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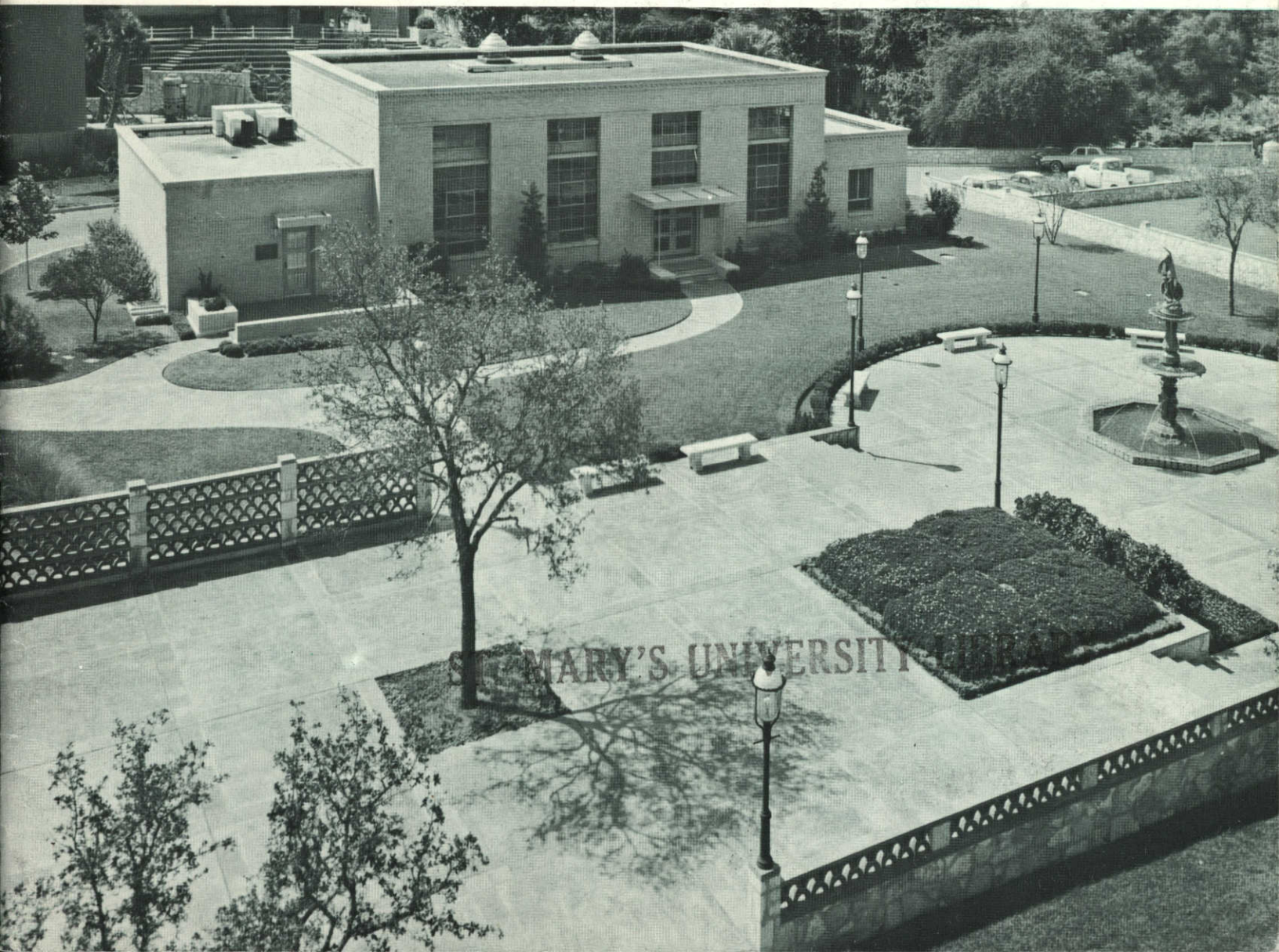
APR 20 1964

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*annual report 1963*

*san antonio*

# CITY WATER BOARD



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## *1963 annual report of the year ended december 31*

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### contents

|  |    |
|--|----|
| Highlights of 1963 .....                           | 1  |
| A Message from the Board of Trustees .....         | 2  |
| The Board of Trustees .....                        | 3  |
| A Report from the Management .....                 | 4  |
| Statement of Operations .....                      | 7  |
| Balance Sheet .....                                | 8  |
| Analysis of Surplus .....                          | 12 |
| Summary of Debt Charges .....                      | 13 |
| Fixed Assets and Allowances for Depreciation ..... | 14 |
| Auditor's Letter .....                             | 16 |
| Auditor's Comment .....                            | 16 |
| Statistical Data .....                             | 18 |

**Front Cover Picture:** The City Water Board played a key role in the planning for the Paseo del Rio complex on the San Antonio River with an imaginative beautification program at its Market Street Pump Station and Production Control Center. The beautified grounds demonstrate the Board's partnership in vital community improvements.

**Back Cover Picture:** A major water main replacement project in an historic and heavily traveled area was accomplished with speed and little disruption to normal business during 1963. This picture, with the Alamo in the background, shows laying of part of the 2,165 feet of new 16-inch mains which stretched the entire length of Alamo Plaza and included nearby streets. The new mains replaced pipe laid 84 years ago.



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## *city water board highlights of 1963*

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|  | <b>1962</b>      | <b>1963</b>   |
|--|------------------|---------------|
| Revenue — an all time high                               | \$ 7,287,770 to  | \$ 7,782,993  |
| Construction from Revenue increased from .               | \$ 2,752,898 to  | \$ 3,345,117  |
| Municipal Equity rose from .                             | \$ 28,495,101 to | \$ 32,013,349 |
| Debt coverage improved from .                            | 3.76 to          | 4.04          |
| Operating cost per M.G. metered decreased from           | \$ 99 to         | \$ 97         |
| Pumpage (M.G.) also an all time high .                   | 30,930 to        | 32,549        |
| Miles of main in use went up from .                      | 1,670 to         | 1,718         |
| Fire hydrants in service increased from .                | 6,046 to         | 6,279         |
| New services installed increased                         | 3,189 to         | 3,237         |
| Number of customers increased from .                     | 129,301 to       | 132,181       |
| Investment per customer increased from .                 | \$ 426 to        | \$ 448        |
| Number of employees reduced from .                       | 542 to           | 536           |
| Lost time days (per million man-hours)<br>decreased from | 14 to            | 5             |

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*a message from the board of trustees  
to the citizens of san antonio*

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It is a pleasure to report to the citizen-owners of the San Antonio City Water Board on the accomplishments of their water utility for the year 1963. As this Annual Report demonstrates, it was a year of solid achievement which saw new records established in financial operations and in physical improvements to the system.

Some of the progress of your City Water Board is highlighted on the following pages. Nevertheless, it is appropriate to comment here on a number of points.

1. The direct operating expenses of the Water Works System for 1963 were lower than 1960 by 1%. This record was achieved despite the steady growth of the system and increased revenue in excess of 35% over the past three years.
2. A total of \$4,386,719 was spent during the year for capital improvements of which \$1,433,471 was spent to replace corroded and inadequate mains and worn out services and meters. This expenditure of \$1,433,471 in 1963 for replacements of obsolete and worn out facilities represents an all-time high in the Board's continuing efforts to improve its physical plant.

3. The best safety record in the Board's history, with only one lost-time injury involving six lost-time days, was recorded. During 1963 the City Water Board received the Award of Merit from the National Safety Council, the Award of Honor from the American Water Works Association, and the Award for Safety Achievement from the Texas Safety Association.
4. The high morale and efficiency of the Board's employees have made these accomplishments possible. The all-time low of 16½% turnover for the entire organization is indeed significant in this respect.

Your Board wishes to recognize the 536 employees who have helped establish the fine record experienced in 1963. It also wishes to acknowledge the encouragement and support received from the City Council, the City Manager and his staff.

The Water Works Board of Trustees, its management and its employees, as representatives of the citizen-owners, will continue to exert every effort to discharge their responsibility to the community in accordance with the highest standards of sound management and to continue the program of progress which has created a utility of which the people of San Antonio may well be proud.

*Harold W. Keller*

Harold W. Keller, Chairman  
WATER WORKS BOARD OF TRUSTEES





**Harold W. Keller**  
Chairman



**Alfred G. Vasquez**  
Vice Chairman

*board of trustees*



**Walter W. McAllister**  
Mayor



**Mike Passur**  
Trustee



**E. R. Crumrine**  
Trustee

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*management staff*

**Bruce E. Sasse**  
General Manager

**Mel C. Binney**  
Manager, Personnel Branch

**J. W. Musgrave**  
Manager, Customer Service Branch

**John R. Shields**  
Comptroller

**Robert P. Van Dyke**  
Manager, Operations Branch

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**Edward H. Austin**  
Trustee 1958-1963  
Chairman 1962-1963

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## *a report from the general manager*

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**Bruce E. Sasse** General Manager

San Antonio's City Water Board, in the year 1963, attained the strongest position in the system's history, in respect to both its financial position and its physical plant. In every aspect of operations, the Board carried forward its program of progress.

It was a record year as to revenue and plant construction out of revenue. The accomplishments were most impressive.

### **WATER SALES BREAK RECORD**

Revenue from metered water sales increased in 1963 over those in 1962 to a record high of \$7,260,326. The total gross revenue and reimbursements were \$7,782,993 in 1963 as compared with \$7,287,771 in 1962.

### **EXPENSE RATIO FAVORABLE**

Management's emphasis on operation efficiency is reflected in the favorable ratio of expenses to revenue. This operating ratio was 36.16% in 1963. The direct operating expenses for the water works system for 1963 totaled \$2,756,376. Although this is an increase of \$99,680 over the preceding year, the costs have increased less than 2% over those for 1958, while gross revenues were increased by 66%.

### **REVENUE BOND COVERAGE INCREASED AGAIN**

The all-time high revenue coupled with only a slight increase in operating expenses raised the bond coverage ratio to 4.04 to 1, up from 3.76 to 1 in 1962.

### **SYSTEM OUTPUT HIGHEST EVER**

In 1963 rainfall of 18.65 inches was the lowest recorded since 1956, the last year of the extended drought period. This lack of rainfall, especially during the summer months, together with expanded production and transmission facilities, resulted in an all-time high pumpage record for the year amounting to 32,549 million gallons, compared with 30,930 million gallons in 1962, the previous all-time high.

### **REVENUE CONSTRUCTION — ALL-TIME HIGH**

Construction from revenue funds of \$3,345,117 was the largest outlay from this source in Water Board history. An additional \$1,041,602 was expended from bond funds, bringing the total construction expenditure to \$4,386,719. An additional \$836,441 of revenue funds has been committed and will be carried over and completed during 1964.

Major improvements to the system in 1963 consisted of the following:

1. Modernization and electrification of the Mission Pump Station at a cost of \$1,297,550.
2. Replacement of corroded and inadequate sized mains, services, and worn out meters at a total cost of \$1,433,471.
3. The erection of a one million gallon elevated storage tank to provide adequate service to the newly created service area No. 5.
4. Installation of 72 miles of new water transmission and distribution mains.
5. Increasing capacity of the Basin Pump Station by the addition of two new wells capable of pumping 22 million gallons per day and a 20 million gallon per day high service pump. These improvements bring the capacity of this station to 80 million gallons per day.



## SAFETY PROGRAM PAYS OFF

The Safety Program in 1963 showed a continued improvement in safety statistics and the best record in the history of the Water Board was established. There was one lost-time accident resulting in six lost-time days compared with four accidents and 16 lost-time days in 1962. In previous years we had four accidents with 45 lost-time days in 1961, 11 accidents with 69 lost-time days in 1960, and eight accidents with 80 lost-time days in 1959. Continued emphasis is placed on supervisory training, recognition of individual employees with accident free safety records for five or more consecutive years and safety training in all phases of our operations. A Safety Manual was published providing a guide on safety policy functions and safe-operating procedures. Continuous emphasis is placed on protective equipment.

## DATA PROCESSING DEPARTMENT

One of the Board's most significant and far-reaching accomplishments in 1963 was the establishment of the Data Processing Department.

This important progressive step made it possible for the Board to convert its unit record procedures to electronic computer operation, resulting in greater efficiency and cost savings. In addition, the Board entered into contracts with both the City and County for use of the Data Processing System.

As a result, all participants have achieved substantial savings — the City Water Board, the City of San Antonio and the County of Bexar. Current tax statements and reports utilizing the computer system are being prepared for the Bexar County Tax Assessor-Collector. For the City, the Board converted the City tax roll, payroll and police reports to the computer system. Benefits accrued to the entire community.

## OUR EMPLOYEES

The achievements of the past year are truly a tribute to the Board's employees. Although the number of employees has been reduced by 126 from an all-time high

of 662 in 1958, to 536 in 1963, they have provided the best operation, maintenance and service of record. In fact, the total number of employees in 1963 was the lowest since 1955.

## THE YEAR 1964

During the year 1964 we will continue our efforts to secure a supplemental surface water supply to meet the future needs of the growing metropolitan San Antonio area and to assure the area's industrial and economic growth. We are confident that the supplemental supply will be obtained and available by the time it is needed and at a price that our citizens can afford.

The continued rehabilitation and expansion of our present facilities is assured under the Improvement and Contingency Fund of \$3,470,000 proposed in the Board's annual budget for 1964.

We are confident that the prevailing dedicated spirit of service and of loyalty by our employees will continue to win the commendation and the support of our citizen-customers.

In concluding this report, it is most appropriate that we acknowledge the outstanding contribution of Chairman Edward H. Austin, who retired from the Board on December 31, 1963, after serving as a trustee since 1958. His wise counsel and guidance and his constant encouragement have been invaluable to the Management Staff.

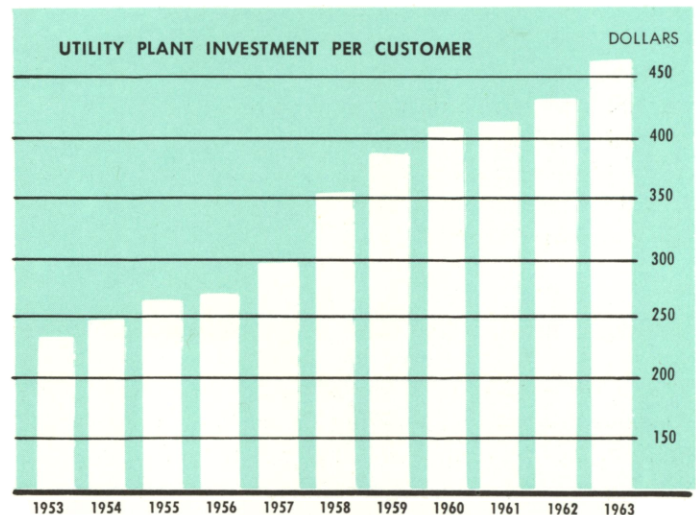
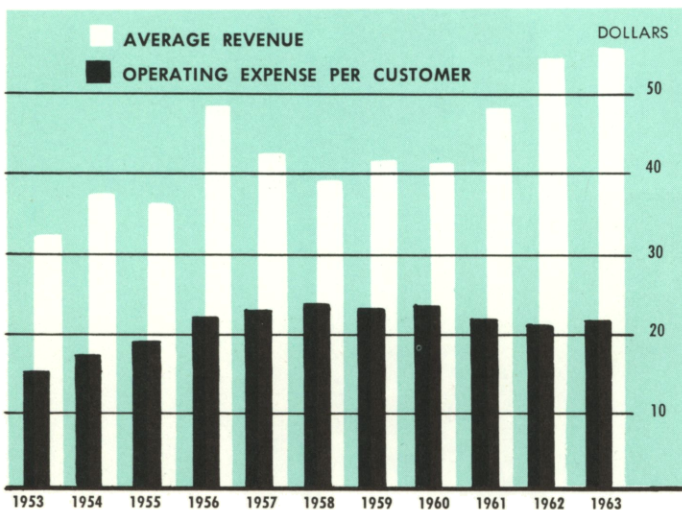
We express our sincere thanks and appreciation to the Board of Trustees for their leadership and active support, and to the City Administration, the people of San Antonio and of Bexar County who have been our partners in building an outstanding water system.

Respectfully submitted,

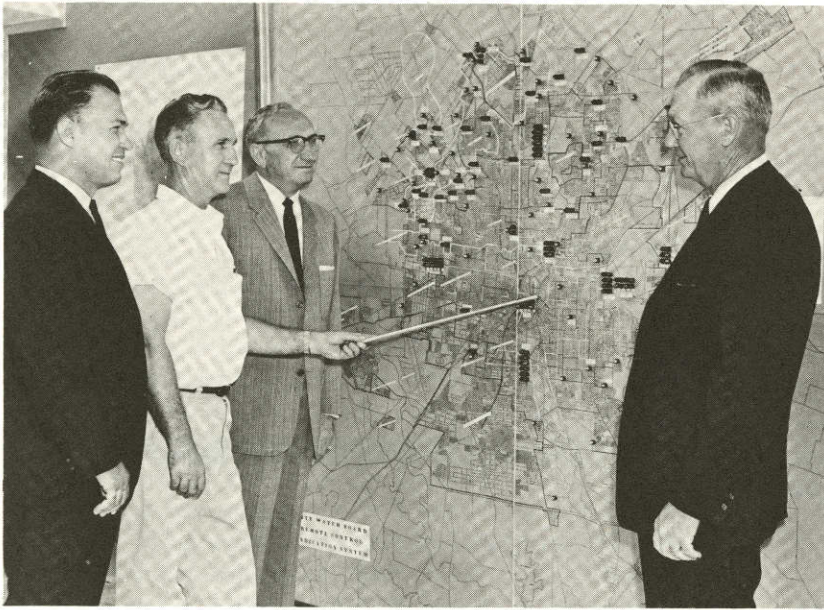
*Bruce E. Sasse*

Bruce E. Sasse

General Manager

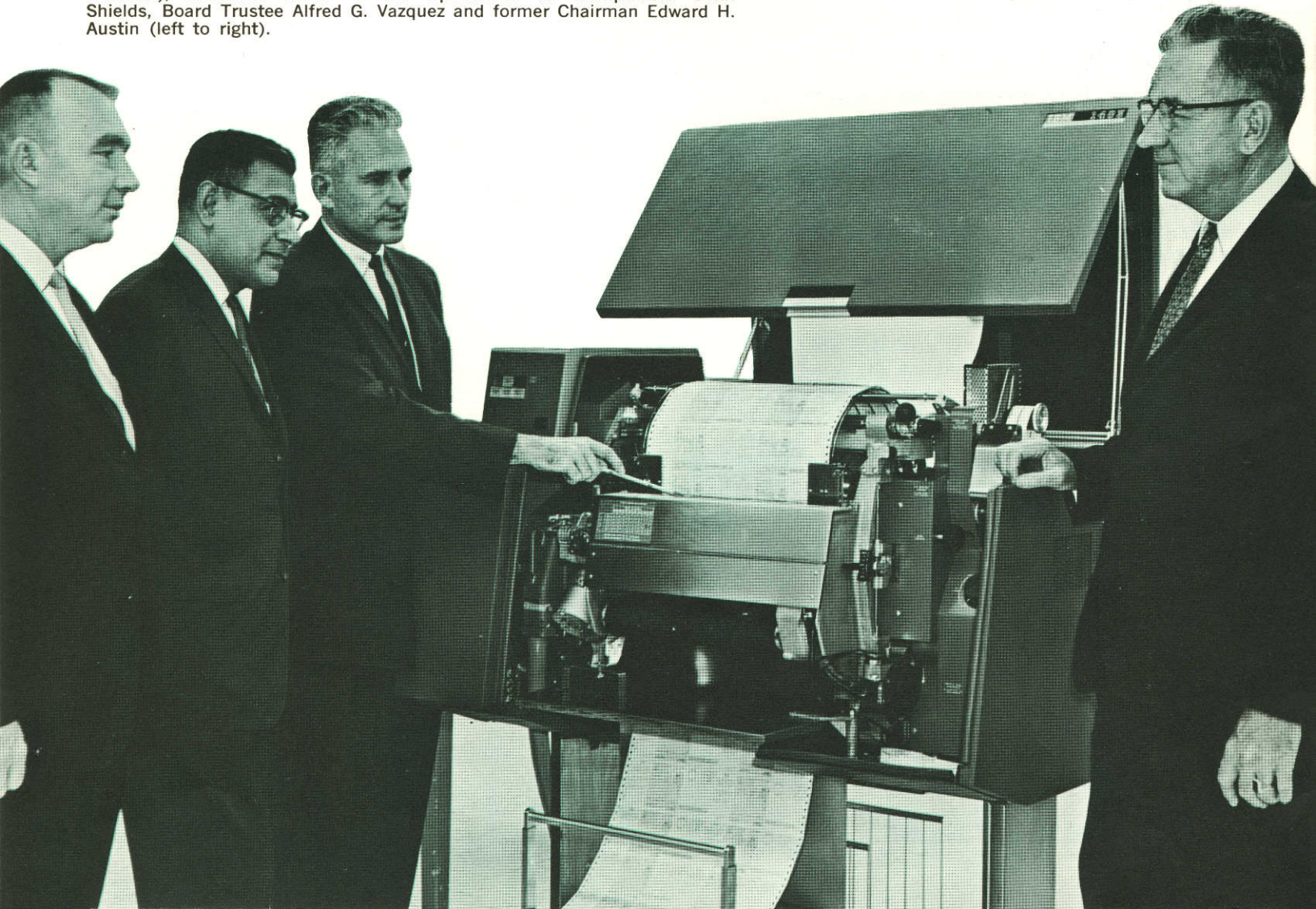






Electronic water system panel map at the City Water Board's Production Control Center. E. O. Cain, production control supervisor (with pointer), discusses control of system operations with Board Chairman Harold W. Keller and Board Trustee E. R. Crumrine (right). H. H. Harlos, the Board's Director of Production, looks on (left).

San Antonio's City Water Board has been a leader in adopting modern computer techniques, providing not only for the Board's own needs, but also performing data processing for the City of San Antonio and for Bexar County. Robert M. Hackett, the Board's Tabulation Director (pointing to machine), describes some of its operations to Comptroller John Shields, Board Trustee Alfred G. Vazquez and former Chairman Edward H. Austin (left to right).





# *combined funds statement of operation and requirements*

calendar years 1963 and 1962

|   | 1963                | 1962              |  |
|---|---------------------|-------------------|--|
| <b>OPERATING REVENUES</b>   |                     |                   |  |
| Metered water sales . . . . .   | \$ 7,260,326        | \$ 6,847,719      |  |
| Customers' penalties . . . . .  | 186,146             | 170,699           |  |
| Fire protection charges . . . . .   | 33,569              | 32,192            |  |
| Other operating revenue . . . . .   | 50,078              | 50,659            |  |
|   | 7,530,119           | 7,101,269         |  |
| Deduct services provided City<br>of San Antonio . . . . .   | 189,119             | 190,472           |  |
| Total Operating Revenues  | \$ 7,341,000        | \$ 6,910,797      |  |
| <b>NON-OPERATING REVENUES</b>   |                     |                   |  |
| Interest earned . . . . .   | 277,117             | 248,312           |  |
| Miscellaneous . . . . .   | 4,776               | 8,288             |  |
| Total Non-operating Revenues  | 281,893             | 256,600           |  |
| <b>REIMBURSEMENTS (1)</b>   |                     |                   |  |
| Sewer collection costs . . . . .  | 45,368              | 42,539            |  |
| Data processing costs . . . . .   | 114,732             | 77,834            |  |
| Total Reimbursements . . . . .  | 160,100             | 120,373           |  |
| Total Revenue and Reimbursements . . . . .  | 7,782,993           | 7,287,770         |  |
| <b>OPERATING EXPENSE</b>  |                     |                   |  |
| System Fund expense (1) . . . . .   | 160,100             | 120,373           |  |
| Direct expense — Maintenance and<br>Operation Fund . . . . .  | 2,800,858           | 2,654,379         |  |
| Working Capital Fund expenses<br>(over) — under-absorbed . . . . .  | ( 44,482)           | 2,317             |  |
| Total Operating Expense . . . . .   | 2,916,476           | 2,777,069         |  |
| <b>REVENUE FOR DETERMINATION OF BOND<br/>COVERAGE</b>   | 4,866,517           | 4,510,701         |  |
| <b>OTHER REQUIREMENTS UNDER REVENUE<br/>BOND ORDINANCE</b>  |                     |                   |  |
| Transfers to Interest and<br>Sinking Fund . . . . .   | 1,105,470           | 1,093,129         |  |
| Transfers to Reserve Fund . . . . .   | 221,094             | 218,697           |  |
| Transfers to Improvement and<br>Contingency Fund . . . . .  | 2,775,439           | 2,803,653         |  |
|   | 4,102,003           | 4,115,479         |  |
| Excess of revenue for all requirements<br>before depreciation and amortization . . . . .  | 764,514             | 395,222           |  |
| Deduct amortization of leasehold<br>improvements . . . . .  | 22,232              | 20,828            |  |
|   | 742,282             | 374,394           |  |
| Depreciation charges for the year (2) . . . . .   | 1,287,207           | 1,220,168         |  |
| Committed by Ordinance to improvement<br>and rehabilitation of plant for the year<br>(Minimum of 15% of gross revenues) (2) . . . . . | 1,167,449           | 1,093,166         |  |
|   | 2,454,656           | 2,313,334         |  |
| Less transfers to Improvement and<br>Contingency Fund . . . . .   | 2,775,439           | 2,803,653         |  |
| Add difference between<br>requirement and amount transferred . . . . .  | 320,783             | 490,319           |  |
| <b>Net Operating Income<br/>as defined by Bond Ordinance . . . . .</b>  | <b>\$ 1,063,065</b> | <b>\$ 864,713</b> |  |

Note 1 — Sewer collection expense and data processing expense for other agencies are chargeable and reimbursable to the System Fund.

Note 2 — Reference is here made to provisions of Bond Ordinance in Auditors' comments.

## *combined funds balance sheet*

### *assets*

|  | <u>1963</u>         | <u>1962</u>         |
|--|---------------------|---------------------|
| <b>CURRENT ASSETS</b>  |                     |                     |
| Cash . . . . .   | \$ 2,708,150        | \$2,189,960         |
| Accounts receivable — less allowance for doubtful accounts:<br>1963 — \$214,064; 1962 — \$207,194 — Note . . . . . | 454,241             | 391,587             |
| Sundry receivables . . . . .   | 44,982              | 84,845              |
| Materials and supplies inventory . . . . .   | 382,953             | 355,970             |
| Prepayments and deposits . . . . .   | 37,589              | 37,643              |
| Receivable from restricted funds . . . . .   | 50,284              | 164,960             |
|  | <u>3,678,199</u>    | <u>3,224,965</u>    |
| <b>ASSETS FOR RESTRICTED PURPOSES</b>  |                     |                     |
| Interest and Sinking Fund — cash . . . . .   | 333,241             | 331,252             |
| Bond Reserve Fund:   |                     |                     |
| Cash . . . . .   | 876,032             | 654,938             |
| Investments, U. S. Treasury Bonds . . . . .  | 450,000             | 450,000             |
|  | <u>1,659,273</u>    | <u>1,436,190</u>    |
| Bond Construction Fund:  |                     |                     |
| Cash . . . . .   | 2,244,198           | 2,806,598           |
| Contracts receivable . . . . .   | 19,872              | 21,556              |
| Due from current funds . . . . .   | 1,362               | 14,578              |
| Improvement and Contingency Fund:  |                     |                     |
| Cash . . . . .   | 945,000             | 1,291,000           |
| Reimbursements receivable . . . . .  | 8,255               | 33,180              |
|  | <u>3,218,687</u>    | <u>4,166,912</u>    |
| Maintenance and Operation Fund:  |                     |                     |
| Cash — Customer account deposits . . . . .   | 511,348             | 459,278             |
|  | <u>5,389,308</u>    | <u>6,062,380</u>    |
| <b>INVESTMENTS</b>   |                     |                     |
| U. S. Treasury Bond (pledged to State Department<br>of Public Welfare to secure FICA payments) . . . . .           | 100,000             | 100,000             |
| <b>LEASEHOLD IMPROVEMENTS</b>  |                     |                     |
| Cost of improvements to leasehold premises . . . . .   | 23,581              | 102,965             |
| Less allowances for amortization . . . . .   | 2,358               | 82,136              |
|  | <u>21,223</u>       | <u>20,829</u>       |
| <b>UTILITY PLANT</b>   |                     |                     |
| Utility plant in service . . . . .   | 56,637,652          | 52,335,707          |
| Construction in progress . . . . .   | 1,769,000           | 2,033,186           |
| Equipment, trucks, tools — Working Capital Fund . . . . .  | 823,865             | 751,130             |
|  | <u>59,230,517</u>   | <u>55,140,023</u>   |
| Less allowances for depreciation . . . . .   | 13,279,767          | 12,278,250          |
|  | <u>45,950,750</u>   | <u>42,861,773</u>   |
|  | <u>\$55,139,480</u> | <u>\$52,269,947</u> |

Note — Allowance for doubtful accounts includes City of San Antonio accounts in the amount of \$189,119 for 1963 and \$190,472 for 1962 which amounts are subject to write-off.



december 31, 1963 and 1962

*liabilities*

|  | <u>1963</u>         | <u>1962</u>         |
|--|---------------------|---------------------|
| <b>CURRENT LIABILITIES</b>                   |                     |                     |
| Sewer billings due City and others .         | \$ 112,424          | \$ 109,160          |
| Accounts payable . . . . .                   | 198,634             | 260,046             |
| Accrued payroll and payroll taxes .          | 59,769              | 70,901              |
| Escheat payable to State of Texas            | 1,067               | 531                 |
| Payable to restricted funds .                | 1,362               | 14,578              |
|  | <u>373,256</u>      | <u>455,216</u>      |
| <br><b>LIABILITIES OF RESTRICTED FUNDS</b>   |                     |                     |
| Construction:                                |                     |                     |
| Due to current funds . . . . .               | 50,284              | 164,960             |
| Customers' advances for construction         | 58,464              | 49,409              |
| Developer contracts payable                  | 615,779             | 836,983             |
|  | <u>724,527</u>      | <u>1,051,352</u>    |
| Customer account deposits .                  | 511,348             | 459,278             |
|  | <u>1,235,875</u>    | <u>1,510,630</u>    |
| <br><b>BONDED DEBT</b>                       |                     |                     |
| Revenue bonds outstanding                    | <u>21,517,000</u>   | <u>21,809,000</u>   |
| <br><b>RESERVES</b>                          |                     |                     |
| Reserve for retirement of bonds and interest | 1,659,273           | 1,436,190           |
| Reserve for construction .                   | 2,494,160           | 3,115,560           |
|  | <u>4,153,433</u>    | <u>4,551,750</u>    |
| <br><b>COMBINED FUNDS SURPLUS</b>            |                     |                     |
| Available for expenditure, ensuing year .    | 3,304,943           | 2,769,749           |
| Invested in assets of the system .           | 24,554,973          | 21,173,602          |
|  | <u>27,859,916</u>   | <u>23,943,351</u>   |
|  | <u>\$55,139,480</u> | <u>\$52,269,947</u> |

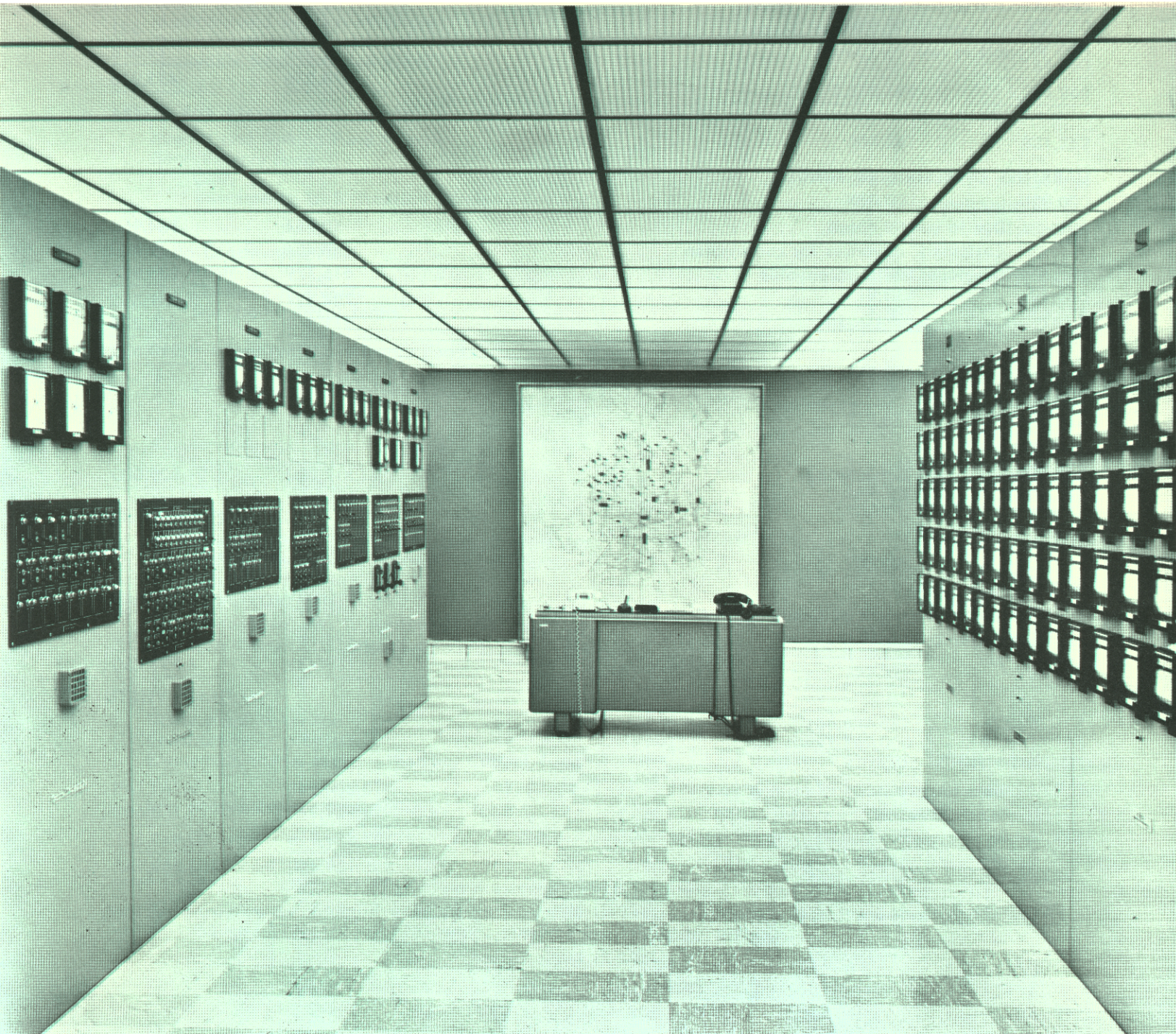


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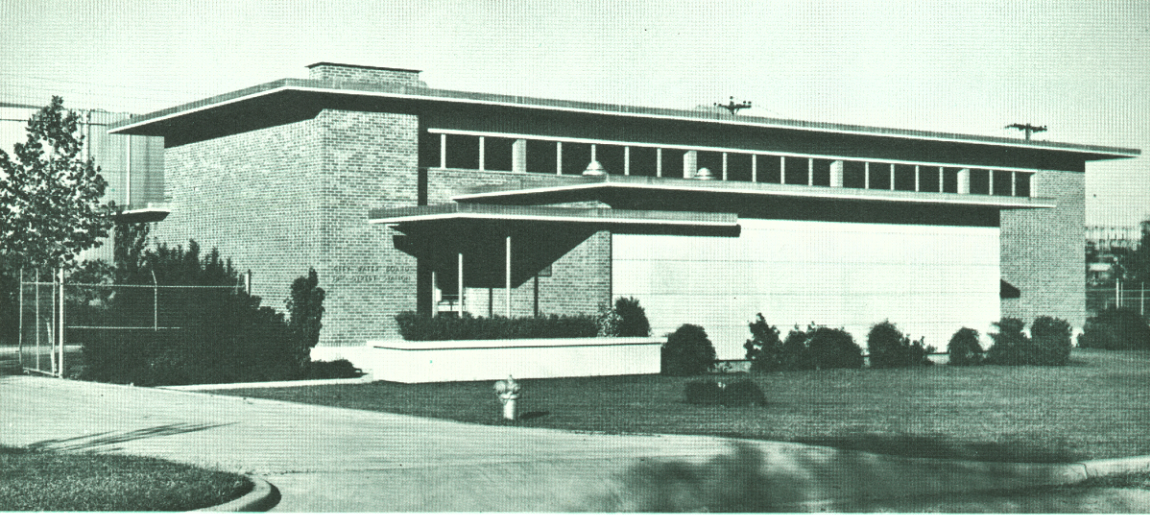
*city water board primary pump stations  
and production control center*

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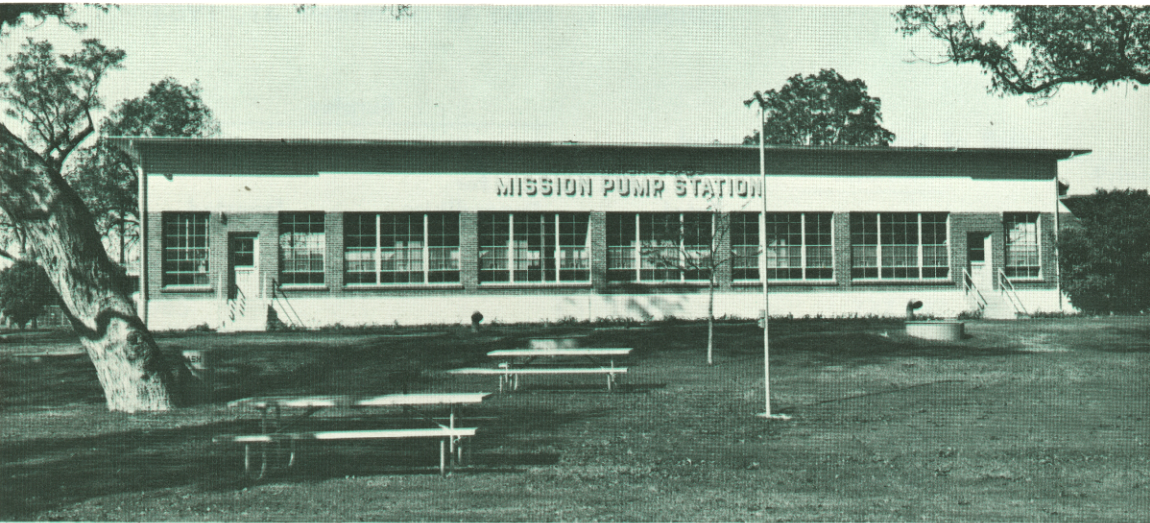
A vital factor behind the City Water Board's ability to reduce operating and maintenance expenses in the face of rising costs of doing business is the Production Control Center (below), located at the Market Street Pumping Station. This "nerve center" remotely controls and supervises the operation of seven major pump stations, 23 secondary pump stations, and 13 elevated storage reservoirs. In addition 55 pressure monitoring points telemeter essential information into the center reflecting overall operation of the system.



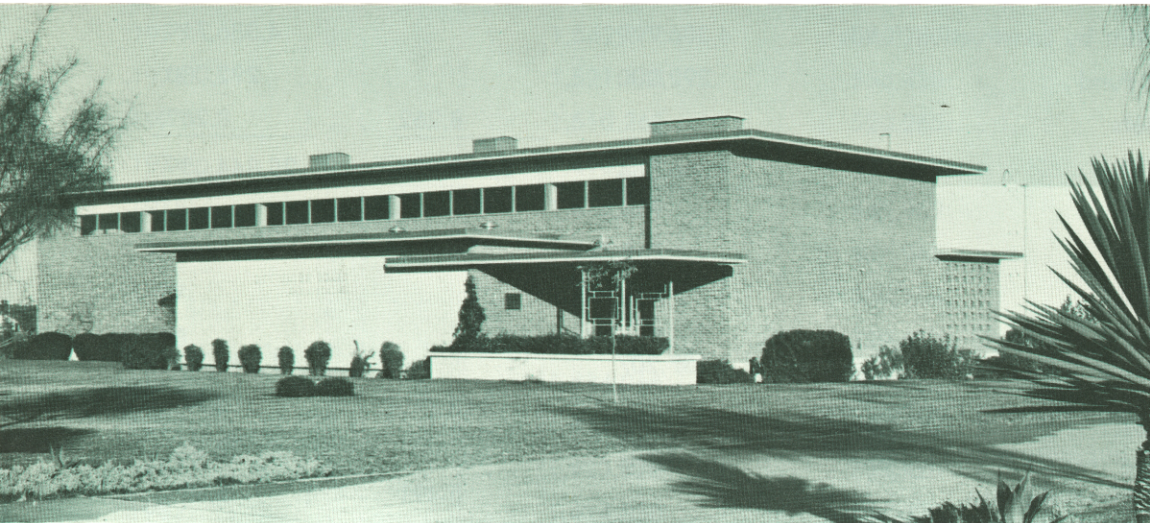




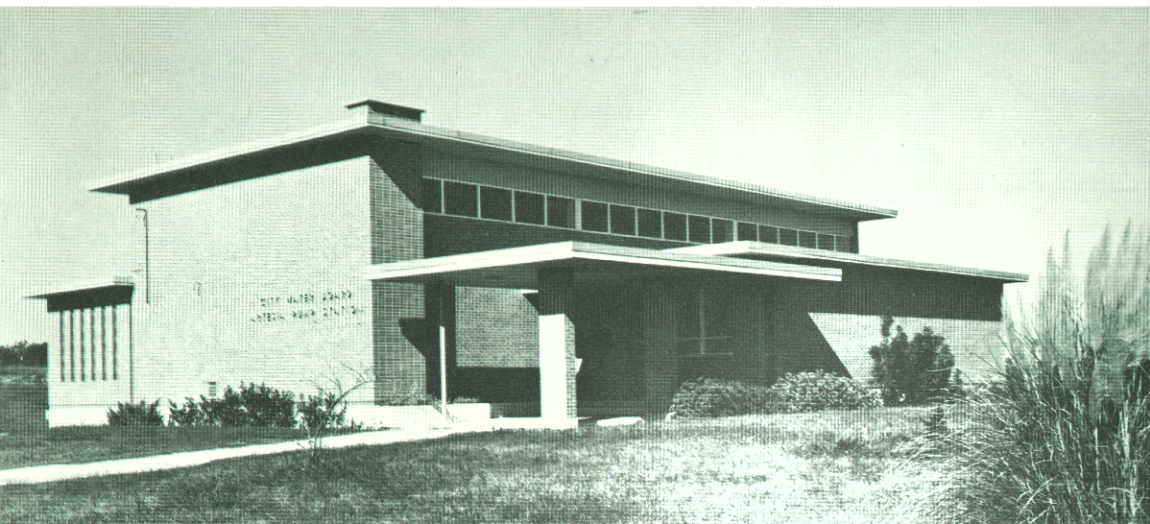
This attractively landscaped building, completed in 1959, is the City Water Board's 33 million gallons per day 34th Street Pump Station at 34th and Flagle Streets. In the left background is the station's five million-gallon ground storage reservoir.



Exterior of the Board's newly modernized and electrified Mission Pump Station which was placed in service in 1963. This station has a capacity of 44 million gallons per day. The grounds of the station have been made into an employees' park through the joint efforts of the Board and the employees.



Exterior of City Water Board's 80 million gallon per day Basin Pump Station, completed in 1959, serving the north central part of the City. This is the Board's largest primary pump station, and it is designed for an ultimate capacity of 100 million gallons per day.



The City Water Board's 36 million gallons per day Artesia Station No. 2, completed in 1961, is located a short distance north of the Coliseum and pumps water as far south as Brooks AFB. No potable underground water supply is available in the southeast portion of the City south of this station.



## *combined funds analysis of surplus*

January 1, 1963 to December 31, 1963

|  | <u>Total</u>        | <u>Surplus</u>                           |                     |
|--|---------------------|--|---------------------|
|  |                     | <u>Available<br/>for<br/>Expenditure</u> | <u>Invested</u>     |
| Balances January 1, 1963 .                             | \$23,943,351        | \$ 2,769,749                             | \$21,173,602        |
| <b>ADDITIONS</b>                                       |                     |  |                     |
| Net revenue before depreciation and amortization .     | 764,514             | 764,514                                  |                     |
| Expenditures for utility plant by construction funds . | 4,386,719           |  | 4,386,719           |
| Bonds retired by Sinking Fund                          | 292,000             |  | 292,000             |
| Receipts from sale of assets                           |                     | 8,262                                    | ( 8,262)            |
|  | <u>29,386,584</u>   | <u>3,542,525</u>                         | <u>25,844,059</u>   |
| <b>DEDUCTIONS</b>                                      |                     |  |                     |
| Depreciation of utility plant                          | 1,287,207           |  | 1,287,207           |
| Depreciation on equipment — Working Capital Fund .     |                     | ( 113,775)                               | 113,775             |
| Amortization of leasehold improvements .               | 22,232              |  | 22,232              |
| Capitalization of prepaid bond expense .               |                     | 5,491                                    | ( 5,491)            |
| Interest on deposits refunded                          | 1,441               | 1,441                                    |                     |
| Transfer of cash through System Fund to Bond Fund .    | 200,000             | 200,000                                  |                     |
| Change in inventory pricing method                     | 8,468               | 8,468                                    |                     |
| Land donated to City of San Antonio .                  | 7,320               |  | 7,320               |
| Net assets purchased by Current Funds                  |                     | 135,957                                  | ( 135,957)          |
|  | <u>1,526,668</u>    | <u>237,582</u>                           | <u>1,289,086</u>    |
| Balances December 31, 1963 .                           | <u>\$27,859,916</u> | <u>\$ 3,304,943</u>                      | <u>\$24,554,973</u> |

*summary of debt charges until maturity*

december 31, 1963

|                  | Annual Requirements To Retire |                     |                     | Principal<br>Balance<br>Outstanding |
|------------------|-------------------------------|---------------------|---------------------|-------------------------------------|
|                  | Total                         | Interest            | Principal           |                                     |
| Balance 12-31-63 |                               |                     |                     | \$21,517,000                        |
| 1964 . . . . .   | \$ 1,094,228                  | \$ 795,228          | \$ 299,000          | 21,218,000                          |
| 1965 . . . . .   | 1,110,847                     | 777,847             | 333,000             | 20,885,000                          |
| 1966 . . . . .   | 1,504,152                     | 754,152             | 750,000             | 20,135,000                          |
| 1967 . . . . .   | 1,475,078                     | 725,078             | 750,000             | 19,385,000                          |
| 1968 . . . . .   | 1,480,309                     | 695,309             | 785,000             | 18,600,000                          |
| 1969 . . . . .   | 1,557,406                     | 662,406             | 895,000             | 17,705,000                          |
| 1970 . . . . .   | 1,537,500                     | 627,500             | 910,000             | 16,795,000                          |
| 1971 . . . . .   | 1,542,277                     | 592,277             | 950,000             | 15,845,000                          |
| 1972 . . . . .   | 1,521,428                     | 556,428             | 965,000             | 14,880,000                          |
| 1973 . . . . .   | 1,510,265                     | 520,265             | 990,000             | 13,890,000                          |
| 1974 . . . . .   | 1,498,269                     | 483,269             | 1,015,000           | 12,875,000                          |
| 1975 . . . . .   | 1,475,869                     | 445,869             | 1,030,000           | 11,845,000                          |
| 1976 . . . . .   | 1,467,965                     | 407,965             | 1,060,000           | 10,785,000                          |
| 1977 . . . . .   | 1,454,154                     | 369,154             | 1,085,000           | 9,700,000                           |
| 1978 . . . . .   | 1,434,617                     | 329,617             | 1,105,000           | 8,595,000                           |
| 1979 . . . . .   | 1,434,066                     | 289,066             | 1,145,000           | 7,450,000                           |
| 1980 . . . . .   | 1,432,122                     | 247,112             | 1,185,000           | 6,265,000                           |
| 1981 . . . . .   | 1,423,828                     | 203,828             | 1,220,000           | 5,045,000                           |
| 1982 . . . . .   | 1,424,030                     | 159,030             | 1,265,000           | 3,780,000                           |
| 1983 . . . . .   | 1,417,426                     | 112,426             | 1,305,000           | 2,475,000                           |
| 1984 . . . . .   | 1,457,569                     | 62,569              | 1,395,000           | 1,080,000                           |
| 1985 . . . . .   | 238,012                       | 33,012              | 205,000             | 875,000                             |
| 1986 . . . . .   | 231,088                       | 26,088              | 205,000             | 670,000                             |
| 1987 . . . . .   | 233,994                       | 18,994              | 215,000             | 455,000                             |
| 1988 . . . . .   | 226,731                       | 11,731              | 215,000             | 240,000                             |
| 1989 . . . . .   | 244,050                       | 4,050               | 240,000             | None                                |
|                  | <u>\$31,427,270</u>           | <u>\$ 9,910,270</u> | <u>\$21,517,000</u> |                                     |

## *fixed assets and allowances for depreciation*

### Fixed Assets

|   | Balances<br>1-1-63  | Additions           | Deductions          | Balances<br>12-31-63 |
|---|---------------------|---------------------|---------------------|----------------------|
| Land .  | \$ 664,177          | \$ 2,728            | \$ 15,582           | \$ 651,323           |
| Structures and improvements .                     | 7,954,258           | 566,455             | 14,662              | 8,506,051            |
| Electric pumping equipment                        | 2,934,868           | 636,843             |                     | 3,571,711            |
| Other power pumping equipment .                   | 4,906               | 9,586               |                     | 14,492               |
| Purification equipment                            | 84,909              | 7,208               |                     | 92,117               |
| Distribution mains and accessories .              | 29,524,505          | 2,621,256           | 145,607             | 32,000,154           |
| Services .  | 5,182,991           | 373,956             | 71,022              | 5,485,925            |
| Meters  | 4,499,249           | 297,396             | 61,308              | 4,735,337            |
| Hydrants  | 1,079,292           | 103,459             | 21,785              | 1,160,966            |
| Office furniture and equipment .                  | 252,417             | 7,715               | 15,341              | 244,791              |
| Laboratory equipment                              | 5,228               |                     |                     | 5,228                |
| Miscellaneous equipment                           | 168,907             | 650                 |                     | 169,557              |
| Sub-total   | 52,355,707          | 4,627,252           | 345,307             | 56,637,652           |
| Equipment, trucks, tools,<br>Working Capital Fund | 751,130             | 158,965             | 86,230              | 823,865              |
| Construction in progress .                        | 2,033,186           | 4,162,521           | 4,426,707           | 1,769,000            |
| TOTALS .  | <u>\$55,140,023</u> | <u>\$ 8,948,738</u> | <u>\$ 4,858,244</u> | <u>\$59,230,517</u>  |

Note 1 — \$170,566 was transferred from Reserve For Depreciation — Distribution Mains to Reserve For Depreciation — Hydrants to adjust under-transfer in prior year.

january 1, 1963 to december 31, 1963

Allowances For Depreciation

| Balances<br>1-1-63  | Additions           | Deductions        | Balances<br>12-31-63 | Book Value<br>12-31-63 |
|---------------------|---------------------|-------------------|----------------------|------------------------|
| \$                  | \$                  | \$                | \$                   | \$ 651,323             |
| 793,296             | 161,783             | 1,585             | 953,494              | 7,552,557              |
| 233,170             | 67,956              | 2,889             | 298,237              | 3,273,474              |
| 1,373               | 229                 |                   | 1,602                | 12,890                 |
| 52,276              | 8,684               |                   | 60,960               | 31,157                 |
| 6,257,015           | 614,563             | 334,349(1)        | 6,537,229            | 25,462,925             |
| 2,121,305           | 212,521             | 94,807            | 2,239,019            | 3,246,906              |
| 1,949,783           | 207,569             | 63,004            | 2,094,348            | 2,640,989              |
| 110,927             | 192,898(1)          | 26,341            | 277,484              | 883,482                |
| 108,601             | 13,014              | 15,340            | 106,275              | 138,516                |
| 5,228               |                     |                   | 5,228                |                        |
| 136,908             | 8,458               |                   | 145,366              | 24,191                 |
| 11,769,882          | 1,487,675           | 538,315           | 12,719,242           | 43,918,410             |
| 508,368             | 138,488             | 86,331            | 560,525              | 263,340                |
|                     |                     |                   |                      | 1,769,000              |
| <u>\$12,278,250</u> | <u>\$ 1,626,163</u> | <u>\$ 624,646</u> | <u>\$13,279,767</u>  | <u>\$45,950,750</u>    |



*auditor's  
letter*

ROY L. POPE & SPILLERS CO.  
CERTIFIED PUBLIC ACCOUNTANTS

TOWER LIFE BUILDING  
SAN ANTONIO 5, TEXAS

February 18, 1964

Honorable Members of the  
City Water Board  
of the  
City of San Antonio, Texas

Gentlemen:

We have examined the combined and individual fund balance sheets of the San Antonio Waterworks System, San Antonio, Texas, as of December 31, 1963, and the related statements of revenue and expense for the calendar year then ended. Our examination was made in accordance with generally accepted auditing standards and the procedures suggested by the National Committee on Governmental Accounting for a regular general audit of a municipally owned public utility.

Disclosure has been made in prior audit reports of the possibility that in past years the postponement of maintenance and replacement of mains may have occasioned some overstatement of value of mains in place. Continuing engineering studies indicate that the magnitude of this deferred maintenance and replacement of mains is not as great as once believed, and that the current program of replacement and maintenance, if continued, will alleviate this condition fully.

Subject to the preceding paragraph, in our opinion, the accompanying combined and fund balance sheets, statements of revenue and expenditures and supporting schedules fairly present the financial position of the San Antonio Waterworks System, San Antonio, Texas as at December 31, 1963 and the results of operations for the year ended on that date.

Yours very truly,

ROY L. POPE & SPILLERS COMPANY

By

*Ray L. Pope*  
Certified Public Accountant

*auditor's  
comment*

**Compliance with the Revenue Bond Ordinance**

The Fund structure as required under the governing Revenue Bond Ordinance is employed throughout. This Fund structure was instituted as of January 1, 1960. In addition, the accounting for all funds is upon the accrual basis. It is our opinion that the San Antonio Waterworks System is in full compliance with all of the provisions of the Revenue Bond Ordinance covenants.

**Revenue Bond Coverage**

| Calendar Year | Revenues       | Operating Expense | Revenue Available For Debt Service | Average Annual Requirements | Times Debt Service |
|---------------|----------------|-------------------|------------------------------------|-----------------------------|--------------------|
| 1958          | \$4,687,671.59 | \$2,716,236.00    | \$1,971,435.59                     | \$1,160,571.98              | 1.70               |
| 1959          | 5,030,270.64   | 2,744,948.98      | 2,285,321.66                       | 1,168,895.95                | 1.96               |
| 1960          | 5,051,126.50   | 2,783,691.10      | 2,267,435.40                       | 1,178,181.61                | 1.92               |
| 1961          | 5,992,920.14   | 2,720,234.44      | 3,272,685.70                       | 1,088,311.00                | 3.01               |
| 1962          | 7,287,771.11   | 2,777,069.68      | 4,510,701.43                       | 1,200,073.40                | 3.76               |
| 1963          | 7,782,993.12   | 2,916,476.16      | 4,866,516.96                       | 1,204,842.60                | 4.04               |

In an operation as complex as that of the San Antonio Waterworks System, financial reporting is necessarily complex. Because of this, it is not always easy, even on comparative statements, to see trends and results.

Referring, therefore, to Page 7 of this report, we believe that special attention should be directed to the following:

1. Total gross revenue and reimbursements for the year 1963 in the amount of \$7,782,993.12 exceeded that for 1962 by \$495,222.01 and the comparable figure for 1958 by \$3,095,321.53. The significance of an increase over six years in gross revenues (or water usage) of sixty-six percent is an important index to the greater needs of the System's water users. This demand can be expected to increase further at a rapid rate.
2. Total operating expense of the System (exclusive of depreciation, amortization and other Revenue Bond Ordinance requirements) totalling \$2,916,476.16 for 1963 exceeded that for 1962 by only \$139,406.48 and that for 1958 by only \$200,240.16. The 1963 expense total included \$160,100.25 of sewer collection and consolidated tabulating costs while 1962 expense included \$120,373.67 of sewer collection costs. These costs were incurred for other agencies outside the Waterworks System and, while reimbursed as shown, keep the totals of direct operating expense from being quite comparable.

Thus, on a comparable basis the direct operating expense for the Waterworks System only for 1963 totalled \$2,756,375.91 and for 1962 totalled \$2,656,696.01. The 1962 direct operating expense was the lowest for five years and 1963 direct operating expense was only \$99,679.90 higher than for the preceding year. While gross revenues were increasing in six years by sixty-six percent (including a small rate increase of approximately 17½ percent in 1961) direct operating costs increased by only \$47,172.82 or less than 2% over those for 1958. This was a remarkable achievement for 1962 and 1963.

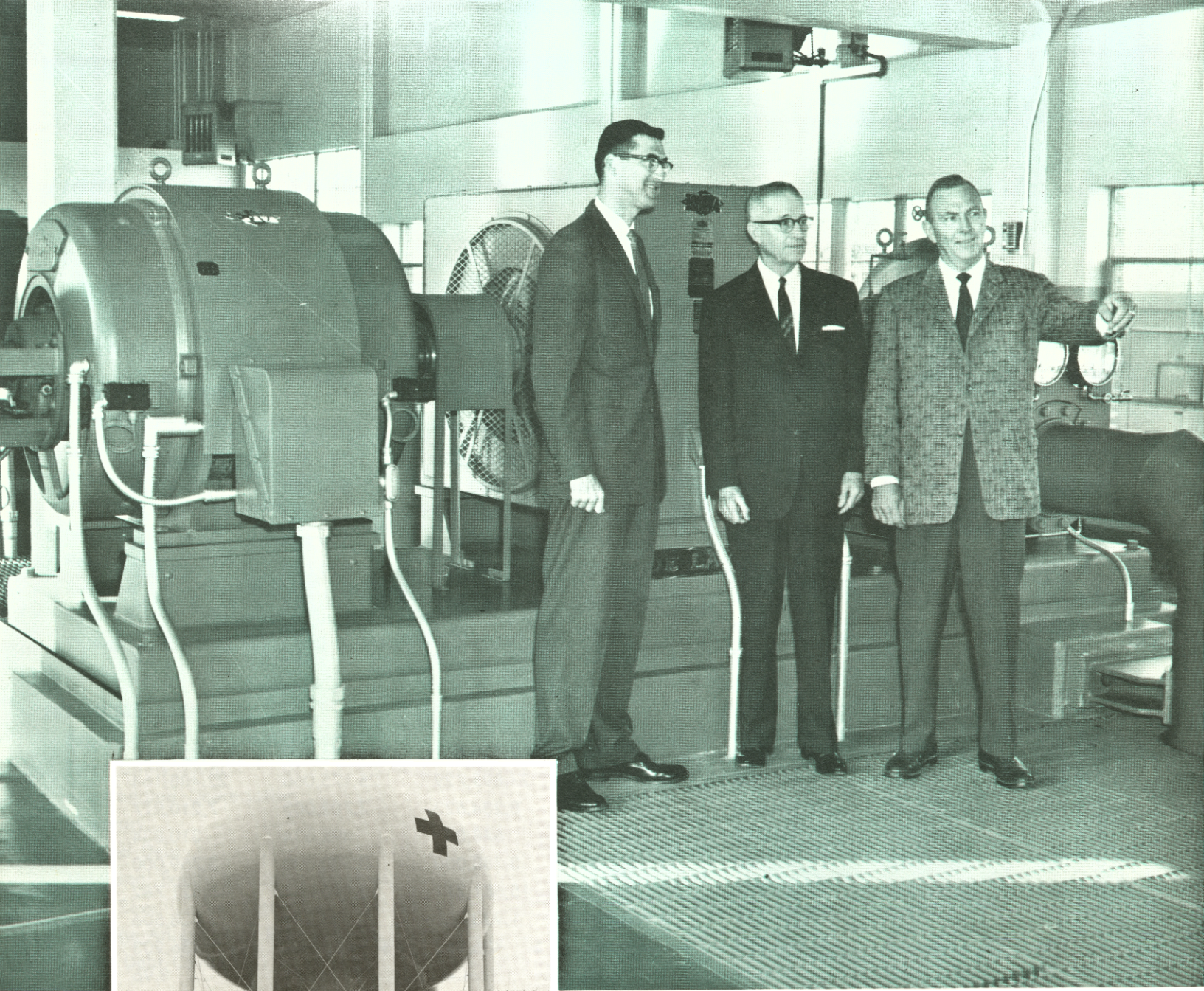
3. This result has made it possible to meet increased demands for debt service and capital improvements and rehabilitation from revenue. As a matter of fact 1962 and 1963 represented the first years under the present Bond indenture in which revenue permitted transfer in full of depreciation sustained plus fifteen percent of gross revenues to the Improvement and Contingency Fund. During 1962 over four hundred ninety thousand dollars in excess of required transfers to this fund were made, enabling the Improvement and Contingency Fund to repay five hundred thousand dollars on a prior advance to it from the Bond Fund. During 1963 over three hundred and twenty thousand dollars in excess of requirements were transferred, which, together with an accumulated two hundred thousand dollars in excess of requirements were transferred from the Working Capital Fund, enabling the full discharge of all advances from the Bond Fund.
4. More precise studies of cash flow were undertaken in 1962 to enable more funds to be placed on time deposit and for longer periods. This procedure was continued during 1963. As a result of this, interest income from time deposits and investments for 1963 totalled \$277,116.43 as compared with \$248,311.96 for 1962.
5. Obviously, good management and financial control in the System are evident. The continued growth of the system and its customers' growing demands should be expected to cause increasing costs for operation, revenue construction and debt service in future years. The progress of the past three years, we believe, has placed the San Antonio Waterworks System in a greatly improved condition to meet its problems of coming years.

## *financial and statistical information*

|   | <u>1963</u>      | <u>1962</u>      | <u>1961</u>      | <u>1960</u>    |
|---|------------------|------------------|------------------|----------------|
| <b>OPERATING RESULTS</b>  |                  |                  |                  |                |
| Total Revenue and Other Income*   | \$ 7,782,993     | \$ 7,287,770     | \$ 5,992,920     | \$ 5,051,126   |
| Operating Expenses  | 2,916,476        | 2,777,069        | 2,720,234        | 2,783,691      |
| Depreciation and Amortization   | 1,309,439        | 1,240,997        | 1,163,177        | 1,090,588      |
| Interest on Bonded Debt   | 808,803          | 808,129          | 733,165          | 716,949        |
| Net Income . . . . .  | <u>2,748,275</u> | <u>2,461,575</u> | <u>1,376,344</u> | <u>459,898</u> |
| Redemption of Bonds . . . . .   | <u>292,000</u>   | <u>271,000</u>   | <u>265,000</u>   | <u>227,000</u> |
| Revenue Available for Plant Additions                                       | \$ 2,456,275     | \$ 2,190,575     | \$ 1,111,344     | \$ 232,898     |
| Revenue Per 1,000 Gallons Pumped — Cents . . . . .                          | 23.9             | 23.6             | 22.1             | 18.8           |
| Operating Expense Per 1,000 Gallons Pumped — Cents . . . . .                | 9.0              | 9.0              | 10.0             | 10.4           |
| <b>FINANCIAL DATA</b>   |                  |                  |                  |                |
| Expenditures for Plant Additions . . . . .                                  | \$ 4,386,719     | \$ 4,297,071     | \$ 2,466,628     | \$ 4,156,677   |
| Total Utility Plant . . . . .   | 59,230,517       | 55,140,023       | 51,436,982       | 50,218,695     |
| Accumulated Depreciation . . . . .  | 13,279,767       | 12,278,250       | 11,503,260       | 11,411,740     |
| Inventory . . . . .   | 382,953          | 355,970          | 452,484          | 458,504        |
| Bonded Debt . . . . .   | 21,517,000       | 21,809,000       | 20,115,000       | 18,380,000     |
| Municipal Equity (Including Reserves) . . . . .                             | 32,013,349       | 28,495,101       | 25,395,667       | 23,245,511     |
| Total Revenue Less Operating Expenses . . . . .                             | 4,866,517        | 4,510,701        | 3,272,686        | 2,267,435      |
| Average Annual Debt Requirement . . . . .                                   | \$ 1,204,843     | \$ 1,200,074     | \$ 1,088,311     | \$ 1,178,182   |
| Times Debt Coverage . . . . .   | 4.04             | 3.76             | 3.01             | 1.92           |
| <b>OTHER STATISTICS</b>   |                  |                  |                  |                |
| Water Pumped — Million Gallons . . . . .                                    | 32,549           | 30,930           | 27,098           | 26,861         |
| Metered Usage — Million Gallons . . . . .                                   | 28,861           | 26,690           | 22,555           | 22,262         |
| Annual Rainfall — Inches . . . . .  | 18.65            | 23.90            | 26.46            | 29.76          |
| Customers at End of Year . . . . .  | 132,181          | 129,301          | 127,190          | 124,962        |
| Average Use Per Customer — Thousands of Gallons . . . . .                   | 220.7            | 206.4            | 177.3            | 178.2          |
| Miles of Main Installed . . . . .   | 66.91            | 60.69            | 63.02            | 48.86          |
| Miles of Main Replaced and Abandoned . . . . .                              | 18.83            | 27.46            | 26.26            | 9.20           |
| Miles of Main in Place . . . . .  | 1,718.07         | 1,669.99         | 1,636.76         | 1,600.00       |
| New Services Installed . . . . .  | 3,237            | 3,189            | 2,815            | 3,131          |
| Fire Hydrants Installed . . . . .   | 307              | 316              | 316              | 189            |
| Fire Hydrants in Place . . . . .  | 6,279            | 6,046            | 5,888            | 5,720          |
| Number of Employees . . . . .   | 536              | 542              | 553              | 604            |
| Total Salaries and Wages Paid . . . . .                                     | \$ 2,134,314     | \$ 2,034,613     | \$ 2,055,006     | \$ 2,111,298   |
| *Excludes Metered Sales to City of San Antonio<br>Which Amount To . . . . . | \$ 189,119       | \$ 190,472       | \$ 155,619       | \$ 130,009     |

| 1959         | 1958         | 1957         | 1956                | 1955         | 1954         | 1953         |
|--------------|--------------|--------------|---------------------|--------------|--------------|--------------|
| \$ 5,030,271 | \$ 4,687,671 | \$ 4,723,104 | \$ 5,426,438        | \$ 3,957,233 | \$ 3,833,550 | \$ 3,236,789 |
| 2,744,949    | 2,716,236    | 2,512,575    | 2,461,200           | 2,033,552    | 1,780,481    | 1,508,283    |
| 940,363      | 743,402      | 707,505      | 649,990             | 580,540      | 524,833      | 484,120      |
| 699,473      | 638,188      | 378,317      | 171,490             | 185,277      | 198,348      | 210,742      |
| 645,486      | 589,845      | 1,124,707    | 2,143,758           | 1,157,864    | 1,329,888    | 1,033,644    |
| 253,000      | 238,000      | 269,000      | 255,000             | 242,000      | 229,000      | 218,000      |
| \$ 392,486   | \$ 351,845   | \$ 855,707   | \$ 1,888,758        | \$ 915,864   | \$ 1,100,888 | \$ 815,644   |
| 18.9         | 18.5         | 18.9         | 18.4                | 15.2         | 14.9         | 13.7         |
| 10.3         | 10.7         | 10.0         | 8.3                 | 7.8          | 6.9          | 6.4          |
| \$ 4,623,172 | \$ 8,502,521 | \$ 3,924,303 | \$ 1,676,573        | \$ 2,720,661 | \$ 2,686,903 | \$ 1,854,572 |
| 46,622,299   | 41,999,127   | 33,496,606   | 29,572,303          | 27,895,729   | 25,175,068   | 22,488,164   |
| 10,719,859   | 10,069,667   | 9,524,410    | 8,861,511           | 8,234,622    | 7,702,003    | 7,210,917    |
| 636,257      | 748,625      | 1,009,243    | 725,253             | 648,341      | 492,634      | 310,834      |
| 18,607,000   | 15,860,000   | 16,098,000   | 3,033,000           | 3,288,000    | 3,530,000    | 3,759,000    |
| 21,852,841   | 20,547,283   | 19,141,237   | 17,579,770          | 15,681,211   | 13,890,064   | 11,521,782   |
| 2,285,322    | 1,971,435    | 2,210,529    | 2,965,238           | 1,923,681    | 2,053,069    | 1,728,506    |
| \$ 1,168,896 | \$ 1,160,572 | \$ 966,953   | \$ 436,299          | \$ 436,254   | \$ 436,244   | \$ 436,203   |
| 1.96         | 1.70         | 2.29         | 6.80                | 4.41         | 4.71         | 3.96         |
| 26,558       | 25,332       | 25,010       | 29,472              | 25,983       | 25,723       | 23,669       |
| 22,525       | 20,873       | 21,491       | 25,183              | 21,122       | 20,744       | 18,653       |
| 24.50        | 39.69        | 48.83        | 14.31               | 18.18        | 13.70        | 17.56        |
| 123,816      | 119,800      | 113,421      | 112,042             | 109,224      | 103,996      | 99,128       |
| 181.9        | 174.3        | 189.4        | 224.7               | 193.3        | 199.4        | 188.2        |
| 87.45        | 140.45       | 29.70        | 40.99               | 66.37        | 63.66        | 52.00        |
| 21.64        | 29.62        | 10.13        | 5.65                | 3.53         | 3.84         | 9.78         |
| 1,560.34     | 1,494.53     | 1,383.70     | 1,364.13            | 1,328.79     | 1,265.95     | 1,206.13     |
| 4,783        | 6,703        | 2,886        | 3,322               | 5,810        | 5,816        | 4,708        |
| 347          | 341          | 96           | 112                 | 215          | 146          | 153          |
| 5,540        | 5,227        | 4,886        | 4,781               | 4,672        | 4,413        | 4,269        |
| 628          | 662          | 657          | 585                 | 511          | 437          | 368          |
| \$ 2,143,209 | \$ 2,208,921 | \$ 1,957,497 | \$ 1,744,847        | \$ 1,396,258 | \$ 1,188,842 | \$ 1,086,488 |
| \$ 127,891   | \$ 127,956   | \$ 84,387    | NOT ACCOUNTED FOR . |              |              |              |

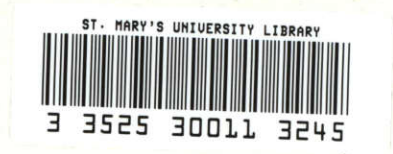




Improvements at the City Water Board's newly-modernized 44-million-gallon-per-day Mission Pumping Station are described to Mayor W. W. McAllister (center) by Bruce E. Sasse, the Board's General Manager (right), and Robert P. Van Dyke, Operations Branch Manager. In the background stands a new 8-million-gallon-per-day variable high speed service pump and its 400 horsepower motor.

Typifying the City Water Board's philosophy of keeping abreast of — and ahead of — San Antonio's rapid progress is this one million-gallon elevated storage tank constructed on the site of the new San Antonio Medical Center near Fredericksburg and Wurzbach Roads. The tank provides fire protection reserve and stabilizes water pressure in this vital new addition to the City's economy. It is appropriately painted white with traditional red crosses and is known as the "Medical" tank.

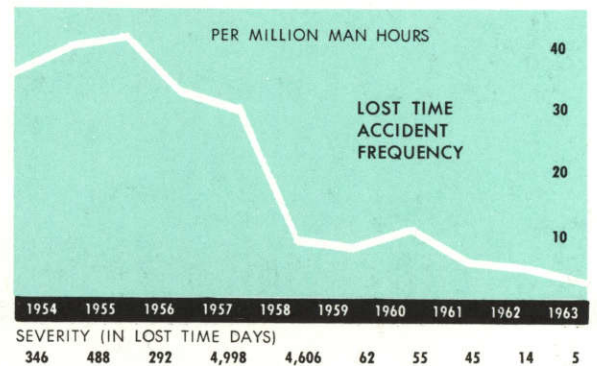




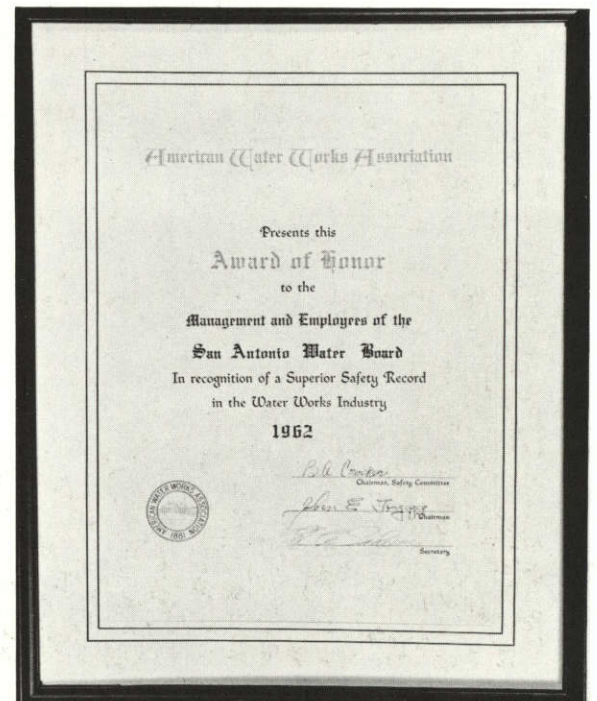
**National Recognition** — The City Water Board's continuing year-round safety program earned it the National Safety Council's Award of Merit for the second successive year. Less than five per cent of organizations in the Board's category received such recognition.



*a record year for safety*



**State Recognition** — For the fifth consecutive year the City Water Board received the Industrial Safety Award of the Texas Safety Association, in recognition of the Board's part in making "a safer Texas".



**Southwest Recognition** — The American Water Works Association's "Award of Honor" was received by the Board. A "superior safety record" earned the award for the fifth consecutive year. It was the highest award received by 7 of 178 water utilities. City Water Board accidents were one-sixth the average of more than 2,200 water utilities nationally.





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