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CITY WATER BOARD OF SAN ANTONIO, TEXAS
1985 ANNUAL REPORT



Highlights of 1985

Financial

| | <u>1984</u> | | <u>1985</u> |
|---|---------------|----|---------------|
| Revenue Increased from | \$ 49,816,468 | to | \$ 51,032,325 |
| Operating Cost Decreased from | \$ 26,017,200 | to | \$ 25,622,275 |
| Contributions for Construction Increased from | \$ 10,755,382 | to | \$ 16,657,287 |
| Municipal Equity Rose from | \$169,673,990 | to | \$191,391,371 |
| Debt Coverage Increased from | 1.57 | to | 1.68 |
| Operating Cost Per Customer Decreased from | \$ 121.09 | to | \$ 113.23 |
| Investment in Gross Utility Plant Per Customer Increased from | \$ 1,431 | to | \$ 1,581 |

Operating

| | | | |
|---|---------|----|---------|
| Miles of Main in Use Went Up from | 2,988.0 | to | 3,097.0 |
| Fire Hydrants in Service Increased from | 13,494 | to | 14,219 |
| New Services Installed Increased from | 8,159 | to | 9,848 |
| Number of Customers Increased from | 214,852 | to | 220,956 |
| Number of Budgeted Employees Increased from | 842 | to | 850 |

About the Cover

The City Water Board work force is a group of dedicated men and women who work together as a team to insure the most efficient water service possible now, and in the future, for the citizens of San Antonio and Bexar County.



The Winter of 1984-85 proved to be extremely unusual for San Antonio and most of Texas. A record snowfall of 12 inches in one day and long periods below freezing placed severe burdens upon San Antonio. Where other Texas cities' water systems froze the City Water Board distribution system came through this period virtually unscathed. Water pumped from the Edwards Aquifer, the sole source of potable water for the City, comes to the surface year round at 72 degrees Fahrenheit and has few points vulnerable to cold temperatures throughout distribution. Therefore, City Water Board customers had no disruption of service to meters during the severest of days.

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Board of Trustees



**Robert L. M. Hilliard, M. D.
Chairman**



**Robert L. Gragg
Vice-Chairman**



**Henry G. Cisneros
Mayor**



**Nelda Weatherly
Trustee**



**Samuel C. Lopez
Trustee**

Outgoing Chairman Richard R. Solis, accepts a plaque from incoming Chairman Robert L. M. Hilliard, M.D., given in appreciation of his eight years of service to the Water Works Board of Trustees.

Message from the Water Works Board of Trustees

Like many other cities in the Sunbelt, the San Antonio metropolitan area has been steadily growing during recent years, and today San Antonio is the 10th largest city in the United States. San Antonio's dynamic growth and expansion continued throughout 1985 bringing the city's population to 866,100 and its land area to 317 square miles. Because of previous master planning and facilities construction, the City Water Board's water system was easily able to handle this growth and the 6,104 new customers that were added during 1985. The Board expanded its Public Utility Commission Certificated Service Area from 294 square miles to 507 square miles during the year to be in a position to provide needed water facilities for future growth.

The City Water Board is an integral part of the growth taking place in San Antonio, and the Water Works Board of Trustees is taking the necessary steps to see that the water system is developed in conformance with a sound master plan which is presently being updated to insure that all expenditures are made wisely for those improvements needed to provide our citizens with an ample supply of high quality water to meet their needs. The Board also promulgated new Regulations for Water Service to equitably govern the extension of the water system into its expanded service area, and they became effective 27 June 1985.

1985 was the fourth year in the Board's current four-year construction program to meet the needs of our community. A \$30,000,000 Prior Lien Water System Revenue Bond issue and an 18.9% water rate increase were authorized by the City Council on 3 October 1985 to finance the 1985 construction program. In continuance of its history of excellent bond ratings the Board received an Aa rating from Moody's and an A+ rating from Standard & Poor's for this bond issue.

San Antonio received 41.47 inches of rain or 149% of its normal rainfall during 1985. As a result, water pumpage was only 57.1 billion gallons, water sales were \$40,200,150, and maintenance and operating expenditures were \$26,940,210.

The Board is continuing its effort on the Applewhite Water Supply Project to provide a supplemental surface water supply for San Antonio, and at the present time the design is 34% complete. The Board is still awaiting the Corps of Engineers Section 404 Permit for the project, and it is expected to be received by mid-1986.

I thank the members of the Water Works Board of Trustees for their outstanding service during 1985, and I commend outgoing Chairman Richard R. Solis for his dedicated leadership and contributions during his eight-year term on the Board. I would also like to

recognize the members of the City Council and the City staff who supported the Board's efforts during the past year.

I also thank the employees and the management staff of the City Water Board for their dedicated service in operating and maintaining the water system during the past year. I deeply appreciate the dedicated and efficient service provided to the Board by its Secretary-Treasurer, Martha L. Hawkins.

I particularly wish to commend our General Manager, Robert P. Van Dyke, who received the American Water Works Association's coveted Distinguished Public Service Award in June 1985, for his professional management of the water system and for his strong support of the Board and its policies.

The City Water Board has had a long and impressive history of service to its customers, and it is looking forward to an even brighter future in the years that lie ahead.



Robert L. M. Hilliard, M. D.
Chairman





ROBERT P. VAN DYKE
General Manager



A Report from the General Manager

This year's report is dedicated to the City Water Board work force with emphasis on the many women who serve with pride and distinction. The Annual Report traditionally describes the value of the City Water Board in terms of monetary and related assets. Yet in its most basic sense the greatest value of this organization is found in its work force. This organization's work force provides a wide variety of services to the community of San Antonio. The work force pumps, distributes, and stores water, operates heavy machinery, drives and maintains numerous types of vehicles, digs trenches, lays and repairs water mains, reads meters, repairs streets, pours concrete, maintains grounds, surveys land, makes purchases and contracts, operates computers, interviews customers, maps areas throughout Bexar County, performs all functions of personnel administration, performs comptroller functions, provides computer programming services, provides food services and maintains a credit and collection department. Each function is performed by a nucleus of professional dedicated workers who carry out the day-to-day operations of the City Water Board. Moreover, in every category women in the work force are thoroughly integrated and essential in performing vital functions that help to continue the unprecedented growth and productivity of the City Water Board. In 1985 the San Antonio City Council requested that the Board greatly expand its 290 square mile service area, and today the Board has a certificate of convenience and necessity to serve 507 square miles in San Antonio and Bexar County. The current size and growth potential of the system have placed heavy demands and unique challenges upon the work force which require the best professional talents of the women and men of the City Water Board.

Revenues and Expenses

In 1985 metered water sales totaled \$40,200,150 which represented a 0.5% decrease below last year's total metered sales of \$40,413,918. Greater than normal rainfall throughout the year affected this year's sales revenues. An 18.9% rate increase became effective in October, but did not materially affect revenues for 1985. Interest earned on time deposits and investments totaled \$4,163,888, down 18% from last year. Gross revenue from all sources rose 2.4% over 1984. Total gross revenue was \$51,032,325.

\$8,732,621 in fuel and power costs led the operating and maintenance expenditures. The 4.9% decrease from \$9,179,651 in 1984 is a reflection of the abnormal rainfall received during 1985.

The 1985 Construction Program necessitated the issuance of \$30,000,000 of additional water system revenue bonds in January 1986. The total bonded indebtedness is now \$128,120,000.

Utility Plant Additions

As a result of annexation, Braun Station Subdivision located northwest of San Antonio became part of the City Water Board service area 30 December 1985. The 1985 Construction Program included monies for the purchase of four additional water utilities in 1986. Including construction in progress, the City Water Board utility plant gross value increased 13.7% from \$307,353,866 in 1984 to \$349,347,272 at the close of 1985.

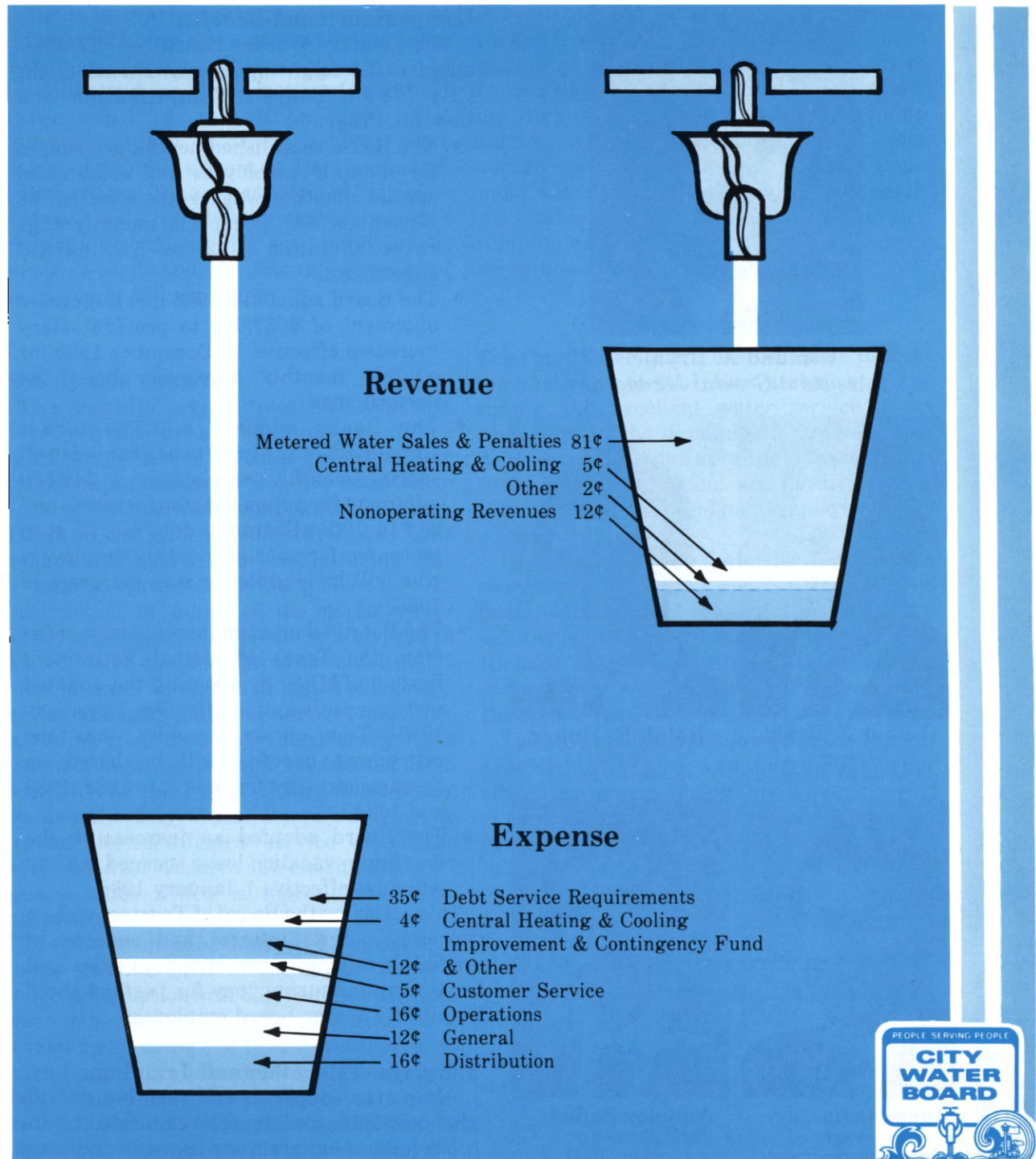
1985 System Replacements and Extensions

During the year, construction proceeded on a major substandard main replacement program which resulted in the completion of 14 individual projects and the installation of over 14.5 miles of new water distribution mains. This major main replacement program is continuing with an additional 27 projects already funded, and when construction is completed it will result in an additional 22.5 miles of new mains added to the system. The replacement of these older substandard water mains with larger new mains will enhance the system operation and improve the quality of daily service to our customers.

Subdivision growth continued at a high level, and plans for water improvements were approved for 250 new subdivisions to provide metered water service to a total of 5,320 new lots. In addition 450 new fire hydrants were installed within these new subdivisions to assist in maintaining San Antonio's enviable position of having the second lowest fire insurance key rate in the state of Texas.

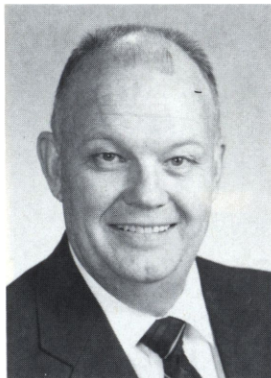
At the end of 1985 approximately 5,700 plastic service lines remain in the water system, and these will be replaced with new copper service lines during early 1986.

Major replacements and adjustments to water system facilities were accomplished during 1985 in connection with construction projects by the City of San Antonio Public Works Department, the Texas Department of Highways and Public Transportation, the San Antonio River Authority, the County of Bexar, and the San Antonio Development Agency. Among other projects, these involved construction within the Vista Verde Phase II development, River Center Mall development, IH 35-IH 10 Interchange, Convention Center expansion, and City drainage and street reconstruction projects.

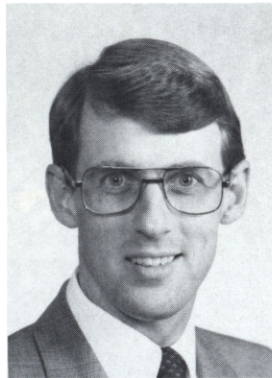




Osmund A. Brynie
Assistant General Manager



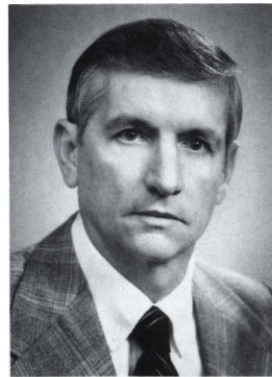
Lester J. Hash
Manager
Distribution Branch



Ralph E. Huber
Manager
Comptroller Branch



Inez Macias, Jr.
Manager
Customer Service Branch



Amador Salinas
Manager
Personnel Branch

Compensation and Benefits

The Water Works Board of Trustees adopted the following improvements to the City Water Board's Compensation and Benefits Program:

- The Board established new salary ranges for monthly employees and established special monthly wage rates effective 16 December 1985. The special monthly wage rates included a 2 to 5% market adjustment.
- The Board adopted a 1986 merit increase allotment of \$657,000 to provide salary increases effective 16 December 1985 for eligible monthly employees based on performance.
- The Board adopted a 3.7% market adjustment of \$111,500 to be granted to all special monthly employees, a \$42,500 allotment for automatic step increases and a \$44,000 allotment for merit step increases for special monthly employees who will be eligible for step increases in 1986.
- The Board adopted an increase in benefits from the Texas Municipal Retirement System (TMRS) by adopting the updated service credit option effective 1 January 1986. This option provides that the retirement benefits will be based on average earnings for the years 1982, 1983 and 1984.
- The Board adopted an increase in the maximum vacation leave accrued to sixty (60) days effective 1 January 1986.

This action by the Board of Trustees was an expression of its interest and concern in providing fair and competitive salaries and benefits and assuring "pay for performance" for all City Water Board employees.

Employee Education and Training

Employee education and training provide the knowledge and experience needed by the work force to maintain and improve necessary

job skills vital to the effective day-to-day operations of the City Water Board. Mandatory programs are provided for job categories where specified skill levels are deemed critical to job performance. Optional programs are encouraged and offered to every employee wishing to improve his or her qualifications.

During 1985 one hundred three employees attended water works short schools conducted by the Texas A&M University's Engineering Extension Service. These short schools provided most of the training required for City Water Board employees to qualify for Water Works Certificates of Competency. These certificates of competency are issued by the State of Texas and are required in certain job areas. One hundred and sixty-six employees now hold water works operator's licenses issued by the Texas Department of Public Health. It is the City Water Board's policy to meet and exceed all governmental licensing requirements.

The City Water Board vigorously encourages participation in its tuition refund program for the betterment of specific job skills and to broaden the management and business capabilities of its personnel. Within this program an employee may work toward an undergraduate and graduate degree with full tuition refund under certain conditions. Ten women and eighteen men of the City Water Board attended college or university courses and one woman graduated with a bachelor's degree under this program in 1985.

Safety Record

During 1985 there were 30 lost-time injuries. This amount is 2 lost-time injuries less than in 1984. The City Water Board has an active Safety Program geared to reducing on-the-job injuries, especially the more serious ones that result in lost time. Injury reductions

in numbers and severity continued to save the City Water Board many thousands of dollars during recent years.

One hundred and thirty-three (133) eligible employees from work areas with above-average accident potential were presented with Safety Awards of Merit for their contributions to the overall Safety Program. This year was the first time a new brass Safety belt buckle specially designed for the CWB was awarded. Each of these employees had gone five years or more without an injury requiring medical attention or having a preventable vehicle accident. In addition to the buckles presented by the General Manager, each recipient received a Safety certificate and decal indicating the number of safe years worked.

It is the continual devoted efforts of individuals such as these combined with a viable Safety Program and effective supervision that make the City Water Board one of the leaders in the water utility industry.

Information Services

The Information Services Department accomplished two major programs in 1985. It rewrote and enhanced 16 teleprocessing programs for the Customer Service System and assisted the Customer Service Branch in the selection and integration of hand-held computer terminals designed to read water meters.

The 16 Customer Service teleprocessing programs were implemented beginning in 1970 and have proven to be the mainstay of the Customer Service Branch system. Rewriting and enhancement of these programs to a newer and higher level computer language significantly improved the speed, reliability and integrity of the system to provide our customers and our employees with a system capable of efficiently processing the ever-growing numbers of customer service requests.

The Information Services Department served as technical and systems advisor to the Customer Service Branch during the feasibility study and the selection of hand-held meter reading computer terminals. Numerous types of these devices were evaluated before a system by Datamatic, Inc. of Richardson, Texas, was selected. The new system will increase meter reader productivity, reduce the read-to-bill cycle, reduce re-reads and increase the accuracy of the customer billing system.

1985 System Growth

The rapidly expanding San Antonio metropolitan area continues to place significant pressure on those priority water system improvements which are essential in meeting the ever-increasing water demands placed on the system. Funds from the 1984 revenue bond sale were available during 1985 to enable the Board to proceed with construction of many of the major water facilities necessary to meet these high growth related water demands. Approximately 3,097 miles of water distribution mains are now in service and span a distance of over 300 miles extending from the southern extremity of the system to areas beyond FM 1604 on the north side. In 1985 the Public Utility Commission granted the City Water Board's request to expand its certificated service area. The certificated service area now encompasses 507 square miles which is more than a 70% increase over the area previously served.

The placement of 52,500 feet of 20-to 26-inch mains was included in the major projects under construction in 1985. Main extensions to the north resulted in serving several new developments along FM 1604. Several projects extending water mains were also made along S. W. Loop 410 as well as S. E. Loop 410 in the southern sectors of the system. In order to insure that an adequate quantity of water will

be available to meet this increasing growth, work on five deep water wells got under way to provide an additional 50 million gallons of water a day. Also being added to the system are high service pumps at major pump stations, a new booster station, and a water storage reservoir. Completion of all of these major water improvement projects will result in a total system water well and high service pumping capacity which will be in excess of one billion gallons of water a day.

The City Water Board has been able to meet the challenge of providing a copious water supply and excellent water service to its customers in the dynamically growing San Antonio metropolitan area due to the technical competence, dedication, and loyalty of the outstanding women and men employed by our water utility.

I greatly appreciate the leadership and wise counsel provided by the Board of Trustees this past year, and I especially wish to acknowledge the services and contributions of Richard R. Solis who retired as the Chairman of the Water Works Board of Trustees on 31 December 1985.

I would also like to acknowledge the support provided by the City Administration and our citizen-customers during this dynamic period of growth. It was a privilege and pleasure for your City Water Board to serve its customers in 1985 and to be actively involved in this exciting period of San Antonio's colorful history.



Robert P. Van Dyke
General Manager



Report of Certified Public Accountants

The Board of Trustees
San Antonio Waterworks System

We have examined the balance sheets of the San Antonio Waterworks System, doing business as City Water Board, at December 31, 1985 and 1984. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in Notes A and B, the San Antonio Waterworks System is a city-owned utility and has significant transactions with the City of San Antonio.

In our opinion, the accompanying balance sheets present fairly the financial position of the San Antonio Waterworks System at December 31, 1985 and 1984, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

Our examinations have been made primarily for the purpose of expressing an opinion on the balance sheets, taken as a whole. The accompanying supplementary information (statements of revenues and their disposition, schedule of revenue bond debt coverage ratios and summary of debt charges until maturity) at December 31, 1985 and 1984 and for the years then ended, is presented for purposes of additional analysis and is not a required part of the balance sheets referred to above. This information has been subjected to the auditing procedures applied in the examination of the balance sheets mentioned above and, in our opinion, is fairly stated in all material respects in relation to the balance sheets taken as a whole. In addition, in connection with our examinations, nothing came to our attention that caused us to believe that the San Antonio Waterworks System was not in Compliance with any of the terms, covenants, provisions, or conditions of Sections 9 to 20, inclusive of Ordinance No. 52091 adopted April 24, 1980 by the City of San Antonio, Texas.

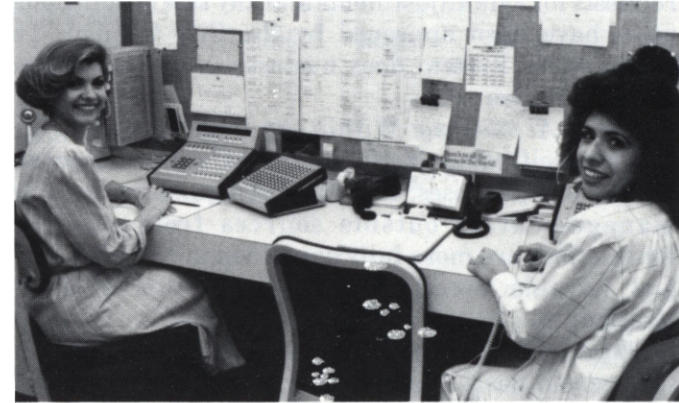
Arthur Young & Company

ARTHUR YOUNG & COMPANY
San Antonio, Texas
January 31, 1986

Balance Sheets

| | December 31 | |
|---|----------------------|----------------------|
| | 1985 | 1984 |
| Assets | | |
| Current Assets | | |
| Cash and time deposits | \$ 5,704,440 | \$ 5,531,178 |
| Accrued interest receivable | 90,668 | 1,314,343 |
| Accounts receivable—including unbilled water revenues of \$2,341,000 in 1985 and \$1,791,000 in 1984 and net of allowance for uncollectible accounts of \$198,089 in 1985 and \$189,258 in 1984 | 9,479,853 | 7,852,379 |
| Inventory—materials and supplies | 1,342,356 | 1,244,424 |
| Prepaid expenses | 154,065 | 69,760 |
| Total current assets | <u>16,771,382</u> | <u>16,012,084</u> |
| Unamortized Refunding Bond Expense .. | 381,508 | 406,389 |
| Restricted Assets—Note B | | |
| Prior Lien Bond funds: | | |
| Cash and time deposits | 8,761,360 | 6,830,910 |
| Bonds and Additional Bonds funds: | | |
| Cash and time deposits | 5,069,533 | 5,363,060 |
| Construction funds: | | |
| Cash and time deposits | 26,199,099 | 44,496,985 |
| Accounts receivable | 122,161 | 164,803 |
| Unamortized bond expense | 191,741 | 217,276 |
| Cash and time deposits—customers' deposits | 5,178,032 | 4,089,268 |
| Total Restricted Assets | <u>45,521,926</u> | <u>61,162,302</u> |
| Utility Plant—Note E | | |
| Utility plant in service | 310,492,895 | 288,116,927 |
| Less allowance for depreciation | (71,517,960) | (65,331,503) |
| Total Utility Plant | <u>238,974,935</u> | <u>222,785,424</u> |
| Land and land rights | 2,433,975 | 2,433,975 |
| Construction in progress | 36,420,402 | 16,802,964 |
| Total Assets | <u>277,829,312</u> | <u>242,022,363</u> |
| | <u>\$340,504,128</u> | <u>\$319,603,138</u> |

| | December 31 | |
|--|----------------------|----------------------|
| | 1985 | 1984 |
| Liabilities and Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 1,443,910 | \$ 1,728,259 |
| Sewer service collections due to the City of San Antonio and others | 3,984,824 | 3,548,666 |
| Notes payable—current portion—Note D | 757,506 | 628,772 |
| Due to City of San Antonio for acquisition of water districts—current portion | 58,925 | 55,996 |
| Accrued vacation pay | 1,124,885 | 1,038,730 |
| Sundry payables and accruals | 1,620,936 | 1,475,146 |
| Total current liabilities | 8,990,986 | 8,475,569 |
| Liabilities of Restricted Funds | | |
| Prior Lien Bond funds: | | |
| Accrued interest payable | 1,619,501 | 1,646,731 |
| Bonds and Additional Bonds funds: | | |
| Accrued interest payable | 476,505 | 489,045 |
| Construction funds: | | |
| Advances for construction | 1,191,579 | 782,803 |
| Customers' deposits | 5,178,032 | 4,089,268 |
| Revenue bonds payable within one year—Note C .. | 2,715,000 | 2,465,000 |
| | 11,180,617 | 9,472,847 |
| Long-Term Debt—amounts payable after one year | | |
| Revenue bonds—Note C | 125,405,000 | 128,120,000 |
| Due to City of San Antonio for acquisition of water districts | 419,275 | 478,200 |
| Notes payable—Note D | 3,116,879 | 3,382,532 |
| | 128,941,154 | 131,980,732 |
| Total liabilities | 149,112,757 | 149,929,148 |
| Equity | | |
| Retained earnings: | | |
| Reserved for: | | |
| Retirement of bonds and interest— Prior Lien Bond funds | 7,141,859 | 5,511,548 |
| Retirement of bonds and interest— Bonds and Additional Bonds funds | 4,593,028 | 4,546,646 |
| Construction | 25,321,422 | 44,096,261 |
| | 37,056,309 | 54,154,455 |
| Unreserved | 56,211,523 | 34,053,283 |
| | 93,267,832 | 88,207,738 |
| Contributions in aid of construction | 98,123,539 | 81,466,252 |
| Total equity | 191,391,371 | 169,673,990 |
| Contingencies and Commitments—Note G | — | — |
| | <u>\$340,504,128</u> | <u>\$319,603,138</u> |



Notes to Balance Sheets

December 31, 1985 and 1984

Note A—Summary of Significant Accounting Policies

Management of the System: As specified by City Ordinance No. 52091, adopted April 24, 1980, the complete management and control of the System has been vested in a five member board of trustees known as the "Water Works Board of Trustees of San Antonio." The Board of Trustees consists of the Mayor and four residents of the City of San Antonio. With the exception of the Mayor, all other Trustees are appointed by the City Council for eight year staggered terms and are not eligible for reappointment. In addition to appointment of members of the Board of Trustees, the City Council also considers requests for rate adjustments and any sale of additional revenue bonds must have been approved by the City Council. The San Antonio Waterworks System does business under the name of City Water Board (the Board).

Fund Accounting: Within the Board's enterprise fund accounts, separate self-balancing funds are maintained to account for resources for various purposes, thereby distinguishing balances restricted by management or outside sources from unrestricted sources. Restrictions are more fully explained in Note B. Interfund receivable and payable accounts have been eliminated in the financial statements.

Basis of Accounting: The financial statements are prepared using the accrual basis of accounting.

Inventory—Materials and Supplies: Inventories are valued at the lower of average cost or market.

Utility Plant: Utility plant in service is recorded on the basis of cost. Assets acquired through contributions, such as from land developers, are capitalized and recorded in the plant records at estimated fair market value at date of donation. It is the policy of the Board to capitalize certain interest costs on revenue bonds associated with newly constructed utility plant additions.

The Board provides for depreciation of utility plant in service on the straight-line method at amounts estimated to amortize costs of assets over their estimated average useful lives. At the time of retirement of utility plant assets, the allowance for depreciation is charged with the original cost of the asset and the cost of removal.

The following estimated average useful lives are used in providing for depreciation of utility plant:

| | |
|--|-------------|
| Structures and improvements | 50 years |
| Pumping and purification equipment | 10-50 years |
| Distribution and transmission system | 4-50 years |
| Equipment and machinery | 5-20 years |
| Furniture and fixtures | 20 years |

Central heating and cooling plant

10-50 years

Accrued Vacation Pay: It is the policy of the Board to accrue employee vacation pay as earned.

Note B—Adoption of City Ordinance No. 52091

On April 24, 1980, City Ordinance No. 52091 was adopted. This ordinance authorized the issuance of \$37,495,000 Water System Revenue Refunding Bonds, Series 1980, dated May 1, 1980. These bonds were issued to refund in advance of maturity \$47,340,000 Water Revenue Bonds authorized and outstanding under terms of City Ordinance No. 24819. The purpose of this refunding was to release and discharge the restrictive covenants contained in City Ordinance No. 24819 in order to permit the City to meet future financing needs under more favorable conditions.

Ordinance No. 52091 requires that gross revenues of the System be applied in sequence to: (a) current expenses of operation and maintenance; (b) debt service and reserve requirements; (c) capital expenditures, or unexpected or extraordinary repairs of replacements, or for any other lawful purpose. The following funds have been established to account for the application of the gross revenues: (i) System Fund; (ii) Interest and Sinking Fund; (iii) Reserve Funds; and (iv) Improvement and Contingency Fund. The System Fund is to retain at all times an amount at least equal to one-sixth of the amount budgeted for the then current fiscal year for the current operation and maintenance expenses of the System. The Reserve Funds are required to contain an amount of money and investments equal in market value to the principal and interest requirements during the fiscal year in which such requirements are scheduled to be the greatest. All requirements of the ordinance have been complied with at December 31, 1985 and 1984.

City Ordinance No. 52091 also requires that the City maintain rates sufficient to pay all current operation and maintenance expenses of the system and produce an amount of Pledged Revenue during each fiscal year at least equal to 1.25 times debt service requirements during such fiscal year of all then outstanding bonds. In order to offer for sale additional bonds on parity with the Prior Lien Water System Revenue Bonds, Pledged Revenues shall at least equal 1.25 times debt service requirements, during the fiscal year in which such requirements are scheduled to be greatest, of all then outstanding bonds plus the proposed additional bonds. In order to sell additional bonds on parity with the Water System Revenue Refunding Bonds, Pledged Revenues shall at least equal the aggregate of (a) 1.1 times debt service requirements of all then outstanding bonds, excluding all then outstanding Prior Lien Water System Revenue Bonds, and (b)

1.25 times debt service requirements of all then outstanding Prior Lien Water System Revenue Bonds.

City Ordinance No. 52091 also provides for no free services but allows the Board to provide water service to the City without charge for municipal and fire protection purposes in lieu of charges by the City to the Board for use of its streets, alleys, and public ways.

Note C—Revenue Bonds

Prior Lien Water System Revenue Bonds, in the amounts of \$95,075,000 and \$96,550,000 for 1985 and 1984, respectively, are collateralized by an irrevocable first lien on and pledge of the gross revenues of the System after deducting and paying the current expenses of operation and maintenance of the System and extensions necessary to render efficient service. At December 31, 1985, these bonds are due in varying amounts, from a low of \$3,379,187 in 2008 to a high of \$11,275,450 in 1986, including interest at rates of 7.5% to 12.75%. At December 31, 1984, these bonds were due in varying amounts, from a low of \$3,379,187 in 2008 to a high of \$11,275,450 in 1986, including interest rates of 7.5% to 12.75%.

Water System Revenue Refunding Bonds, in the amounts of \$33,045,000 and \$34,035,000 for 1985 and 1984, respectively, are collateralized by an irrevocable lien on and pledge of the gross revenues of the System subordinate only to the prior lien on and pledge of the net revenues of the System created in connection with the Prior Lien Water System Revenue Bonds. At December 31, 1985, these bonds are due in varying amounts, from a low of \$3,762,000 in 2001 to a high of \$3,883,028 in 1986, including interest at rates of 7.7% to 9.0%. At December 31, 1984, these bonds were due in varying amounts, from a low of \$3,762,000 in 2001 to a high of \$3,886,650 in 1985, including interest at rates of 7.6% to 9.0%.

Annual Revenue Bond Debt Service Requirements

| Year Ending Dec. 31 | Revenue Refunding Bonds | | Prior Lien Revenue Bonds | | | | | Total |
|---------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|----------------------|-------|
| | Series 1980 | Series 1984 | Series 1983 | Series 1982 | Series 1981 | Series 1980 | | |
| 1986 | \$ 3,883,028 | \$ 3,538,937 | \$ 2,156,200 | \$ 2,331,338 | \$ 1,786,675 | \$ 1,462,300 | \$ 15,158,478 | |
| 1987 | 3,877,370 | 3,524,094 | 2,167,762 | 2,317,275 | 1,787,175 | 1,461,425 | 15,135,101 | |
| 1988 | 3,873,932 | 3,529,468 | 2,150,481 | 2,323,525 | 1,782,175 | 1,458,300 | 15,117,881 | |
| 1989 | 3,871,750 | 3,528,468 | 2,154,356 | 2,323,525 | 1,771,675 | 1,452,925 | 15,102,699 | |
| 1990 | 3,865,750 | 3,497,688 | 2,153,107 | 2,340,712 | 1,755,675 | 1,469,175 | 15,082,107 | |
| Thereafter | 41,984,025 | 64,872,376 | 31,048,363 | 29,625,370 | 17,301,275 | 21,855,638 | 206,687,047 | |
| | <u>\$61,355,855</u> | <u>\$82,491,031</u> | <u>\$41,830,269</u> | <u>\$41,261,745</u> | <u>\$26,184,650</u> | <u>\$29,159,763</u> | <u>\$282,283,313</u> | |
| Principal | \$33,045,000 | \$30,225,000 | \$19,375,000 | \$17,725,000 | \$13,650,000 | \$14,100,000 | \$128,120,000 | |
| Interest | 28,310,855 | 52,266,031 | 22,455,269 | 23,536,745 | 12,534,650 | 15,059,763 | 154,163,313 | |
| | <u>\$61,355,855</u> | <u>\$82,491,031</u> | <u>\$41,830,269</u> | <u>\$41,261,745</u> | <u>\$26,184,650</u> | <u>\$29,159,763</u> | <u>\$282,283,313</u> | |

Note D—Notes Payable

The Board's notes payable and related collateral at December 31, 1985 and 1984, are summarized as follows:

| | 1985 | | 1984 | |
|---|------------------|--------------------|------------------|--------------------|
| | Current | Long-Term | Current | Long-Term |
| Notes payable to: | | | | |
| Water company, payable solely from net revenues of the acquired water system, due in annual installments of \$160,000, plus interest at 6% per annum through 1989 | \$160,000 | \$ 480,000 | \$160,000 | \$ 640,000 |
| Water company, payable solely from net revenues of the acquired water system, due in annual installments of \$96,016, plus interest at 6% per annum through 1991 | 96,016 | 480,080 | 96,016 | 576,096 |
| Water company, payable solely from net revenues of the acquired water system, due in monthly installments of \$26,042, plus interest at 8.5% per annum through 1992 | 312,500 | 1,848,958 | 312,500 | 2,161,458 |
| Supplier, collateralized by equipment, due in monthly installments of \$11,180, including interest at 7.78% per annum through 1988 | 116,019 | 169,395 | - | - |
| Supplier, collateralized by equipment, due in monthly installments of \$6,473 with interest at 8.50% per annum through 1988 | 63,537 | 131,427 | - | - |
| Suppliers, collateralized by equipment, due in monthly installments totaling \$5,391, including interest at rates from 9.28% to 14.75% per annum through 1988 | 9,434 | 7,019 | 60,256 | 4,978 |
| | <u>\$757,506</u> | <u>\$3,116,879</u> | <u>\$628,772</u> | <u>\$3,382,532</u> |



Note E—Utility Plant and Depreciation

Components of utility plant are summarized as follows:

| | <u>1985</u> | <u>1984</u> |
|--|----------------------|----------------------|
| Structures and improvements | \$ 28,477,797 | \$ 27,861,955 |
| Pumping and purification equipment | 12,221,394 | 11,903,094 |
| Distribution and transmission system | 255,122,069 | 235,766,022 |
| Equipment and machinery | 7,503,346 | 5,691,448 |
| Furniture and fixtures | 913,187 | 850,960 |
| Central heating and cooling plant | 6,255,102 | 6,043,448 |
| | <u>310,492,895</u> | <u>288,116,927</u> |
| Allowance for depreciation | (71,517,960) | (65,331,503) |
| | <u>238,974,935</u> | <u>222,785,424</u> |
| Land and land rights | 2,433,975 | 2,433,975 |
| Construction in progress | 36,420,402 | 16,802,964 |
| | <u>\$277,829,312</u> | <u>\$242,022,363</u> |

Note F—Pension and Retirement Plans

The Board's retirement program includes benefits provided by Texas Municipal Retirement System and a contract with Bankers Life Company. Provisions of the Program apply to all full-time employees. Each of the plans provides benefits for dependents under various options for employees who die before retirement age. The Board's policy is to fund pension costs accrued. The total pension expense for 1985 and 1984 was \$1,512,910 and \$1,183,286, respectively.

The plan with the Texas Municipal Retirement System, a statewide multiple employer public retirement system, is a defined contribution (money-purchase) type plan. The employee contributes 3.0% of full salaries, and the Board contributes a variable percentage of full salaries which is subject to change after TMRS completes its annual actuarial valuation. Funding of past service cost is part of the Board's annual contribution. The employee contributions during 1985 and 1984 were \$411,020 and \$379,320, respectively. The Board's contributions were 3.05% and 3.08% during 1985 and 1984 and totaled \$417,910 and \$389,434, respectively. Both employer and employee contributions were made on a monthly basis. As of December 31, 1985, the Board had 761 participants in the TMRS plan out of a total 851 employees.

The plan with Bankers Life Company is a defined benefit plan. The Board contributes the actuarially computed normal cost together with a provision to fund past service cost over a thirty year period. As of January 1, 1985 and 1984 the net assets available for plan benefits were \$2,378,319 and \$1,705,782, respectively. As of the same valuation dates, the actuarial present value of vested benefits amounted to \$4,530,505 and \$2,581,643, respectively, while the actuarial present

value of nonvested benefits amounted to \$627,357 and \$279,605, respectively. The rate of return assumed in the determination of the actuarial present values of vested and nonvested benefits is 7.5% for 1985 and 1984.

Effective January 1, 1985, the defined benefit plan was amended to increase by 0.25% the average compensation percentages upon which benefits are accrued. As a result, the actuarial present value of vested benefits and nonvested benefits increased by \$1,184,200 and \$276,800, respectively, as of January 1, 1985. The amendment increased the valuation of unfunded prior service cost by \$2,006,800 at January 1, 1985, and increased pension expense by \$232,700 for 1985.

Statement of Financial Accounting Standards No. 87 (SFAS 87), Employers' Accounting for Pensions, was adopted by the Financial Accounting Standards Board during 1985. The Board will be required to comply with SFAS 87 in 1987, the effects of which may be significant, but are not determinable at this time.

In addition to providing pension benefits, the Board provides certain health care and life insurance benefits for retired employees. Substantially, all of the Board's employees may become eligible for those benefits if they reach normal retirement age while working for the Board. Those and similar benefits for active employees are provided through an insurance company. The Board recognizes the cost of providing these benefits by expensing the annual insurance premiums which amounted to \$188,490 and \$156,471 in 1985 and 1984, respectively.

Note G—Contingencies and Commitments

The Board is the subject of various claims and litigation which have arisen in the ordinary course of its operations. Legal counsel are of the opinion that the Board's liabilities in these cases, if decided adversely to the Board, will not be significant.

On April 8, 1982 the Board filed an Original Petition against nine defendants seeking recovery for damages in connection with the defendants' manufacture, marketing and sale of Polybutylene plastic tubing to the Board. Subsequently, four resin manufacturers, two additional tubing manufacturers and three manufacturers of fittings for use with Polybutylene tubing were brought into the case by various defendants seeking contribution and indemnity. The Board has amended its petition and filed suit against two of the resin manufacturers which have been brought into the case by the defendants. The Board also named in amended petitions two manufacturers that made tubing for one of the originally named defendants. The Board in September 1985, executed a settlement agreement with one of the defendants that manufactured the tubing,

Ethyl Corporation. Such settlement amount is included in miscellaneous income in 1985. All other claims against defendants are still pending and damages are sought for the cost of replacing the defective tubing and additional damages suffered as a result of the premature failure of the product.

The Board is committed under various contracts for completion of construction or acquisition of utility plant totaling approximately \$34,810,303 at December 31, 1985. Funding of this amount will come from available revenues of the System, contributions from developers, and restricted assets.

Note H—Capitalized Interest Costs

Interest cost incurred on revenue bonds totaled \$12,655,581 in 1985 and \$11,083,906 in 1984, of which \$1,725,323 and \$845,492, respectively, was capitalized as part of the cost of the Board's newly constructed utility plant additions.

Note I—Plastic Yard Piping Program

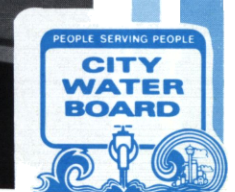
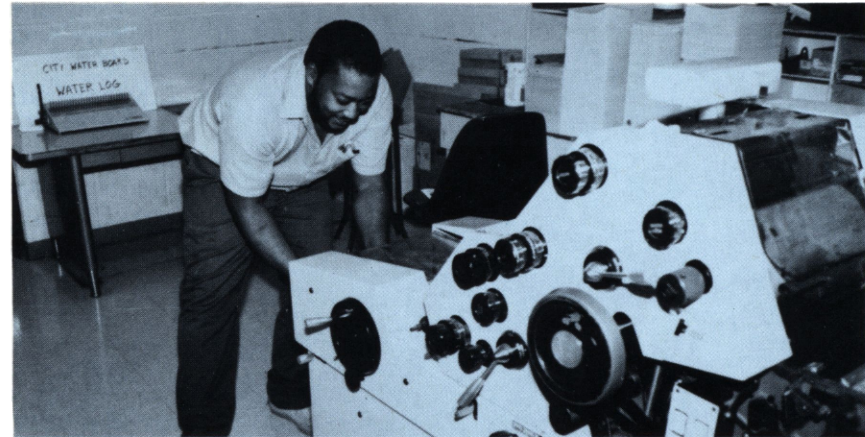
A program to replace plastic yard piping installed by the Board was authorized by action of the City Council on June 17, 1982. Yard piping is property of the customer and extends from Board facilities to the point of delivery to the customer's premises. The City Council directed that funding for this \$2,000,000 project be reprogrammed from proceeds of the Series 1981, Prior Lien Water System Revenue Bond issue. Additional funding for this program in the amount of \$2,000,000 was obtained from the proceeds of the Series 1984, Prior Lien Water System Revenue Bond issue. Expenditures on this program amounted to \$202,627 and \$167,404 in 1985 and 1984, respectively. This program was necessitated by the premature failure of plastic tubing, as described in Note G.

Note J—Subsequent Event

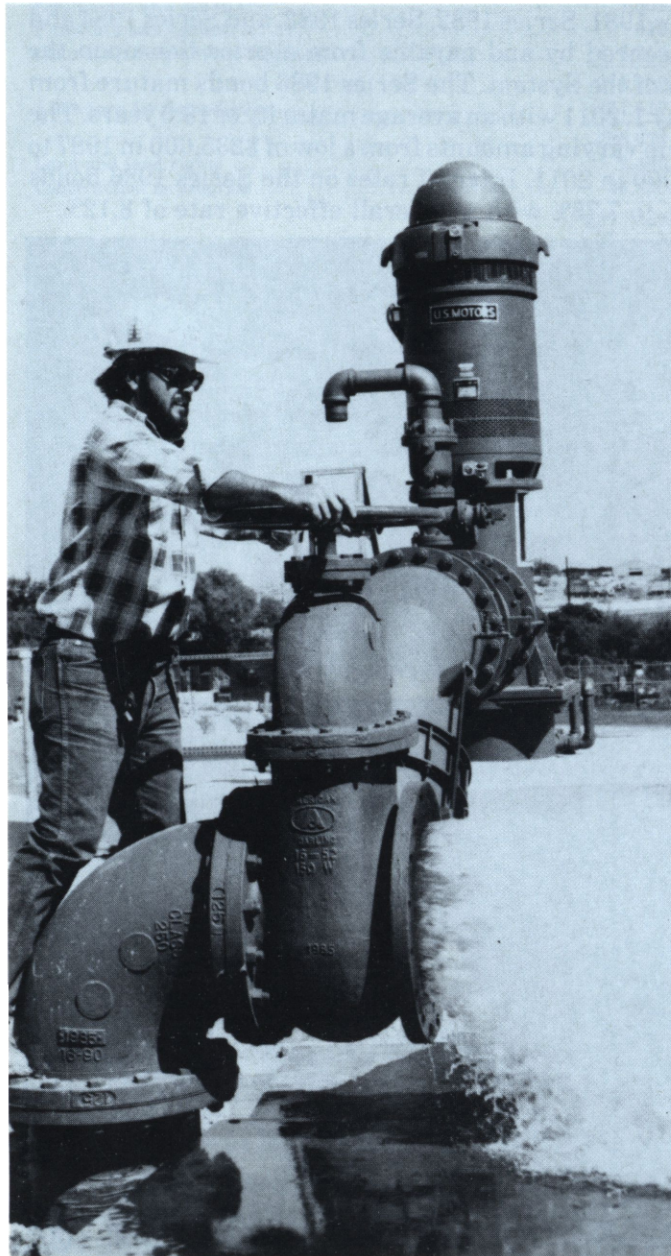
On January 9, 1986 the City Council awarded the low bid on \$30,000,000 of City of San Antonio Prior Lien Water System Revenue Bonds, Series 1986. The proceeds of this issue will be used to finance the major portion of the 1985 construction program which totals \$35,793,800. The construction program will replace deteriorated or substandard mains and services and replace and relocate system facilities in conjunction with major City of San Antonio street and drainage projects. The program will also augment the production and distribution system with three new wells, one storage reservoir, new

and replacement pumping equipment, and various oversize mains. It is anticipated that certain small water companies will also be acquired with the proceeds. The bonds were delivered and the proceeds became available for expenditure on February 11, 1986.

The Series 1986 bonds are on a parity with the presently outstanding \$95,075,000 Prior Lien Water System Revenue Bonds, Series 1980, Series 1981, Series 1982, Series 1983, and Series 1984 and will be equally secured by and payable from a prior lien upon the pledged revenues of the System. The Series 1986 bonds mature from May 1, 1987 to May 1, 2011 with an average maturity of 18.0 years. The bonds will be due in varying amounts from a low of \$235,000 in 1987 to a high of \$2,895,000 in 2011. Interest rates on the Series 1986 bonds vary from 10.25% to 7.75% with an overall effective rate of 8.12%.



Statements of Revenues and Their Disposition In Accordance With Ordinance 52091



| | Year ended December 31 | |
|--|---------------------------|---------------------|
| | 1985 | 1984 |
| Revenues | | |
| Operating revenues: | | |
| Metered water sales | \$40,200,150 | \$40,413,918 |
| Customers' penalties | 1,062,167 | 1,125,225 |
| Central heating and cooling sales | 2,438,921 | 2,372,032 |
| Fire protection and miscellaneous | 1,124,310 | 806,040 |
| | <u>44,825,548</u> | <u>44,717,215</u> |
| Nonoperating revenues: | | |
| Interest earned and miscellaneous | 6,206,777 | 5,099,253 |
| | <u>6,206,777</u> | <u>5,099,253</u> |
| Total Revenues | <u>\$51,032,325</u> | <u>\$49,816,468</u> |
| Disposition of Revenues | | |
| Maintenance and operation: | | |
| Waterworks system | \$25,018,242 | \$25,395,529 |
| Central heating and cooling system | 1,921,968 | 1,815,912 |
| | <u>26,940,210</u> | <u>27,211,441</u> |
| Revenue bond debt requirements: | | |
| Interest costs | 12,655,581 | 11,083,906 |
| Retirement of bonds | 2,650,002 | 2,298,331 |
| Reserve funds provision | 1,491,691 | 1,260,383 |
| | <u>16,797,274</u> | <u>14,642,620</u> |
| Capital requirements: | | |
| Capital outlay | 136,201 | 91,365 |
| Equipment additions and replacements | 305,482 | 1,867,701 |
| | <u>441,683</u> | <u>1,959,066</u> |
| Other requirements: | | |
| Debt service on acquired water systems | 82,883 | 83,763 |
| Debt service on purchased water systems | 848,172 | 940,349 |
| Debt service on equipment purchases | 175,067 | 82,933 |
| Other | 497,475 | 15,687 |
| | <u>1,603,597</u> | <u>1,122,732</u> |
| Total Requirements | <u>45,782,764</u> | <u>44,935,859</u> |
| Revenue available for construction program ... | 5,249,561 | 4,880,609 |
| Total Disposition of Revenues | <u>\$51,032,325</u> | <u>\$49,816,468</u> |

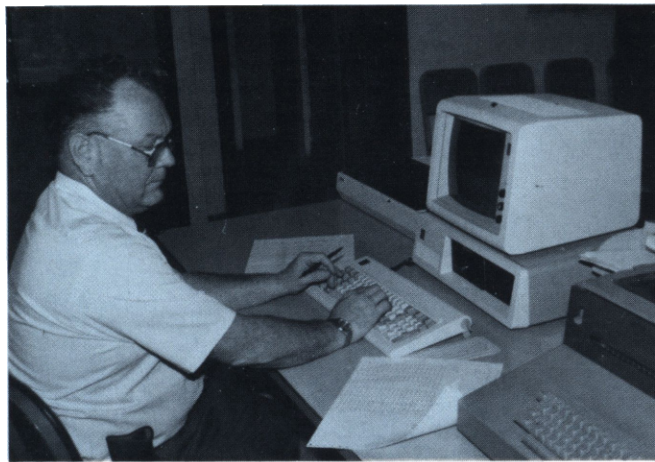
Summary of Revenue Bond Debt Charges Until Maturity

| Calendar Year | Annual Requirements to Retire | | | Principal Balance Outstanding |
|---------------|-------------------------------|----------------------|----------------------|-------------------------------|
| | Total | Interest | Principal | |
| 1986 | \$ 15,158,478 | \$ 12,443,478 | \$ 2,715,000 | \$128,120,000 |
| 1987 | 15,135,101 | 12,165,101 | 2,970,000 | 122,435,000 |
| 1988 | 15,117,881 | 11,857,881 | 3,260,000 | 119,175,000 |
| 1989 | 15,102,699 | 11,517,699 | 3,585,000 | 115,590,000 |
| 1990 | 15,082,107 | 11,142,107 | 3,940,000 | 111,650,000 |
| 1991 | 15,054,576 | 10,724,576 | 4,330,000 | 107,320,000 |
| 1992 | 15,033,570 | 10,268,570 | 4,765,000 | 102,555,000 |
| 1993 | 15,006,112 | 9,776,112 | 5,230,000 | 97,325,000 |
| 1994 | 14,999,170 | 9,234,170 | 5,765,000 | 91,560,000 |
| 1995 | 14,966,855 | 8,636,855 | 6,330,000 | 85,230,000 |
| 1996 | 14,944,226 | 7,979,226 | 6,965,000 | 78,265,000 |
| 1997 | 14,938,150 | 7,263,150 | 7,675,000 | 70,590,000 |
| 1998 | 14,935,862 | 6,480,862 | 8,455,000 | 62,135,000 |
| 1999 | 14,920,462 | 5,615,462 | 9,305,000 | 52,830,000 |
| 2000 | 14,895,095 | 4,665,095 | 10,230,000 | 42,600,000 |
| 2001 | 13,697,907 | 3,672,907 | 10,025,000 | 32,575,000 |
| 2002 | 9,753,437 | 2,828,437 | 6,925,000 | 25,650,000 |
| 2003 | 6,815,500 | 2,265,500 | 4,550,000 | 21,100,000 |
| 2004 | 6,653,062 | 1,828,062 | 4,825,000 | 16,275,000 |
| 2005 | 6,522,657 | 1,372,657 | 5,150,000 | 11,125,000 |
| 2006 | 3,393,594 | 1,018,594 | 2,375,000 | 8,750,000 |
| 2007 | 3,387,344 | 762,344 | 2,625,000 | 6,125,000 |
| 2008 | 3,379,187 | 479,187 | 2,900,000 | 3,225,000 |
| 2009 | 3,390,281 | 165,281 | 3,225,000 | — |
| | <u>\$282,283,313</u> | <u>\$154,163,313</u> | <u>\$128,120,000</u> | |

REVENUE BOND DEBT COVERAGE RATIOS

| | 1985 | 1984 |
|---|---------------------|---------------------|
| Revenues | \$51,032,325 | \$49,816,468 |
| Operating expense before depreciation | (25,622,275) | (26,017,200) |
| Pledged revenues | <u>\$25,410,050</u> | <u>\$23,799,268</u> |
| Maximum annual principal and interest requirement on all outstanding revenue bonds | \$15,158,478 | \$15,160,349 |
| Times Debt Coverage Ratio—all bonds | 1.68 | 1.57 |
| Maximum annual principal and interest requirements on outstanding Prior Lien Water System Revenue Bonds | \$11,275,450 | \$11,275,450 |
| Times Debt Coverage Ratio—Prior Lien only | 2.25 | 2.11 |





Financial and Statistical Information

(Unaudited)

Operating Results

| | |
|--|---------------|
| Metered Water Sales..... | \$ 40,200,150 |
| Metered Water Sales Per 1,000 Gallons—Cents | 70.4 |
| Metered Water Sales Per Customer | \$ 184.49 |
| Water Service Operating Expense | \$ 25,018,243 |
| Water Service Operating Expense Per 1,000 Gallons—Cents | 43.8 |
| Water Service Expense Per Customer | \$ 114.81 |

Financial Data

| | |
|---|---------------|
| Total Revenue | \$ 51,032,325 |
| Total Operating Expense Before Depreciation | 25,622,275 |
| Depreciation Expense | 8,858,783 |
| Debt Service and Reserve Funds Requirements | 16,797,274 |
| Total Utility Plant | 349,347,272 |
| Accumulated Allowance for Depreciation | 71,517,960 |
| Net Additions to Utility Plant in Service | 44,665,732 |
| Inventory | 1,342,356 |
| Bonded Debt | 128,120,000 |
| Municipal Equity (including Reserves)..... | 191,391,371 |
| Interest and Sinking Fund | 1,810,000 |
| Reserve Funds..... | 9,924,887 |
| Improvement and Contingency Fund | 2,497,076 |
| Pledged Revenue | 25,410,050 |
| Debt Requirements as Defined by Bond Ordinance* | \$ 15,158,478 |
| Times Debt Coverage Ratio | 1.68 |

Other Statistics

| | |
|--|---------------|
| Water Pumped—Million Gallons..... | 57,126 |
| Number of Wells in Service | 82 |
| Average Daily Pumpage—Million Gallons..... | 156.5 |
| Maximum Daily Pumpage—Million Gallons | 261.4 |
| Maximum Hour Pumpage (Daily Rate)—Million Gallons..... | 355.1 |
| System Pumping Capacity—Million Gallons Day | 690.6 |
| Overhead Storage Capacity—Million Gallons | 31.0 |
| Total Storage Capacity—Million Gallons | 89.9 |
| Metered Usage—Million Gallons..... | 49,872 |
| Annual Rainfall—Inches | 41.43 |
| Customers at End of Year | 220,956 |
| Average Use Per Customer—Thousand Gallons | 228.4 |
| Miles of Main Installed | 150.77 |
| Miles of Main Replaced and Abandoned | 41.9 |
| Miles of Main in Place | 3,097 |
| New Services Installed | 9,848 |
| Fire Hydrants Installed (Net of Hydrants Removed)..... | 725 |
| Fire Hydrants in Place | 14,219 |
| Number of Employees | 850 |
| Total Salaries and Wages Paid | \$ 14,982,119 |

*Prior to 1980 Average Annual Debt Requirement;
—Subsequent to 1979 Maximum Annual Debt Requirement.

| 1984 | 1983 | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1976 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 40,413,918 | \$ 30,837,738 | \$ 29,649,581 | \$ 22,904,499 | \$ 20,842,317 | \$ 17,356,768 | \$ 17,511,191 | \$ 17,035,339 | \$ 14,946,415 |
| 64.8 | 55.5 | 49.9 | 45.3 | 37.7 | 38.5 | 39.2 | 39.7 | 40.2 |
| \$ 191.74 | \$ 150.23 | \$ 151.84 | \$ 123.12 | \$ 115.22 | \$ 98.18 | \$ 102.95 | \$ 102.48 | \$ 91.62 |
| \$ 25,394,809 | \$ 21,608,895 | \$ 19,823,093 | \$ 16,507,398 | \$ 14,459,112 | \$ 11,221,704 | \$ 10,113,785 | \$ 9,900,938 | \$ 8,388,403 |
| 40.7 | 38.9 | 33.4 | 32.6 | 26.2 | 24.9 | 22.6 | 23.1 | 22.6 |
| \$ 120.49 | \$ 105.27 | \$ 103.01 | \$ 88.74 | \$ 79.93 | \$ 63.96 | \$ 59.46 | \$ 59.56 | \$ 51.42 |
| \$ 49,816,468 | \$ 38,565,205 | \$ 38,470,266 | \$ 29,687,827 | \$ 25,426,090 | \$ 21,146,361 | \$ 21,031,055 | \$ 20,221,593 | \$ 17,535,093 |
| 26,017,200 | 22,828,121 | 21,086,766 | 17,724,977 | 14,806,256 | 12,521,059 | 10,814,510 | 10,795,965 | 9,066,997 |
| 7,931,553 | 7,186,739 | 6,646,780 | 5,379,781 | 4,902,532 | 3,941,575 | 3,659,343 | 3,394,802 | 3,232,917 |
| 14,642,620 | 11,712,031 | 8,896,467 | 6,517,591 | 4,033,880 | 4,323,225 | 4,338,251 | 4,688,546 | 3,773,547 |
| 307,353,866 | 277,939,595 | 248,943,341 | 225,021,065 | 203,147,097 | 190,421,514 | 175,921,261 | 161,223,714 | 150,690,065 |
| 65,331,503 | 59,359,406 | 53,983,632 | 51,083,581 | 47,058,000 | 43,218,436 | 39,741,787 | 36,350,713 | 33,153,409 |
| 31,373,727 | 30,807,219 | 29,185,515 | 23,228,164 | 13,788,551 | 15,573,095 | 15,449,898 | 11,164,711 | 7,978,028 |
| 1,244,424 | 1,108,001 | 1,215,579 | 1,367,219 | 1,249,072 | 1,141,485 | 1,054,874 | 1,047,789 | 1,073,151 |
| 130,585,000 | 102,105,000 | 83,715,000 | 66,615,000 | 52,495,000 | 49,275,000 | 51,145,000 | 52,950,000 | 47,585,000 |
| 169,673,990 | 153,848,369 | 146,688,777 | 138,816,653 | 129,337,704 | 109,242,033 | 101,478,214 | 93,910,102 | 87,644,100 |
| 1,624,998 | 1,346,667 | 1,073,333 | 866,666 | 586,667 | 1,687,144 | 1,657,324 | 1,626,978 | 1,450,408 |
| 8,433,196 | 7,172,812 | 6,240,306 | 5,794,520 | 5,515,428 | 4,334,425 | 4,334,425 | 4,334,425 | 3,656,992 |
| 825,553 | 100,341 | 5,928,909 | 2,574,753 | 1,507,824 | 1,119,724 | 1,534,749 | 1,222,047 | 1,774,395 |
| 23,799,268 | 15,737,084 | 17,383,500 | 11,962,850 | 10,619,834 | 8,625,302 | 10,216,545 | 9,425,628 | 8,468,096 |
| \$ 15,160,349 | \$ 11,634,845 | \$ 9,502,277 | \$ 7,184,835 | \$ 5,372,640 | \$ 3,410,230 | \$ 3,447,633 | \$ 3,061,993 | \$ 3,223,709 |
| 1.57 | 1.35 | 1.83 | 1.66 | 1.98 | 2.53 | 2.96 | 3.08 | 2.63 |
| 62,378 | 55,557 | 59,364 | 50,584 | 55,272 | 45,053 | 44,691 | 42,920 | 37,154 |
| 79 | 78 | 78 | 71 | 71 | 70 | 69 | 70 | 67 |
| 170.9 | 152.5 | 162.6 | 138.6 | 151.0 | 123.4 | 122.4 | 117.5 | 101.5 |
| 255.8 | 247.5 | 297.8 | 238.3 | 274.6 | 205.8 | 235.3 | 196.9 | 171.9 |
| 355.0 | 342.6 | 416.6 | 303.1 | 356.9 | 267.9 | 313.0 | 263.0 | 231.5 |
| 660.6 | 652.3 | 648.2 | 625.3 | 595.1 | 560.6 | 531.4 | 528.6 | 470.2 |
| 28.0 | 28.0 | 28.0 | 27.9 | 27.9 | 27.9 | 27.9 | 27.9 | 22.9 |
| 86.9 | 86.9 | 86.9 | 86.8 | 79.3 | 79.3 | 74.2 | 74.2 | 64.1 |
| 52,293 | 45,413 | 46,532 | 40,133 | 43,457 | 36,781 | 37,417 | 35,946 | 33,015 |
| 25.95 | 26.10 | 22.93 | 36.03 | 24.23 | 36.64 | 35.99 | 29.64 | 39.13 |
| 214,852 | 207,908 | 201,370 | 188,969 | 183,084 | 178,707 | 172,185 | 168,004 | 164,454 |
| 248.1 | 221.3 | 238.3 | 215.7 | 240.2 | 209.6 | 220.0 | 216.2 | 202.4 |
| 129.47 | 155.59 | 61.15 | 105.72 | 112.11 | 96.20 | 74.59 | 50.14 | 35.16 |
| 30.0 | 11.25 | 15.63 | 21.70 | 19.61 | 30.86 | 24.97 | 17.17 | 8.96 |
| 2,988 | 2,888 | 2,744 | 2,698 | 2,614 | 2,522 | 2,456 | 2,407 | 2,374 |
| 8,159 | 8,366 | 3,512 | 5,009 | 6,726 | 4,686 | 5,473 | 4,532 | 2,701 |
| 616 | 708 | 307 | 432 | 454 | 313 | 264 | 170 | 172 |
| 13,494 | 12,878 | 12,157 | 11,830 | 11,398 | 10,944 | 10,631 | 10,367 | 10,197 |
| 842 | 819 | 865 | 746 | 772 | 744 | 731 | 708 | 704 |
| \$ 13,818,146 | \$ 13,019,414 | \$ 12,820,385 | \$ 10,477,578 | \$ 10,148,931 | \$ 8,750,490 | \$ 8,125,376 | \$ 7,394,855 | \$ 6,568,457 |

The Work Force: Emphasis On Women



The City Water Board currently has 821 employees in its work force. Women employees number 132 and are represented in almost every work field.

The ever increasing demands of the City Water Board require the full talents of all its work force. Women workers are an important part of the team performing critical duties in all areas.

Traditionally, women have primarily worked in clerical positions, but they are moving into other fields formerly dominated by men. The City Water Board now has women throughout all work areas including management, engineering, and construction. The following women represent a cross section of essential talent and professionalism within the work force. They, and others like them, are an integral part of the team that makes the City Water Board one of the most efficiently run water utilities in the United States.

MARCIA KROLICK is the Director of our Compensation Department and has been with the organization since April 1982. As head of this department, Marcia is responsible for planning, developing and maintaining the City Water Board's compensation and benefit programs. Most recently Marcia planned and directed the implementation of a major revision to our pay policy that resulted in the Pay for Performance Merit Pay Plan used by the organization today. Her department also has recently updated the current retirement and health care programs, significantly increasing benefits to the employees and making our organization's employee benefits exceptionally competitive in the job market. Marcia received her Bachelor of Arts Degree in Sociology from the University of Illinois. Her professional organization memberships include the San Antonio Personnel and Management Association and the American Compensation Association. She devotes her spare time to her husband Keith and daughter Erin.

JOAN KING is executive secretary to Ralph Huber, the Comptroller, and is one of six executive secretaries employed by the City Water Board. In her 20 years of employment Joan has established a superior record of dependability, accuracy, and hard work. She is not only responsible for normal secretarial duties, but handles a myriad of the other related duties. In her position she is in frequent contact with our executive management staff, high level members of the financial community, the media, City government, attorneys and Trustees. She also serves as the Assistant Secretary-Treasurer to the Water Works Board of Trustees. Joan is a native of San Antonio and devotes her spare time to her husband John and family.



Personnel Relations Specialist, **ALICE J. BRAIMER**, has been with the City Water Board over 17 years. She worked in various positions within the Customer Service Branch until her promotion to her present job in the Personnel Branch where she is in the highly responsible position of interviewing job applicants to determine qualifications for vacancies within the organization. Alice obtained a Bachelor in Applied Arts and Science Degree from Southwest Texas State University while working at the City Water Board under the Board's Tuition Refund Program. Alice's extra-professional activities include serving on the Secretarial Science and Drafting Advisory Board at St. Philip's College. She is also a member of the San Antonio Personnel and Management Association, the Alamo City Chamber of Commerce and the Alpha Kappa Alpha Sorority. Alice enjoys watching professional sports and spends most of her spare time with her son, Tremain.





MAGDALENA HERRERA is one of three women in construction with the organization. She is a Laborer-Driver for the Northwest Service Center. Magdalena says she has no problems with the heavy work of construction. She says, "Team work is everything on a crew. Everyone has to pull their own weight or we can't get the job done." She operates construction vehicles, air-powered tools and equipment, and performs inspection and inventory on a wide variety of equipment. Magdalena started work in May 1985. She spends most of her free time with her three children, Bernice, David, and Armando. She is also an excellent sportswoman and enjoys playing volleyball and softball for the City Water Board.



As the Lead Programmer Analyst for the Information Services Department, **LORINE SIEBOLD** is primarily involved with reviewing and enhancing existing programs, implementing new programs and making adjustments according to user needs. This demands a great deal of coordination and understanding of each departmental area of responsibility. She also provides guidance and training for the programmers in the department. Most of the administrative record keeping processes in the City Water Board are computerized and depend heavily upon the skills of Lorine and the programmers in the department. This year one of the major projects accomplished was the rewriting and enhancement of 16 major teleprocessing programs for the Customer Service System. Lorine has been with the City Water Board since July 1973. In her off time she goes camping and fishing with her husband, Melvin, and children, Stephanie, Michele, and Todd.



WILMA JOHNSON has seen many improvements in the Cash Receipts Division of the Credit and Collection Department since she first joined the City Water Board in September 1966. She remembers the days of manual customer records checking, processing of customer bills and mail opening. Through those years she worked her way up the ranks to Supervisor of the Cash Receipts Division. She is responsible for the processing of six to seven million dollars per month in water utility bills that account for the majority of revenues received by the City Water Board. Wilma says, "Some of the most important aspects of this job are accuracy, honesty, and dedication." She has a Bachelors of Applied Arts and Science from Southwest Texas University. She spends her spare time enjoying her husband, Robert, and her children, Paula and Derrick.

ANITA MOLINA is the supervisor of the Telephone Operations and Reception Division of the Customer Service Branch. Her important job involves a large volume of customer contacts and considerable public relations expertise. She supervises four PBX Operators/Receptionists and four Telephone Service Clerks. She is responsible for the operation of all telephone equipment, the lobby information desk, and the initial work order processing of routine and emergency calls concerning water leaks. Anita joined the City Water Board in November 1973. She enjoys her job and states, "My work in dealing with people is one of my most rewarding experiences." She is an active member of the Society for Management and Review of Telecommunications. Anita spends most of her after work hours with her 12-year-old daughter, Melissa, and regularly attends a physical fitness center for relaxation.



CATHERINE E. MELEKY supervises the Financial Planning and Analysis Division of the Comptroller Branch. Although Catherine performs many essential financial duties, she is primarily responsible for developing short and long range financial plans, formulating the organization's operating and capital budget and administering the cash management program. One of her most important projects to date involved her work on the Report on Financial Requirements which served as the basis for the water rate schedule increases and the sale of Prior Lien Revenue Bonds, Series 1986. Catherine joined the City Water Board staff in October 1981 and brought with her a valuable background of financial experience gained while working as an economist for the Undersecretary for Policy and Planning at the Department of Commerce in Washington, D. C. She is a member of the Economic Analysis Panel of the Greater San Antonio Chamber of Commerce. She is also a director of the Texas Economic and Demographic Society of San Antonio. Catherine holds a Bachelor's and a Master's Degree in Economics from American University. She is currently working toward fulfilling the requirements to become a Certified Public Accountant.





As an Engineer I in the Requirements and Programs Division of the Operations Branch, **KARMA NILSSON** performs, under the supervision of a senior engineer, a variety of routine engineering duties including reviewing subdivision requests for water facilities and extensions. She analyzes and compares them with the City Water Board Master Plan and Regulations for Water Service requirements and recommends approval or disapproval. Currently she is working on the Dominion, Northwest Crossing, Stone Oak, and Longs Creek subdivisions which are prominent communities in the fast-growing north and northwest sections of San Antonio. Karma is one of two women engineers employed by the City Water Board. She has a Bachelor of Science Degree in Engineering from Texas A&M University. She is a native of San Antonio and lives at home with her parents. Karma's hobbies include designing stained glass windows, travel, and tennis.



Essential to the administrative process of our organization are eight secretaries, one of which is **ANNETTE SANCHEZ**, secretary to the Director of the Credit and Collection Department. Annette keeps the Department and her boss running smoothly by efficiently maintaining files, insuring suspense dates are met, advising the Director of meetings and appointments and keeping in constant contact with other members of the Department. Annette has been with the City Water Board since October 1981. She is a native San Antonian and has received an Associates Degree in Secretarial Science from St. Philip's College. Most of Annette's time away from work is enjoyed with her eight-month-old daughter, Nicole, and husband, Mark.

ROSE MARIE PAVLAS holds the distinction of being the City Water Board's only Purchase Expediter. Her job in the Purchasing and Contracting Department puts her in personal contact with hundreds of vendors throughout the year. Often she acts as a Buyer, prepares purchase orders, requests quotations and insures suspense and delivery dates are met on the millions of dollars worth of equipment and supplies necessary to keep the City Water Board in operation each year. She maintains the organization's Maintenance Contract File and the Specification File. Rose Marie's very important job is difficult and challenging because vendors don't always deliver on the contract date. She constantly deals with "... please ship immediately" or "... sorry, we're out" or "We are really desperate, Rose..." Yet because of her years of experience, she is able to keep an effective logistics flow by applying alternative solutions. This year Rose Marie entered her nineteenth year with the City Water Board. She spends her hours away from the office with her husband, Elmer, and daughter, Melanie. She enjoys cooking, oil painting and needlework as hobbies.



The section that receives the most personal contact with our customers is the Collection Contact Section supervised by **SYLVIA GUZMAN**. She supervises 6 Collection Contact Clerks who handle walk-in customers and customer phone calls. The daily range of problems she and her clerks deal with are almost infinite and require a comprehensive knowledge of the on-line computer billing system as well as most departmental operating procedures. Sylvia says, "Working with the public one learns through experience to be tactful, which is one of the most important ingredients in serving the public. Two other things very essential to my job are to always show enthusiasm and to smile when assisting customers. It sets the tempo." Sylvia has been with the City Water Board since December 1971. She spends her spare time with her husband, Roy, and daughter, Marissa, and stays trim by working out regularly at a local health spa.





As the Assistant Supervisor-Grounds Maintenance in the Supply and Services Department, **TERESE MARIE BURNS** is responsible for landscape planning, landscaping and grounds maintenance of 290 acres within 94 City Water Board facilities. She is the supervisor of 30 grounds maintenance personnel. Most recently Terese and her people have spent much of their time with major site landscaping at newly acquired pump stations. Also, since the devastating winter of 1984-1985 they have been heavily involved with replacing a large percentage of tropical flora destroyed by the severe weather. Terese has also developed and expanded the organization's greenhouse nursery and greatly increased the propagation of plants for use at our facilities. Terese considers her profession both challenging and enjoyable. She is a graduate of the University of Wisconsin with a Bachelor of Science Degree in Horticulture and Business Administration. She is a member of the Texas Association of Nurserymen and the Texas Horticulture Society. Terese is a Certified Texas Nurseryman. Terese uses her time away from the Board camping and fishing with her husband, Scott, and sharpening her skills in amateur photography.



Automotive Service Attendant, **LINDA VERA CRUZ**, works in the fleet service bays at the Eastside Service Center. She helps to maintain the City Water Board fleet of over 280 vehicles by performing routine servicing of automobiles, trucks, vans and similar equipment and reports repairs needed. Linda became interested in automobile mechanics seven years ago. She took a heavy equipment service course sponsored by the Texas Highway Department and has worked in the field ever since. She enjoys her job and says, "It's very satisfying to maintain vehicles that perform a vital service to the community." She joined the City Water Board in April 1985. Linda is enrolled at San Antonio College working for a Bachelor of Arts Degree in Physical Education under the City Water Board tuition refund program. She and her daughter, Cecilia, enjoy photography and spend their leisure time together in this hobby.

1985 Department Directors



Compensation

Marcia L. Krolick, B.A.
3 years of service

Credit and Collection

Charles J. Wachter, Jr., B.B.A.
2 years of service

Eastside Service Center

Alvin P. Schraer, Jr., P.E., B.S.
12 years of service

Engineering

Hugh R. Anderson, P.E., B.S., M.B.A.
19 years of service

Finance

Alejandro Hinojosa, C.P.A., B.B.A., M.B.A.
2 years of service

Information Services

Larry F. Frost
28 years of service

Internal Audit

Guillermo Pena, C.P.A., B.B.A., M.B.A.
1 year of service

Investigation, Meter Reading & Plastic Yard Piping

William L. Groff, B.S.
27 years of service

Mains and Services

Wayne A. Bitzkie, B.B.A.
11 years of service

Northeast Service Center

Albert M. Elliott, P.E., B.S., M.S.
3 years of service

Northwest Service Center

Ronald O. Graf, P.E., B.S., M.S.
2 years of service

Personnel Activities

Fermin J. Gaitan, B.B.A.
2 years of service

Production

Donald L. Pollard, P.E., B.S., M.E.
21 years of service

Public Relations

Wejay S. Bundara, Jr., B.A., M.A.
3 years of service

Purchasing and Contracting

Roger L. Haller, B.B.A.
22 years of service

Safety

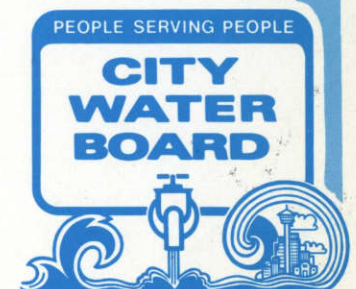
George B. Aaron, B.S., M.A.
2 years of service

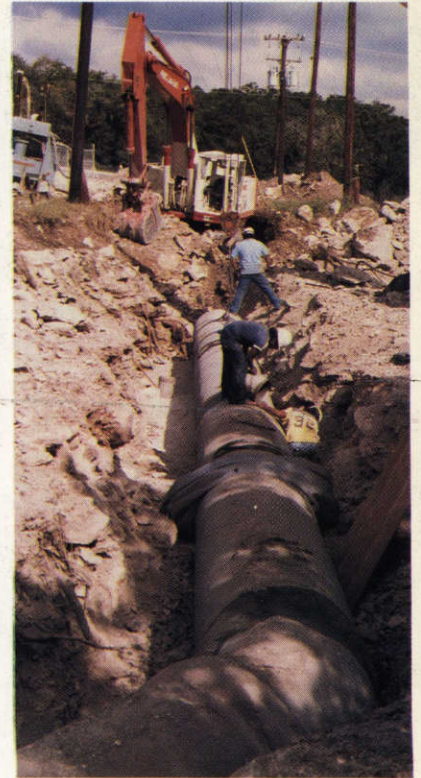
Supply and Services

Thomas W. Pahl, P.E., B.S.
13 years of service

Training

Thomas E. Craig, B.S., M.Ed.
2 years of service






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