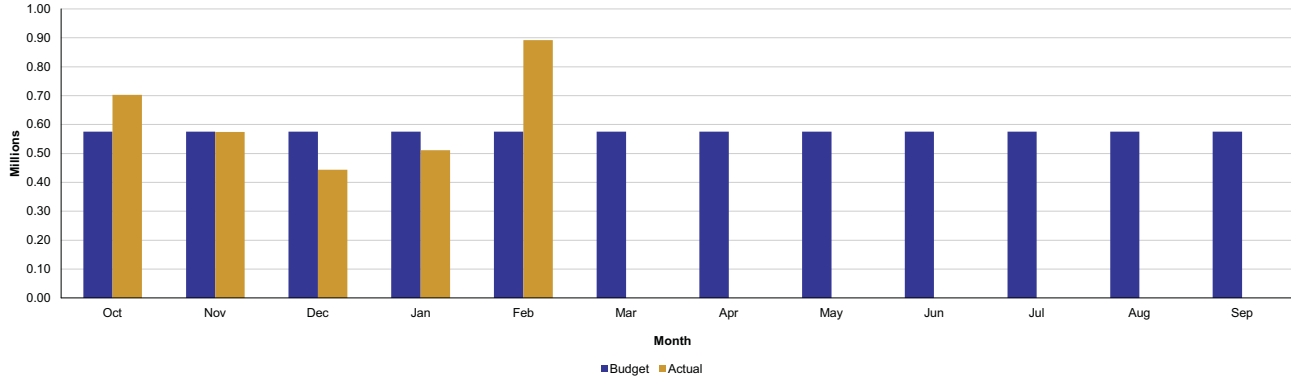
FY 2015 - 2016 Reclaimed Service Revenues by Year-to-Date With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	0.16	0.30	0.43	0.56	0.68	0.80	0.91	1.04	1.18	1.37	1.57	1.77
YTD Actual	0.11	0.25	0.33	0.43	0.49							
Variance \$	(0.05)	(0.05)	(0.10)	(0.13)	(0.19)							
Variance %	-29.6%	-17.2%	-24.9%	-24.0%	-28.3%							

Reclaimed Water service revenues for February 2016 totaled \$0.06 million. This is \$0.06 million or 50.6% less than the budget allotment for the month. For the fiscal year, Reclaimed Water service revenues totaled \$0.49 million. This is \$0.19 million or 28.3% less than the budget allotment.

Miscellaneous Revenues by Month

Budget vs. Actual FY 2015 - 2016

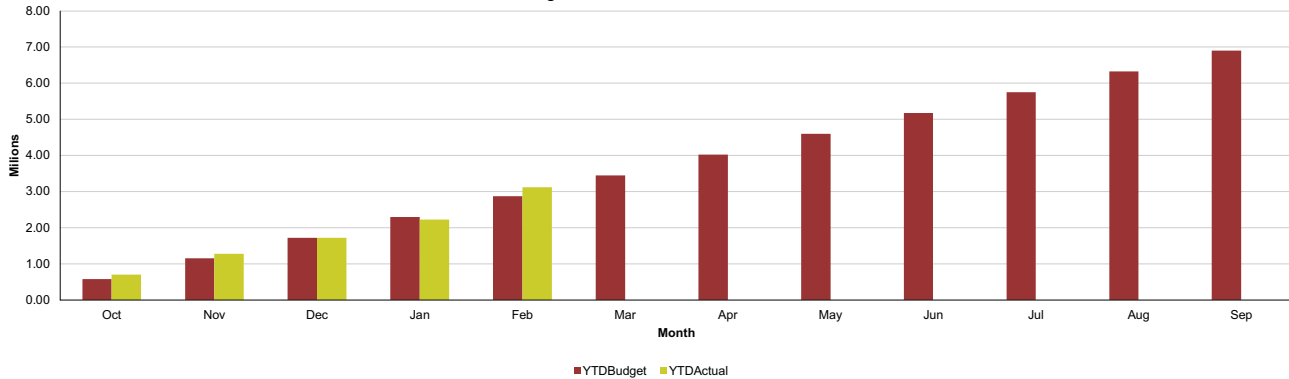


FY 2015 - 2016 Miscellaneous Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58
Actual	0.70	0.57	0.44	0.51	0.89							
Variance \$	0.13	(0.00)	(0.13)	(0.06)	0.32							
Variance %	22.2%	-0.1%	-22.8%	-11.1%	55.0%							

Miscellaneous Revenues by Year-to-Date

Budget vs. Actual FY 2015 - 2016



FY 2015 - 2016 Miscellaneous Revenues by Year-to-Date With Variances (Millions)

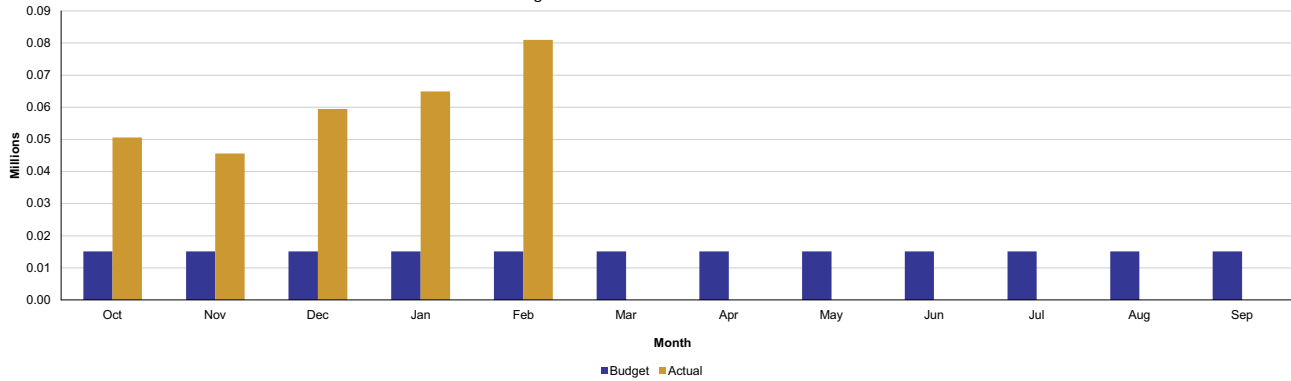
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	0.58	1.15	1.73	2.30	2.88	3.45	4.03	4.60	5.18	5.75	6.33	6.90
YTD Actual	0.70	1.28	1.72	2.23	3.12							
Variance \$	0.13	0.13	(0.01)	(0.07)	0.24							
Variance %	22.2%	11.0%	-0.3%	-3.0%	8.2%							

Miscellaneous revenues include revenue from sources other than water and wastewater services, primarily from telecommunication lease agreement fees. Miscellaneous revenues for February 2016 totaled \$0.89 million. This is \$0.32 million, or 55.0%, more than the budget allotment for the month.

The combined miscellaneous revenues for the fiscal year totaled \$3.12 million. This is \$0.24 million, or 8.2%, more than the budget allotment.

Interest Income by Month

Budget vs. Actual FY 2015 - 2016

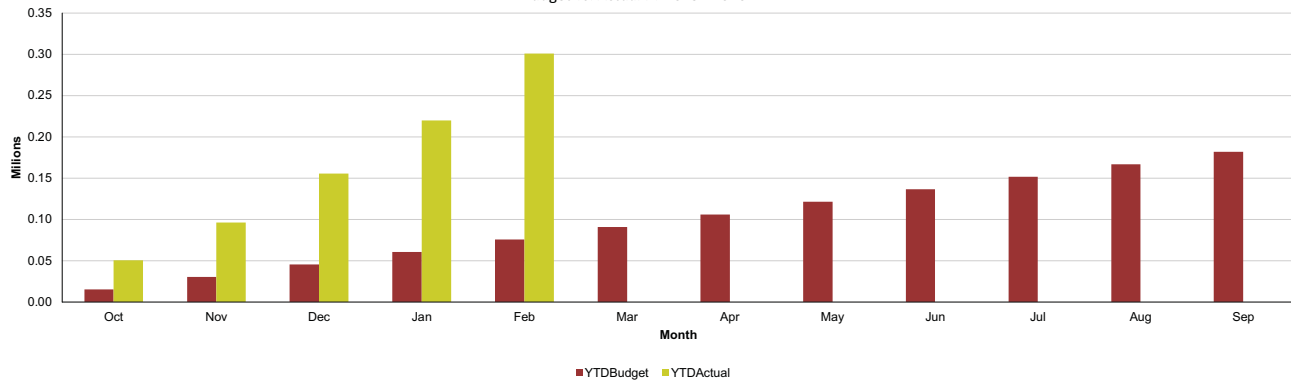


FY 2015 - 2016 Interest Income by Month With Variances (Millions)

	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	0.05	0.05	0.06	0.06	0.08							
Variance \$	0.04	0.03	0.04	0.05	0.07							
Variance %	234.0%	201.0%	292.1%	328.4%	434.5%							

Interest Income by Year-to-Date

Budget vs. Actual FY 2015 - 2016



FY 2015 - 2016 Interest Income by Year-to-Date With Variances (Millions)

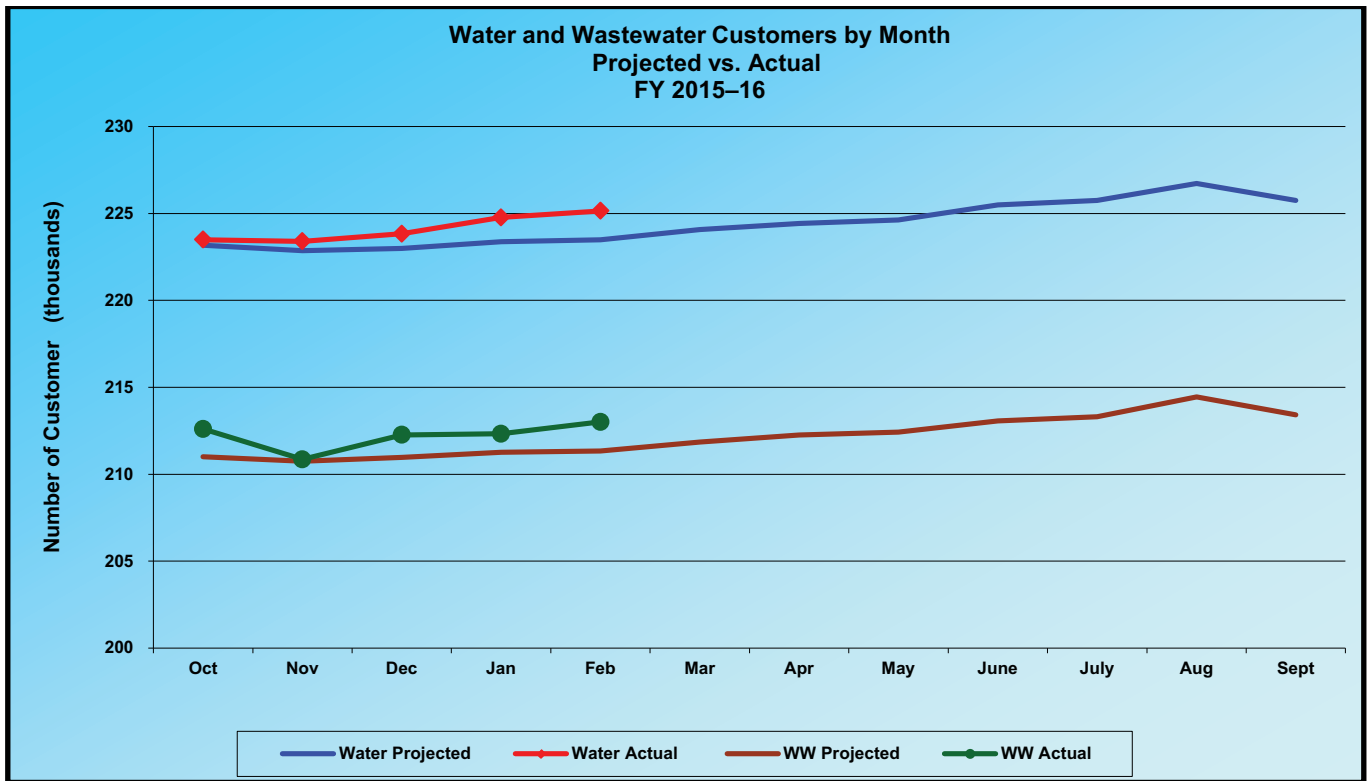
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	0.02	0.03	0.05	0.06	0.08	0.09	0.11	0.12	0.14	0.15	0.17	0.18
YTD Actual	0.05	0.10	0.16	0.22	0.30							
Variance \$	0.04	0.07	0.11	0.16	0.22							
Variance %	234.0%	217.5%	242.4%	263.9%	284.0%							

Interest income includes interest allocated from the City's Investment Pool, the Debt Service Fund, and the CIP funds. Combined interest income for February 2016 totaled \$80,999. This is \$0.07 million more than the budget allotment for the month.

Interest income for the fiscal year totaled \$301,584. This total is 284.0% more than the budget allotment due to market conditions which have resulted in improved interest earnings.

CUSTOMER DEMAND CHARACTERISTICS

Number of Customers



FY 2015–16 Number of Water and Wastewater Customers Compared to Projections

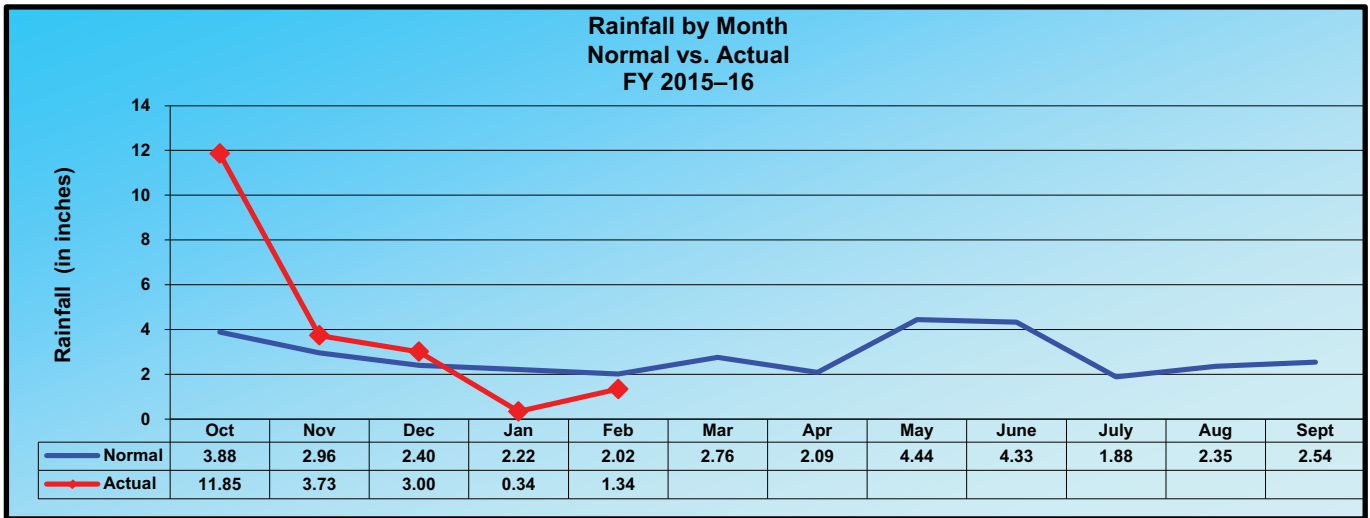
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Water												
Projected	223,166	222,857	222,987	223,383	223,495	224,079	224,419	224,622	225,490	225,757	226,723	225,747
Actual	223,491	223,396	223,833	224,769	225,148							
Variance	325	539	846	1,386	1,653							
Monthly Change	6,457	(95)	437	936	378							
Wastewater												
Projected	210,997	210,741	210,969	211,269	211,333	211,849	212,262	212,416	213,072	213,308	214,441	213,411
Actual	212,605	210,856	212,260	212,323	213,007							
Variance	1,608	115	1,291	1,054	1,674							
Monthly Change	8123	(1,749)	1,404	63	684							

The actual number of water customers as of February 29, 2016, was 225,148. This was 378 more customers than last month, and 1,653 more customers than projected for this date. There were 223,162 water customers as of September 30, 2015.

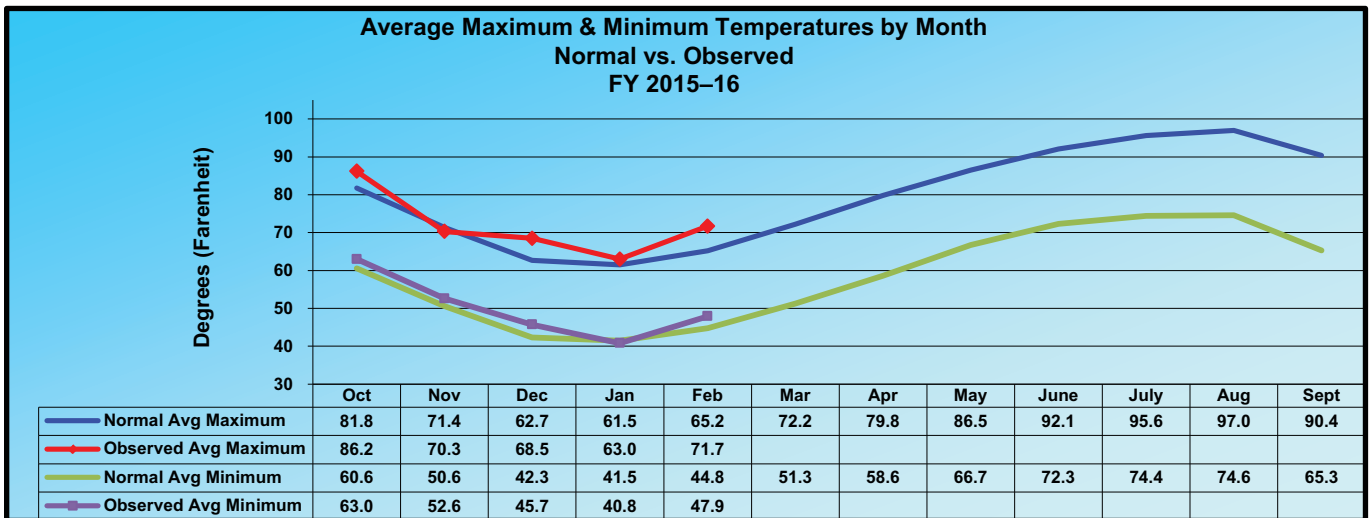
The actual number of wastewater customers as of February 29, 2016, was 213,007. This was 684 more customers than last month, and 1,674 more customers than projected for this date. There were 212,260 wastewater customers as of September 30, 2015.

The projected number of customers for fiscal year 2015–16 was determined in April 2015 using an historical 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



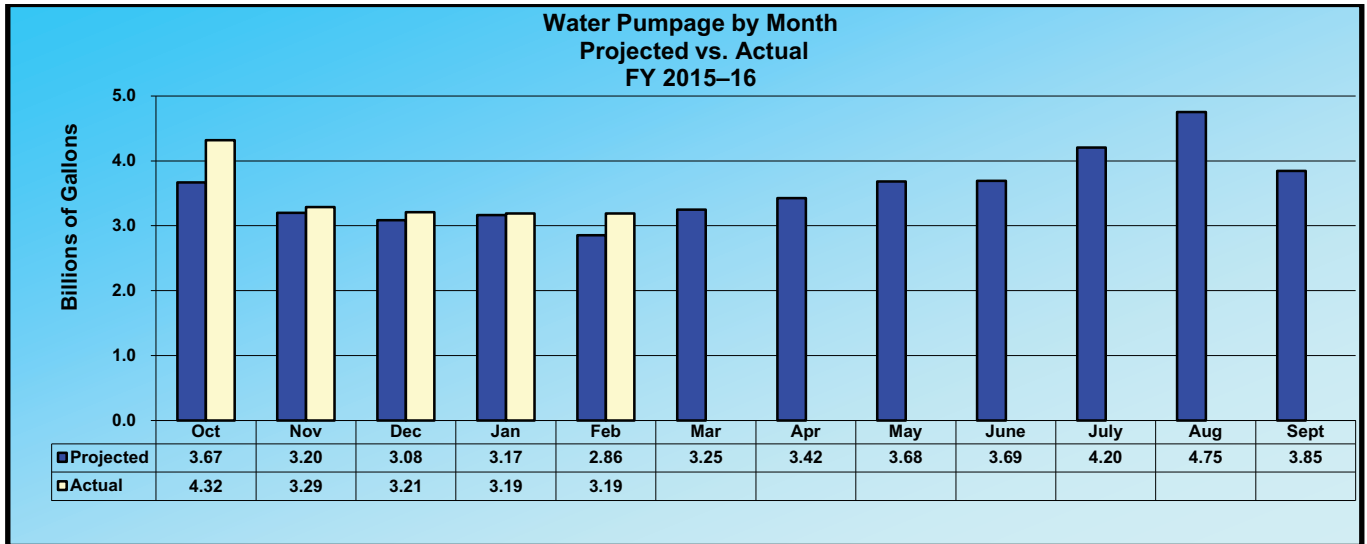
Monthly normal rainfall is based on a 30-year history as reported by the National Weather Service for Austin-Camp Mabry. Last fiscal year the total rainfall was 51.83 inches, 53% more than the normal amount of 33.88 inches. In February, there was 1.34 inches of rain, 0.68 inches below normal for the month. For the fiscal year to date, rainfall has totaled 20.26 inches, 50.30% more than the normal amount of 13.48 inches; this overage primarily results from the Halloween 2015 flooding in Central Texas. 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.



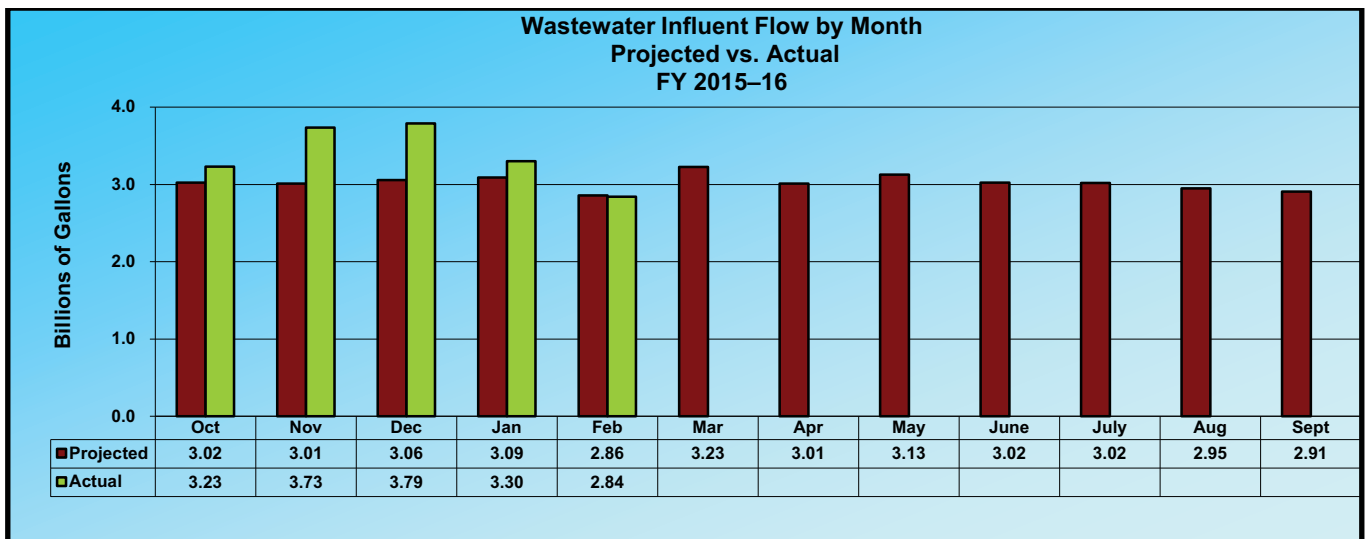
Monthly average maximum and minimum temperatures are reported by the National Weather Service for Austin-Camp Mabry. On average, last fiscal year's temperatures were consistent with historical norms. This fiscal year temperatures are slightly warmer than historic norms, on average.

The combined storage capacity in the Highland Lakes' two water storage reservoirs, Travis and Buchanan, is at 90% as of February 2016.

Water Pumpage and Wastewater Influent Flow by Month

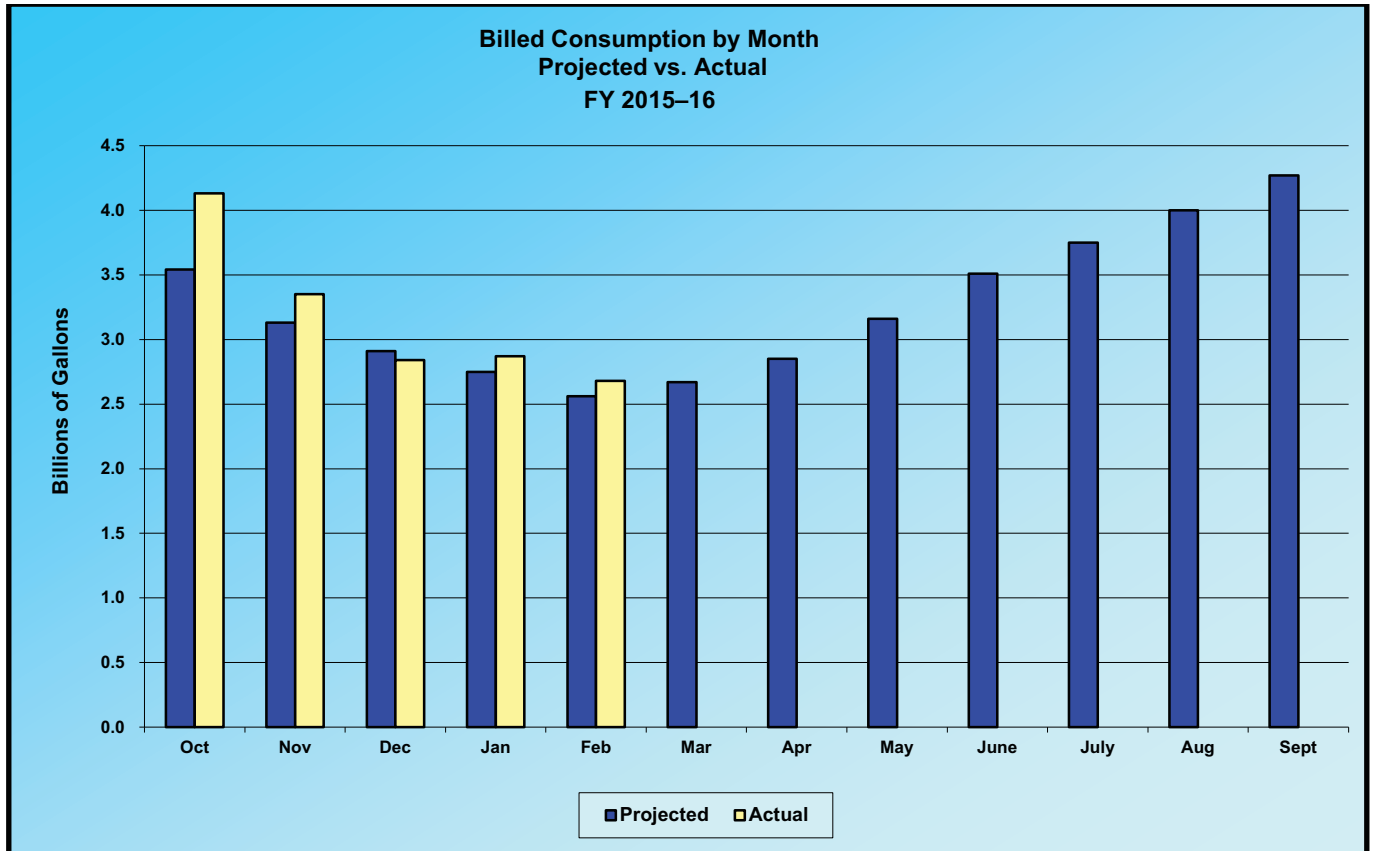


Pumpage during February 2016 averaged 109.96 MGD for a total of 3.19 BG for the month. This compares to a daily average of 113.12 MGD for this fiscal year through February, and a daily average of 108.48 MGD for fiscal year 2014–15 through February.



Influent during February 2016 averaged 98.00 MGD for a total of 2.84 BG for the month. This compares to a daily average of 111.22 MGD for this fiscal year through February, and an average of 102.27 MGD for fiscal year 2014–15 through February.

Billed Water Consumption

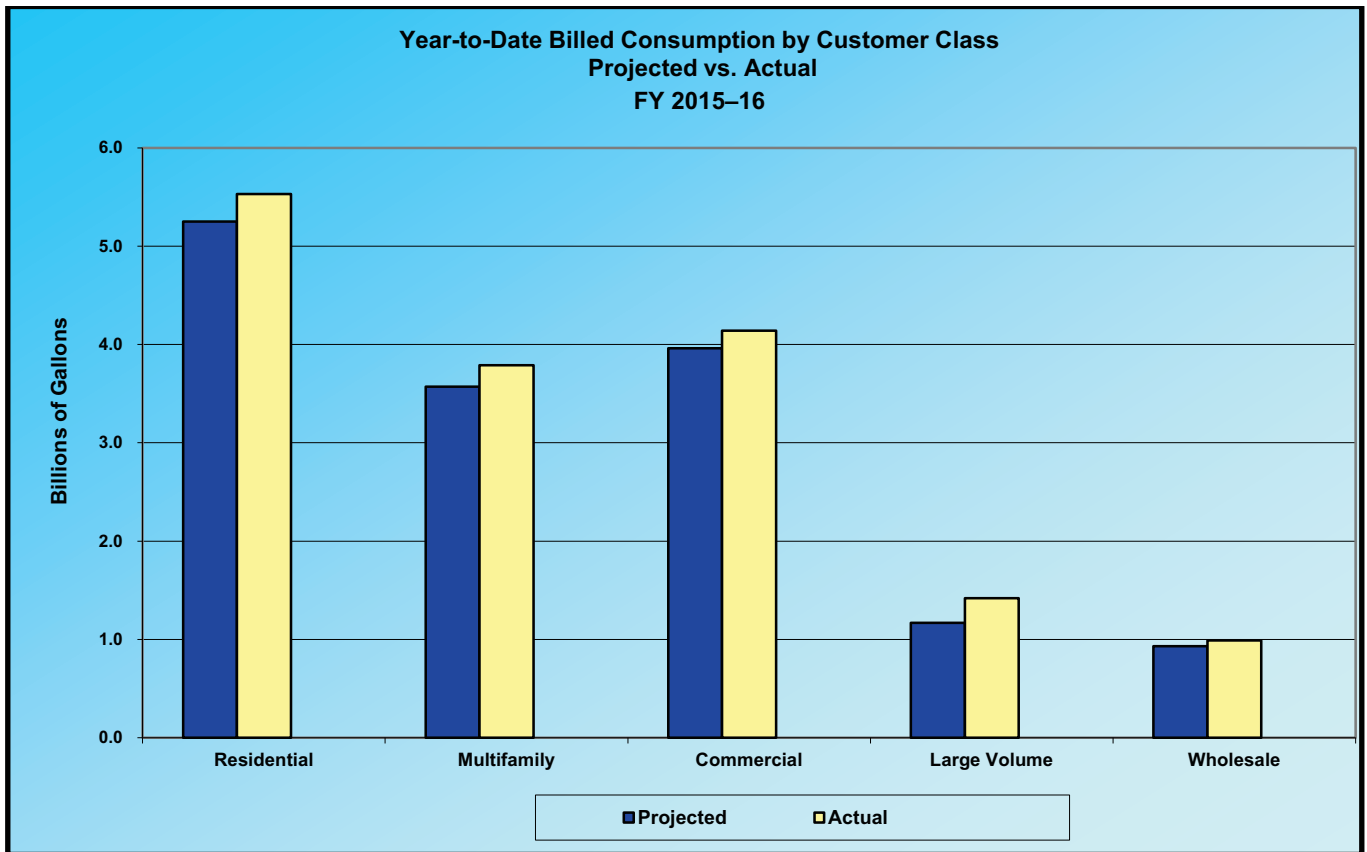


FY 2015–16 Billed Consumption by Month and Year-to-Date (Billions of Gallons)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Month												
Projected	3.54	3.13	2.91	2.75	2.56	2.67	2.85	3.16	3.51	3.75	4.00	4.27
Actual	4.13	3.35	2.84	2.87	2.68							
Variance	0.59	0.22	(0.07)	0.12	0.12							
Variance %	16.7%	7.0%	-2.4%	4.4%	4.7%							
YTD												
Projected	3.54	6.67	9.58	12.32	14.88	17.54	20.39	23.55	27.07	30.81	34.82	39.09
Actual	4.13	7.48	10.32	13.19	15.87							
Variance	0.59	0.81	0.74	0.87	0.99							
Variance %	16.7%	12.1%	7.7%	7.1%	6.7%							

Actual billed water consumption for February 2016 was 2.68 BG. This was 0.12 BG, or 4.7%, more than projected for the month. For the fiscal year, actual billed water consumption was 15.87 BG. This was 0.99 BG, or 6.7%, more than projected for the period.

Billed Water Consumption (continued)

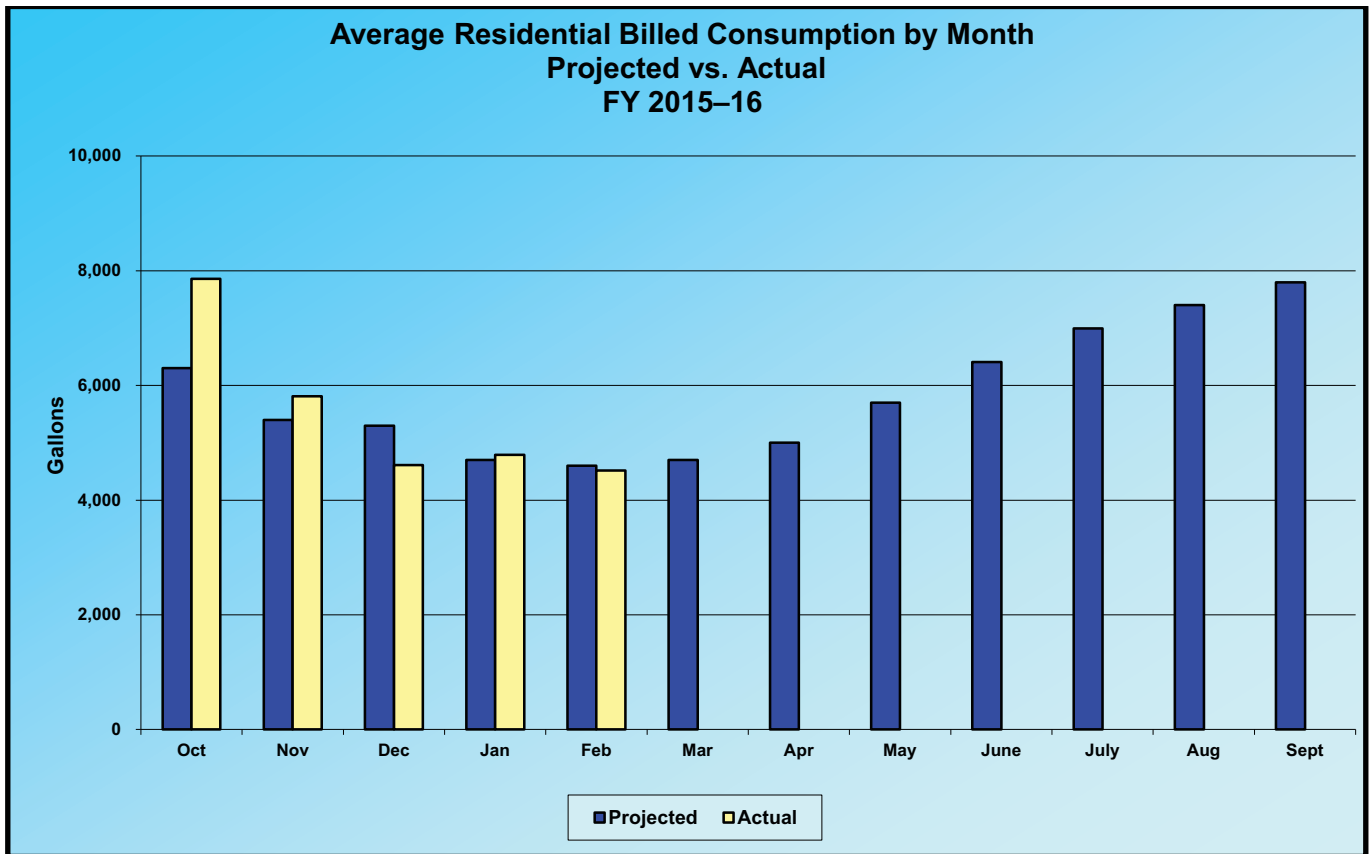


FY 2015–16 Year-to-Date Billed Consumption by Customer Class With Variances (Billions of Gallons)

	Residential	Multifamily	Commercial	Large Volume	Wholesale
<u>YTD</u>					
Projected	5.25	3.57	3.96	1.17	0.93
Actual	5.53	3.79	4.14	1.42	0.99
Variance	0.28	0.22	0.18	0.25	0.06
Variance %	5.3%	6.2%	4.5%	21.4%	6.5%

For the fiscal year through February 2016, billed water consumption was 15.87 BG. This was 0.99 BG, or 6.7%, more than projected for all customer classes combined. All customer classes were above projections for the month.

Billed Water Consumption (continued)

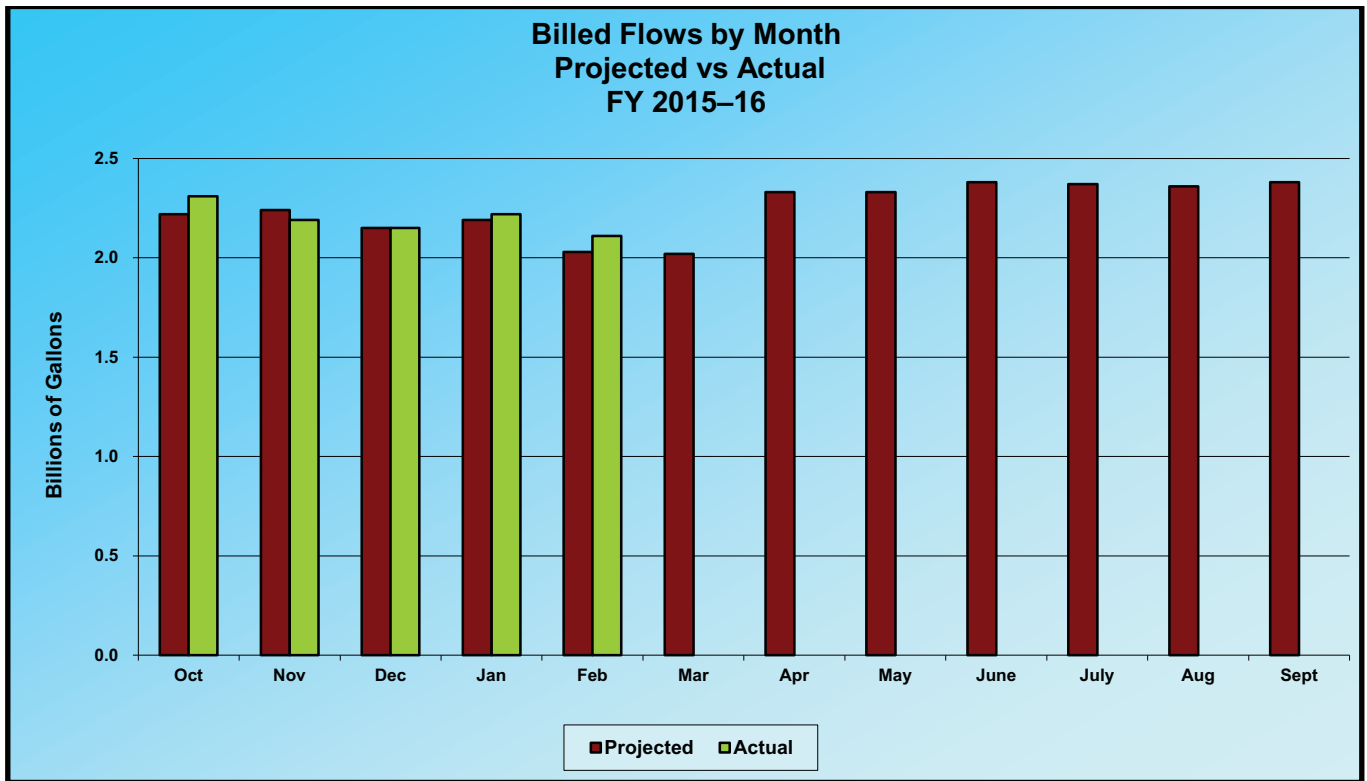


FY 2015–16 Average Residential Billed Consumption by Month

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Projected	6,300	5,400	5,300	4,700	4,600	4,700	5,000	5,700	6,410	6,995	7,400	7,800
Actual	7,857	5,813	4,613	4,790	4,514							
Variance	1,557	413	(687)	90	(86)							
Variance %	24.7%	7.6%	-13.0%	1.9%	-1.9%							

Average Residential billed consumption for February 2016 was 4,514 gallons. This was 86 gallons, or 1.9%, less than projected for the month.

Billed Wastewater Flows



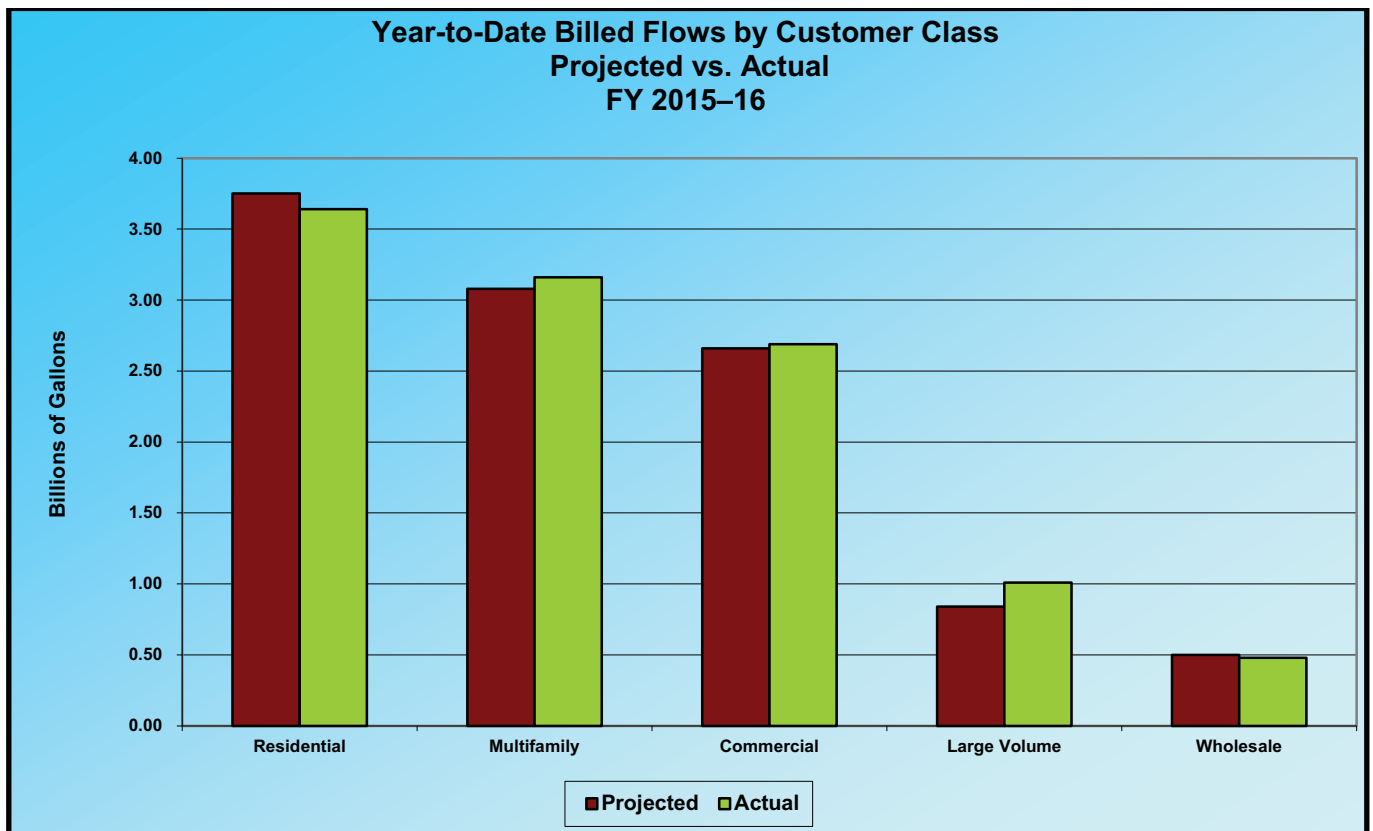
FY 2015–16 Billed Flows by Month and Year-to-Date (Billions of Gallons)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
<u>Month</u>												
Projected	2.22	2.24	2.15	2.19	2.03	2.02	2.33	2.33	2.38	2.37	2.36	2.38
Actual	2.31	2.19	2.15	2.22	2.11							
Variance	0.09	(0.05)	0.0	0.03	0.08							
Variance %	4.1%	-2.2%	0.0%	1.4%	3.9%							
<u>YTD</u>												
Projected	2.22	4.46	6.61	8.80	10.83	12.85	15.18	17.51	19.88	22.25	24.61	26.99
Actual	2.31	4.50	6.65	8.87	10.98							
Variance	0.09	0.04	0.04	0.07	0.15							
Variance %	4.1%	0.9%	0.6%	0.8%	1.4%							

Actual billed flows for February 2016 were 2.11 BG. This was 0.08 BG, or 3.9% above the projection for the month. For the fiscal year, actual billed flows were 10.98 BG. This was 0.15 BG, or 1.4%, more than projected flows for the year.

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)

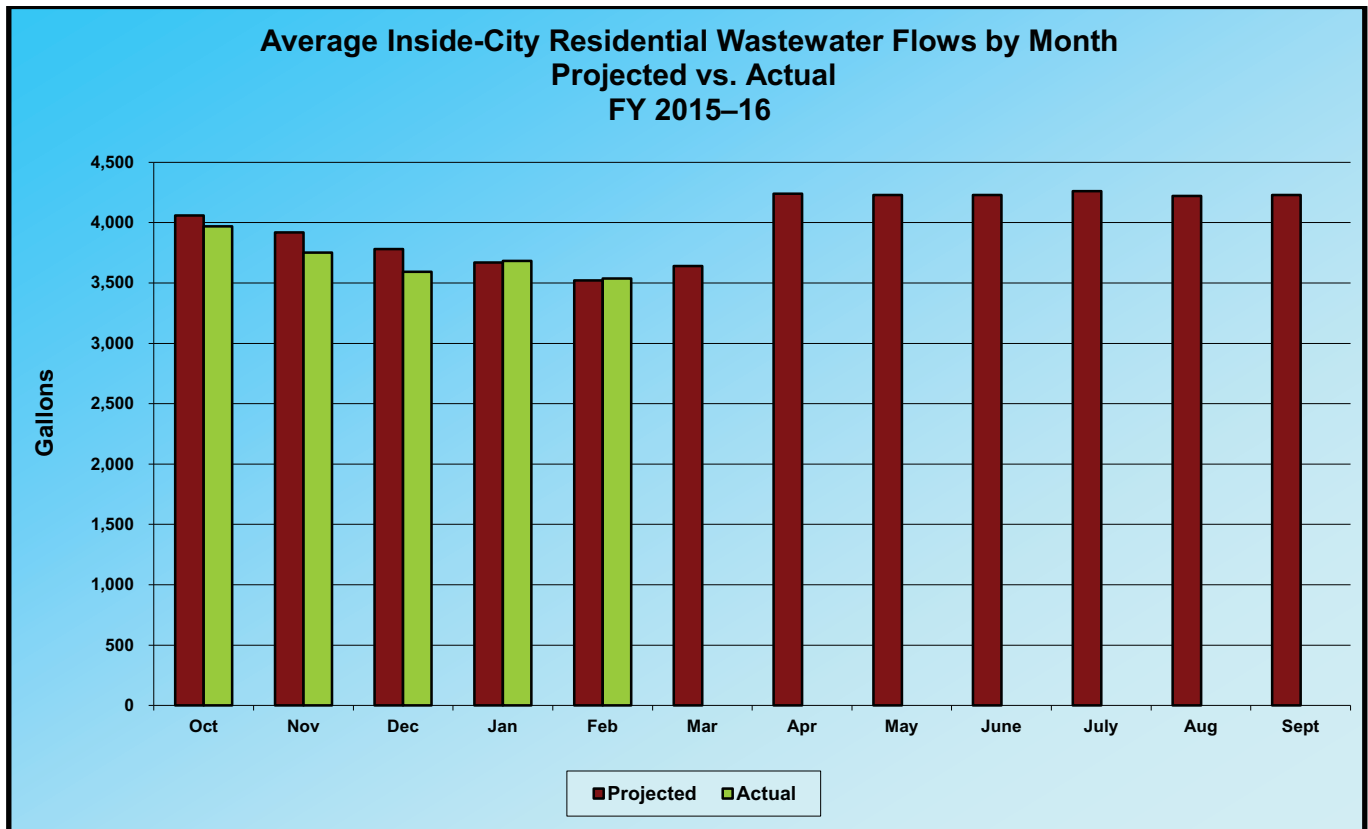


FY 2015–16 Year-to-Date Billed Flows by Customer Class With Variances (Billions of Gallons)

	Residential	Multifamily	Commercial	Large Volume	Wholesale
YTD					
Projected	3.75	3.08	2.66	0.84	0.50
Actual	3.64	3.16	2.69	1.01	0.48
Variance	(0.11)	0.08	0.03	0.17	(0.02)
Variance %	-2.9%	2.6%	1.1%	20.2%	-4.0%

Overall, billed wastewater flows were 10.98 BG for the fiscal year through February 2016. As shown in the table above, billed wastewater flows were below projections in two of the five customer classes. However, the Large Volume class exceeded projected billed volume by 20.2% and offset the lower billed flows in other classes.

Billed Wastewater Flows (continued)



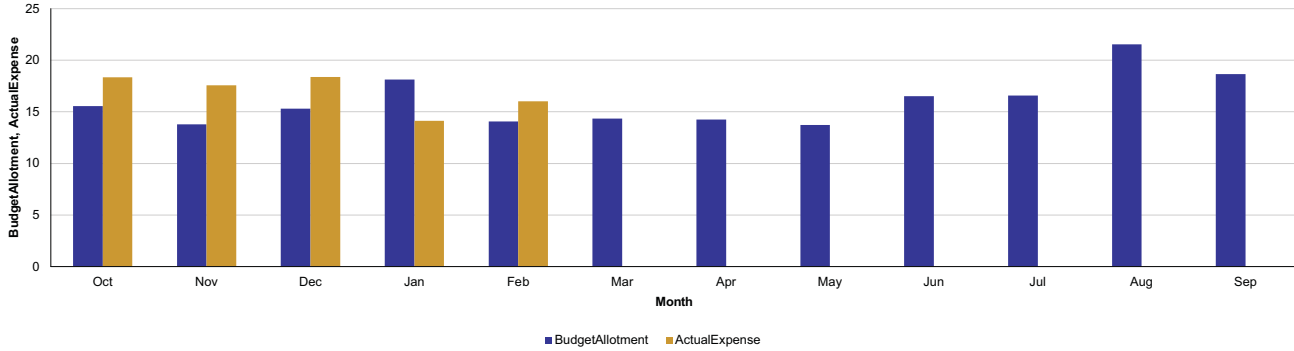
FY 2015–16 Average Inside City Residential Flows by Month

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Projected	4,060	3,920	3,780	3,670	3,520	3,640	4,240	4,230	4,230	4,260	4,220	4,230
Actual	3,970	3,752	3,593	3,684	3,537							
Variance	(90)	(168)	(187)	14	17							
Variance %	-2.2%	-4.3%	-4.9%	0.4%	0.5%							

The average Residential billed flow for February 2016 was 3,537 gallons. This was 17 gallons, or 0.5%, more than projected for the month.

OPERATING REQUIREMENTS

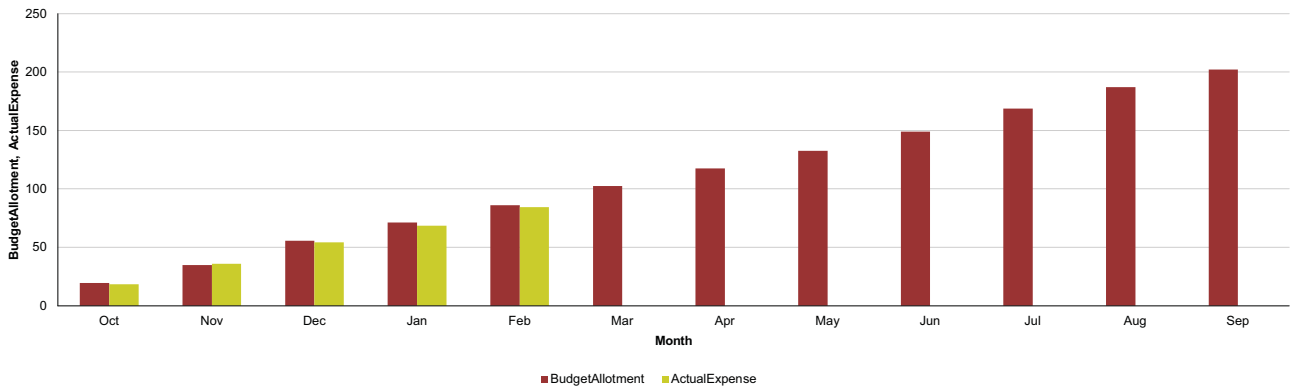
Program Operating and Other Requirements by Month
Budget vs Actual FY 2015 - 2016



FY 2015 - 2016 Program Operating and Other Requirements by Month With Variances (Millions)

Month	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
BudgetAllotment	19.39	15.41	20.71	15.65	14.84	16.46	15.02	15.05	16.36	19.74	18.45	15.13
ActualExpense	18.34	17.55	18.37	14.13	16.02							
Variance \$	1.06	(2.14)	2.34	1.52	(1.18)							
Variance %	5.5%	-13.9%	11.3%	9.7%	-7.9%							

Program Operating Requirements by Year-to-Date
Budget vs Actual FY 2015 - 2016



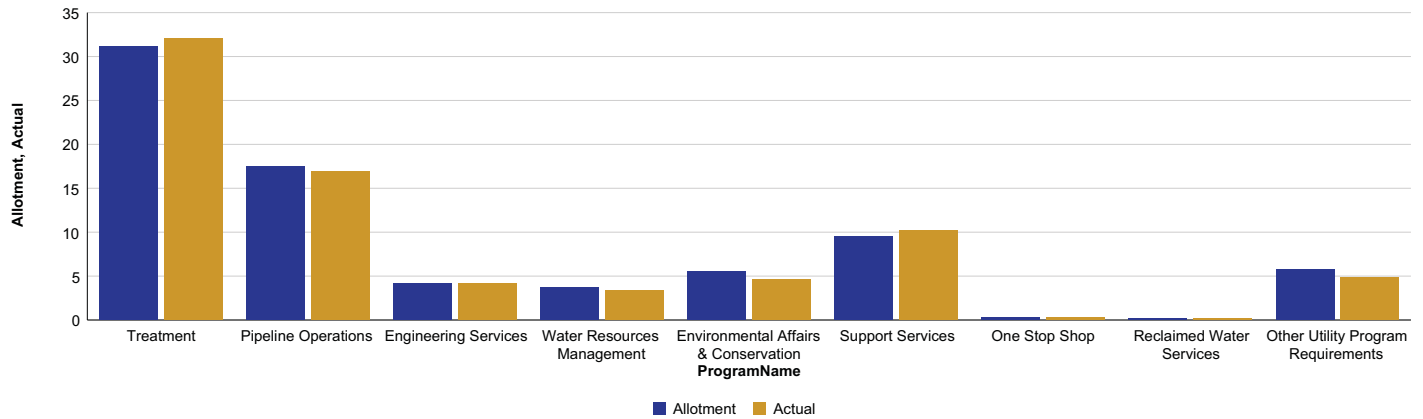
FY 2015 - 2016 Program Operating Requirements by Year-to-Date With Variances (Millions)

YTD	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
BudgetAllotment	19.39	34.80	55.52	71.17	86.01	102.47	117.49	132.54	148.91	168.65	187.10	202.24
ActualExpense	18.34	35.89	54.26	68.38	84.40							
Variance \$	1.06	(1.08)	1.26	2.78	1.61							
Variance %	5.5%	-3.1%	2.3%	3.9%	1.9%							

Total Program Operating and Other Requirements for the fiscal year through February 2016 were \$45.29 million for water, \$38.94 million for wastewater, and \$0.17 million for reclaimed water. The combined Program Operating and Other Requirements of \$84.40 million were \$1.61 million, or 1.9%, below the budget allotment.

YTD Program Operating Requirements by Program

Budget vs. Actual FY 2015 - 2016



FY 2015 - 2016 YTD Program Operating Requirements by Program through February 2016 (Millions)

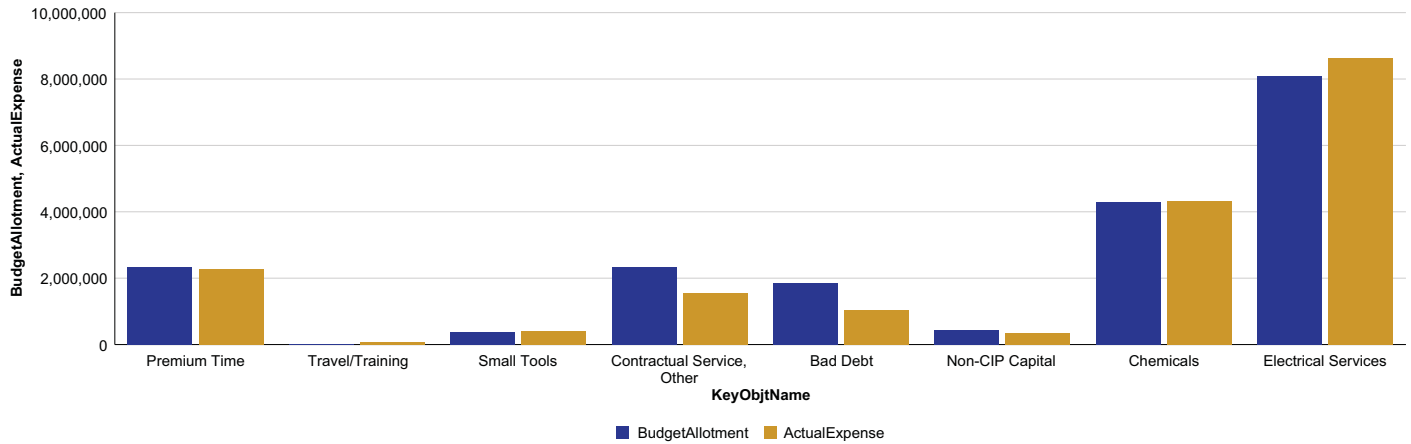
	Treatment	Pipeline Operations	Engineering Services	Water Resources Management	Environmental Affairs & Conservation	Support Services	One Stop Shop	Reclaimed Water Services	Other Utility Program Requirements	Total
Allotment	31.15	17.46	4.13	3.72	5.52	9.54	0.28	0.16	5.77	77.74
Actual	32.09	16.94	4.15	3.39	4.64	10.22	0.25	0.16	4.80	76.63
Variance \$	(0.93)	0.53	(0.01)	0.33	0.88	(0.68)	0.03	0.00	0.96	1.11
Variance %	-3.0%	3.0%	-0.3%	8.9%	15.9%	-7.1%	9.8%	-0.4%	16.7%	1.4%

Total Operating Program Requirements as of February 29, 2016 were \$39.61 million for Water, \$36.85 million for Wastewater, and \$0.17 million for Reclaimed Water. The combined Program Operating Requirements of \$76.63 million were \$1.11 million or 1.4% below the allotment.

Environmental Affairs & Conservation was \$0.88 million or 15.9% below allotment due to lower than anticipated expenses in several areas such as Water Conservation service contracts, advertising and publication, as well as lower spending for the Water Conservation Rebate Program.

Other Utility Program Requirements was \$0.96 million or 16.7% below allotment due to lower than estimated spending for bad debt expense; commercial paper administration expense; rental copy machines; and legal services.

YTD Key Operating Object Codes - Budget Vs Actual - FY 2015 - 2016



FY 2015 - 2016 YTD Operating Requirements Key Object Codes With Variance through February 2016

	Premium Time	Travel/Training	Small Tools	Contractual Service, Other	Bad Debt	Non-CIP Capital	Chemicals	Electrical Services	Total
BudgetAllotment	2,336,384	22,371	369,476	2,348,153	1,861,866	423,819	4,283,548	8,097,389	19,743,005
ActualExpense	2,281,368	89,125	394,901	1,549,294	1,024,794	341,851	4,329,209	8,636,416	18,646,958
Variance \$	55,016	(66,754)	(25,425)	798,858	837,073	81,968	(45,661)	(539,027)	1,096,048
Variance %	2.4%	-298.4%	-6.9%	34.0%	45.0%	19.3%	-1.1%	-6.7%	5.6%

Travel and Training was \$66,754 or 298.4% above allotment primarily due to a large training contract encumbrance for Collection System Engineering Division.

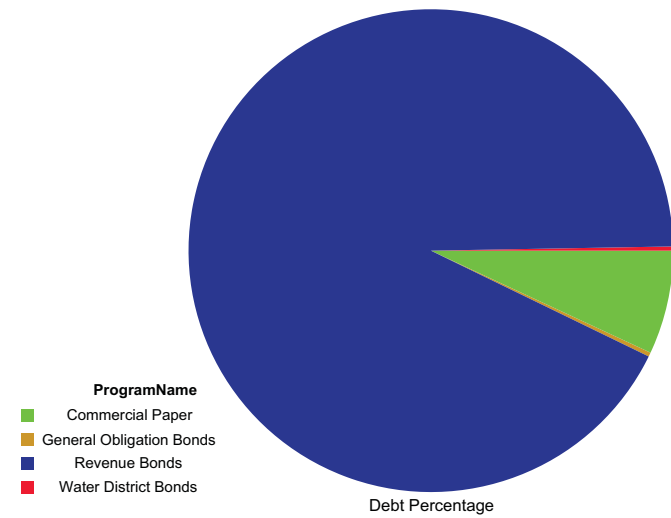
Contractual Service, Other was \$798,858 or 34.0% below allotment due to lower than estimated spending in the Water Conservation Division, Construction and Rehabilitation Services, and Distribution System Engineering Division, as well as lower spending for emergency service contracts for the Utility as a whole.

Non-CIP Capital was \$81,968 or 19.3% below allotment due to lower than estimated spending at Walnut Creek Operations and Hornsby Bend Bio solid Plant in Wastewater Treatment Division, Collection System Service Division, and AW Electrical Service Division.

DEBT OUTSTANDING & DEBT SERVICE

Total Debt outstanding By Type

Total Debt as of February 2016 \$2,412,459,293 (Principal Only)



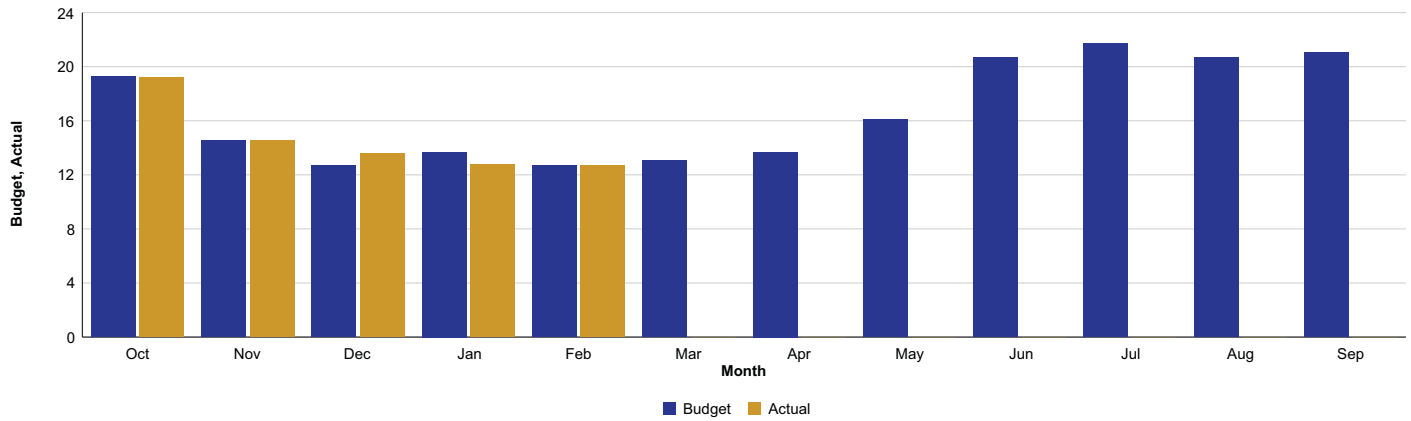
	Debt Outstanding \$	Debt Outstanding %
Commercial Paper	168,535,000	7.0%
General Obligation Bonds *	8,705,690	0.4%
Revenue Bonds *	2,229,808,917	92.4%
Water District Bonds	5,409,686	0.2%
Total	2,412,459,293	100%

*Amount outstanding will be adjusted based on audited accounting entries from the Controller's Office.

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	11,021.31
2016	10,714.99

Combined Debt Service by Month (in Millions)

Budget vs. Actual - FY 2015 - 2016

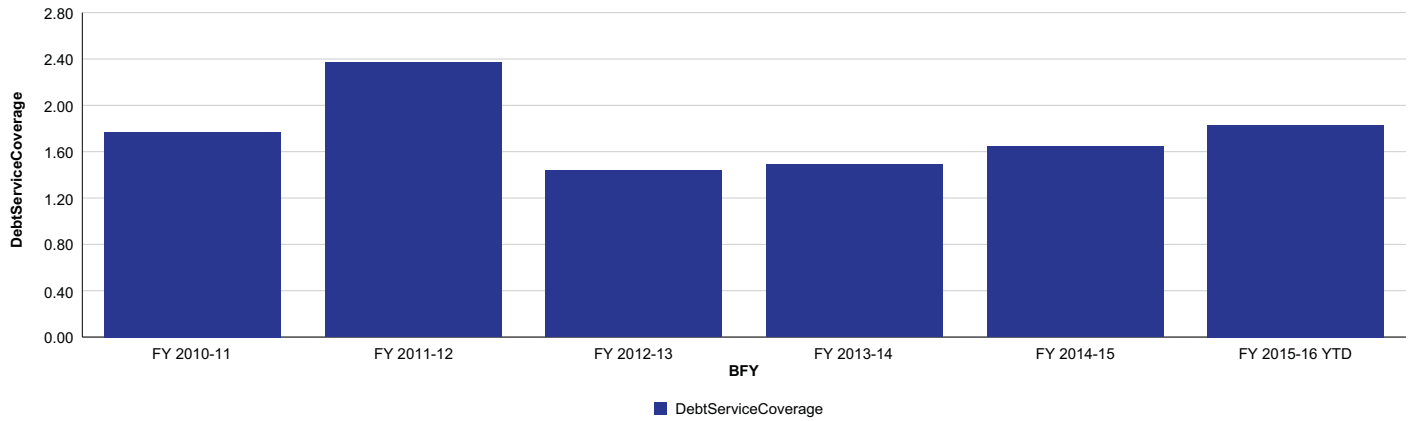


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Budget	19.25	14.52	12.69	13.69	12.69	13.06	13.69	16.08	20.71	21.71	20.71	21.07	199.88
Actual	19.21	14.54	13.56	12.78	12.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72.76

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 February 2016 was \$12.67 million, \$0.02 million less than projected for the month. Combined debt service for the fiscal year was \$72.76 million or \$0.08 million less than projected.

Debt Service Coverage

FY 2010- 2011 thru 2015-2016

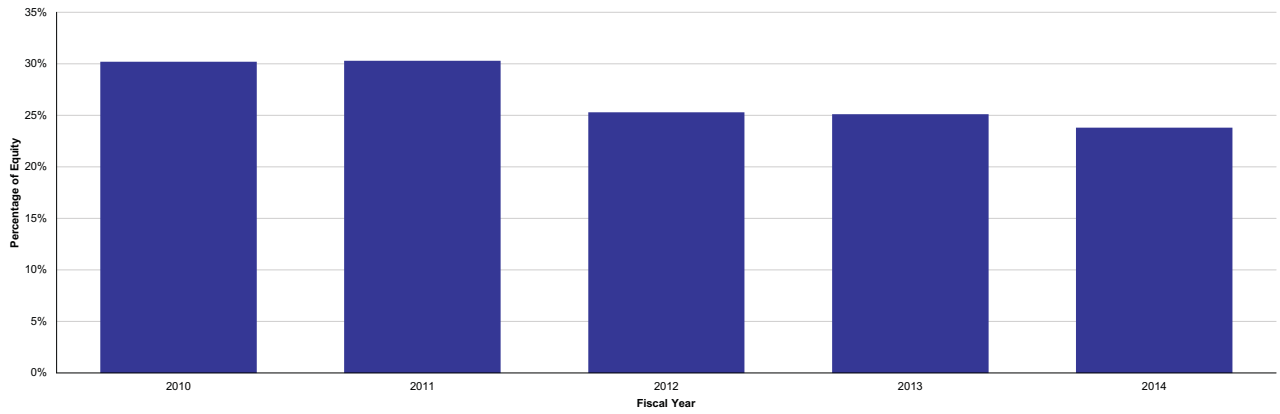


DebtServiceCoverage	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 YTD
Debt Service Coverage	1.77	2.37	1.44	1.49	1.65	1.87

The Debt Service Coverage graph above indicates how much revenue, 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. The ratios reflected for FY10-11 through FY13-14 are audited, as reflected in the City's Comprehensive Annual Financial Report (CAFR). The FY14-15 ratio is based on Close II financial data and is unaudited; upon finalization of the CAFR the FY14-15 ratio will be updated to reflect audited results.

Percent of Equity in Utility Systems

FY 2010 through FY 2014



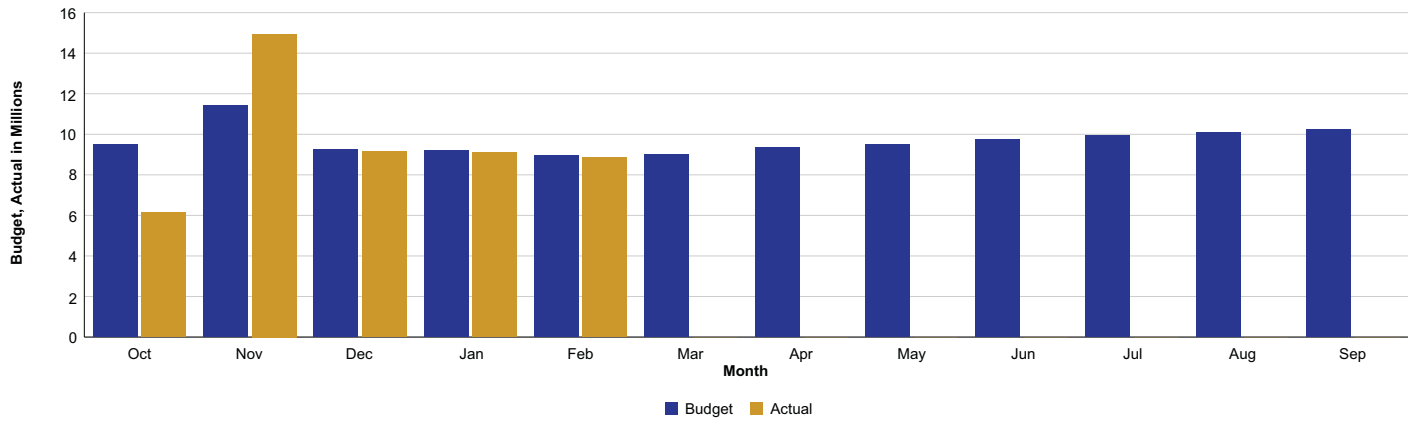
Percentage of Equity	2010	2011	2012	2013	2014
Percent of Equity	30.2%	30.3%	25.3%	25.1%	23.8%

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.

OTHER REQUIREMENTS

Total Transfers Out by Month

Budget vs. Actual - FY 2015-2016

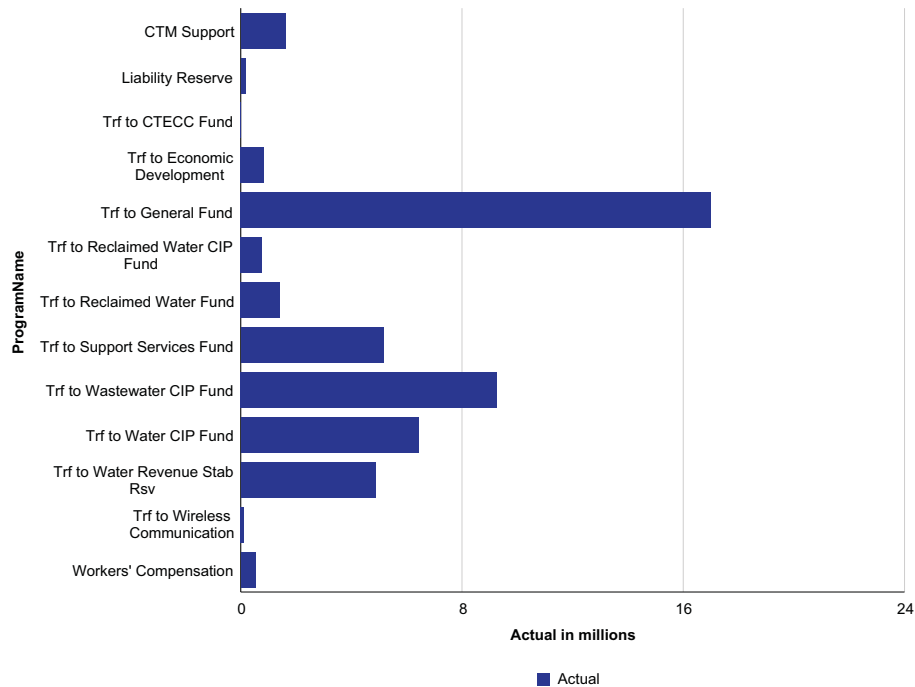


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total YTD
Budget	9.52	11.42	9.23	9.20	8.97	9.01	9.36	9.51	9.72	9.95	10.10	10.22	48.34
Actual	6.15	14.95	9.15	9.12	8.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.21

Transfers Out for the fiscal year through February 2016 totaled \$48.21 million. This was \$0.12 million less than the budget for the year because the transfer to the Water Revenue Stability Reserve Fund was slightly less than budgeted.

Transfers Out includes transfers for Support Services to the City; Capital Improvement Program; Communication and Technology Management Fund (CTM); Combined Transportation, Emergency and Communications Center (CTECC); General Fund; Liability Reserve Fund; Water Revenue Stability Reserve Fund; Wireless Communications Fund; Economic Development Fund; Reclaimed Water Fund; and Workers' Compensation Fund.

Transfers Out by Type
Actual Year-to-Date- FY 2015-2016

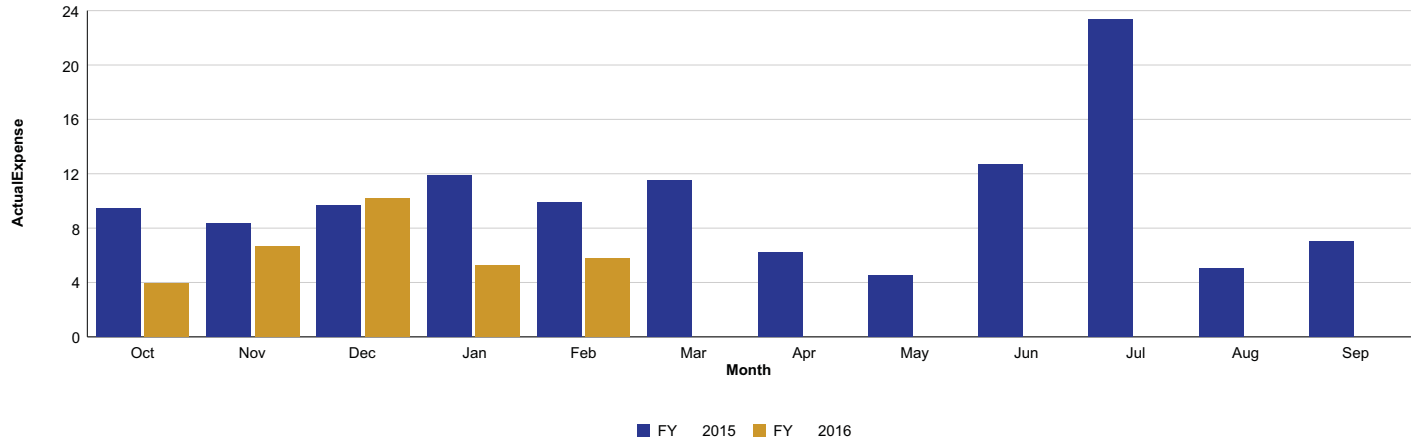


Transfer Out By Type (in millions)	Actual
Trf to General Fund	17.00
Trf to Economic Development	0.84
CTM Support	1.61
Liability Reserve	0.17
Trf to CTECC Fund	0.01
Trf to Reclaimed Water CIP Fund	0.77
Trf to Reclaimed Water Fund	1.42
Trf to Support Services Fund	5.16
Trf to Wastewater CIP Fund	9.27
Trf to Water CIP Fund	6.44
Trf to Water Revenue Stab Rsv	4.88
Trf to Wireless Communication	0.12
Workers' Compensation	0.54
Total	48.21

Transfers Out for the fiscal year through February 2016 totaled \$48.21 million. This was \$0.12 million less than the budget for the year because the transfer to the Water Revenue Stability Reserve Fund was slightly less than budgeted.

Transfers Out includes transfers for Support Services to the City; Capital Improvement Program; Communication and Technology Management Fund (CTM); Combined Transportation, Emergency and Communications Center (CTECC); General Fund; Liability Reserve Fund; Water Revenue Stability Reserve Fund; Wireless Communications Fund; Economic Development Fund; Reclaimed Water Fund; and Workers' Compensation Fund.

Actual CIP Expenditures by Month - FY 2015 - 2016 (in Millions)

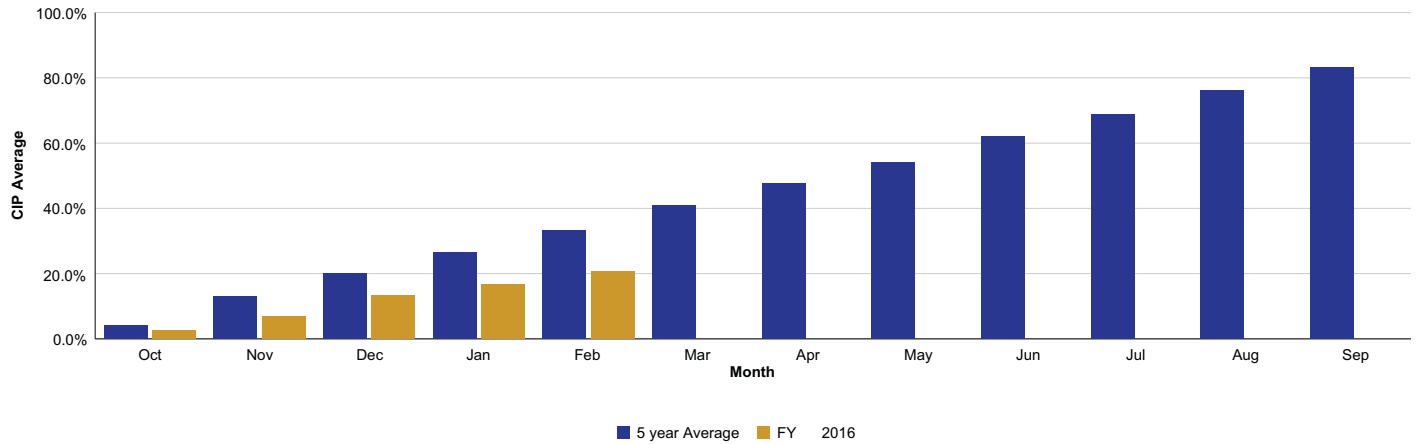


ActualExpense	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
FY 2015	9.43	8.32	9.70	11.86	9.92	11.53	6.21	4.54	12.66	23.35	5.08	7.03	119.63
FY 2016	3.93	6.63	10.16	5.23	5.80								31.74

CIP expenditures for the fiscal year through February 2016 totaled \$14.95 million for water, \$15.33 million for wastewater, and \$1.46 million for reclaimed, for a combined total of \$31.74, or 20.56% of the FY 2015-16 CIP spending plan.

The approved CIP spending plan for FY 2015-16 was \$76.46 million for water, \$66.50 million for wastewater, and \$11.39 million for reclaimed for a combined total of \$154.35 million.

YTD Cumulative CIP Expenditures As a Percentage of Spending Plan - FY 2015 - 2016



CIPPercent	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
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%
FY 2016	2.5%	6.8%	13.4%	16.8%	20.6%							
5 year Average	4.1%	13.0%	20.2%	26.5%	33.3%	41.0%	47.6%	54.1%	61.9%	68.9%	76.1%	83.3%

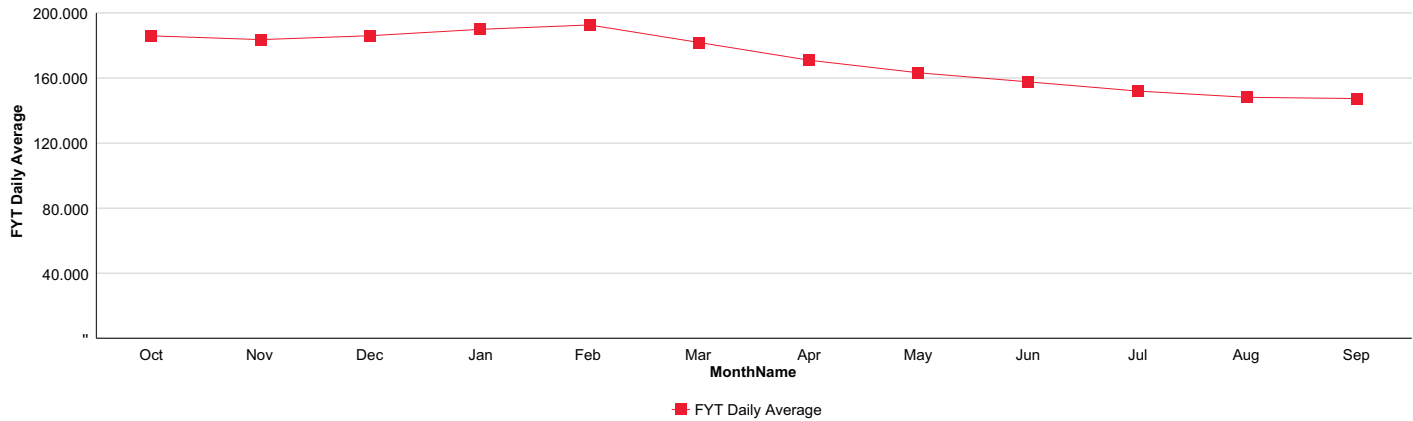
CIP expenditures for the fiscal year through February 2016 totaled \$14.95 million for water, \$15.33 million for wastewater, and \$1.46 million for reclaimed, for a combined total of \$31.74, or 20.56% of the FY 2015-16 CIP spending plan.

The approved CIP spending plan for FY 2015-16 was \$76.46 million for water, \$66.50 million for wastewater, and \$11.39 million for reclaimed for a combined total of \$154.35 million.

CASH BALANCES

Combined FYTD Daily Average Cash Balance at Month End

FY 2015 - 2016



FY 2015 - 2016 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	73.25	81.98	81.36	81.86	85.70	0	0	0	0	0	0	0
Wastewater	95.80	96.15	99.04	100.67	106.79	0	0	0	0	0	0	0
Reclaimed	2.71	2.52	2.35	2.44	1.91	0	0	0	0	0	0	0

Ending_Balance	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Operating	64.11	68.30	73.59	74.98	84.22	0	0	0	0	0	0	0
Capital Recovery Fee	18.70	20.41	22.55	24.14	25.95	0	0	0	0	0	0	0
CIP	69.49	69.87	64.02	62.73	60.63	0	0	0	0	0	0	0
Revenue Stability Reserve Fund	19.46	22.06	22.58	23.11	23.60	0	0	0	0	0	0	0

FYT Daily Average	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FYTD Daily Average	185.93	183.60	186.01	189.92	192.61	181.82	170.96	163.21	157.65	151.98	148.12	147.37

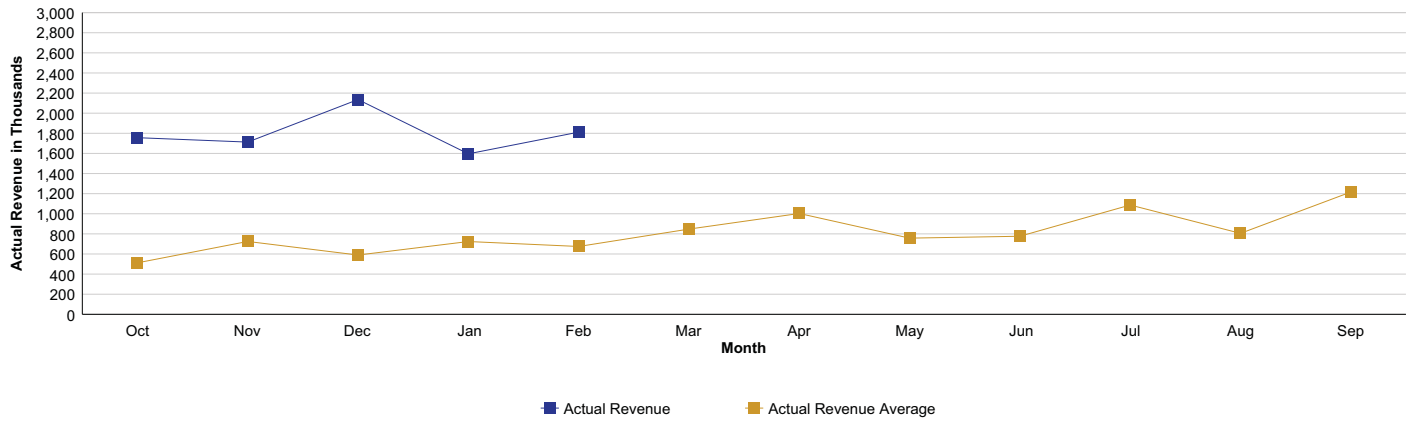
Combined cash balances for Water, Wastewater, and Reclaimed for the month of February 2016 totaled \$194.40 million. The combined cash balance is made up of Operating, CIP, Capital Recovery Fee, and Revenue Stability Reserve Fund cash balances. The average daily cash balance for the fiscal year was \$192.61 million at the end of February.

Combined Operating Cash Balances totaled \$84.22 million. Combined CIP Cash Balances totaled \$60.63 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 \$23.60 million.

Capital Recovery Fee Cash Balances totaled \$25.95 million at the end of the month. 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 2010 - 2016

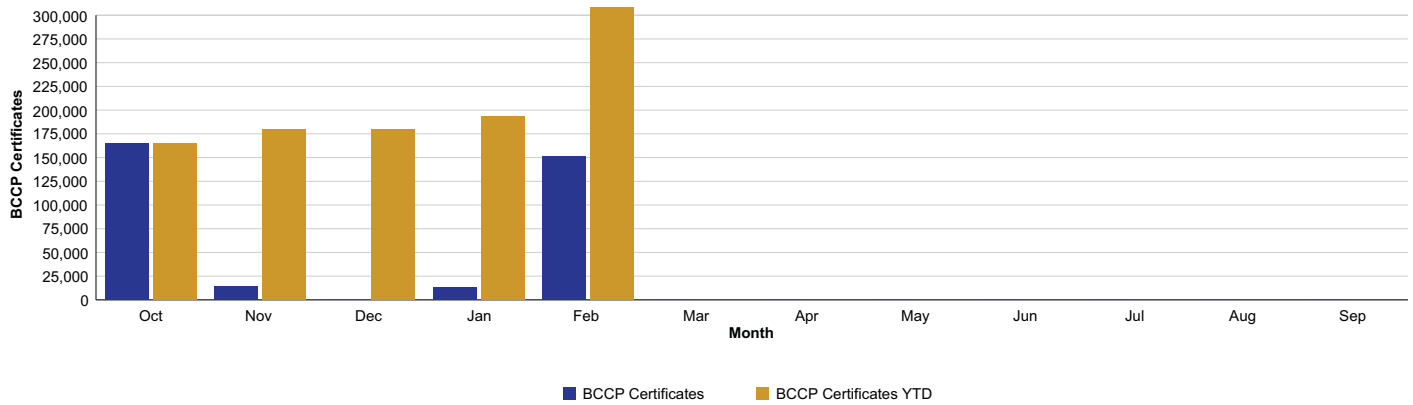


FY 2015 - 2016 CRF Collections by Month, Water, Wastewater, and Total (in Thousands)

ActualRevenue	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Water	1,206	1,304	1,476	1,148	1,345								6,478
Wastewater	551	409	660	448	467								2,534
Total	1,756	1,713	2,136	1,596	1,812								9,012

Capital Recovery Fee (CRF) collections and interest for the month of February 2016 were \$1.345 million from Water and \$0.467 million from Wastewater for a total of \$1.812 million. For the fiscal year, a total of \$9.01 million in CRFs and interest has been collected. CRF collections in February were \$1.14 million more than the five year average of \$0.67 million.

BCCP Revenue Year-to-Date
BCCP Certificates and Interest Earned FY 2015 - 2016



FY 2015 - 2016 BCCP Revenues by Month with Ending Balances

Amount	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Beginning Balance	0	165,352	180,367	180,670	194,192	0	0	0	0	0	0	0
Interest	214	265	303	323	363	0	0	0	0	0	0	0
BCCP Cert	165,138	14,750	0	13,200	151,388	0	0	0	0	0	0	0
Ending Balance	165,352	180,367	180,670	194,192	345,943	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0

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 February 2016, \$151,388 in fees was collected and interest in the amount of \$363 accrued. The overall ending balance fiscal year-to-date is \$345,943.