



FINANCIAL STATUS REPORT
Year-To-Date through February 28, 2017





City of Austin | Austin Water
P.O. Box 1088 Austin, TX 78767
AustinWater.org

MEMORANDUM

To: Greg Meszaros, Director, Austin Water
From: David Anders, Assistant Director, Austin Water
Date: March 23, 2017
Subject: Financial Status Report for the Period Ended February 28, 2017

Attached is Austin Water's Financial Status Report. The combined fund balance at the end of February was \$140.21 million, or \$16.72 million more than projected, as detailed in the Executive Summary. The beginning balance was \$3.95 million more than projected, fiscal year requirements were \$5.49 million below budget, and revenues and transfers in were \$7.29 million above projections.

After recovering from a record breaking drought, the lake system has improved to 98% full at the end of February. The City remains in Conservation Stage water restrictions to conserve availability and protect the integrity of water supply. Water service revenues are \$7.10 million above projections, and wastewater service revenues are \$0.62 million below projections this fiscal year. The Executive Summary includes more discussion of revenue and requirements highlights.

Actual spending for operating requirements was below budget by \$2.70 million, and spending for other requirements was below budget by \$0.98 million. Payments for debt service requirements were below budget by \$0.72 million, and transfers out were below budget by \$1.10 million. The extent of these variances by program is discussed in the Executive Summary and detail pages.

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

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

Attachments

cc: Robert Goode, Assistant City Manager
Greg Cannally, Interim Chief Financial Officer, Financial Services
Assistant Directors, Austin Water
Division Managers, Austin Water



*The City of Austin is committed to compliance with the Americans with Disabilities Act (ADA).
Reasonable modifications and equal access to communications will be provided upon request.*

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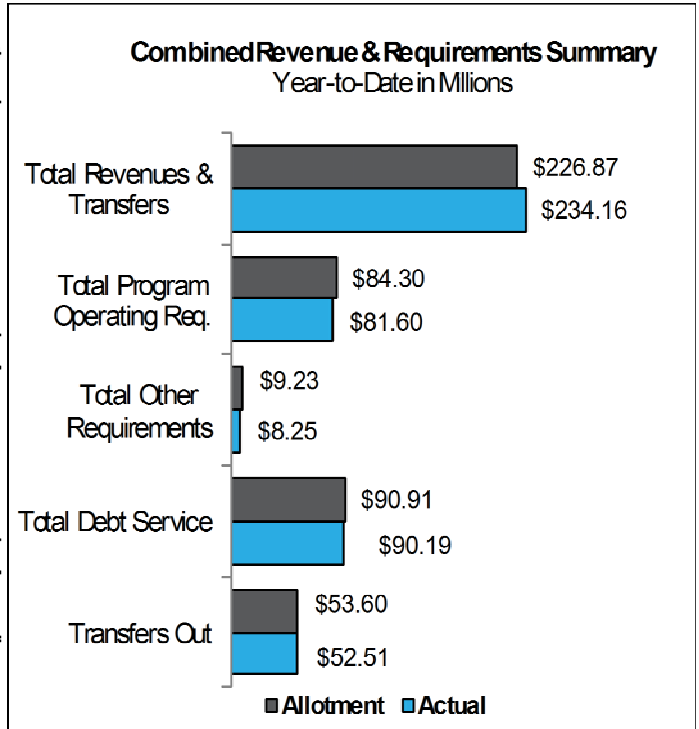
Executive Summary

Year-To-Date through February 28, 2017

The Combined Water, Reclaimed Water, and Wastewater Operating Fund balance as of February 28, 2017, was \$140.21 million. The combined balance was \$16.72 million more than projected for this date, as shown below:

| | | YTD | | |
|---------------------------------------|------------------|------------------|-----------------|--|
| | Allotment | Actual | Difference | |
| Beginning Balance | \$ 134.66 | \$ 138.61 | \$ 3.95 | |
| Water Services | \$ 108.57 | \$ 115.67 | \$ 7.10 | |
| Wastewater Services | 109.73 | 109.11 | (0.62) | |
| Reclaimed Services | 0.96 | 0.45 | (0.51) | |
| Reserve Fund Surcharge | 2.79 | 2.78 | (0.01) | |
| Other Revenues | 3.10 | 4.43 | 1.33 | |
| Transfers In | 1.72 | 1.72 | 0.00 | |
| Total Revenues & Transfers | \$ 226.87 | \$ 234.16 | \$ 7.29 | |
| Total Program Operating Req. | \$ 84.30 | \$ 81.60 | \$ 2.70 | |
| Total Other Requirements | 9.23 | 8.25 | 0.98 | |
| Total Debt Service | 90.91 | 90.19 | 0.72 | |
| Transfers Out | 53.60 | 52.51 | 1.10 | |
| Total Revenue Requirements | \$ 238.04 | \$ 232.55 | \$ 5.49 | |
| Ending balance | \$ 123.50 | \$ 140.21 | \$ 16.72 | |
| Debt Service Coverage | 1.35 | 1.52 | | |

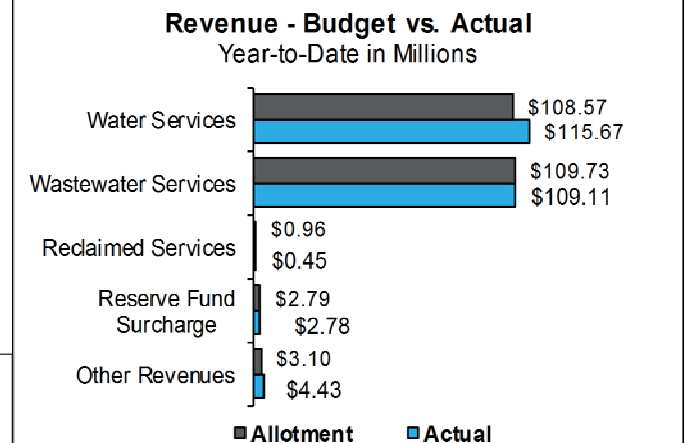
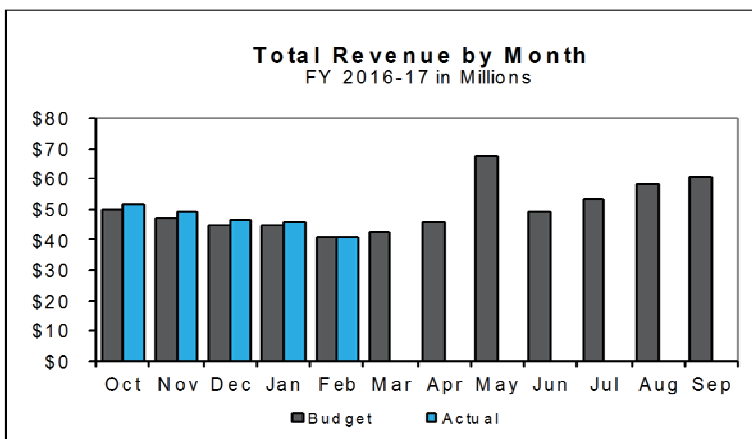
Note: Numbers may not add due to rounding.



Revenue Highlights

Total revenues for the fiscal year were 232.44 million. This is \$7.29 million or 3.2% more than projected.

- Water services were \$115.67 million, or 6.5% above projections.
- Wastewater services were \$109.11 million, or 0.6% below projections.
- Reclaimed services were \$0.45 million, or 53.2% below projections.
- Reserve fund surcharge was \$2.78 million, or 0.2% below projections.
- Other revenues, including miscellaneous and interest income totaled \$4.43 million, or 42.9% more than projected.
- Transfers In were \$1.72 million, or equal to projections.



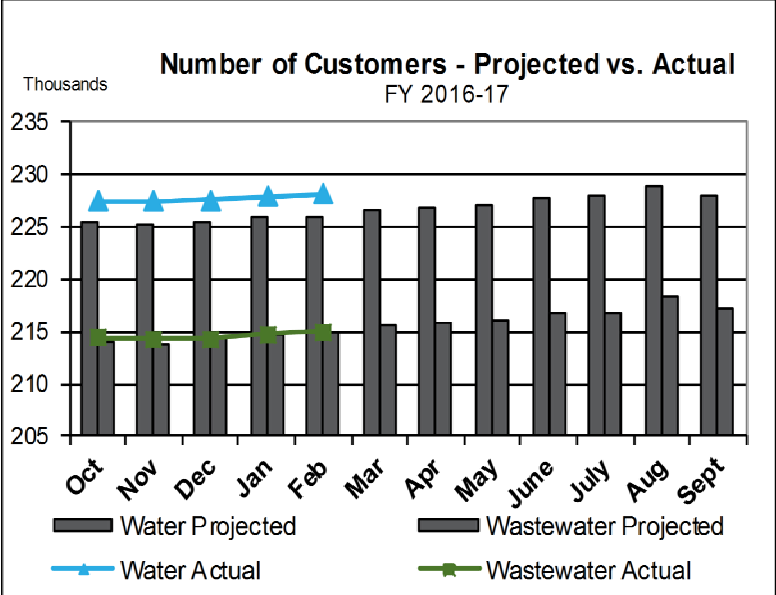
Year-to-date Water Services revenues were above projections in all five customer classes, with Residential and Multifamily driving most of the increase by 5.9% and 12.8%, respectively.

Wastewater Services were below projections in the Commercial and Residential customer classes by 6.2% and 2.3%, respectively. This offset increases in the other customer classes.

Revenues and Transfers In for February were \$40.9 million, or 0.7% above projections.

User Characteristics

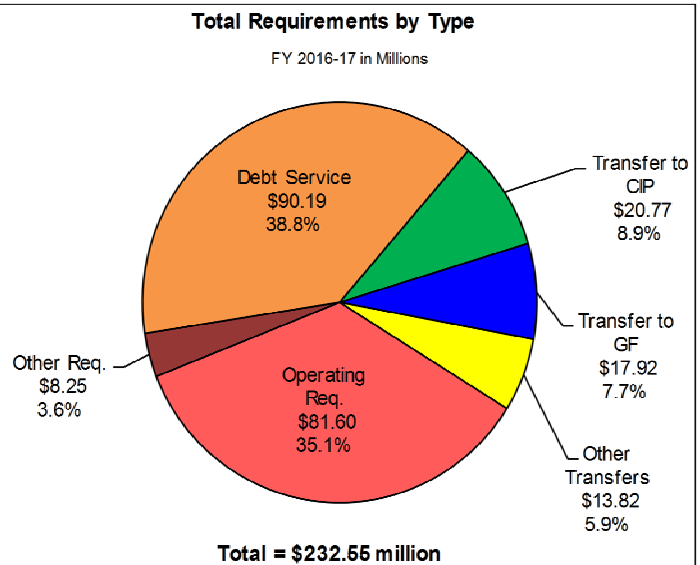
| | Projected | Actual |
|---------------------------------------|----------------|----------------|
| Water Customers | 225,914 | 228,081 |
| Wastewater Customers | 214,976 | 214,970 |
| Monthly Pumpage | 2.93 | 3.05 |
| YTD Pumpage | 16.41 | 17.48 |
| Monthly Billed Use | 2.52 | 2.52 |
| YTD Billed Use | 15.09 | 15.53 |
| Monthly Influent Flow | 3.18 | 3.03 |
| YTD Influent Flow | 17.14 | 15.25 |
| Monthly Billed Flow | 2.14 | 2.06 |
| YTD Billed Flow | 11.33 | 11.25 |
| (Above in Billions of Gallons) | | |
| Avg. Residential Use (gal) | 4,200 | 4,186 |
| Avg. Residential Flow (gal) | 3,775 | 3,447 |



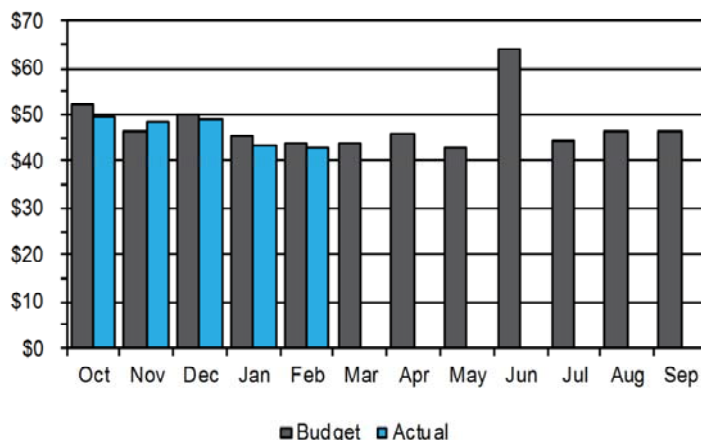
Requirement Highlights

Total requirements for the fiscal year were \$232.55 million. This is \$5.49 million, or 2.3%, less than the budget. The graph at the right shows the proportions of these requirements to the whole.

- Total program operating requirements were \$81.60 million, or 3.2% less than budgeted.
- Total other requirements were \$8.25 million, or 10.6% less than budgeted.
- Debt service requirements were \$90.19 million, or 0.8% less than budgeted.
- Transfers out consists of transfers to Capital Improvement Projects, General Fund, and Other Transfers. These total \$52.51 million, or 2.0% less than budgeted.



Total Requirements by Month
FY 2016-17 in Millions



The Support Services and Treatment program areas had higher expenditures than projected. But, these areas were more than offset by lower than projected expenditures in the other program areas.

Pages 18 and 19 provide details on variances in spending by program area and object code.

Total Requirements of \$42.61 million for the month were \$1.07 million, or 2.5% less than the budget allotment.

City of Austin, Texas
Austin Water
FUND SUMMARY - COMBINED
As of February 2017

| | 2016-17 APPROVED | 2016-17 AMENDED | BUDGET ALLOTMENT | YTD ACTUAL W/ ENCUMB | YTD VARIANCE | % VARIANCE |
|---|---------------------|--------------------|---------------------|-------------------------|------------------|--------------|
| BEGINNING BALANCE | 134,661,011 | 134,661,011 | 134,661,011 | 138,607,619 | 3,946,608 | 2.9% |
| REVENUE | | | | | | |
| Water Revenue | 291,381,890 | 291,381,890 | 108,574,650 | 115,674,441 | 7,099,791 | 6.5% |
| Wastewater Revenue | 271,521,805 | 271,521,805 | 109,726,413 | 109,105,450 | (620,963) | -0.6% |
| Reserve Fund Surcharge | 7,295,119 | 7,295,119 | 2,789,899 | 2,783,375 | (6,524) | -0.2% |
| Other Revenue | 5,471,824 | 5,471,824 | 2,279,929 | 2,452,358 | 172,429 | 7.6% |
| Reclaimed Revenue | 2,505,414 | 2,505,414 | 961,688 | 450,019 | (511,669) | -53.2% |
| Interest | 656,731 | 656,731 | 273,635 | 734,999 | 461,364 | 168.6% |
| Public Health Licenses, Permits, Inspections | 556,300 | 556,300 | 231,794 | 300,744 | 68,950 | 29.7% |
| Other Fines | 371,200 | 371,200 | 154,665 | 335,850 | 181,185 | 117.1% |
| Miscellaneous Franchise Fees | 147,300 | 147,300 | 61,379 | 30,126 | (31,254) | -50.9% |
| Building Rental/Lease | 127,700 | 127,700 | 53,205 | 30,168 | (23,037) | -43.3% |
| Land & Infrastructure Rental/Lease | 68,500 | 68,500 | 28,544 | 27,500 | (1,044) | -3.7% |
| Scrap Sales | 39,900 | 39,900 | 16,625 | 16,361 | (264) | -1.6% |
| Development Fees | 0 | 0 | 0 | 501,519 | 501,519 | 0.0% |
| Parking Revenue | 0 | 0 | 0 | 1,035 | 1,035 | 0.0% |
| Total Revenue | 580,143,683 | 580,143,683 | 225,152,426 | 232,443,943 | 7,291,517 | 3.2% |
| TRANSFERS IN | | | | | | |
| CIP | 20,164,000 | 20,164,000 | 0 | 0 | 0 | 0.0% |
| Austin Water Utility | 3,400,000 | 3,400,000 | 1,416,670 | 1,416,655 | (15) | 0.0% |
| Support Services/Infrastructure Funds | 300,582 | 300,582 | 300,582 | 300,582 | 0 | 0.0% |
| Austin Resource Recovery Fund | 130,431 | 130,431 | 0 | 0 | 0 | 0.0% |
| Total Transfers In | 23,995,013 | 23,995,013 | 1,717,252 | 1,717,237 | (15) | 0.0% |
| TOTAL AVAILABLE FUNDS | 604,138,696 | 604,138,696 | 226,869,678 | 234,161,180 | 7,291,502 | 3.2% |
| PROGRAM REQUIREMENTS | | | | | | |
| Treatment | 77,716,518 | 77,716,518 | 32,077,206 | 33,463,297 | (1,386,091) | -4.3% |
| Pipeline Operations | 44,566,176 | 44,566,176 | 19,049,126 | 18,952,878 | 96,248 | 0.5% |
| Support Services | 25,836,064 | 25,836,064 | 10,983,270 | 12,121,725 | (1,138,456) | -10.4% |
| Other Utility Program Requirements | 15,485,000 | 15,485,000 | 7,004,901 | 4,341,893 | 2,663,008 | 38.0% |
| Environmental Affairs & Conservation | 12,009,453 | 12,009,453 | 5,310,002 | 4,738,910 | 571,092 | 10.8% |
| Engineering Services | 11,864,771 | 11,864,771 | 5,673,786 | 4,433,866 | 1,239,920 | 21.9% |
| Water Resources Management | 8,591,611 | 8,591,611 | 3,724,526 | 3,158,850 | 565,676 | 15.2% |
| One Stop Shop | 723,634 | 723,634 | 306,161 | 247,884 | 58,277 | 19.0% |
| Reclaimed Water Services | 416,789 | 416,789 | 173,520 | 143,635 | 29,884 | 17.2% |
| Total Program Requirements | 197,210,016 | 197,210,016 | 84,302,497 | 81,602,939 | 2,699,558 | 3.2% |
| OTHER REQUIREMENTS | | | | | | |
| Utility Billing System Support | 20,401,455 | 20,401,455 | 8,500,606 | 8,148,488 | 352,118 | 4.1% |
| Market Study Adjustment | 1,495,639 | 1,495,639 | 623,183 | 0 | 623,183 | 100.0% |
| Accrued Payroll | 318,547 | 318,547 | 0 | 0 | 0 | 0.0% |
| Interdepartmental Charges | 169,190 | 169,190 | 70,450 | 70,490 | (40) | -0.1% |
| Trf to PID Fund | 75,000 | 75,000 | 31,250 | 31,250 | 0 | 0.0% |
| Total Other Requirements | 22,459,831 | 22,459,831 | 9,225,489 | 8,250,228 | 975,261 | 10.6% |
| DEBT SERVICE REQUIREMENTS | | | | | | |
| Trf to Util D/S Separate Lien | 152,966,772 | 152,966,772 | 62,333,498 | 61,617,022 | 716,475 | 1.1% |
| Trf to Utility D/S Prior Lien | 38,802,555 | 38,802,555 | 21,740,683 | 21,744,292 | (3,610) | 0.0% |
| Trf to Utility D/S Sub Lien | 8,807,516 | 8,807,516 | 4,905,784 | 4,909,945 | (4,161) | -0.1% |
| Trf to GO Debt Service | 3,620,142 | 3,620,142 | 1,810,072 | 1,810,072 | (0) | 0.0% |
| Trf to Util D/S Tax/Rev Bonds | 645,526 | 645,526 | 0 | 0 | 0 | 0.0% |
| Commercial paper interest | 280,669 | 280,669 | 116,945 | 108,562 | 8,384 | 7.2% |
| Total Debt Service Requirements | 205,123,180 | 205,123,180 | 90,906,981 | 90,189,893 | 717,088 | 0.8% |

City of Austin, Texas
Austin Water
FUND SUMMARY - COMBINED
As of February 2017

| | 2016-17 APPROVED | 2016-17 AMENDED | BUDGET ALLOTMENT | YTD ACTUAL W/ ENCUMB | YTD VARIANCE | % VARIANCE |
|---|---------------------|--------------------|---------------------|-------------------------|-------------------|----------------|
| TRANSFERS OUT | | | | | | |
| Trf to General Fund | 42,876,568 | 42,876,568 | 17,921,568 | 17,921,568 | 0 | 0.0% |
| Trf to Wastewater CIP Fund | 29,200,000 | 29,200,000 | 11,801,000 | 11,801,000 | 0 | 0.0% |
| Trf to Water CIP Fund | 22,000,000 | 22,000,000 | 8,204,000 | 8,204,000 | 0 | 0.0% |
| TRF CRF to Debt Defeasance | 15,000,000 | 15,000,000 | 0 | 0 | 0 | 0.0% |
| Administrative Support | 12,485,620 | 12,485,620 | 5,268,550 | 5,268,550 | 0 | 0.0% |
| Trf to Water Revenue Stab Rsv | 9,295,119 | 9,295,119 | 3,872,965 | 2,783,375 | 1,089,590 | 28.1% |
| CTM Support | 4,127,580 | 4,127,580 | 1,721,435 | 1,721,435 | 0 | 0.0% |
| Trf to Reclaimed Water Fund | 3,400,000 | 3,400,000 | 1,416,655 | 1,416,655 | 0 | 0.0% |
| Trf to Economic Development | 2,928,899 | 2,928,899 | 1,227,164 | 1,227,164 | 0 | 0.0% |
| Trf to Reclaimed Water CIP Fnd | 2,000,000 | 2,000,000 | 768,000 | 768,000 | 0 | 0.0% |
| Trf to CIP Mgm - CPM (5460) | 1,813,549 | 1,813,549 | 777,234 | 777,234 | 0 | 0.0% |
| Workers' Compensation | 1,213,237 | 1,213,237 | 505,523 | 505,523 | 0 | 0.0% |
| Regional Radio System | 253,605 | 253,605 | 105,660 | 105,660 | 0 | 0.0% |
| CTECC Support | 10,622 | 10,622 | 10,622 | 10,622 | 0 | 0.0% |
| Total Transfers Out | 146,604,799 | 146,604,799 | 53,600,376 | 52,510,786 | 1,089,590 | 2.0% |
| TOTAL REQUIREMENTS | 571,397,826 | 571,397,826 | 238,035,343 | 232,553,846 | 5,481,497 | 2.3% |
| EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS | 32,740,870 | 32,740,870 | (11,165,665) | 1,607,334 | 12,772,998 | -114.4% |
| ENDING BALANCE | 167,401,881 | 167,401,881 | 123,495,346 | 140,214,953 | 16,719,606 | 13.5% |

Note: Numbers may not add due to rounding.

| | | | |
|------------------------------------|------|------|------|
| DEBT SERVICE COVERAGE RATIO | 1.70 | 1.70 | 1.52 |
|------------------------------------|------|------|------|

City of Austin, Texas

Austin Water FUND SUMMARY - WATER As of February 2017

| | 2016-17 APPROVED | 2016-17 AMENDED | BUDGET ALLOTMENT | YTD ACTUAL W/ ENCUMB | YTD VARIANCE | % VARIANCE |
|--|---------------------|--------------------|---------------------|-------------------------|------------------|--------------|
| BEGINNING BALANCE | 62,508,631 | 62,508,631 | 62,508,631 | 63,703,309 | 1,194,678 | 1.9% |
| REVENUE | | | | | | |
| Water Revenue | 291,381,890 | 291,381,890 | 108,574,650 | 115,674,441 | 7,099,791 | 6.5% |
| Reserve Fund Surcharge | 7,295,119 | 7,295,119 | 2,789,899 | 2,783,375 | (6,524) | -0.2% |
| Other Revenue | 2,344,036 | 2,344,036 | 976,684 | 1,192,676 | 215,992 | 22.1% |
| Other Fines | 371,200 | 371,200 | 154,665 | 335,850 | 181,185 | 117.1% |
| Interest | 305,258 | 305,258 | 127,190 | 340,526 | 213,336 | 167.7% |
| Miscellaneous Franchise Fees | 107,300 | 107,300 | 44,710 | 30,126 | (14,585) | -32.6% |
| Land & Infrastructure Rental/Lease | 68,500 | 68,500 | 28,544 | 27,500 | (1,044) | -3.7% |
| Building Rental/Lease | 63,400 | 63,400 | 26,419 | 15,084 | (11,335) | -42.9% |
| Public Health Licenses, Permits, Inspections | 26,800 | 26,800 | 11,169 | 24,375 | 13,206 | 118.2% |
| Scrap Sales | 23,500 | 23,500 | 9,790 | 8,180 | (1,610) | -16.4% |
| Property Sales | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Development Fees | 0 | 0 | 0 | 499,237 | 499,237 | 0.0% |
| Parking Revenue | 0 | 0 | 0 | 1,035 | 1,035 | 0.0% |
| Total Revenue | 301,987,003 | 301,987,003 | 112,743,720 | 120,932,404 | 8,188,684 | 7.3% |
| TRANSFERS IN | | | | | | |
| CIP | 14,914,000 | 14,914,000 | 0 | 0 | 0 | 0.0% |
| Support Services/Infrastructure Funds | 150,291 | 150,291 | 150,291 | 150,291 | 0 | 0.0% |
| Total Transfers In | 15,064,291 | 15,064,291 | 150,291 | 150,291 | 0 | 0.0% |
| TOTAL AVAILABLE FUNDS | 317,051,294 | 317,051,294 | 112,894,011 | 121,082,695 | 8,188,684 | 7.3% |
| PROGRAM REQUIREMENTS | | | | | | |
| Treatment | 38,063,429 | 38,063,429 | 15,752,598 | 16,605,104 | (852,506) | -5.4% |
| Pipeline Operations | 25,877,347 | 25,877,347 | 11,061,060 | 11,079,459 | (18,399) | -0.2% |
| Support Services | 13,002,785 | 13,002,785 | 5,494,730 | 6,041,419 | (546,690) | -9.9% |
| Environmental Affairs & Conservation | 9,022,829 | 9,022,829 | 4,045,668 | 3,502,617 | 543,051 | 13.4% |
| Other Utility Program Requirements | 8,548,898 | 8,548,898 | 3,483,262 | 2,017,764 | 1,465,498 | 42.1% |
| Engineering Services | 4,912,562 | 4,912,562 | 1,836,476 | 1,439,294 | 397,182 | 21.6% |
| Water Resources Management | 4,031,644 | 4,031,644 | 1,787,571 | 1,452,661 | 334,910 | 18.7% |
| One Stop Shop | 250,758 | 250,758 | 107,762 | 96,318 | 11,443 | 10.6% |
| Total Program Requirements | 103,710,252 | 103,710,252 | 43,569,127 | 42,234,638 | 1,334,489 | 3.1% |
| OTHER REQUIREMENTS | | | | | | |
| Utility Billing System Support | 12,854,313 | 12,854,313 | 5,355,964 | 5,080,506 | 275,458 | 5.1% |
| Market Study Adjustment | 987,309 | 987,309 | 411,379 | 0 | 411,379 | 100.0% |
| Accrued Payroll | 182,510 | 182,510 | 0 | 0 | 0 | 0.0% |
| Interdepartmental Charges | 84,595 | 84,595 | 35,225 | 35,245 | (20) | -0.1% |
| Trf to PID Fund | 37,500 | 37,500 | 15,625 | 15,625 | 0 | 0.0% |
| Total Other Requirements | 14,146,227 | 14,146,227 | 5,818,192 | 5,131,376 | 686,816 | 11.8% |
| DEBT SERVICE REQUIREMENTS | | | | | | |
| Trf to Util D/S Separate Lien | 84,097,430 | 84,097,430 | 33,861,104 | 33,210,085 | 651,019 | 1.9% |
| Tfr to Utility D/S Prior Lien | 18,082,574 | 18,082,574 | 10,345,886 | 10,349,622 | (3,736) | 0.0% |
| Tfr to Utility D/S Sub Lien | 4,912,497 | 4,912,497 | 2,751,222 | 2,755,418 | (4,196) | -0.2% |
| Trf to GO Debt Service | 1,643,406 | 1,643,406 | 821,704 | 821,704 | (0) | 0.0% |
| Tfr to Util D/S Tax/Rev Bonds | 238,871 | 238,871 | 0 | 0 | 0 | 0.0% |
| Commercial paper interest | 138,030 | 138,030 | 57,513 | 35,370 | 22,143 | 38.5% |
| Total Debt Service Requirements | 109,112,808 | 109,112,808 | 47,837,428 | 47,172,199 | 665,230 | 1.4% |

City of Austin, Texas

Austin Water FUND SUMMARY - WATER As of February 2017

| | 2016-17 APPROVED | 2016-17 AMENDED | BUDGET ALLOTMENT | YTD ACTUAL W/ ENCUMB | YTD VARIANCE | % VARIANCE |
|---|---------------------|--------------------|---------------------|-------------------------|-------------------|--------------|
| TRANSFERS OUT | | | | | | |
| Trf to General Fund | 22,587,681 | 22,587,681 | 9,411,581 | 9,411,581 | 0 | 0.0% |
| Trf to Water CIP Fund | 22,000,000 | 22,000,000 | 8,204,000 | 8,204,000 | 0 | 0.0% |
| TRF CRF to Debt Defeasance | 9,750,000 | 9,750,000 | 0 | 0 | 0 | 0.0% |
| Trf to Water Revenue Stab Rsv | 9,295,119 | 9,295,119 | 3,872,965 | 2,783,375 | 1,089,590 | 28.1% |
| Administrative Support | 7,264,361 | 7,264,361 | 3,026,806 | 3,026,806 | 0 | 0.0% |
| CTM Support | 2,071,106 | 2,071,106 | 862,941 | 862,941 | 0 | 0.0% |
| Trf to Reclaimed Water Fund | 1,700,000 | 1,700,000 | 708,310 | 708,310 | 0 | 0.0% |
| Trf to Economic Development | 1,549,387 | 1,549,387 | 645,547 | 645,547 | 0 | 0.0% |
| Trf to CIP Mgm - CPM (5460) | 1,173,937 | 1,173,937 | 489,127 | 489,127 | 0 | 0.0% |
| Workers' Compensation | 606,619 | 606,619 | 252,769 | 252,769 | 0 | 0.0% |
| Regional Radio System | 253,605 | 253,605 | 105,660 | 105,660 | 0 | 0.0% |
| CTECC Support | 5,311 | 5,311 | 5,311 | 5,311 | 0 | 0.0% |
| Total Transfers Out | 78,257,126 | 78,257,126 | 27,585,017 | 26,495,427 | 1,089,590 | 3.9% |
| TOTAL REQUIREMENTS | 305,226,413 | 305,226,413 | 124,809,765 | 121,033,641 | 3,776,124 | 3.0% |
| EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS | | | | | | |
| | 11,824,881 | 11,824,881 | (11,915,753) | 49,054 | 11,964,808 | -100.4% |
| ENDING BALANCE | 74,333,512 | 74,333,512 | 50,592,878 | 63,752,363 | 13,159,486 | 26.0% |
| <i>Note: Numbers may not add due to rounding.</i> | | | | | | |
| DEBT SERVICE COVERAGE RATIO | 1.61 | 1.61 | | 1.49 | | |

City of Austin, Texas
Austin Water
FUND SUMMARY - RECLAIMED
As of February 2017

| | 2016-17 APPROVED | 2016-17 AMENDED | BUDGET ALLOTMENT | YTD ACTUAL W/ ENCUMB | YTD VARIANCE | % VARIANCE |
|---|---------------------|--------------------|---------------------|-------------------------|------------------|----------------|
| BEGINNING BALANCE | 692,546 | 692,546 | 692,546 | 386,954 | (305,592) | -44.1% |
| REVENUE | | | | | | |
| Reclaimed Services | 2,505,414 | 2,505,414 | 961,688 | 450,019 | (511,669) | -53.2% |
| Interest | 5,071 | 5,071 | 2,115 | 7,917 | 5,802 | 274.3% |
| Total Revenue | 2,510,485 | 2,510,485 | 963,803 | 457,937 | (505,866) | -52.5% |
| TRANSFERS IN | | | | | | |
| Austin Water Utility | 3,400,000 | 3,400,000 | 1,416,670 | 1,416,655 | (15) | 0.0% |
| Total Transfers In | 3,400,000 | 3,400,000 | 1,416,670 | 1,416,655 | (15) | 0.0% |
| TOTAL AVAILABLE FUNDS | 5,910,485 | 5,910,485 | 2,380,473 | 1,874,592 | (505,881) | -21.3% |
| PROGRAM REQUIREMENTS | | | | | | |
| Reclaimed Water Services | 416,789 | 416,789 | 173,520 | 143,635 | 29,884 | 17.2% |
| Other Utility Program Requirements | 23,768 | 23,768 | 5,842 | 12,269 | (6,427) | -110.0% |
| Total Program Requirements | 440,557 | 440,557 | 179,361 | 155,904 | 23,457 | 13.1% |
| OTHER REQUIREMENTS | | | | | | |
| Accrued Payroll | 946 | 946 | 0 | 0 | 0 | 0.0% |
| Total Other Requirements | 946 | 946 | 0 | 0 | 0 | 0.0% |
| DEBT SERVICE REQUIREMENTS | | | | | | |
| Trf to Util D/S Separate Lien | 2,177,736 | 2,177,736 | 941,740 | 940,212 | 1,528 | 0.2% |
| Commercial paper interest | 27,289 | 27,289 | 11,370 | 42,877 | (31,506) | -277.1% |
| Total Debt Service Requirements | 2,205,025 | 2,205,025 | 953,110 | 983,089 | (29,978) | -3.1% |
| TRANSFERS OUT | | | | | | |
| Trf to Reclaimed Water CIP Fnd | 2,000,000 | 2,000,000 | 768,000 | 768,000 | 0 | 0.0% |
| Administrative Support | 113,506 | 113,506 | 113,506 | 113,506 | 0 | 0.0% |
| Trf to General Fund | 96,883 | 96,883 | 96,883 | 96,883 | 0 | 0.0% |
| Trf to CIP Mgm - CPM (5460) | 37,076 | 37,076 | 37,076 | 37,076 | 0 | 0.0% |
| Trf to Economic Development | 11,716 | 11,716 | 11,716 | 11,716 | 0 | 0.0% |
| CTM Support | 2,789 | 2,789 | 2,789 | 2,789 | 0 | 0.0% |
| Total Transfers Out | 2,261,970 | 2,261,970 | 1,029,970 | 1,029,970 | 0 | 0.0% |
| TOTAL REQUIREMENTS | 4,908,498 | 4,908,498 | 2,162,442 | 2,168,963 | (6,521) | -0.3% |
| EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS | 1,001,987 | 1,001,987 | 218,031 | (294,371) | (512,402) | -235.0% |
| ENDING BALANCE | 1,694,533 | 1,694,533 | 910,577 | 92,583 | (817,994) | -89.8% |

Note: Numbers may not add due to rounding.

DEBT SERVICE COVERAGE RATIO

| | | |
|------|------|------|
| 0.88 | 0.88 | 0.16 |
|------|------|------|

City of Austin, Texas
Austin Water
FUND SUMMARY - WASTEWATER
As of February 2017

| | 2016-17 APPROVED | 2016-17 AMENDED | BUDGET ALLOTMENT | YTD ACTUAL W/ ENCUMB | YTD VARIANCE | % VARIANCE |
|--|---------------------|--------------------|---------------------|-------------------------|------------------|--------------|
| BEGINNING BALANCE | 71,459,834 | 71,459,834 | 71,459,834 | 74,517,356 | 3,057,522 | 4.3% |
| REVENUE | | | | | | |
| Wastewater Revenue | 271,521,805 | 271,521,805 | 109,726,413 | 109,105,450 | (620,963) | -0.6% |
| Other Revenue | 3,127,788 | 3,127,788 | 1,303,245 | 1,259,682 | (43,563) | -3.3% |
| Public Health Licenses, Permits, Inspections | 529,500 | 529,500 | 220,625 | 276,369 | 55,744 | 25.3% |
| Interest | 346,402 | 346,402 | 144,330 | 386,555 | 242,225 | 167.8% |
| Building Rental/Lease | 64,300 | 64,300 | 26,786 | 15,084 | (11,702) | -43.7% |
| Miscellaneous Franchise Fees | 40,000 | 40,000 | 16,669 | 0 | (16,669) | -100.0% |
| Scrap Sales | 16,400 | 16,400 | 6,835 | 8,180 | 1,345 | 19.7% |
| Development Fees | 0 | 0 | 0 | 2,282 | 2,282 | 0.0% |
| Total Revenue | 275,646,195 | 275,646,195 | 111,444,903 | 111,053,602 | (391,301) | -0.4% |
| TRANSFERS IN | | | | | | |
| CIP | 5,250,000 | 5,250,000 | 0 | 0 | 0 | 0.0% |
| Support Services/Infrastructure Funds | 150,291 | 150,291 | 150,291 | 150,291 | 0 | 0.0% |
| Austin Resource Recovery Fund | 130,431 | 130,431 | 0 | 0 | 0 | 0.0% |
| Total Transfers In | 5,530,722 | 5,530,722 | 150,291 | 150,291 | 0 | 0.0% |
| TOTAL AVAILABLE FUNDS | 281,176,917 | 281,176,917 | 111,595,194 | 111,203,893 | (391,301) | -0.4% |
| PROGRAM REQUIREMENTS | | | | | | |
| Treatment | 39,653,089 | 39,653,089 | 16,324,608 | 16,858,192 | (533,584) | -3.3% |
| Pipeline Operations | 18,688,829 | 18,688,829 | 7,988,066 | 7,873,419 | 114,647 | 1.4% |
| Support Services | 12,833,279 | 12,833,279 | 5,488,540 | 6,080,306 | (591,766) | -10.8% |
| Engineering Services | 6,952,209 | 6,952,209 | 3,837,311 | 2,994,573 | 842,738 | 22.0% |
| Other Utility Program Requirements | 6,912,334 | 6,912,334 | 3,515,797 | 2,311,860 | 1,203,937 | 34.2% |
| Water Resources Management | 4,559,967 | 4,559,967 | 1,936,954 | 1,706,189 | 230,766 | 11.9% |
| Environmental Affairs & Conservation | 2,986,624 | 2,986,624 | 1,264,333 | 1,236,293 | 28,041 | 2.2% |
| One Stop Shop | 472,876 | 472,876 | 198,400 | 151,566 | 46,834 | 23.6% |
| Total Program Requirements | 93,059,207 | 93,059,207 | 40,554,009 | 39,212,397 | 1,341,612 | 3.3% |
| OTHER REQUIREMENTS | | | | | | |
| Utility Billing System Support | 7,547,142 | 7,547,142 | 3,144,642 | 3,067,982 | 76,661 | 2.4% |
| Market Study Adjustment | 508,330 | 508,330 | 211,804 | 0 | 211,804 | 100.0% |
| Accrued Payroll | 135,091 | 135,091 | 0 | 0 | 0 | 0.0% |
| Interdepartmental Charges | 84,595 | 84,595 | 35,225 | 35,245 | (20) | -0.1% |
| Trf to PID Fund | 37,500 | 37,500 | 15,625 | 15,625 | 0 | 0.0% |
| Total Other Requirements | 8,312,658 | 8,312,658 | 3,407,296 | 3,118,852 | 288,445 | 8.5% |
| DEBT SERVICE REQUIREMENTS | | | | | | |
| Trf to Util D/S Separate Lien | 66,691,606 | 66,691,606 | 27,530,653 | 27,466,725 | 63,928 | 0.2% |
| Tfr to Utility D/S Prior Lien | 20,719,981 | 20,719,981 | 11,394,797 | 11,394,670 | 127 | 0.0% |
| Tfr to Utility D/S Sub Lien | 3,895,019 | 3,895,019 | 2,154,561 | 2,154,527 | 35 | 0.0% |
| Trf to GO Debt Service | 1,976,736 | 1,976,736 | 988,368 | 988,368 | 0 | 0.0% |
| Tfr to Util D/S Tax/Rev Bonds | 406,655 | 406,655 | 0 | 0 | 0 | 0.0% |
| Commercial paper interest | 115,350 | 115,350 | 48,063 | 30,315 | 17,747 | 36.9% |
| Total Debt Service Requirements | 93,805,347 | 93,805,347 | 42,116,442 | 42,034,606 | 81,837 | 0.2% |

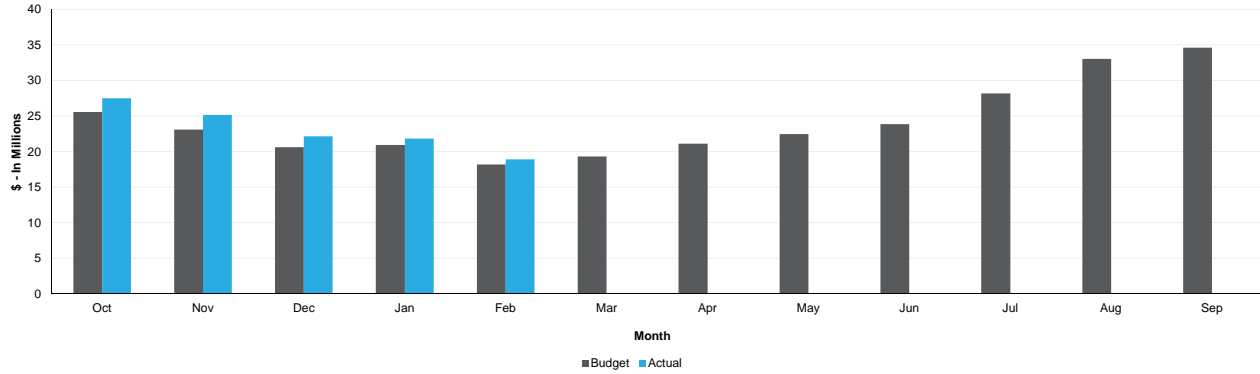
City of Austin, Texas
Austin Water
FUND SUMMARY - WASTEWATER
As of February 2017

| | 2016-17 APPROVED | 2016-17 AMENDED | BUDGET ALLOTMENT | YTD ACTUAL W/ ENCUMB | YTD VARIANCE | % VARIANCE |
|---|---------------------|--------------------|---------------------|-------------------------|------------------|-------------|
| TRANSFERS OUT | | | | | | |
| Trf to Wastewater CIP Fund | 29,200,000 | 29,200,000 | 11,801,000 | 11,801,000 | 0 | 0.0% |
| Trf to General Fund | 20,192,004 | 20,192,004 | 8,413,104 | 8,413,104 | 0 | 0.0% |
| TRF CRF to Debt Defeasance | 5,250,000 | 5,250,000 | 0 | 0 | 0 | 0.0% |
| Administrative Support | 5,107,753 | 5,107,753 | 2,128,238 | 2,128,238 | 0 | 0.0% |
| CTM Support | 2,053,685 | 2,053,685 | 855,705 | 855,705 | 0 | 0.0% |
| Trf to Reclaimed Water Fund | 1,700,000 | 1,700,000 | 708,345 | 708,345 | 0 | 0.0% |
| Trf to Economic Development | 1,367,796 | 1,367,796 | 569,901 | 569,901 | 0 | 0.0% |
| Workers' Compensation | 606,618 | 606,618 | 252,754 | 252,754 | 0 | 0.0% |
| Trf to CIP Mgm - CPM (5460) | 602,536 | 602,536 | 251,031 | 251,031 | 0 | 0.0% |
| CTECC Support | 5,311 | 5,311 | 5,311 | 5,311 | 0 | 0.0% |
| Total Transfers Out | 66,085,703 | 66,085,703 | 24,985,389 | 24,985,389 | 0 | 0.0% |
| TOTAL REQUIREMENTS | 261,262,915 | 261,262,915 | 111,063,137 | 109,351,243 | 1,711,893 | 1.5% |
| EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS | 19,914,002 | 19,914,002 | 532,057 | 1,852,650 | 1,320,593 | 248.2% |
| ENDING BALANCE | 91,373,836 | 91,373,836 | 71,991,891 | 76,370,006 | 4,378,115 | 6.1% |
| <i>Note: Numbers may not add due to rounding.</i> | | | | | | |
| DEBT SERVICE COVERAGE RATIO | 1.82 | 1.82 | | 1.59 | | |

REVENUES

Water Services Revenues by Month

Budget vs. Actual

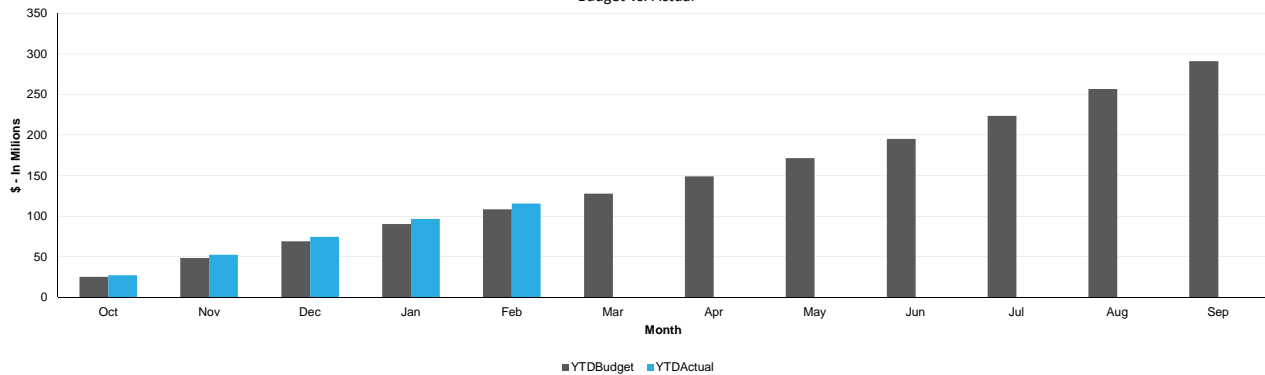


FY 2016 - 2017 Water Service Revenues by Month With Variances (Millions)

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------|----------|----------|----------|----------|----------|-------|-------|-------|-------|-------|-------|-------|
| Budget | 25.62 | 23.14 | 20.62 | 20.96 | 18.23 | 19.36 | 21.12 | 22.48 | 23.89 | 28.21 | 33.10 | 34.65 |
| Actual | \$ 27.54 | \$ 25.19 | \$ 22.17 | \$ 21.84 | \$ 18.93 | | | | | | | |
| Variance | \$ 1.92 | \$ 2.05 | \$ 1.54 | \$ 0.88 | \$ 0.70 | | | | | | | |
| Variance % | 7.5% | 8.9% | 7.5% | 4.2% | 3.9% | | | | | | | |

Water Services Revenues Year-to-Date

Budget vs. Actual



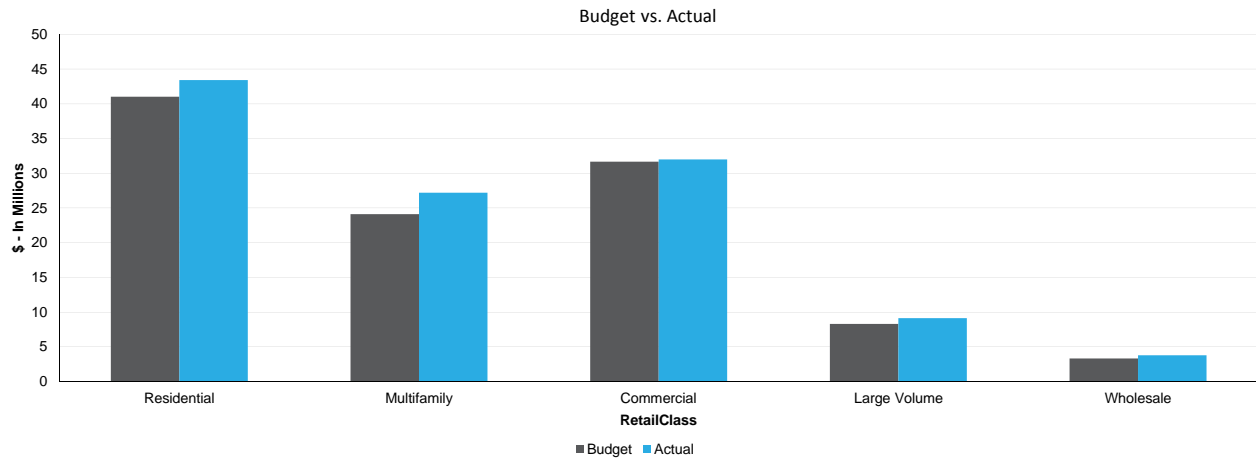
FY 2016 - 2017 Water Service Revenues by Year-to-Date With Variances (Millions)

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| YTD Budget | \$ 25.62 | \$ 48.76 | \$ 69.38 | \$ 90.34 | \$ 108.57 | \$ 127.93 | \$ 149.06 | \$ 171.53 | \$ 195.42 | \$ 223.63 | \$ 256.73 | \$ 291.38 |
| YTD Actual | \$ 27.54 | \$ 52.73 | \$ 74.90 | \$ 96.74 | \$ 115.68 | | | | | | | |
| Variance | \$ 1.92 | \$ 3.97 | \$ 5.52 | \$ 6.40 | \$ 7.10 | | | | | | | |
| Variance % | 7.5% | 8.1% | 7.9% | 7.1% | 6.5% | | | | | | | |

Water service revenues for February 2017 totaled \$18.93 million. This is \$0.70 million, or 3.9%, more than the budget allotment for the month. For the fiscal year, water service revenues totaled \$115.68 million, which is \$7.10 million, or 6.5%, more than the budget allotment.

Billed water consumption for February 2017 totaled 2.52 billion gallons (BG). This was 0.003 BG, or 0.1%, less than projected for the month. For the fiscal year, billed water consumption totaled 15.53 BG. This was 0.44 BG, or 2.9%, more than projected.

Year-to-Date Water Service Revenues by Customer Class



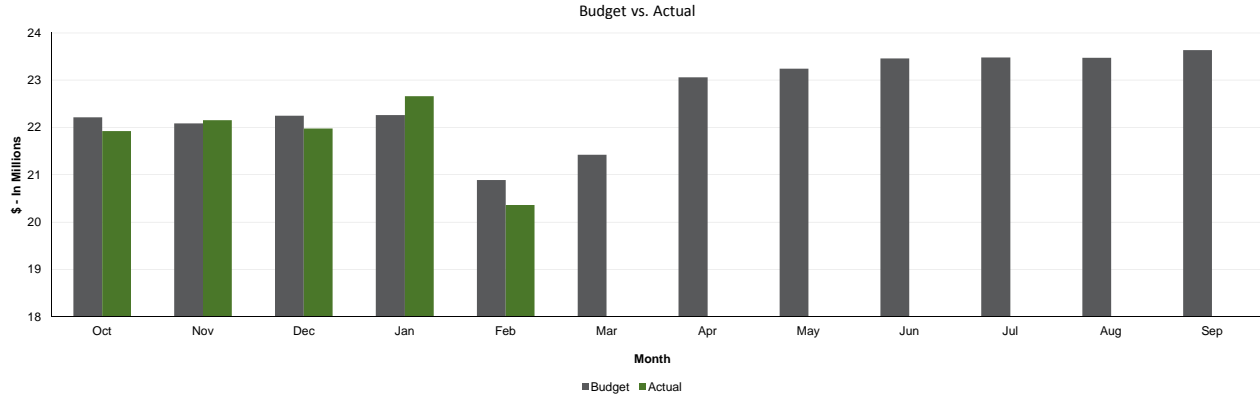
FY 2016 - 2017 Year-to-Date Water Service Revenues by Customer Class With Variances (Millions)

| | Residential | | Multifamily | | Commercial | | Large Volume | | Wholesale | | Total |
|------------|-------------|-------|-------------|-------|------------|-------|--------------|-------|-----------|-------|-----------|
| Budget | \$ | 41.03 | \$ | 24.15 | \$ | 31.70 | \$ | 8.32 | \$ | 3.38 | \$ 108.57 |
| Actual | \$ | 43.44 | \$ | 27.22 | \$ | 32.02 | \$ | 9.17 | \$ | 3.82 | \$ 115.68 |
| Variance | \$ | 2.40 | \$ | 3.08 | \$ | 0.32 | \$ | 0.85 | \$ | 0.44 | \$ 7.10 |
| Variance % | | 5.9% | | 12.8% | | 1.0% | | 10.2% | | 13.0% | 6.5% |

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

All customer classes are above projections, with Residential and Multifamily classes significantly above by 5.9% and 12.8%, respectively. Overall, water revenues are 6.5% higher than projected.

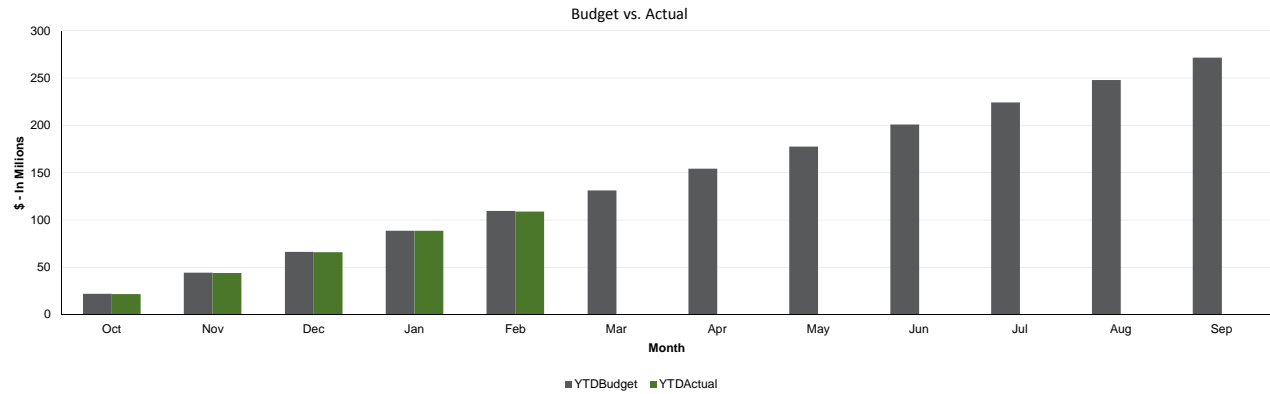
Wastewater Services Revenues by Month



FY 2016 - 2017 Wastewater Service Revenues by Month With Variances (Millions)

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|-------------|-----------|----------|-----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|
| Budget | \$ 22.22 | \$ 22.09 | \$ 22.25 | \$ 22.27 | \$ 20.89 | \$ 21.43 | \$ 23.06 | \$ 23.24 | \$ 23.46 | \$ 23.48 | \$ 23.48 | \$ 23.64 |
| Actual | \$ 21.93 | \$ 22.16 | \$ 21.98 | \$ 22.67 | \$ 20.37 | | | | | | | |
| Variance \$ | \$ (0.29) | \$ 0.07 | \$ (0.27) | \$ 0.40 | \$ (0.53) | | | | | | | |
| Variance % | -1.3% | 0.3% | -1.2% | 1.8% | -2.5% | | | | | | | |

Wastewater Services Revenues Year-to-Date



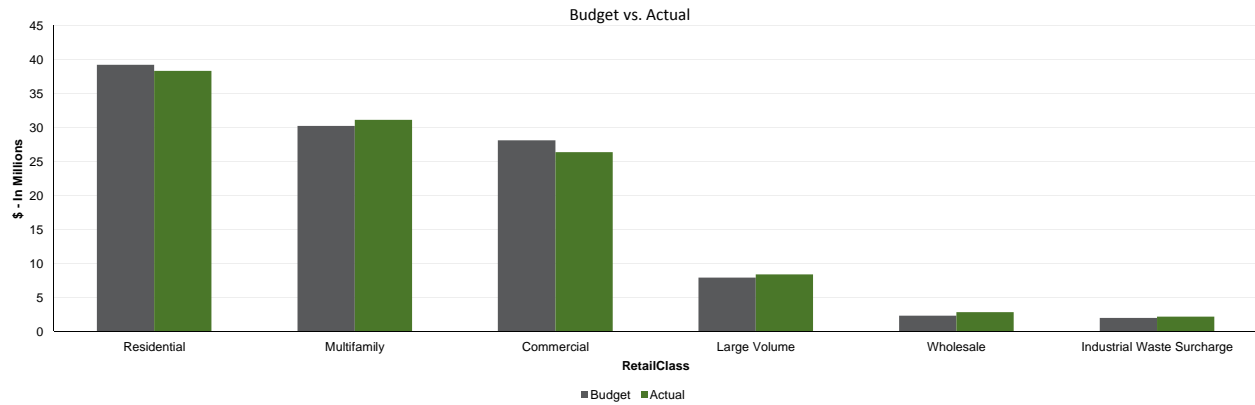
FY 2016 - 2017 Wastewater Service Revenues by Year-to-Date With Variances (Millions)

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| YTD Budget | \$ 22.22 | \$ 44.31 | \$ 66.56 | \$ 88.83 | \$ 109.73 | \$ 131.15 | \$ 154.21 | \$ 177.46 | \$ 200.92 | \$ 224.40 | \$ 247.88 | \$ 271.52 |
| YTD Actual | \$ 21.93 | \$ 44.09 | \$ 66.07 | \$ 88.74 | \$ 109.11 | | | | | | | |
| Variance | \$ (0.29) | \$ (0.22) | \$ (0.49) | \$ (0.09) | \$ (0.62) | | | | | | | |
| Variance % | -1.3% | -0.5% | -0.7% | -0.1% | -0.6% | | | | | | | |

Wastewater service revenues for February 2017 totaled \$20.37 million. This is \$0.53 million or 2.5% less than the budget allotment for the month. For the fiscal year, wastewater service revenues totaled \$109.11 million. This is \$0.62 million, or 0.6%, less than the budget allotment.

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

Year-to-Date Wastewater Service Revenues by Customer Class



FY 2016 - 2017 Year-to-Date Wastewater Service Revenues by Customer Class With Variances (Millions)

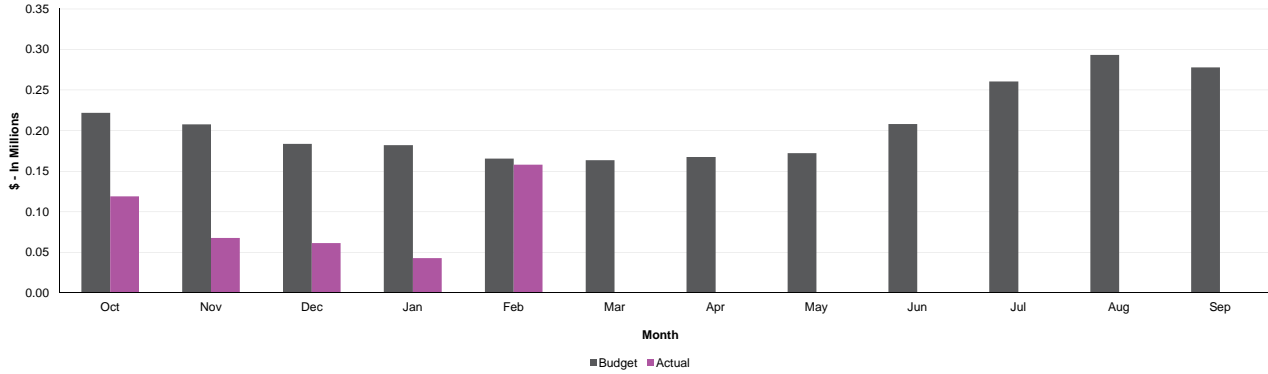
| | Residential | Multifamily | Commercial | Large Volume | Wholesale | Industrial Waste Surcharge | Total |
|-------------------|-------------|-------------|------------|--------------|-----------|----------------------------|-----------|
| Budget | \$ 39.21 | \$ 30.24 | \$ 28.09 | \$ 7.90 | \$ 2.30 | \$ 1.98 | \$ 109.73 |
| Actual | \$ 38.30 | \$ 31.09 | \$ 26.36 | \$ 8.40 | \$ 2.80 | \$ 2.15 | \$ 109.11 |
| Variance | \$ (0.91) | \$ 0.85 | \$ (1.73) | \$ 0.50 | \$ 0.50 | \$ 0.16 | \$ (0.62) |
| Variance % | -2.3% | 2.8% | -6.2% | 6.3% | 21.9% | 8.2% | -0.6% |

Wastewater service revenues are collected from a variety of customer classes including Residential, Multifamily, Commercial, Large Volume, Wholesale, and Industrial Waste Surcharge. The graph above compares the budgeted and actual wastewater service revenues by those classes through February, before any accounts receivable adjustments.

Four customer classes are above projections, with Multifamily showing the largest dollar increase of \$0.85 million or 2.8% above budget. This is more than offset by decreases in the Residential and Commercial classes which are below projections by 2.3% and 6.2%, respectively. Overall, wastewater revenues are \$0.62 million or 0.6% lower than projected.

Reclaimed Services Revenues by Month

Budget vs. Actual

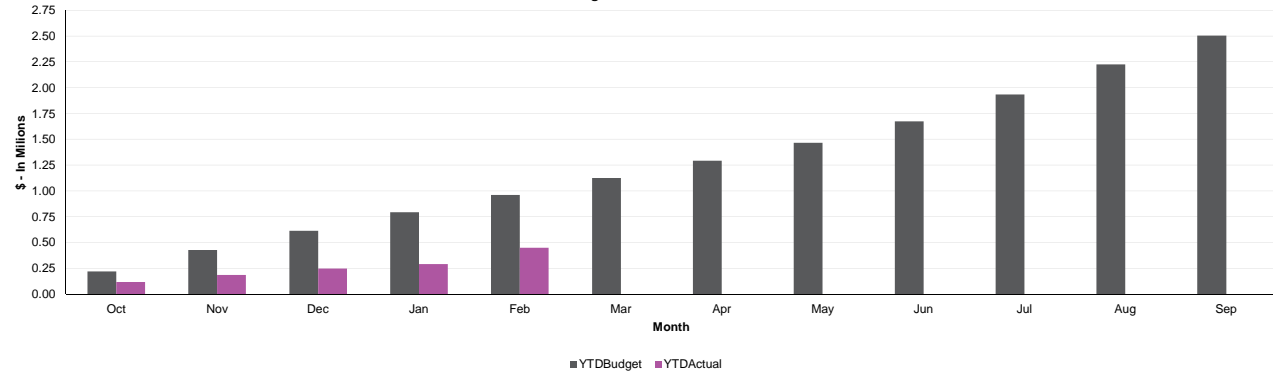


FY 2016 - 2017 Reclaimed Service Revenues by Month With Variances (Millions)

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|---------|---------|
| Budget | \$ 0.22 | \$ 0.21 | \$ 0.18 | \$ 0.18 | \$ 0.17 | \$ 0.16 | \$ 0.17 | \$ 0.17 | \$ 0.21 | \$ 0.26 | \$ 0.29 | \$ 0.28 |
| Actual | \$ 0.12 | \$ 0.07 | \$ 0.06 | \$ 0.04 | \$ 0.16 | | | | | | | |
| Variance | \$ (0.10) | \$ (0.14) | \$ (0.12) | \$ (0.14) | \$ (0.01) | | | | | | | |
| Variance % | -46.3% | -67.4% | -66.4% | -76.5% | -4.4% | | | | | | | |

Reclaimed Services Revenues Year-to-Date

Budget vs. Actual



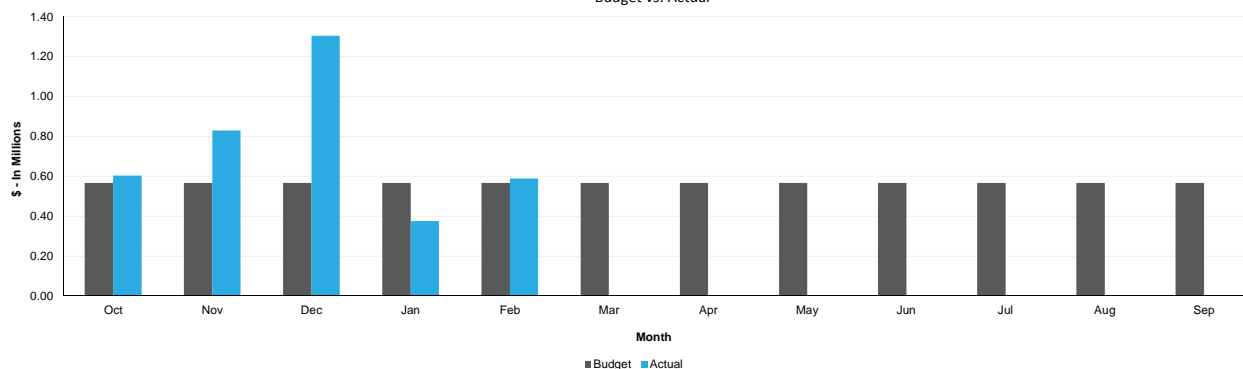
FY 2016 - 2017 Reclaimed Service Revenues by Year-to-Date With Variances (Millions)

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|---------|---------|
| YTD Budget | \$ 0.22 | \$ 0.43 | \$ 0.61 | \$ 0.80 | \$ 0.96 | \$ 1.13 | \$ 1.29 | \$ 1.47 | \$ 1.67 | \$ 1.93 | \$ 2.23 | \$ 2.51 |
| YTD Actual | \$ 0.12 | \$ 0.19 | \$ 0.25 | \$ 0.29 | \$ 0.45 | | | | | | | |
| Variance | \$ (0.10) | \$ (0.24) | \$ (0.36) | \$ (0.50) | \$ (0.51) | | | | | | | |
| Variance % | -46.3% | -56.5% | -59.5% | -63.4% | -53.2% | | | | | | | |

Reclaimed service revenues for February 2017 totaled \$0.16 million. This is \$0.01 million or 4.4% less than the budget allotment for the month. For the fiscal year, Reclaimed service revenues totaled \$0.45 million. This is \$0.51 million or 53.2% less than the budget allotment.

Miscellaneous Revenues by Month

Budget vs. Actual

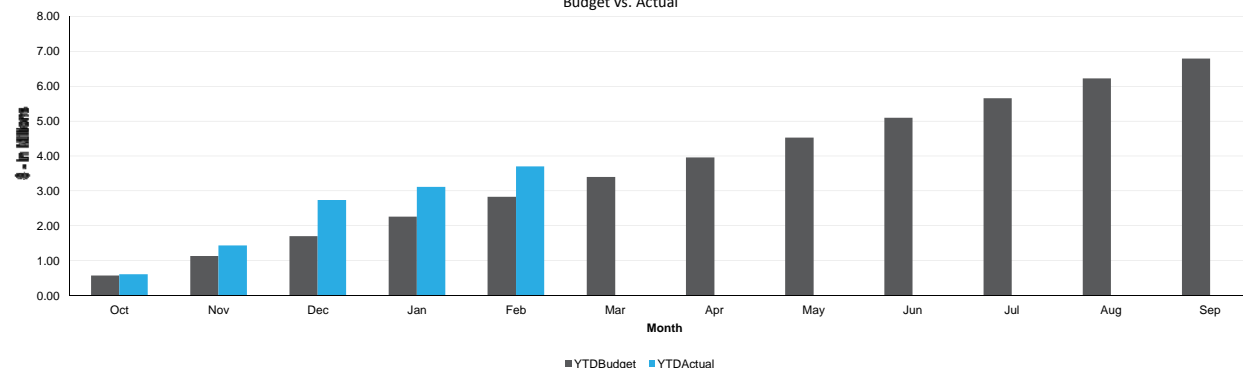


FY 2016 - 2017 Miscellaneous Revenues by Month With Variances (Millions)

| | | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------|----|------|---------|---------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|
| Budget | \$ | 0.57 | \$ 0.57 | \$ 0.57 | \$ 0.57 | \$ 0.57 | \$ 0.57 | \$ 0.57 | \$ 0.57 | \$ 0.57 | \$ 0.57 | \$ 0.57 | \$ 0.57 |
| Actual | \$ | 0.60 | \$ 0.83 | \$ 1.30 | \$ 0.37 | \$ 0.59 | | | | | | | |
| Variance | \$ | 0.04 | \$ 0.26 | \$ 0.74 | \$ (0.19) | \$ 0.02 | | | | | | | |
| Variance % | | 6.5% | 46.5% | 130.7% | -33.8% | 3.8% | | | | | | | |

Miscellaneous Revenues Year-to-Date

Budget vs. Actual



FY 2016 - 2017 Miscellaneous Revenues by Year-to-Date With Variances (Millions)

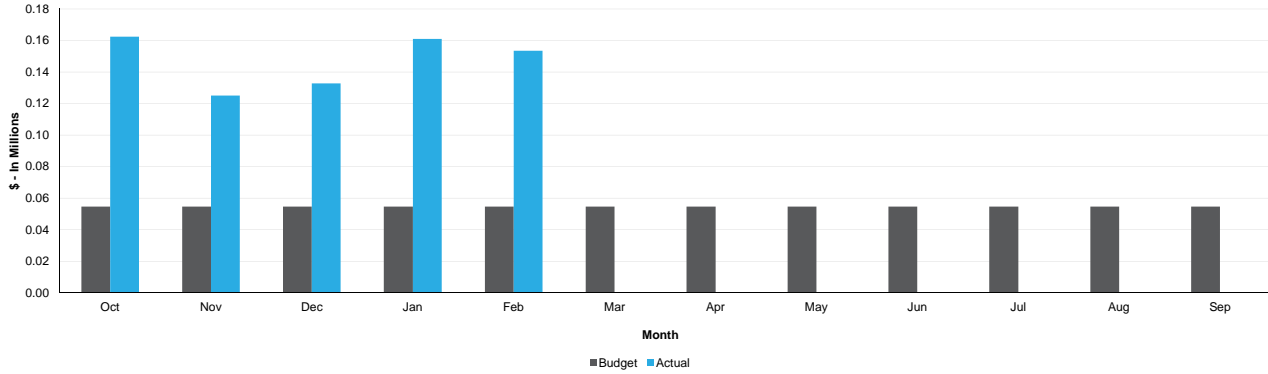
| | | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------|----|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| YTD Budget | \$ | 0.57 | \$ 1.13 | \$ 1.70 | \$ 2.26 | \$ 2.83 | \$ 3.39 | \$ 3.96 | \$ 4.52 | \$ 5.09 | \$ 5.65 | \$ 6.22 | \$ 6.78 |
| YTD Actual | \$ | 0.60 | \$ 1.43 | \$ 2.73 | \$ 3.11 | \$ 3.70 | | | | | | | |
| Variance | \$ | 0.04 | \$ 0.30 | \$ 1.04 | \$ 0.85 | \$ 0.87 | | | | | | | |
| Variance % | | 6.5% | 26.5% | 61.3% | 37.5% | 30.8% | | | | | | | |

Miscellaneous revenues include revenue from sources other than water and wastewater services, such as late fees, fines and special billings. Miscellaneous revenues for February 2017 totaled \$0.59 million. This is 3.8% more than the budget allotment for the month.

The combined miscellaneous revenues for the fiscal year totaled \$3.70 million. This is \$0.87 million, or 30.8%, more than the budget allotment to date.

Interest Income by Month

Budget vs. Actual

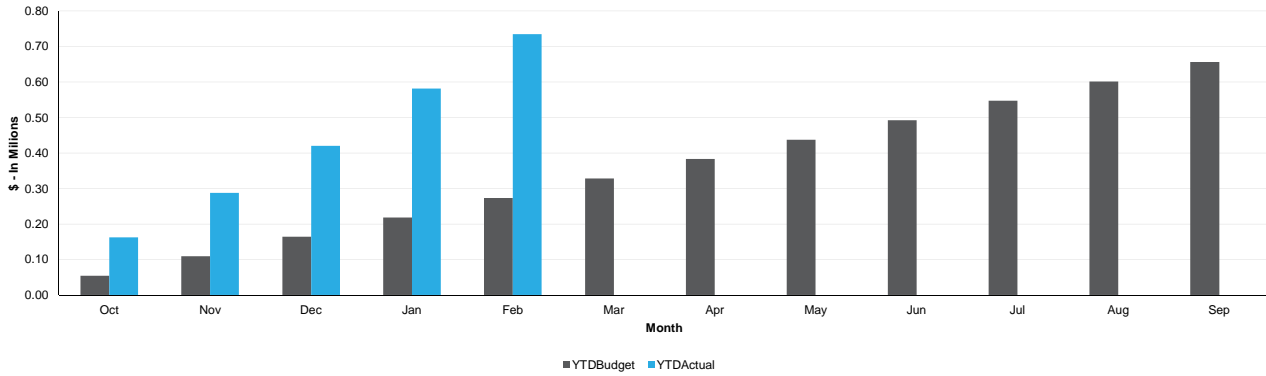


FY 2016 - 2017 Interest Income by Month With Variances (Millions)

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Budget | \$ 0.05 | \$ 0.05 | \$ 0.05 | \$ 0.05 | \$ 0.05 | \$ 0.05 | \$ 0.05 | \$ 0.05 | \$ 0.05 | \$ 0.05 | \$ 0.05 | \$ 0.05 |
| Actual | \$ 0.16 | \$ 0.13 | \$ 0.13 | \$ 0.16 | \$ 0.15 | | | | | | | |
| Variance | \$ 0.11 | \$ 0.08 | \$ 0.09 | \$ 0.12 | \$ 0.11 | | | | | | | |
| Variance % | 196.9% | 146.9% | 160.9% | 212.6% | 198.8% | | | | | | | |

Interest Income Year-to-Date

Budget vs. Actual



FY 2016 - 2017 Interest Income by Year-to-Date With Variances (Millions)

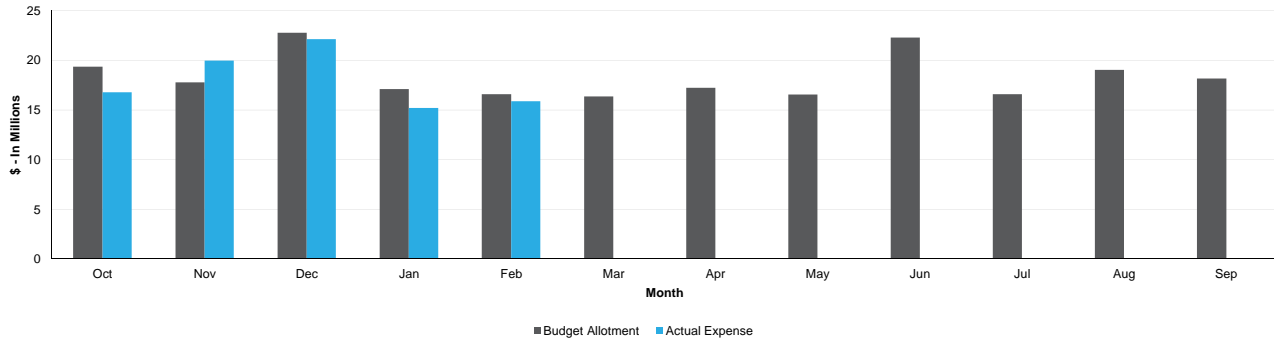
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| YTD Budget | \$ 0.05 | \$ 0.11 | \$ 0.16 | \$ 0.22 | \$ 0.27 | \$ 0.33 | \$ 0.38 | \$ 0.44 | \$ 0.49 | \$ 0.55 | \$ 0.60 | \$ 0.66 |
| YTD Actual | \$ 0.16 | \$ 0.29 | \$ 0.42 | \$ 0.58 | \$ 0.73 | | | | | | | |
| Variance | \$ 0.11 | \$ 0.18 | \$ 0.26 | \$ 0.36 | \$ 0.46 | | | | | | | |
| Variance % | 196.9% | 162.8% | 156.1% | 165.6% | 168.6% | | | | | | | |

Interest income includes interest allocated from the City's Investment Pool, the Debt Service Fund, and the CIP funds. Combined interest income for February 2017 totaled \$0.15 million. This is \$0.11 million more than the budget allotment for the month.

Interest income for the fiscal year totaled \$0.73 million. This total is significantly more than the budget allotment of \$0.27 million or \$0.46 million and results from an increase in the balance of cash on hand.

OPERATING REQUIREMENTS

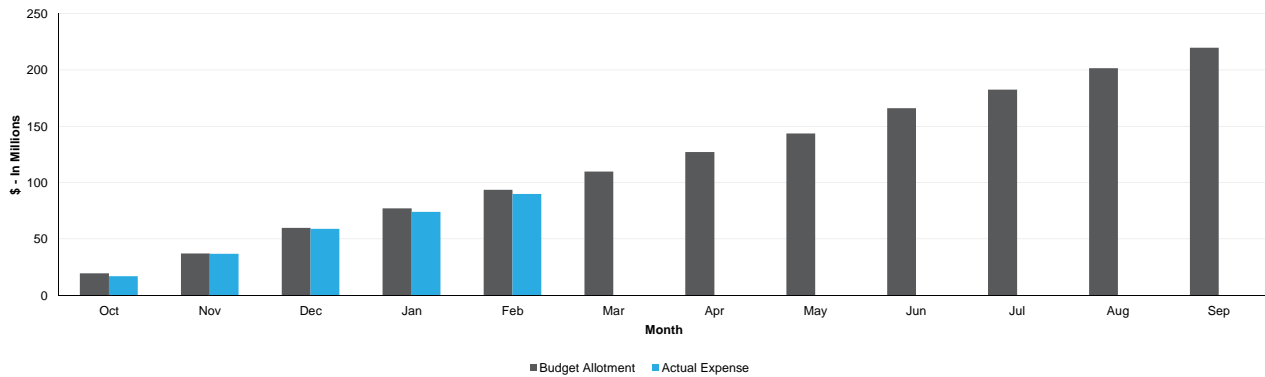
Program Operating and Other Requirements by Month
Budget vs Actual



FY 2016 - 2017 Program Operating and Other Requirements by Month With Variances (Millions)

| Month | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Budget Allotment | \$ 19.35 | \$ 17.76 | \$ 22.75 | \$ 17.09 | \$ 16.58 | \$ 16.34 | \$ 17.22 | \$ 16.54 | \$ 22.26 | \$ 16.58 | \$ 19.03 | \$ 18.16 |
| Actual Expense | \$ 16.78 | \$ 19.95 | \$ 22.10 | \$ 15.18 | \$ 15.85 | | | | | | | |
| Variance | \$ 2.57 | \$ (2.19) | \$ 0.65 | \$ 1.91 | \$ 0.74 | | | | | | | |
| Variance % | 13.3% | -12.3% | 2.8% | 11.2% | 4.4% | | | | | | | |

Program Operating and Other Requirements Year-to-Date
Budget vs Actual

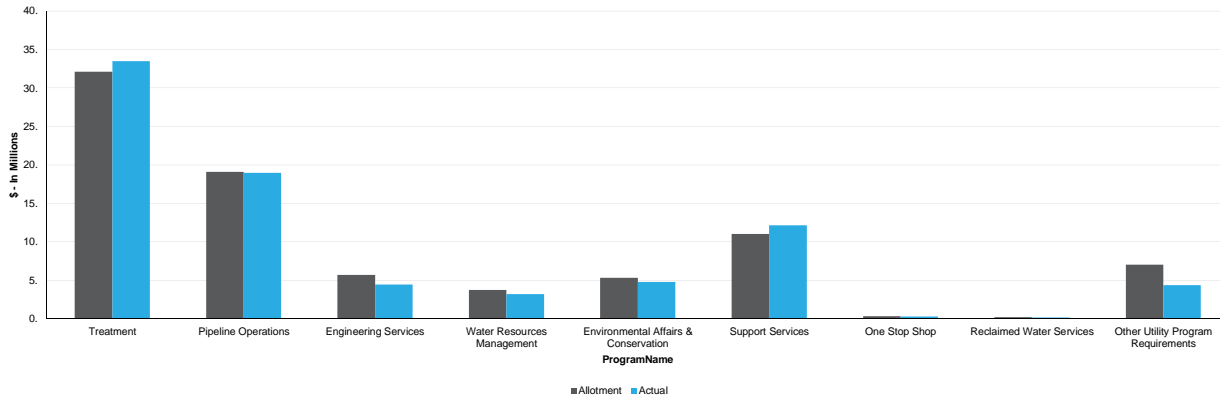


FY 2016 - 2017 Program Operating and Other Requirements by Year-to-Date With Variances (Millions)

| YTD | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|------------------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Budget Allotment | \$ 19.35 | \$ 37.10 | \$ 59.85 | \$ 76.95 | \$ 93.53 | \$ 109.87 | \$ 127.09 | \$ 143.63 | \$ 165.89 | \$ 182.48 | \$ 201.51 | \$ 219.67 |
| Actual Expense | \$ 16.78 | \$ 36.73 | \$ 58.83 | \$ 74.01 | \$ 89.85 | | | | | | | |
| Variance \$ | \$ 2.57 | \$ 0.37 | \$ 1.02 | \$ 2.93 | \$ 3.67 | | | | | | | |
| Variance % | 13.3% | 1.0% | 1.7% | 3.8% | 3.9% | | | | | | | |

Total Program Operating and Other Requirements for the fiscal year through February 2017 were \$47.37 million for water, \$42.33 million for wastewater, and \$0.15 million for reclaimed water. The combined Program Operating and Other Requirements of \$89.85 million were \$3.67 million, or 3.9%, below the budget allotment.

**Operating Requirements by Program (Millions)
Budget vs Actual**



FY 2016 - 2017 Year-To-Date Program Operating Requirements by Program (Millions)

| | Treatment | Pipeline Operations | Engineering Services | Water Resources Management | Environmental Affairs & Conservation | Support Services | One Stop Shop | Reclaimed Water Services | Other Utility Program Requirements | Total |
|-------------|-----------|---------------------|----------------------|----------------------------|--------------------------------------|------------------|---------------|--------------------------|------------------------------------|----------|
| Allotment | \$ 32.08 | \$ 19.05 | \$ 5.67 | \$ 3.72 | \$ 5.31 | \$ 10.98 | \$ 0.31 | \$ 0.17 | \$ 7.00 | \$ 84.30 |
| Actual | \$ 33.46 | \$ 18.95 | \$ 4.43 | \$ 3.16 | \$ 4.74 | \$ 12.12 | \$ 0.25 | \$ 0.14 | \$ 4.34 | \$ 81.60 |
| Variance \$ | \$ (1.39) | \$ 0.10 | \$ 1.24 | \$ 0.57 | \$ 0.57 | \$ (1.14) | \$ 0.06 | \$ 0.03 | \$ 2.66 | \$ 2.70 |
| Variance % | -4.3% | 0.5% | 21.9% | 15.2% | 10.8% | -10.4% | 19.0% | 17.2% | 38.0% | 3.2% |

Total Operating Program Requirements as of February 28, 2017 were \$42.23 million for Water, \$39.21 million for Wastewater, and \$0.16 million for Reclaimed Water. The combined Program Operating Requirements of \$81.60 million were \$2.70 million or 3.2% below the allotment.

Engineering Services was \$1.24 million or 21.9% below allotment mainly due to lower than estimated spending on contractual services and pipeline maintenance services, and higher than estimated spending on the CIP related labor costs transfer.

Water Resources Management was \$0.57 million or 15.2% below allotment mainly due to lower than estimated spending on contractual services, interdepartmental charges, and temporary employees.

Environmental Affairs & Conservation was \$0.57 million or 10.8% below allotment mainly due to lower than estimated spending on Water Conservation Rebate related programs, contractual services, temporary employees, and survey services.

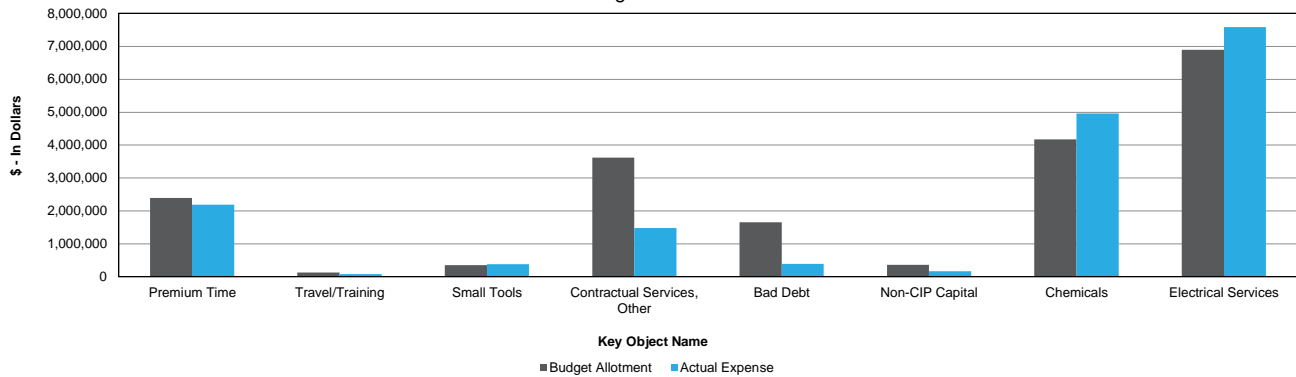
Support Services was \$1.14 million or 10.4% above allotment due to higher than estimated spending on computer software maintenance, security services, cellular phones, contractual services, and electric services.

One Stop Shop was \$0.06 million or 19.0% below allotment due to vacant positions.

Reclaimed Water Services was \$0.03 million or 17.2% below allotment also due to vacant positions, interdepartmental charges, consultant services, and general liability insurance.

Other Utility Program Requirements was \$2.66 million or 38.0% below allotment due to lower than estimated spending for contractual services, bad debt expense, compensation adjustment, insurance and software.

Key Operating Object Codes Year-to-Date Budget vs Actual



FY 2016 - 2017 Year-To-Date Operating Requirements Key Object Codes With Variance

| | Premium Time | Travel/Training | Small Tools | Contractual Services, Other | Bad Debt | Non-CIP Capital | Chemicals | Electrical Services | Total |
|------------------|--------------|-----------------|-------------|-----------------------------|--------------|-----------------|--------------|---------------------|---------------|
| Budget Allotment | \$ 2,389,407 | \$ 124,244 | \$ 345,493 | \$ 3,616,059 | \$ 1,655,134 | \$ 355,421 | \$ 4,174,439 | \$ 6,888,555 | \$ 19,548,751 |
| Actual Expense | \$ 2,184,869 | \$ 80,804 | \$ 376,357 | \$ 1,472,964 | \$ 388,597 | \$ 168,690 | \$ 4,953,701 | \$ 7,584,612 | \$ 17,210,594 |
| Variance \$ | \$ 204,538 | \$ 43,440 | \$ (30,864) | \$ 2,143,095 | \$ 1,266,538 | \$ 186,731 | \$ (779,262) | \$ (696,057) | \$ 2,338,157 |
| Variance % | 8.6% | 35.0% | -8.9% | 59.3% | 76.5% | 52.5% | -18.7% | -10.1% | 12.0% |

Travel and Training was \$43,440 or 35.0% below allotment due to lower than anticipated expenses.

Other Contractual Services were \$2,143,095 or 59.3% below allotment due to lower than estimated spending in the Collection System Engineering, Utility Development Services and Water Conservation Divisions, as well as lower spending for emergency service contracts for the Utility as a whole.

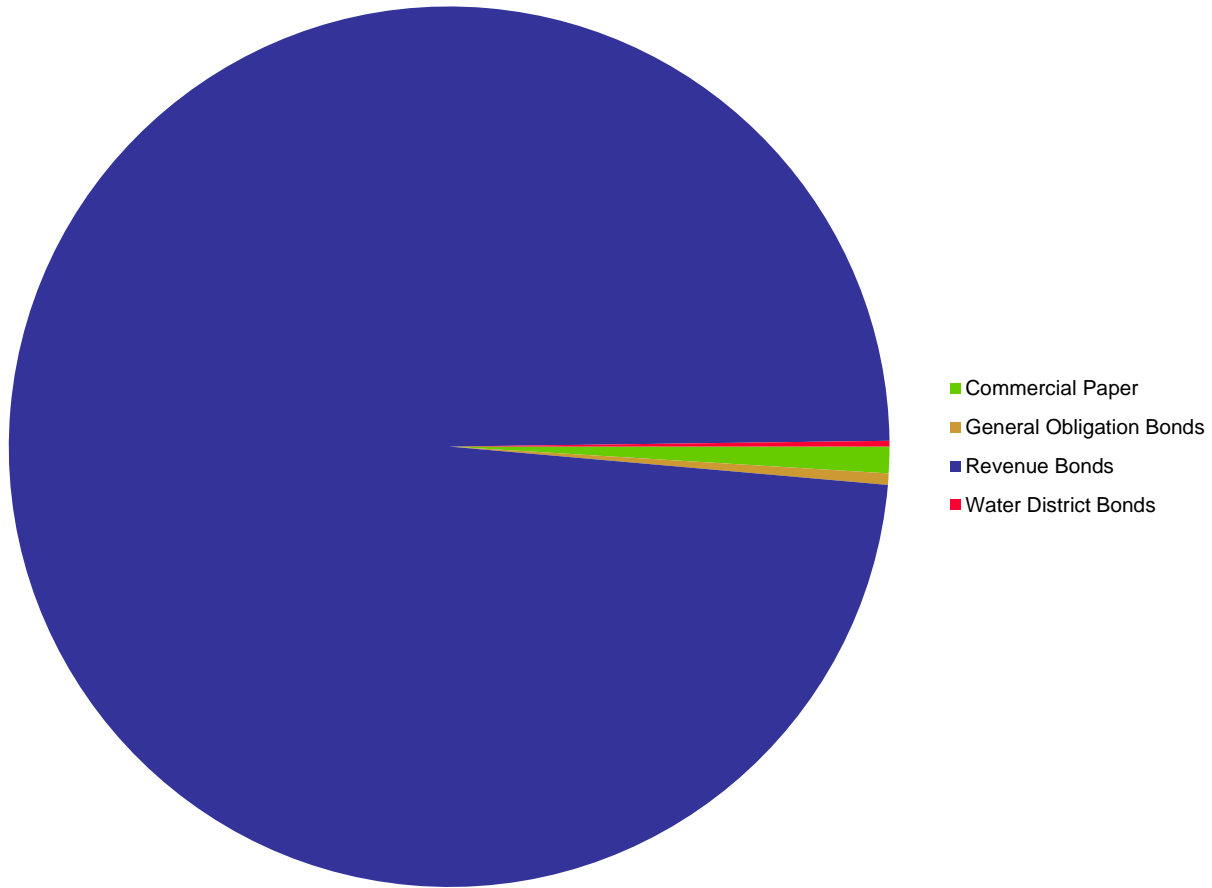
Non-CIP Capital was \$186,731 or 52.5% below allotment due to lower than estimated spending in the Wastewater Treatment, Water Meter Operations, Collection System Services, Distribution System Maintenance, and Laboratory Services Divisions.

Chemicals were \$779,262 or 18.7% above allotment due to FY2016 expenses which were posted to FY2017. It is anticipated that the Controller's Office will post an Unvouchered payable journal to reverse these transactions during March 2017.

Electrical Services were \$696,057 or 10.1% above allotment due to the Green Choice Batch 6 rates which were billed to Austin Water during the first three months of FY2017. It is expected that the new rate will be reflected beginning with the February 2017 bill.

DEBT OUTSTANDING & DEBT SERVICE

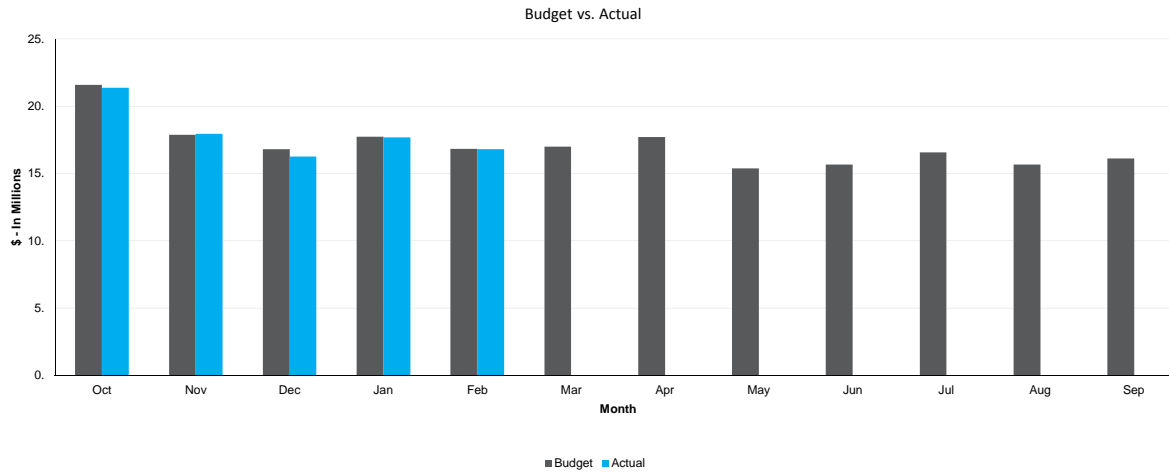
Total Debt outstanding By Type as of February 2017



| | Debt Outstanding | % Outstanding |
|--------------------------|-------------------------|---------------|
| Commercial Paper | \$ 65,330,000 | 2.8% |
| General Obligation Bonds | 7,739,523 | 0.3% |
| Revenue Bonds | 2,255,736,857 | 96.7% |
| Water District Bonds | 4,900,727 | 0.2% |
| Total | \$ 2,333,707,107 | 100.0% |

| Fiscal Year | Utility Debt Per Customer |
|-------------|---------------------------|
| 2012 | 10,832.55 |
| 2013 | 11,288.09 |
| 2014 | 11,443.78 |
| 2015 | 11,021.31 |
| 2016 | 10,465.12 |
| 2017 | 10,231.92 |

Combined Debt Service by Month (Millions)

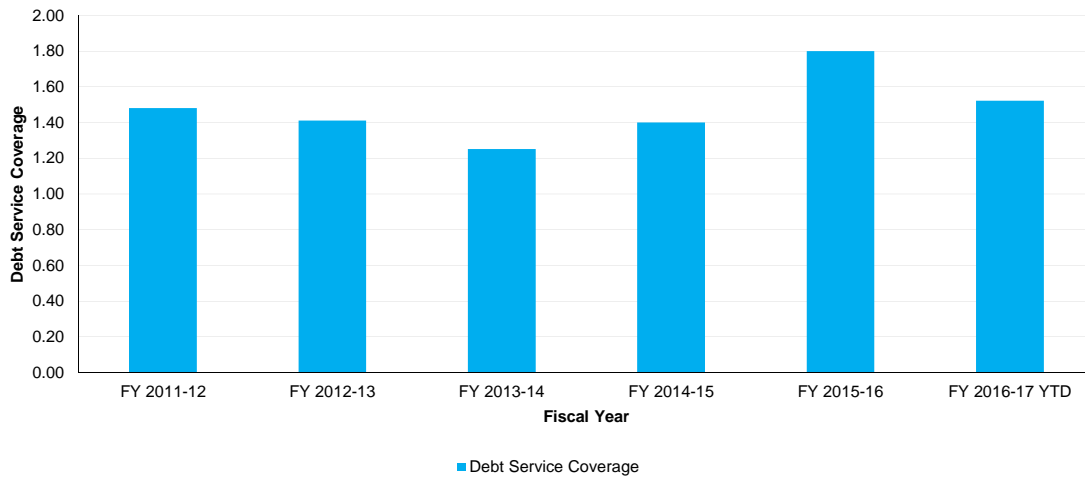


FY 2016 - 2017 Combined Debt Service by Month With Variances (Millions)

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Total |
|------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Budget | \$ 21.61 | \$ 17.89 | \$ 16.83 | \$ 17.74 | \$ 16.84 | \$ 17.02 | \$ 17.74 | \$ 15.39 | \$ 15.68 | \$ 16.58 | \$ 15.68 | \$ 16.12 | \$ 205.12 |
| Actual | \$ 21.40 | \$ 17.97 | \$ 16.29 | \$ 17.71 | \$ 16.83 | | | | | | | | \$ 90.19 |
| Variance | \$ 0.21 | \$ (0.08) | \$ 0.55 | \$ 0.03 | \$ 0.01 | | | | | | | | |
| Variance % | 1.0% | -0.4% | 3.3% | 0.2% | 0.1% | | | | | | | | |

Combined debt service requirements include requirements for revenue bonds, commercial paper, general obligation bonds, and water district bonds. Actual combined debt service for the month of February 2017 was \$16.83 million, \$0.01 million less than projected for the month. Combined debt service for the fiscal year was \$90.19 million or \$0.72 million less than projected.

Debt Service Coverage



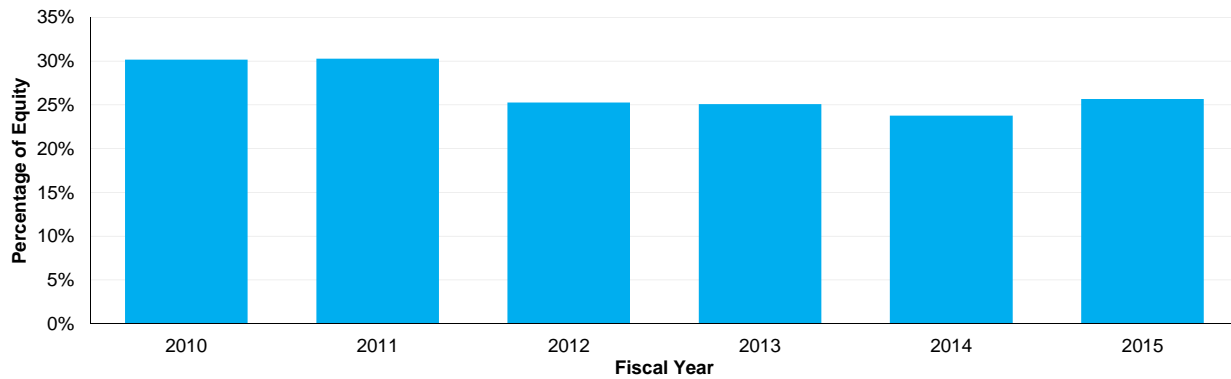
| DebtServiceCoverage | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 YTD |
|-----------------------|------------|------------|------------|------------|------------|----------------|
| Debt Service Coverage | 1.48 | 1.41 | 1.25 | 1.40 | 1.80 | 1.52 |

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

The ratios reflected for FY11-12 through FY14-15 are audited, as reflected in the City's Comprehensive Annual Financial Report (CAFR). The FY15-16 ratio is unaudited; upon finalization of the CAFR in the spring of 2017, the ratio will be updated to reflect audited results.

Percent of Equity in Utility Systems

FY 2010 through FY 2015

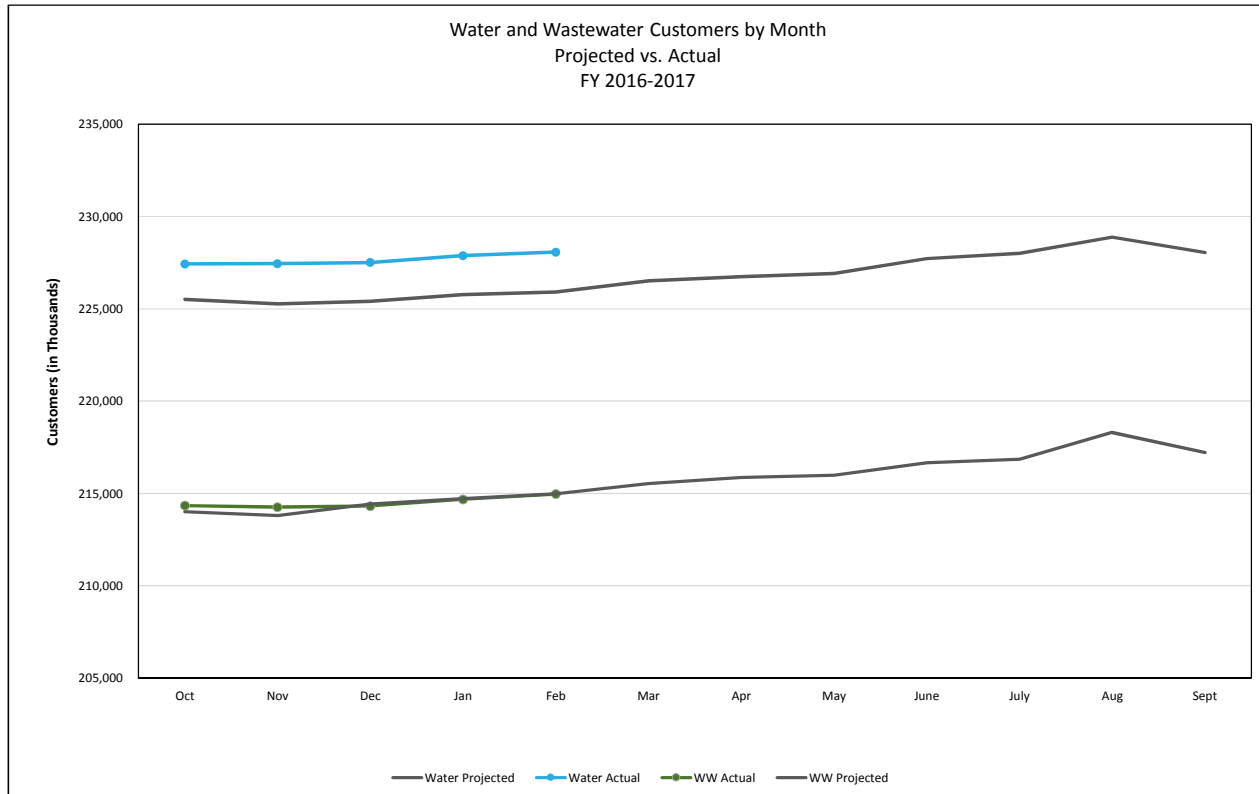


| Percentage of Equity | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------------|-------|-------|-------|-------|-------|-------|
| Percent of Equity | 30.2% | 30.3% | 25.3% | 25.1% | 23.8% | 25.7% |

The Percent of Equity in Utility Systems is computed by dividing the combined utility system equity by the combined utility system costs net of depreciation. The Percent of Equity is calculated once audited financials from the Controller's Office are available.

CUSTOMER DEMAND CHARACTERISTICS

Number of Customers



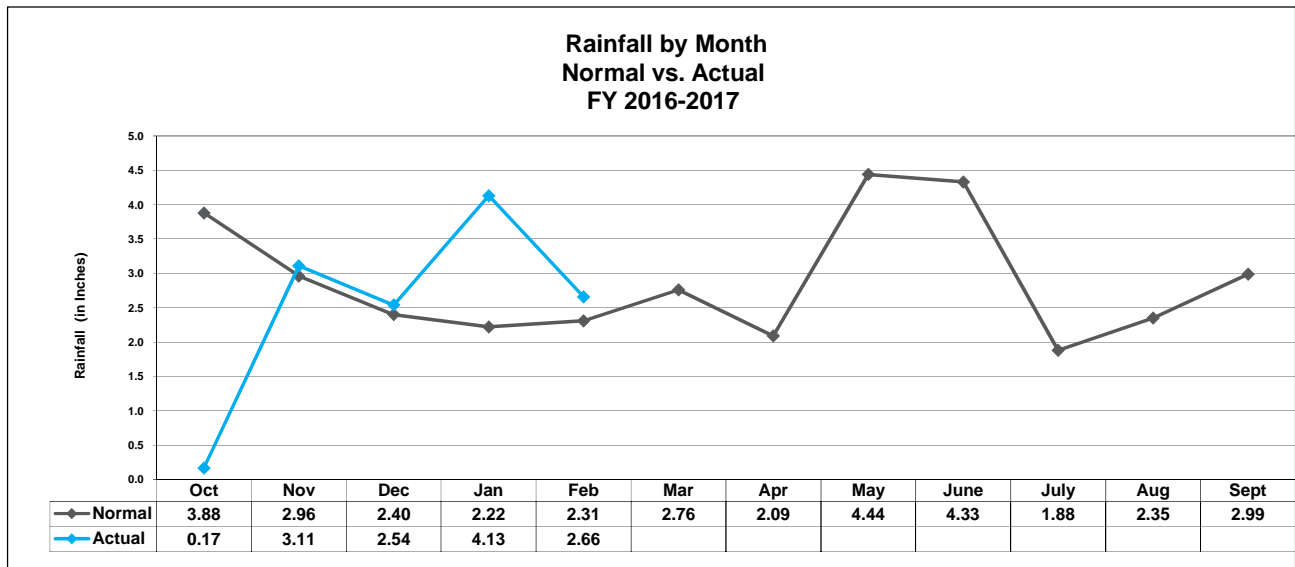
| Customers | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Water Projected | 225,510 | 225,273 | 225,416 | 225,776 | 225,914 | 226,514 | 226,748 | 226,926 | 227,718 | 228,011 | 228,879 | 228,040 |
| Water Actual | 227,441 | 227,449 | 227,517 | 227,885 | 228,081 | | | | | | | |
| Variance | 1,931 | 2,176 | 2,101 | 2,109 | 2,167 | | | | | | | |
| Monthly Change | 9 | 8 | 68 | 368 | 196 | | | | | | | |
| WW Projected | 214,013 | 213,805 | 214,420 | 214,713 | 214,976 | 215,541 | 215,860 | 215,980 | 216,659 | 216,859 | 218,305 | 217,220 |
| WW Actual | 214,346 | 214,265 | 214,320 | 214,690 | 214,970 | | | | | | | |
| Variance | 333 | 460 | (100) | (23) | (6) | | | | | | | |
| Monthly Change | (26) | (81) | 55 | 370 | 280 | | | | | | | |

The actual number of water customers as of February 28, 2017, was 228,081. This was 196 more customers than last month, and 2,167 more customers than projected for this date. There were 224,841 water customers as of February 29, 2016.

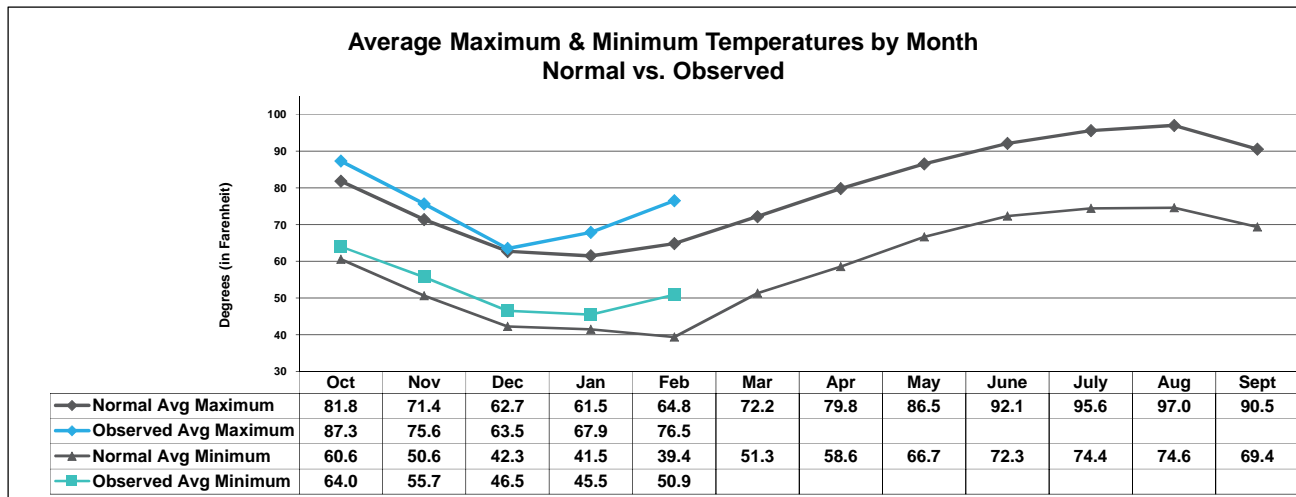
The actual number of wastewater customers as of February 28, 2017, was 214,970. This was 280 more customers than last month, and 6 fewer customers than projected for this date. There were 211,835 wastewater customers as of February 29, 2016.

The projected number of customers for fiscal year 2016–17 was determined in April 2016 using a historical monthly growth rate in accounts. Monthly negative or positive trend fluctuations are due to factors such as housing starts, the rental home market, unanticipated utility system acquisitions, and other factors.

Rainfall and Average Temperatures by Month



Monthly normal rainfall is based on a 30-year history as reported by the National Weather Service for Austin-Camp Mabry. Last fiscal year the total rainfall was 52.69 inches, 55.6% above the normal amount of 33.87 inches. In February, 2.66 inches of rain fell, 0.35 inches above normal for the month. For the fiscal year to date, rainfall has totaled 12.61 inches, 8.4% less than the normal amount of 13.77 inches. Generally, as rainfall increases significantly, water pumpage decreases and wastewater influent increases due to inflow and infiltration. Conversely, as rainfall decreases significantly, water pumpage increases and wastewater influent decreases.

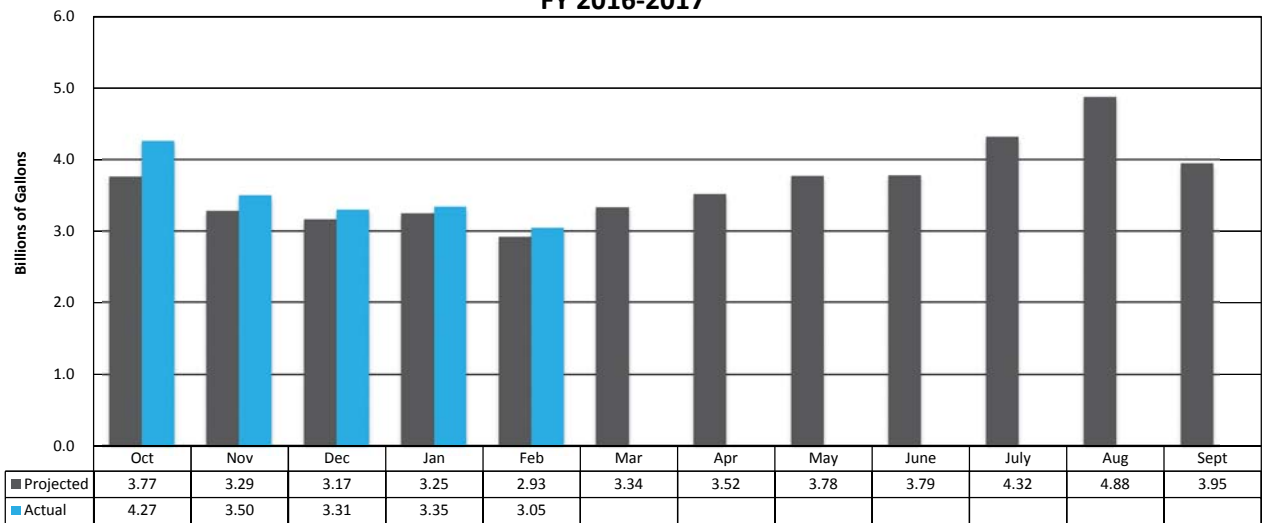


Monthly average maximum and minimum temperatures are reported by the National Weather Service for Austin-Camp Mabry. This fiscal year temperatures have been largely warmer than historic norms. In February, the average high temperature was 11.7 degrees higher than the historical normal value and the average low temperature was 11.5 degrees higher than the historical normal value.

The combined storage capacity in the Highland Lakes' two water storage reservoirs, Travis and Buchanan, is at 98% as of February 2017.

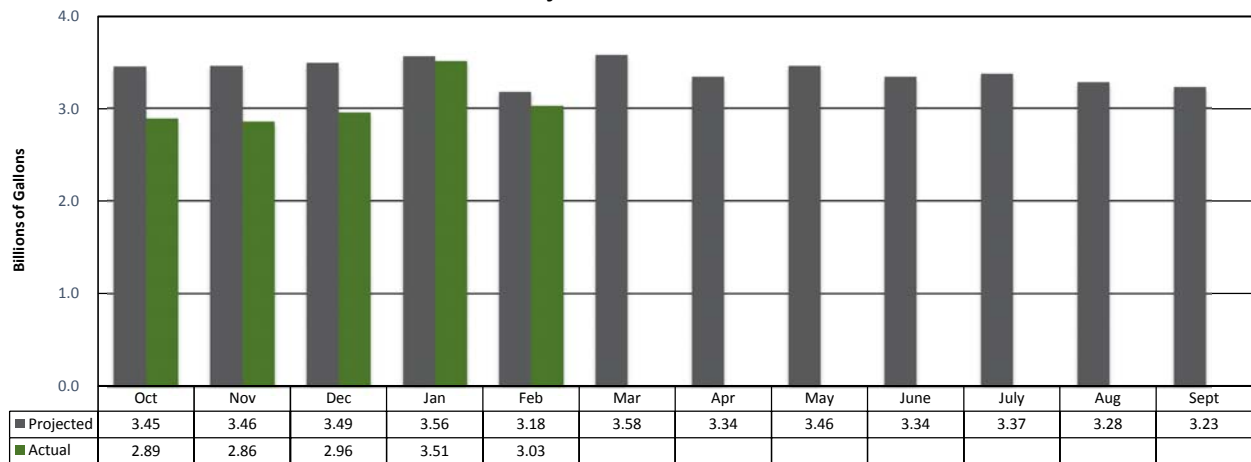
Water Pumpage and Wastewater Influent Flow by Month

**Water Pumpage by Month (Billions of Gallons)
Projected vs. Actual
FY 2016-2017**



Pumpage during February 2017 averaged 108.93 MGD for a total of 3.05 BG for the month. This compares to a daily average of 115.70 MGD for this fiscal year, and a daily average of 113.12 MGD for fiscal year 2015–16.

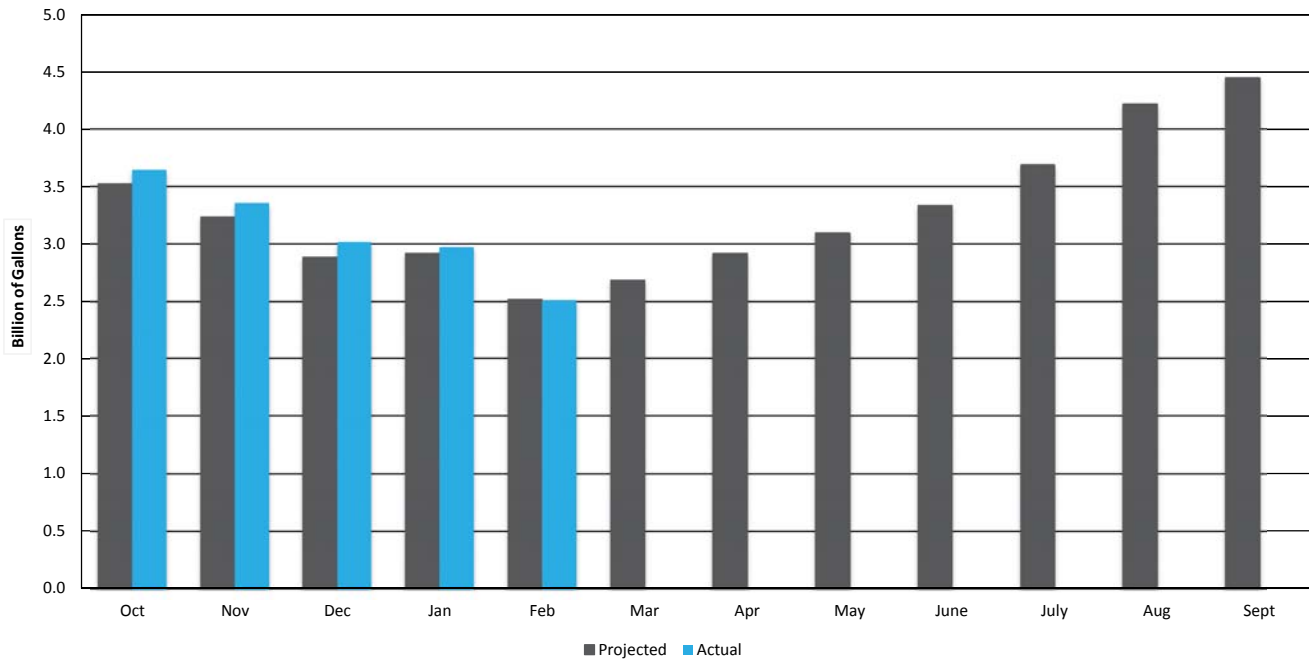
**Wastewater Influent Flow by Month
Projected vs. Actual**



Influent during February 2017 averaged 108.11 MGD for a total of 3.03 BG for the month. This compares to a daily average of 101.00 MGD for this fiscal year, and an average of 111.22 MGD for fiscal year 2015–16.

Billed Water Consumption

Consumption by Month
Projected vs. Actual
FY 2016-2017

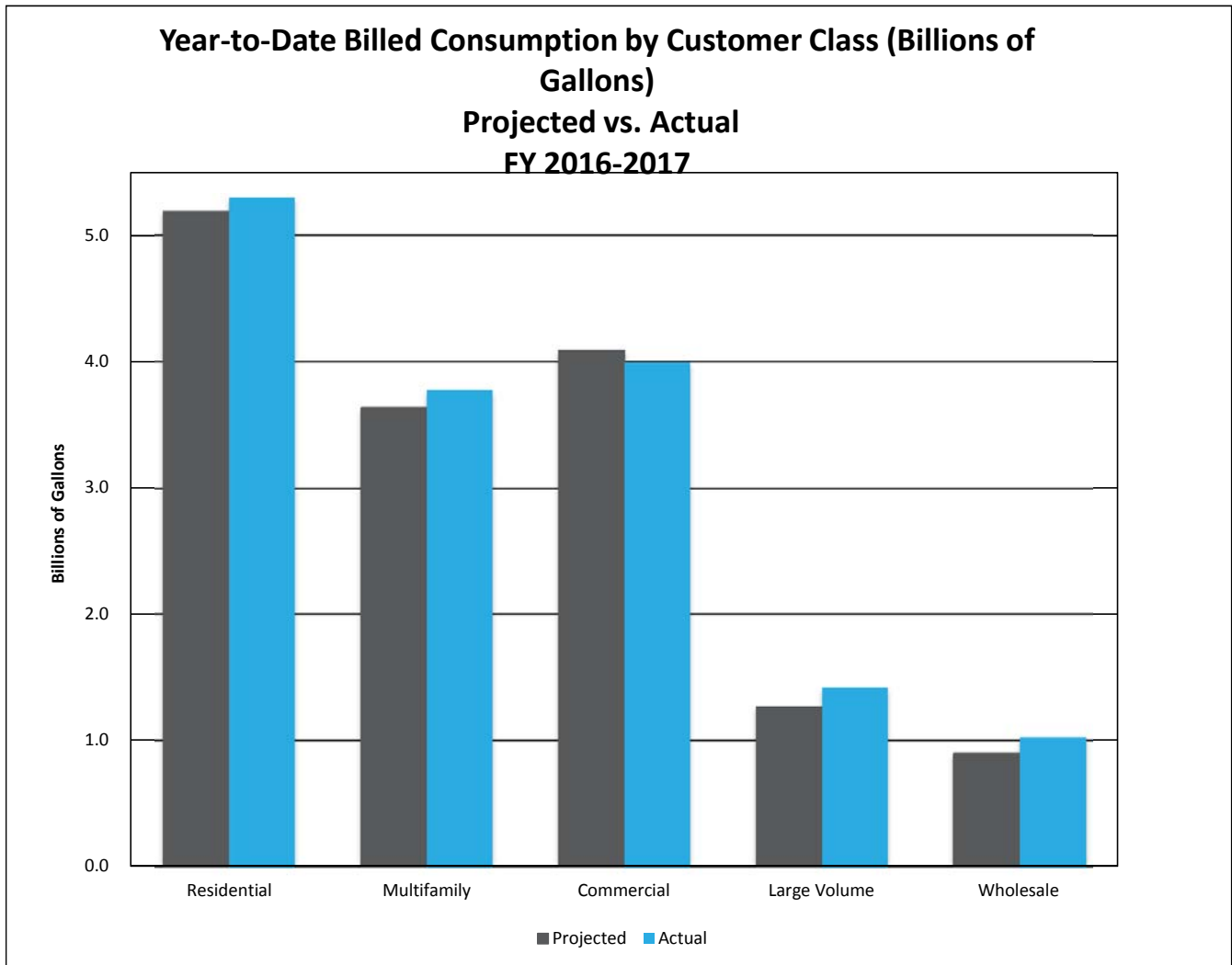


FY 2016-17 Billed Consumption by Month and Year-to-Date (Billion of Gallons)

| Month | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept |
|------------|------|------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|
| Projected | 3.53 | 3.24 | 2.89 | 2.92 | 2.52 | 2.69 | 2.92 | 3.1 | 3.34 | 3.69 | 4.22 | 4.45 |
| Actual | 3.65 | 3.36 | 3.02 | 2.98 | 2.52 | | | | | | | |
| Variance | 0.12 | 0.12 | 0.13 | 0.06 | -0.003 | | | | | | | |
| Variance % | 3.4% | 3.7% | 4.5% | 2.1% | -0.1% | | | | | | | |
| YTD | | | | | | | | | | | | |
| Projected | 3.53 | 6.76 | 9.65 | 12.57 | 15.09 | 17.78 | 20.70 | 23.80 | 27.14 | 30.83 | 35.05 | 39.50 |
| Actual | 3.65 | 7.01 | 10.03 | 13.02 | 15.53 | | | | | | | |
| Variance | 0.12 | 0.25 | 0.38 | 0.45 | 0.44 | | | | | | | |
| Variance % | 3.4% | 3.7% | 3.9% | 3.6% | 2.9% | | | | | | | |

Actual billed water consumption for February 2017 was 2.52 BG. This was 0.003 BG, or 0.1%, less than projected for the month. For the fiscal year, actual billed water consumption was 15.53 BG. This was 0.44 BG, or 2.9%, more than projected for the period.

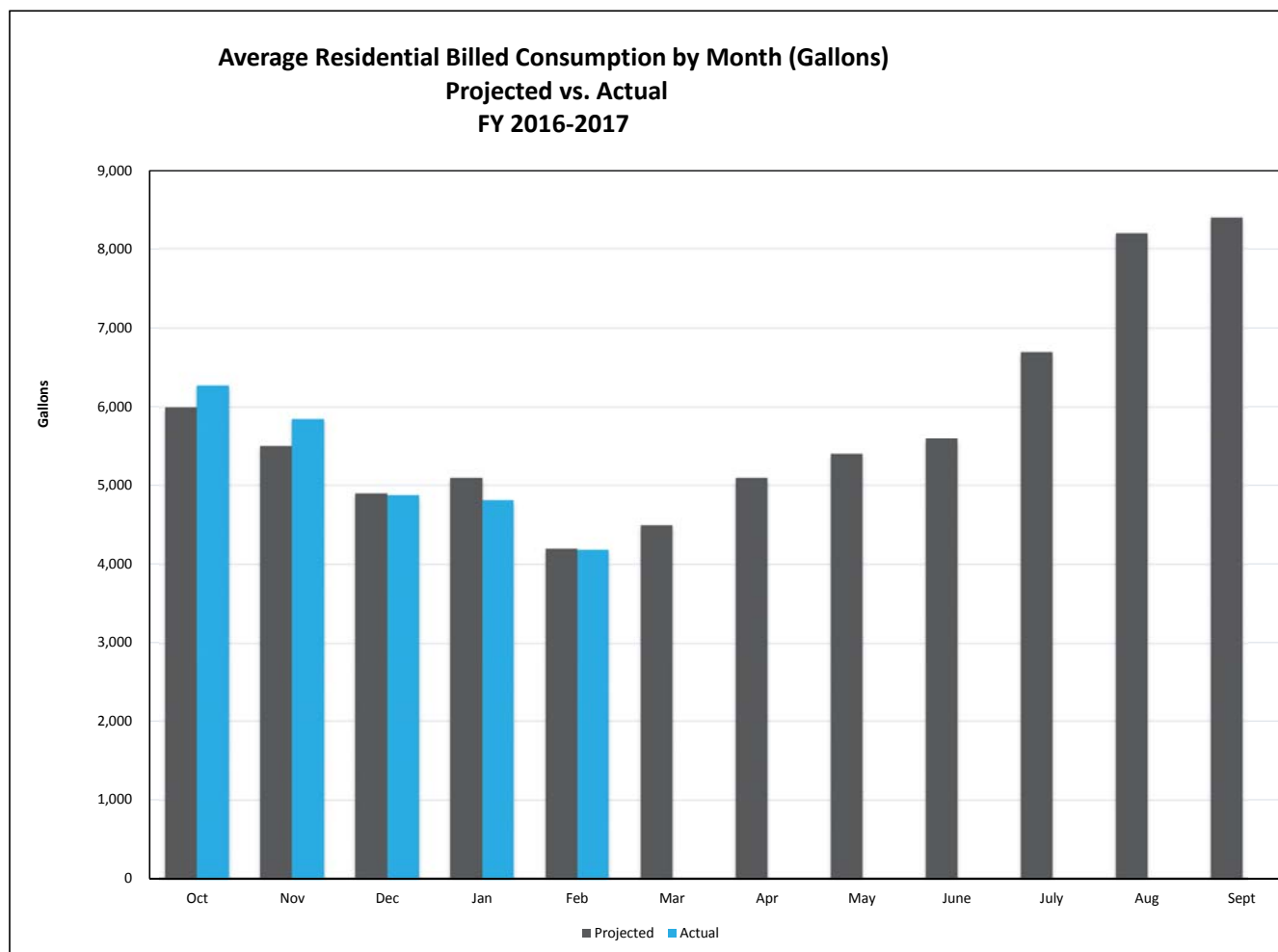
Billed Water Consumption (continued)



| Class | Residential | Multifamily | Commercial | Large Volume | Wholesale |
|------------|-------------|-------------|------------|--------------|-----------|
| Projected | 5.19 | 3.64 | 4.09 | 1.27 | 0.90 |
| Actual | 5.30 | 3.78 | 4.00 | 1.42 | 1.03 |
| Variance | 0.11 | 0.14 | -0.09 | 0.15 | 0.13 |
| Variance % | 2.1% | 3.8% | -2.2% | 11.8% | 14.4% |

For the fiscal year through February 2017, billed water consumption was 15.53 BG. This was 0.44 BG, or 2.9%, more than projected for all customer classes combined. Residential, Multifamily, Large Volume, and Wholesale classes were each above projections for the year.

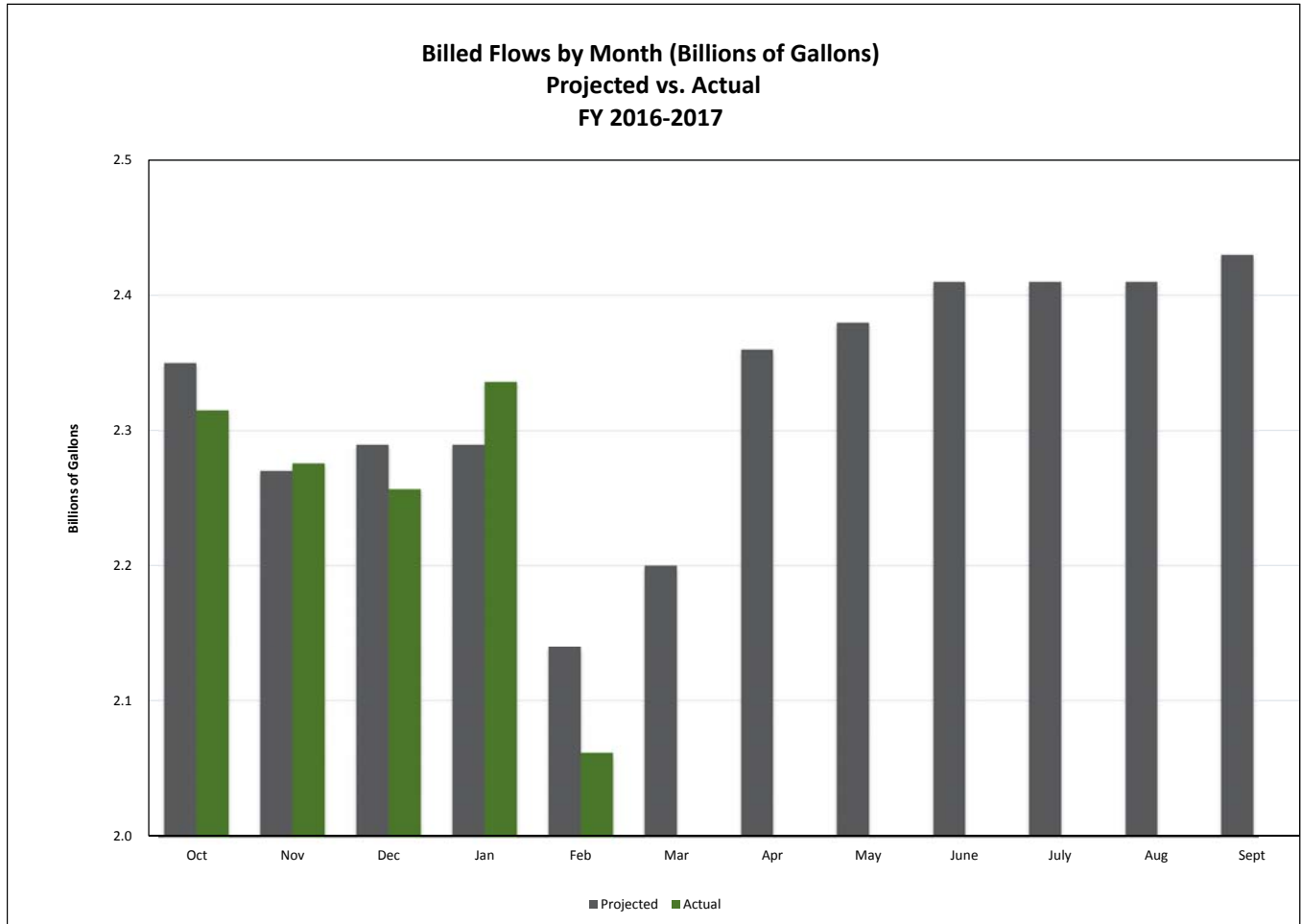
Billed Water Consumption (continued)



| Average Residential Water Consumption | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Projected | 6,000 | 5,500 | 4,900 | 5,100 | 4,200 | 4,500 | 5,100 | 5,400 | 5,600 | 6,700 | 8,200 | 8,400 |
| Actual | 6,277 | 5,851 | 4,880 | 4,815 | 4,186 | | | | | | | |
| Variance | 277 | 351 | (20) | (285) | (14) | | | | | | | |
| Variance % | 4.6% | 6.4% | -0.4% | -5.6% | -0.3% | | | | | | | |

Average Residential billed consumption for February 2017 was 4,186 gallons. This was 14 gallons, or 0.3%, less than projected for the month.

Billed Wastewater Flows

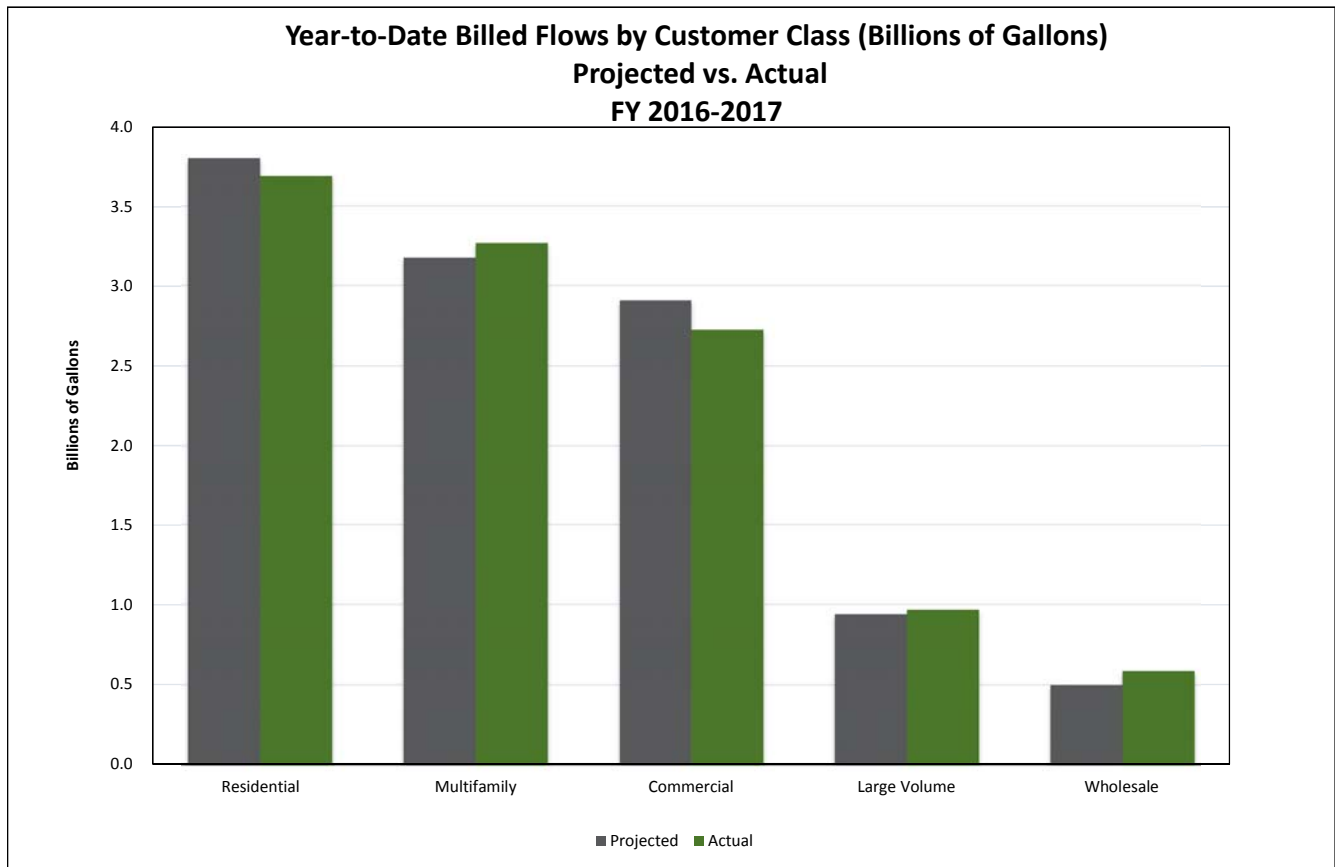


| Month | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Projected | 2.35 | 2.27 | 2.29 | 2.29 | 2.14 | 2.20 | 2.36 | 2.38 | 2.41 | 2.41 | 2.41 | 2.43 |
| Actual | 2.32 | 2.28 | 2.26 | 2.34 | 2.06 | | | | | | | |
| Variance | -0.03 | 0.01 | -0.03 | 0.05 | -0.08 | | | | | | | |
| Variance % | -1.5% | 0.2% | -1.5% | 2.0% | -3.7% | | | | | | | |
| YTD | | | | | | | | | | | | |
| Projected | 2.35 | 4.62 | 6.90 | 9.19 | 11.33 | 13.53 | 15.89 | 18.27 | 20.68 | 23.09 | 25.49 | 27.92 |
| Actual | 2.32 | 4.59 | 6.85 | 9.18 | 11.25 | | | | | | | |
| Variance | -0.03 | -0.03 | -0.05 | -0.01 | -0.08 | | | | | | | |
| Variance % | -1.5% | -0.6% | -0.8% | -0.1% | -0.7% | | | | | | | |

Actual billed flows for February 2017 were 2.06 BG. This was 0.08BG, or 3.7% below the projection for the month. For the fiscal year, actual billed flows were 11.25 BG. This was 0.08 BG, or 0.7%, less than projected for the fiscal year.

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

Billed Wastewater Flows (continued)

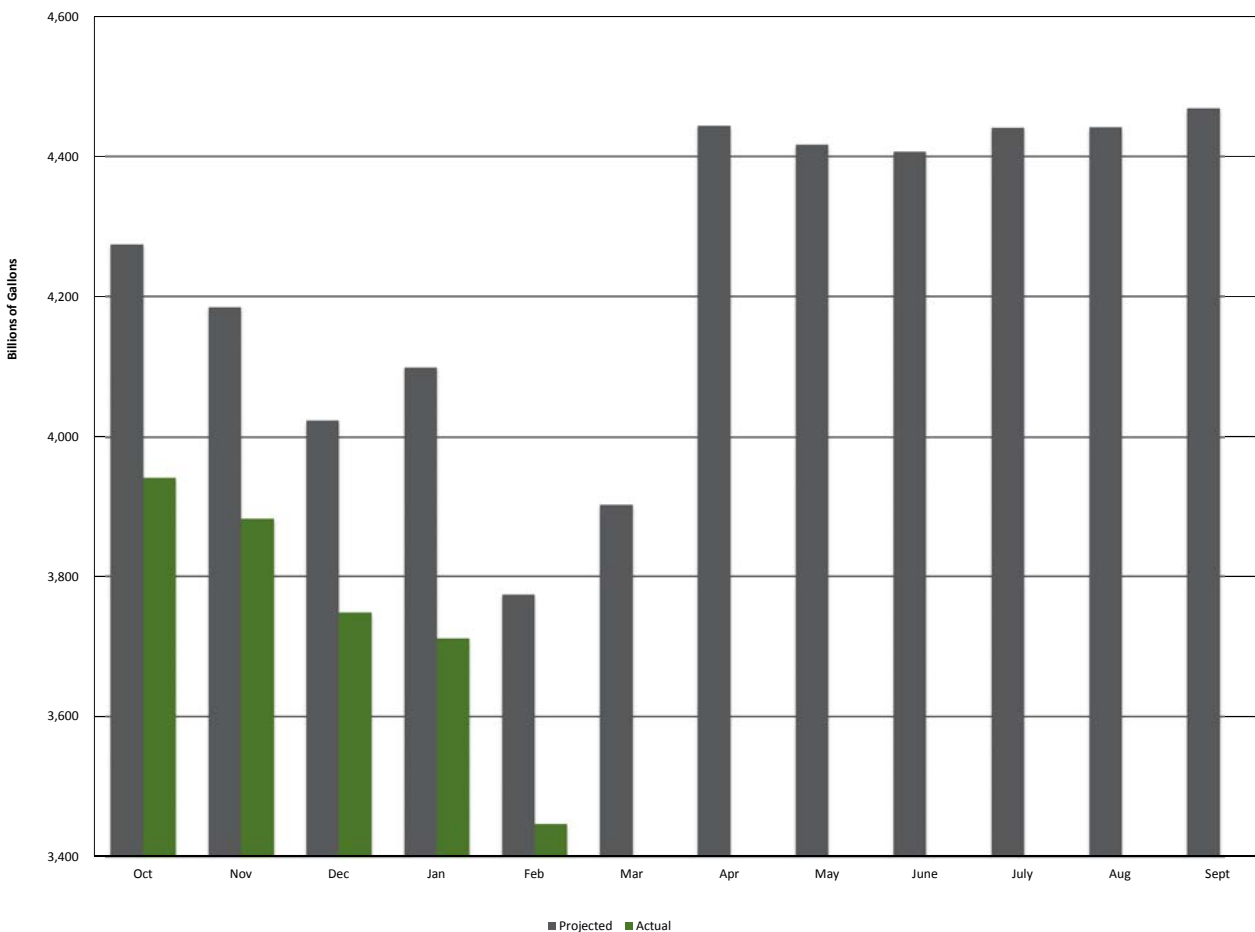


| Class | Residential | Multifamily | Commercial | Large Volume | Wholesale |
|------------|-------------|-------------|------------|--------------|-----------|
| Projected | 3.80 | 3.18 | 2.91 | 0.94 | 0.50 |
| Actual | 3.69 | 3.27 | 2.73 | 0.97 | 0.59 |
| Variance | -0.11 | 0.09 | -0.18 | 0.03 | 0.09 |
| Variance % | -2.9% | 2.8% | -6.2% | 3.2% | 18.0% |

Overall, billed wastewater flows were 11.25 BG for the fiscal year through February 2017. This was 0.08 BG, or 0.7%, less than projected for all customer classes combined. As shown in the table above, billed wastewater flows were below projections in the Residential and Commercial classes, offsetting the higher billed flows in the other classes.

Billed Wastewater Flows (continued)

**Average Inside-City Residential Wastewater Flows by Month (Billions of Gallons)
Projected vs. Actual
FY 2016-2017**

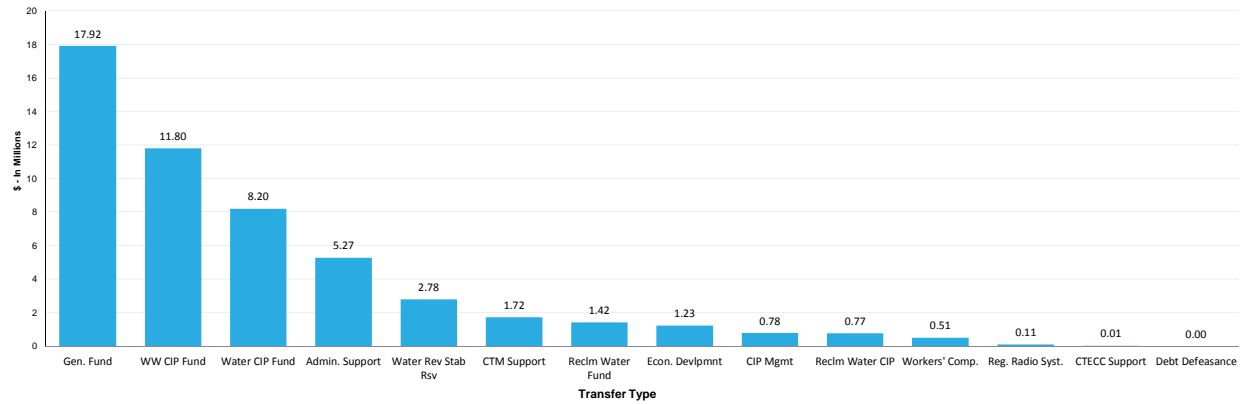


| Average Inside City Residential Flows | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Projected | 4,275 | 4,185 | 4,024 | 4,099 | 3,775 | 3,902 | 4,444 | 4,417 | 4,407 | 4,441 | 4,442 | 4,469 |
| Actual | 3,943 | 3,883 | 3,749 | 3,712 | 3,447 | | | | | | | |
| Variance | (333) | (302) | (275) | (386) | (328) | | | | | | | |
| Variance % | -7.8% | -7.2% | -6.8% | -9.4% | -8.7% | | | | | | | |

The average Residential billed flow for February 2017 was 3,447 gallons. This was 328 gallons, or 8.7%, less than projected for the month.

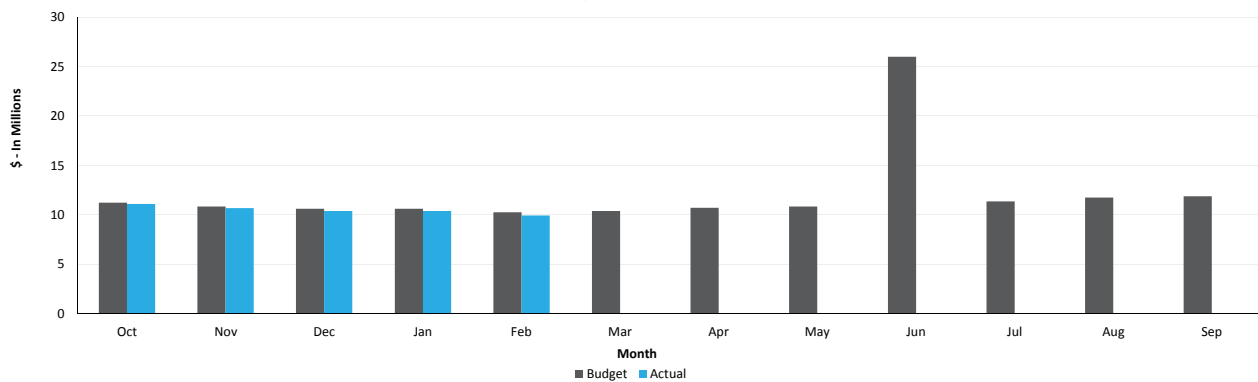
OTHER REPORTING

Transfers Out by Type Actual Year-to-Date



Total Transfers Out by Month Year-to-Date

Budget vs. Actual



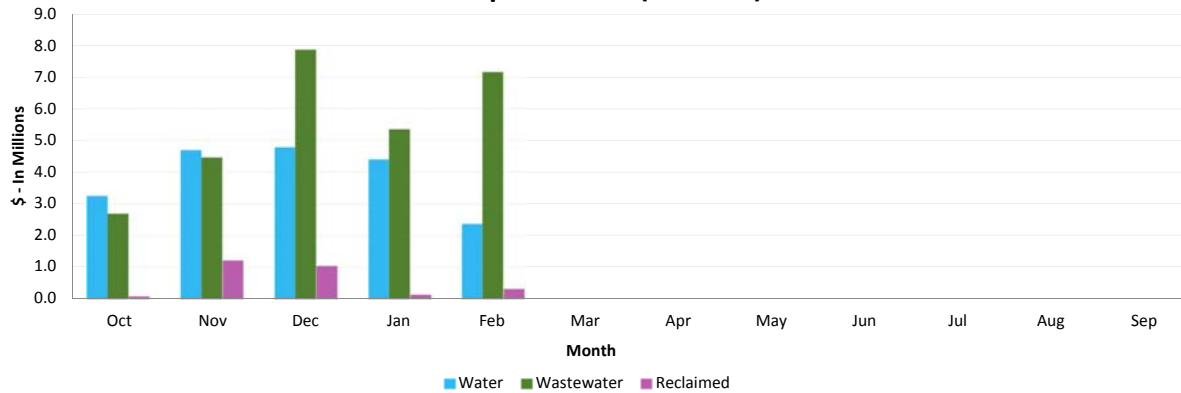
FY 2016 - 2017 Total Transfers Out by Month With Variances (Millions)

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Total |
|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Budget | \$ 11.23 | \$ 10.85 | \$ 10.61 | \$ 10.64 | \$ 10.27 | \$ 10.41 | \$ 10.72 | \$ 10.85 | \$ 26.01 | \$ 11.37 | \$ 11.77 | \$ 11.89 | \$ 146.60 |
| Actual | \$ 11.11 | \$ 10.67 | \$ 10.38 | \$ 10.40 | \$ 9.95 | | | | | | | | \$ 52.51 |
| Variance | \$ 0.12 | \$ 0.18 | \$ 0.23 | \$ 0.24 | \$ 0.32 | | | | | | | | |
| Variance % | 1.1% | 1.7% | 2.1% | 2.2% | 3.1% | | | | | | | | |

Transfers Out for the fiscal year through February 2017 totaled \$52.51 million. This was \$1.09 million less than the budget allotment for the year.

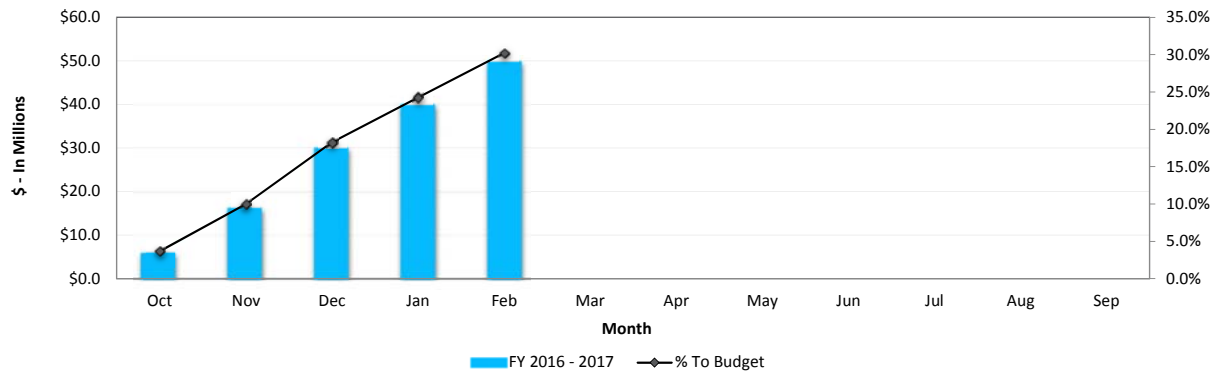
Transfers Out includes transfers for General Fund, Capital Improvement Program, Administrative Support, Water Revenue Stability Reserve Fund, Communication and Technology Management Fund (CTM), Reclaimed Water Fund, Economic Development Fund, Workers' Compensation Fund, Regional Radio System, and Emergency and Communications Center (CTECC).

CIP Expenditures (Millions)



| Actual Expense | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | YTD |
|----------------|---------|----------|----------|---------|---------|-----|-----|-----|-----|-----|-----|-----|----------|
| Water | \$ 3.27 | \$ 4.69 | \$ 4.77 | \$ 4.39 | \$ 2.39 | | | | | | | | \$ 19.51 |
| Wastewater | 2.70 | 4.46 | 7.86 | 5.35 | 7.16 | | | | | | | | 27.53 |
| Reclaimed | 0.09 | 1.21 | 1.04 | 0.14 | 0.32 | | | | | | | | 2.80 |
| Total | \$ 6.06 | \$ 10.36 | \$ 13.67 | \$ 9.88 | \$ 9.87 | | | | | | | | \$ 49.84 |

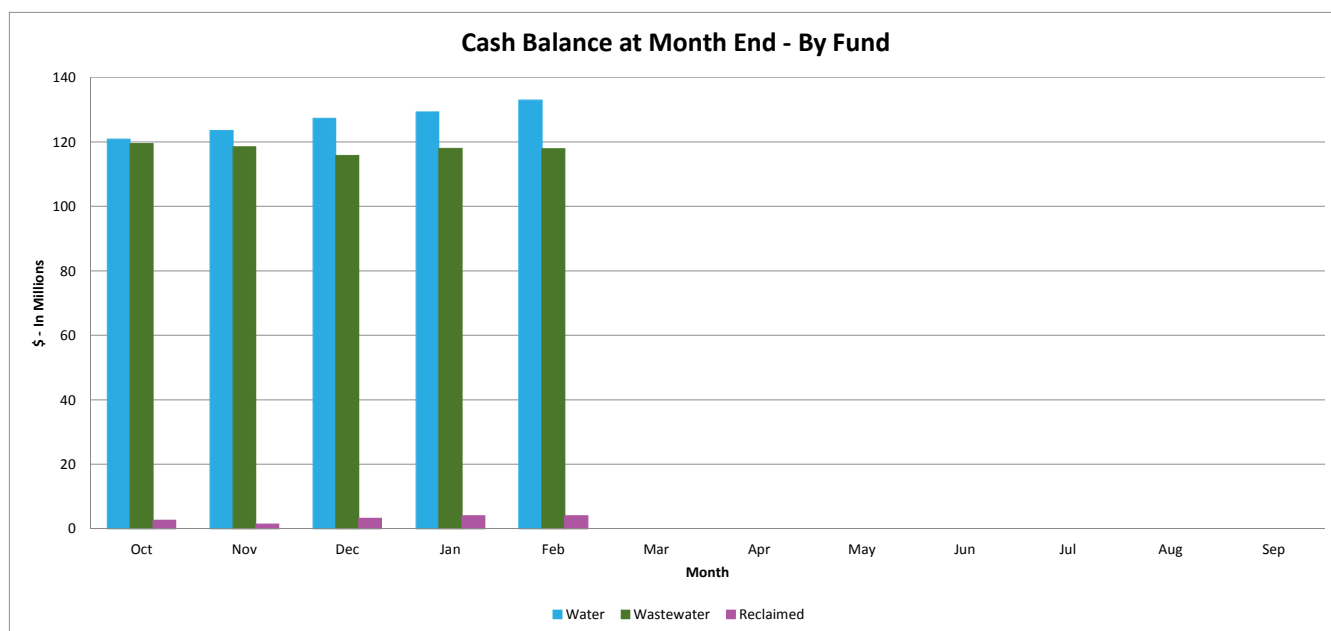
Year-to-Date Cumulative CIP Expenditures (Millions)



| CIP | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|----------------|---------|----------|----------|----------|----------|------|------|------|------|------|------|------|
| FY 2016 - 2017 | \$ 6.06 | \$ 16.42 | \$ 30.09 | \$ 39.97 | \$ 49.84 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| % To Budget | 3.67% | 9.96% | 18.25% | 24.24% | 30.22% | | | | | | | |

CIP expenditures for the fiscal year through February 2017 totaled \$19.51 million for water, \$27.53 million for wastewater, and \$2.80 million for reclaimed, for a combined total of \$49.84 million, or 30.22% of the FY 2016-17 CIP spending plan.

The approved CIP spending plan for FY 2016-17 was \$79.96 million for water, \$69.07 million for wastewater, and \$15.87 million for reclaimed for a combined total of \$164.90 million.



FY 2016 - 2017 Cash Balances, Operating, CIP, Capital Recovery Fee - (\$ In Millions)

| Ending Balance | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|---------------------------|------------------|------------------|------------------|------------------|------------------|-----|-----|-----|-----|-----|-----|-----|
| Water | \$ 120.85 | \$ 123.55 | \$ 127.36 | \$ 129.28 | \$ 133.01 | | | | | | | |
| Wastewater | \$ 119.52 | \$ 118.50 | \$ 115.83 | \$ 118.04 | \$ 117.89 | | | | | | | |
| Reclaimed | \$ 2.65 | \$ 1.47 | \$ 3.24 | \$ 4.04 | \$ 4.08 | | | | | | | |
| Total Cash Balance | \$ 243.02 | \$ 243.52 | \$ 246.42 | \$ 251.37 | \$ 254.98 | | | | | | | |

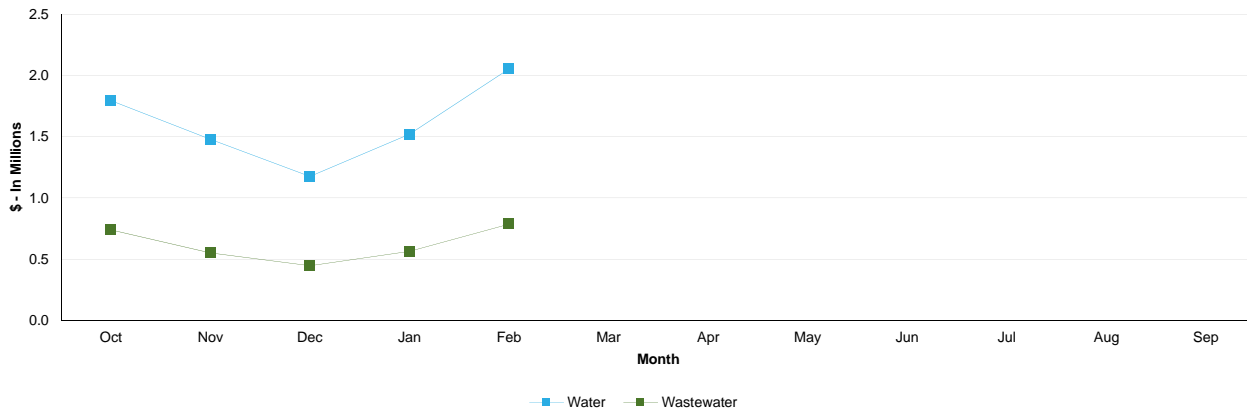
| Ending Balance | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|-----|-----|-----|-----|-----|-----|-----|
| Operating | \$ 120.71 | \$ 124.27 | \$ 124.83 | \$ 124.84 | \$ 125.93 | | | | | | | |
| Capital Recovery Fee | 26.53 | 28.56 | 30.18 | 32.27 | 35.11 | | | | | | | |
| CIP | 67.09 | 61.40 | 61.56 | 63.85 | 63.06 | | | | | | | |
| Revenue Stability Reserve Fund | 28.68 | 29.29 | 29.85 | 30.41 | 30.88 | | | | | | | |
| Total Cash Balance | \$ 243.02 | \$ 243.52 | \$ 246.42 | \$ 251.37 | \$ 254.98 | | | | | | | |

Combined cash balances for Water, Wastewater, and Reclaimed for the month of February 2017 totaled \$254.98 million. The combined cash balance is made up of Operating, CIP, Capital Recovery Fee, and Revenue Stability Reserve Fund cash balances. The average daily cash balance for the fiscal year was \$235.52 million at the end of February.

Combined Operating Cash Balances totaled \$125.93 million. Combined CIP Cash Balances totaled \$63.06 million. CIP cash balances may be kept negative to offset high operating balances as a cash management strategy to limit the amount of cash in all funds to a range determined by economic conditions. This delays the need to issue additional commercial paper to fund CIP projects. The Revenue Stability Reserve Fund totaled \$30.88 million.

Capital Recovery Fee (CRF) Cash Balances totaled \$35.11 million at the end of the month. Prior to FY 2001-02, CRFs were used solely for debt defeasance, providing only short-term debt service savings. Austin Water now transfers CRFs to the operating funds, from which transfers are made to debt service funds.

CRF Collections by Month



FY 2016 - 2017 CRF Collections by Month, Water, Wastewater, and Total (Millions)

| ActualRevenue | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Total |
|----------------|---------|---------|---------|---------|---------|-----|-----|-----|-----|-----|-----|-----|----------|
| Water | \$ 1.80 | \$ 1.48 | \$ 1.17 | \$ 1.52 | \$ 2.05 | | | | | | | | \$ 8.02 |
| Wastewater | 0.74 | 0.55 | 0.45 | 0.57 | 0.79 | | | | | | | | 3.09 |
| Combined Total | \$ 2.54 | \$ 2.03 | \$ 1.62 | \$ 2.09 | \$ 2.84 | | | | | | | | \$ 11.11 |

Capital Recovery Fee (CRF) collections and interest for the month of February 2017 were \$2.05 million for Water and \$0.79 million for Wastewater for a total of \$2.84 million. For the fiscal year, a total of \$11.11 million in CRFs and interest has been collected.