

#26

Subject: did you see this? WTP 4 news on InFact

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Date: Wed, 24 Feb 2010 09:12:05 -0600

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Late Backup

Austin Water Utility facing FY2010 budget shortfall

Thanks to strict water restrictions, a dramatic increase in rainfall, and the current poor economic environment, the **Austin Water Utility** is facing a shortfall in year-to-date fiscal year (FY) 2010 revenues. For the first quarter of FY2010, the utility reports that it has collected \$37.2 million in water services revenues — a \$12 million budget shortfall. **David Anders**, the Water Utility's assistant director, shared these numbers with the **City Council's Audit and Finance Committee** on Tuesday.

"We are very weather oriented in our revenues," he told the committee. "With all of that rain that we've had over the last four months, it obviously impacts (us)."

Representatives from **Austin Energy** and other city staff were also present to brief the committee and their colleagues on the financial picture in their areas. Though current economic trends appeared to affect each organization, both Austin Energy and the general fund departments presented the committee with a somewhat rosier picture than that provided by the water utility.

Anders was further able to isolate the source of AWU's loss by illustrating a substantial drop in residential water consumption. He compared the 2010-fiscal-year-to-date average household's monthly water consumption to what he termed a "normalized" 16-year average and the two-year average of 2008 and 2009. In October, the first month of FY2010, the median household water consumption rate was roughly 3,000 gallons less than that of both the 16-year average and the two-year average.

Both 2008 and 2009 were drought years for Austin, and each of those years had periods of water restrictions. Still, the '08-'09 average was very close to that of the 16-year picture.

Council Member Bill Spelman asked Anders if the FY2010 averages were "within normal limits." Anders told him that they were "significantly lower than any years that we've had in the past." When Spelman suggested that the weather "hasn't been that much rainier than average," Anders illustrated the larger picture.

"Some of the mandatory water restrictions in (October and November 2009) had some impact ... but then around October, we started (to get) rain," said Anders. "From that time on we've (gotten) significant rain periodically over every week ... so that the watering needs for our residential customers are significantly reduced."

Despite all this, the utility still finds itself \$6.2 million dollars in the black. The positive number is largely the result of its FY2009 savings. Efforts during that span allowed Austin Water to save \$13.3 million. It was able to forward that balance to FY2010, where it serves to mitigate some of the current shortfall.

Anders also noted that, as of January 2010, FY2010 numbers looked as though they might return to normal. He pointed out that the hotter weather could bring more stabilization. "We would expect during the summer months that (our revenues) would pick up to our more normal averages," he said.

The new numbers will no doubt be good news for those folks still hoping that the City Council will decide not to build **Water Treatment Plant 4**. They have a new Web site (<http://savewatersavemoney.org>) and have scheduled a rally for March 11 at City Hall.

Christy Muse

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The Mission of the Hill Country Alliance is to bring together an ever-expanding alliance of groups throughout a multi-county region of Central Texas with the long-term objective of preserving open spaces, water supply, water quality and the unique character of the Texas Hill Country

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City of Austin Annual Trendline Demand Projections with Population

Year*	Running Demand Prediction (Ac-Ft/yr)	Running Demand Prediction with projected effects of Council water conservation goals (Ac-Ft/yr)	Population**
2008	172,545	172,005	846,306
2009	175,686	170,107	862,342
2010	178,884	167,985	878,670
2011	181,994	168,194	894,547
2012	185,161	167,711	910,711
2013	188,384	169,001	927,167
2014	191,666	171,845	943,920
2015	195,007	174,790	960,976
2016	198,408	177,884	978,340
2017	201,871	180,989	996,018
2018	205,396	184,171	1,014,015
2019	208,985	187,417	1,032,337
2020	212,639	190,727	1,050,991
2021	216,462	194,206	1,070,504
2022	220,355	197,756	1,090,379
2023	224,320	201,378	1,110,623
2024	228,359	205,074	1,131,242
2025	232,473	208,844	1,152,245

* Based on fiscal year pumpage

** Note that for 2008 peak day demand projection updates, the estimated 2008 population figure was updated to 850,505

176 gpcd

162 gpcd

162 gpcd

①

2015 @ 155 gpcd
= 166,847 AF

②

2020 @ 140 gpcd
= 164,816 AF

③

2025 @ 135 gpcd

325,851 g / AF
365 days / yr

= 174,087 AF