

## **Joint Committee on Austin Water Utility's Financial Plan - 2014**

### **Committee Final Recommendations: Rate Design, Drought Rates and Expenses**

#### **Recommendation Item #1 – Water Revenue Projections:**

The 2014 Joint Committee on Austin Water Utility's Financial Plan recommends, for Council consideration, the following water revenue projection policies for Austin Water Utility (AWU):

##### **Water Revenue Forecasts for 2015 and beyond**

- Item 1.1: Austin Water should base its FY 2015 water revenue projections assuming that stage 2 will continue throughout the year.
- Item 1.2: Austin Water customers' response to the severe drought has been underestimated in the projections by Austin Water, and therefore a more conservative approach to water revenue projections should be used in the 2015 and future budgets.
- Item 1.3: Great care should be taken by Staff to distinguish between needed "revenue increases" and needed "rate increases". Revenue increases are often described in budget documents as "rate increases", which leads to a misunderstanding that a particular class of customers or a particular customer will experience rate or bill increases of that percentage. Generally, the residential class will experience higher percentage rate increases than what is presented in the budget as "rate increases". Staff should consider adding to budget documents a benchmark labeled "water bill increase for average residential customer" in addition to relabeling needed "revenue increase" for the item currently labeled "water rate increase"

#### **Recommendation Item #2 – 2015 Proposed Rate Design:**

The 2014 Joint Committee on Austin Water Utility's Financial Plan recommends, for Council consideration, the following water rate design policies for AWU:

##### **Proposed 2015 Overall Rate Design**

- Item 2.1: The rate design recommendations of the 2012 Joint Committee are again recommended for any proposed 2015 water rate increase.

##### **Current Meter Equivalent Minimum Charge**

- Item 2.2: The monthly meter-size based minimum charge (currently \$7.10 for a 5/8" meter) will continue to be charged the same for all customer classes. The minimum charge would continue to adjust accordingly for rate increases and to maintain cost of service.

##### **Tiered Minimum Water Charge (Residential)**

- Item 2.3: In future rate increases, AWU should propose rates that maintain the approximate \$10.50 dollar variance between blocks 1 and 5 of the tiered minimum charge.

### **Minimum Water Charge (Non-Residential)**

- Item 2.4: Multifamily and commercial customers should be assessed a meter-size-based fixed charge that would be sufficient to meet target fixed revenue for the classes.
- Item 2.5: Since large volume and wholesale customers have individual water rates for each customer based on their individual cost of service, these classes should continue to be charged a minimum water charge determined for each large volume and wholesale customer equivalent to each class' annual fixed revenue responsibility divided by 12 months.

### **Fixed Revenue Goals for Water**

- Item 2.6: The water fixed revenue goal for the AWU should be 20% of the total water revenue requirements based on each customer classes' relative water cost of service.

### **Volumetric Rates for Water**

- Item 2.7: The current volumetric rate block consumption intervals shall remain the same for 2015, but may be adjusted from time to time, if AWU determines that patterns of usage have changed sufficiently to require adjustment to remain consistent with the criteria for block intervals recommended by the 2012 Joint Committee.
- Item 2.8: In future rate increases based on current or any new volumetric rate intervals, AWU should propose rates that maintain or minimize the increase in the dollar variance between blocks 1 and 5. Current variance between blocks 1 and 5 is \$11.00 which should be maintained for 2015.

### **Recommendation Item #3 – Future Proposed Rate Design After 2015:**

For future rate increases for FY 2016 and beyond, the 2014 Joint Committee on Austin Water Utility's Financial Plan recommends, for Council consideration, the following volumetric rate policies for Austin Water Utility:

#### **Fixed Revenue for Water**

- Item 3.1: For future rate design proposals for FY 2016 and beyond, the fixed revenue percentages should be increased from the current 20% of total revenue to 25%, over a two-year period.
- Item 3.2: For future rate design proposals for FY 2016 and beyond, the tiered-fixed fee spread between blocks 1 and 5 should be increased to \$22.75 from the current \$10.50.

#### **Volumetric Rates for Water**

- Item 3.3: For future rate design proposals for FY 2016 and beyond, the only residential volumetric rate block below the average volumetric cost of service rate should be block 1. Blocks 2 through block 5 should be charged at least the average volumetric cost of service rate.
- Item 3.4: AWU should consider a 2 year transition period, starting no earlier than FY 2016, when implementing raising block 2 to the average volumetric cost of service rate.

**Recommendation Item #4 – Drought Rates:**

The 2014 Joint Committee on Austin Water Utility’s Financial Plan recommends, for Council consideration, the following drought rate policies for Austin Water Utility:

**Initiation of Drought Rates**

Item 4.1: The implementation of Stage 3 and Stage 4 drought rates would be triggered on the implementation of Stage 3 and Stage 4 water restrictions, respectively.

**Drought Rates for Stage 3 and Stage 4 Water Restrictions**

Item 4.2: Until such time as AWU has at least one year of representative class-level usage data upon which to estimate Stage 3 or Stage 4 demand impacts, including peak-related impacts, AWU should develop drought rates using a system-wide rate per 1,000 gallons for all customers. This would be charged to all classes at the same rate, including Customer Assistance Program (CAP) customers and wholesale customers.

Item 4.3: Wholesale customers would be charged Stage 3 and Stage 4 drought rates; however their fiscal year revenue responsibility, including any drought rate revenue, would be capped at a maximum of their identified cost of service amount for that year.

Item 4.4: Stage 3 and Stage 4 drought rates would remain in effect while Stage 3 and Stage 4 water restrictions are in effect.

**Elimination of Drought Rates**

Item 4.5: AWU would be required to monitor the revenue losses, as compared to budget levels, due to Stage 3 and Stage 4 water restrictions.

Item 4.6: The elimination of Stage 3 or Stage 4 drought rates will be determined by the City Manager.

**Recommendation Item #5 – AWU Expenses:**

The 2014 Joint Committee on Austin Water Utility’s Financial Plan recommends, for Council consideration, the proposed 2015 budget include the following policies related to expenses incurred by Austin Water Utility:

**Operating Expenses**

Item 5.1: The Joint Committee recommends \$25.0 million in 2015 budget reductions presented by Austin Water in the budget reductions detailed in Attachment A. Additionally, the Joint Committee recommends \$4.5 million in 2014 and 2015 budget reductions detailed in Attachment B.

**Transfers to Other Funds**

Item 5.2: The Joint Committee recommends elimination of any transfers which are not related to the provision of utility service with the exception of the 8.2% General Fund transfer. Examples of these transfers include Sustainability Fund, Economic Development Fund, Economic Incentives Reserve Fund, and any other transfers not related to the provision of utility service. This revenue is needed to improve the financial metrics of the Utility in regard to operating reserves, cash funding of CIP, levels of debt and magnitude of required rate increases. Without this re-investment in the Utility, customers will necessarily be subjected to higher rate increases, service levels may be compromised, and bond ratings may be negatively affected.

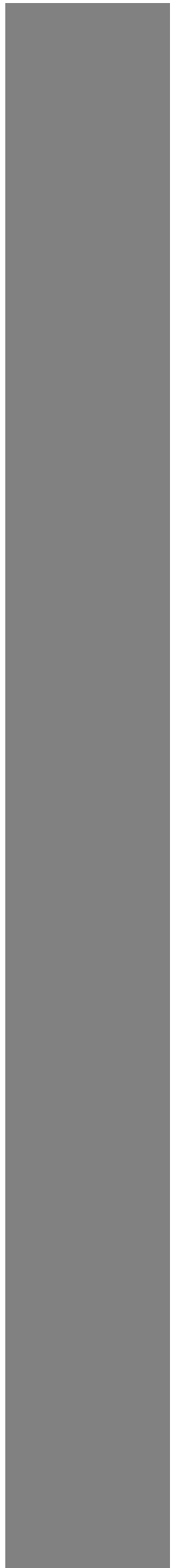
- Item 5.3: The Joint Committee recommends the transfer to the General Fund be suspended from the Austin Water Utility when in drought Stage 3 or Stage 4. When in Stage 2 the General Fund transfer should be no more than 6%.
- Item 5.4: The Joint Committee recommends not to use the Reserve Fund at this time.

**Austin Water Utility**

**Joint Committee**

**Final Budget Reduction Recommendations**

**Attachment A**



**Joint Committee Final Budget Reduction Recommendations**

Fund	Unit	Object Code	Line Item Description	FY 2014 Amended Budget	FY 2015 Proposed Budget	Budget Reduction Strategy	Revised FY 2015 Proposed Budget	Reduction Description	Service Level Impacts
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**Additional Revenue**

1			Green WTP Decommission Reimbursement				\$11,700,000		None
2			Property Sale - Lime creek quarry				\$4,000,000		None

**Total Additional Revenue**

**\$15,700,000**

**Transfers to Other Departments**

1			Sustainability Fund	\$4,843,426	\$5,504,095	(\$5,504,095)	\$0	Eliminate Sustainability Fund transfer	None
2			AE Power Costs (Green Choice)	\$22,126,826	\$22,099,159	(\$1,500,000)	\$20,599,159	Switch to consolidated Green Choice rate	None
3			AE Billing and Customer Care	\$17,209,766	\$18,698,272	(\$1,488,506)	\$17,209,766	Maintain AE costs at 2014 level	None
4			Transfer to APD	\$1,241,943	\$1,241,943	(\$1,241,943)	\$0	Eliminate APD transfer	None
5			Administrative Support - City	\$13,126,585	\$14,439,243	(\$921,853)	\$13,517,390	Budget Office reduction	None
6			Transfer to CTM	\$3,546,544	\$3,901,198	(\$445,856)	\$3,455,342	Maintain CTM transfer at 2014 level	None
7			Transfer to AFD	\$445,030	\$445,030	(\$445,030)	\$0	Eliminate AFD transfer	None
8			Economic Incentives Reserve Fund	\$333,333	\$333,333	(\$333,333)	\$0	Eliminate Economic Incentives Reserve Fund	an impact of possibly less funding for providing incentives for new customers of AWU
<b>Total: Transfers to Other Departments</b>						<b>(\$11,880,616)</b>			

**Utility Wide Budget Reductions**

1			Move direct labor cost to CIP	\$0	\$0	(\$4,000,000)	(\$4,000,000)	Reclass direct labor cost to CIP	None
2			Reductions in vacant FTEs	\$930,771	\$930,771	(\$930,771)	\$0	Eliminate 9 Vacant PCNs	Minimal impact to various service levels
3			Temporary Employees	\$1,073,347	\$901,398	(\$901,398)	\$0	Eliminate all temporary employees	Minimal impact to various service levels
4			Personnel Saving	(\$5,985,431)	(\$5,985,431)	(\$743,181)	(\$6,728,612)	Increase vacancy savings	Vacancies expected to remain at an 8% vacancy rate.
5			Funding for 2 other dept employees	\$174,590	\$174,590	(\$174,590)	\$0	Stop funding for 2 other dept. employees	Minimal impact to various service levels
6			Small Tools/Minor Equipment	\$1,097,805	\$1,084,815	(\$1,064,822)	\$959,334	10% reduction to small tool/equipment	Minimal impact to various service levels
7			Award and Recognition (CORE)	\$75,228	\$75,358	(\$75,358)	\$0	Eliminate CORE Program (\$65 Per employee)	No service level impact but has impact on employee morale
8			Office Supplies	\$215,846	\$225,876	(\$22,588)	\$203,288	10% reduction to office supplies	Minimal impact to various service levels
<b>Total: Utility Wide Budget Reductions</b>						<b>(\$6,954,367)</b>			

**Treatment Budget Reductions**

1	5030	8033	5650	Swcs-Bio-Solid ReUse	\$4,350,000	\$4,350,000	(\$1,350,000)	\$3,000,000	Reduce use of contract for biosolids land application and on-site composting	Will not reduce stockpile of biosolids on schedule planned. Risks include compost fires, operational restrictions, and permit issues for storage of biosolids.
2	5020	6031	5860	Swcs-Other	\$290,000	\$590,000	(\$550,000)	\$40,000	Remove hydroblasting at UWTP and remove repairs to LSPS #4	Hydroblasting descales basin structures--had a universal support system fail due to weight--could happen again. LSPS #4--the 25 year old pump is operating but off the curve and only at 75% efficiency impacting power and ability to meet maximum demands.
3	5020	Various	6160	Electric Services	\$14,096,015	\$13,619,402	(\$330,714)	\$13,288,688	Assumed less pumpage so reduced electricity production. Cut may already be too much.	Assumes less production. Electric use is not 1:1 with production. Cut may already be too much.
4	5020/5030	6022/8052	6389	Maintenance-Other Equipment	\$82,284	\$235,284	(\$188,000)	\$47,284	Eliminated a centrifuge rebuild at Davis WTP	Reduce outsourcing of equipment maintenance. May lead to higher failure rate.
5	5020	Various	7134	Chemicals	\$6,162,228	\$5,355,378	(\$130,059)	\$5,225,319	Assumed less pumpage so reduced chemicals over budget	Assumes less production. If production is higher, will go over budget

**Joint Committee Final Budget Reduction Recommendations**

Revised  
 FY 2015  
 Proposed  
 Budget

FY 2014  
 Amended  
 Budget

Budget  
 Reduction  
 Strategy

Service Level Impacts

Fund	Unit	Object Code	Line Item Description	FY 2014 Amended Budget	FY 2015 Proposed Budget	Budget Reduction Strategy	Reduction Description	Service Level Impacts
6	5030	8031	Svcs-Other	\$175,000	\$185,000	(\$76,000)	Eliminate support for the Austin Youth River Watch Program.	Youth program river data is shared with Utility--that data will be unavailable.
7	5030	8012/8032	Electrical Lighting	\$250,000	\$270,000	(\$70,000)		Reduce parts for electrical systems such as transformers and switches. Will repair as an emergency if needed.
8	5020	6002/6050	Printing/binding/photo	\$24,225	\$24,225	(\$24,175)	Reduce spending for electrical/lighting	Reduce funding could lead to failures.
9	5020	6022	Sand/gravel/stone	\$68,000	\$120,000	(\$20,000)	Reduce funding for printing	Will increase inefficiencies by not printing manuals needed as part of NELAC Certification--could increase error rate.
10	5020	6032	Interdpt--PW CPM Charges	\$0	\$14,863	(\$14,863)	Reduce funding	Will reduce filter rebuild at the Davis WTP, may impact performance and availability of filters. Filters provide final polishing of drinking water.
11	5030	8032	Mntce--Chillers	\$25,000	\$20,000	(\$10,000)	Eliminate Inspection on LSPS#4	Risk in not making repairs to the pump impacts electric efficiency and plant capacity.
12	5020	6021	Office furnishings	\$10,000	\$10,000	(\$10,000)	Reduce funding for Hornsby	Chillers to Co-gen are relatively new but could do repair out of emergency when defer preventive maintenance.
13	5020/5030	6050/8063	Services-Engineering	\$2,000	\$7,000	(\$6,500)	Eliminate furniture replacement For air, mold, and environmental testing of Laboratory facilities	With 24-hr operations, chairs and furniture wear out quickly. Impacts working environment and delay in remediating issues which can impact employee health
14	5030	8032	Refrigerant Components--HVAC	\$6,000	\$6,000	(\$6,000)	Reduce spending for refrigerant components.	HVAC systems that support process equipment will be repaired on an emergency basis
15	5020	6022	Svcs--Security	\$5,000	\$5,000	(\$5,000)	Reduce costs in the acct code for Davis WTP--Should be budgeted elsewhere	Will not repair security equipment at plants--impacts ability to detect intrusions sooner.
16	5030	8032	Boiler Equipment	\$10,000	\$10,000	(\$5,000)	Reduce at Hornsby to 5yr spending average	Boilers support digesters. Aging equipment in a corrosive environment can experience shorter expected life and more frequent repairs. Will address as emergency rather than preventive maintenance.
17	5030	8052	Hardware/Wire/Steel	\$11,000	\$10,000	(\$4,000)	Reduce for Walnut Creek to match 5-yr spending average	Facility and equipment is aging and in a corrosive environment. Costs and spending have increased so 5-yr average may be too low.
18	5020	6022	Radio Equipment	\$4,000	\$4,000	(\$4,000)	Eliminate repairs/replacement to radio equipment--at DWTP	Impacts employee safety and plant efficiency through communication
19	5020	Various	Services--Haz Mat Disposal	\$8,067	\$7,800	(\$3,850)	Reduce cost for hazardous materials disposal	Risk in not meeting regulatory requirements for disposal of hazardous materials generated in the laboratories.
20	5030	8052	Valves	\$10,500	\$10,500	(\$3,000)	Reduce at Walnut to 5 yr spending	Spent \$10.5k in 12. Aging facility can require higher levels of repair and replacement.
21	5030	8052	Street/Traffic signs/Mkr	\$2,000	\$2,000	(\$2,000)	Reduce funding for Walnut Creek	Plant signage will not be repaired or updated
22	5020	6042/6045	Books-Library	\$2,000	\$2,000	(\$1,700)	Reduce amount of reference material	Guidance material to keep staff current on industry standards will be impacted.
23	5020/5030	Various	Other Items	\$2,162	\$2,062	(\$1,562)	Reduce funding in Telephone Equipment, Parts for Vehicles & Educational/ Promotional	Impacts employee safety and plant efficiency through communication
24	5030	8052	Services--Construction	\$3,500	\$3,500	(\$1,500)	Reduce services to fabricate concrete walkways, stairways, pads, etc.	Increased risk in safety as well as equipment damage
25	5020/5030	Various	Temporary employees	\$82,000	\$0	\$67,000	Maintain temporary employees for Emergency Management Planning and COOP Development and provide analysis for early detection of taste and odor issues	Employees needed to provide specialized assistance in performing emergency planning exercises to develop contingency plans and to provide analysis for early detection of taste and odor issues
<b>Total: Treatment Reductions</b>						<b>(\$2,750,923)</b>		

**Joint Committee Final Budget Reduction Recommendations**

Fund	Unit	Object Code	Line Item Description	FY 2014 Amended Budget	FY 2015 Proposed Budget	Budget Reduction Strategy	Revised FY 2015 Proposed Budget	Reduction Description	Service Level Impacts
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**Pipeline Budget Reductions**

1	5020	6241	Meter Vault Service - Replacement	\$50,000	\$350,000	(\$350,000)	\$0	Contract Service, meter placement	Meter Replacement reduced or mitigated with CIP dollars
2	5020	6231	Call Back - DSM	\$318,421	\$352,090	(\$39,375)	\$252,715	Reduction increase from 2013 Actuals	Reduced leak response, increased water loss potential
3	5020	6231	Services Other - Traffic Control	\$346,043	\$275,046	(\$61,534)	\$213,512	Contract Service Utilization Reduction	Reduce Traffic Control, Safety Risk increased, delay response
4	Various	9051	Non-CIP Other Equipment	\$157,000	\$43,369	(\$43,369)	\$0	Use Small Tools Budget	Reduce Flow Monitoring Meter Budget/Program
5	5030	8211	Terminal Pay	\$6,784	\$24,729	(\$24,729)	\$0	Remove Terminal Pay	Longer Hire date
6	5030	8442	Rental Uniforms	\$7,500	\$37,500	(\$22,713)	\$14,787	Reduce number of new staff uniforms	Reduce Flow Monitoring Meter Budget/Program
<b>Total: Pipeline Operations Reductions</b>						<b>(\$601,720)</b>			

**Engineering Services Reductions**

1	5020	6215	Maintenance of pipelines	\$320,000	\$315,000	(\$315,000)	\$0	Postpone the large valve assessment and exercising contract.	Will not be able to proactively assess and operate of the larger transmission main valves. Exposes the Utility to increased risk of inoperable valves and delayed maintenance.
2	5030	8440	Services-other	\$602,390	\$602,390	(\$102,390)	\$500,000	Postpone wastewater flow monitoring contract with third party firm to perform flow monitoring for the collection system.	Current contract terms are until approximately May 2015 unless the contract is terminated. Service level impact is reduction in flow monitoring data. Will not have accurate wastewater flow data for system planning and operation.
3	5030	8440	Other equipment (New flow meters)	\$21,000	\$21,000	(\$21,000)	\$0	Postpone purchase ww flow meters	Existing meter may fail resulting in inaccurate data for billing purposes.
4	5020/5030	Various	Minor computer hardware	\$13,135	\$10,000	(\$9,000)	\$1,000	Postpone purchase of aging computer hardware	Potential for existing equipment to fail with no replacement. Will defer ability to provide business related supplies to meet business needs.
5	5020/5030	Various	Other Items	\$6,181	\$8,430	(\$5,170)	\$3,260	Reduce budget for other operational expenses	Tellog software is crucial for CSE. Moving to correct object code 7580.
6	5030	8440	Consultants Other	\$4,800	\$5,000	(\$5,000)	\$0	Previous purchases were associated with Tellog licenses. Will be moved to 7580 improvements	SCADA staff will not have secure office space as required by Cyber Security Policy.
7	5020/5030	Various	Office Furnishings	\$0	\$4,000	(\$3,000)	\$1,000	Defer office and work station security	Will defer ability update construction cost data and technical reference subscriptions. Hard to catch up with the industrial standards.
8	5020/5030	Various	Books	\$1,875	\$2,175	(\$2,175)	\$0	Remove book and technical reference purchases.	Reduction is associated with the large diameter leakage detection contract. Reduced need for this item with reduced/eliminated service contracts.
9	5020	6215	Pipe and fittings	\$160	\$1,000	(\$1,000)	\$0	Do not purchase parts for projects.	Will defer updating of various office productivity software.
10	5020/5030	Various	Software	\$4,300	\$4,000	(\$1,000)	\$3,000	Reduce software updates	Hard to follow the market changes.
11	5020/5030	6420/6422/8420/8422	Temporary Employee	\$95,360	\$0	(\$95,145)	\$65,145	Maintain one temporary employee at 30 hrs/wk to support SCADA operations, trouble shooting and projects under four business units.	Temp employee has unique and specialized knowledge of various obsolete AWU legacy SCADA systems. Replacing this service through other commercial means would easily cost the utility in excess of \$120,000. We anticipate needing this resource until such time as current SCADA vacancies can be filled and appropriately trained.
<b>Total: Engineering Services Reductions</b>						<b>(\$399,590)</b>			



**Joint Committee Final Budget Reduction Recommendations**

Fund	Unit	Object Code	Line Item Description	FY 2014 Amended Budget	FY 2015 Proposed Budget	Budget Reduction Strategy	Revised FY 2015 Proposed Budget	Reduction Description	Service Level Impacts
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**Water Resource Management Reductions**

1	5020/5030	Various	5860 Services-other	\$109,981	\$120,000	(\$120,000)	\$0	Eliminate record management costs, payment to plumbers, training to homeowners	Will delay implementation of City Clerk's requirement to have project management financial and other records scanned for 10 year retention period. Will delay implementation of private lateral lien program. Will not provide three homeowner trainings in order for homeowners to be certified by the City to operate their own OSSF. This training requirement is in accordance with the recent revision of the OSSF ordinance. Will delay implementation of additional wastewater collection system model license maintenance component of planned platform upgrade to InfoWorks ICM. This additional functionality is needed to facilitate model operation efficiency and to model wastewater collection system features supported by this upgraded version. Delays increase in efficiency, functionality, and production time on wastewater collection system models.
2	5020/5030	Various	6388 Maintenance-computer software	\$46,600	\$46,600	(\$11,400)	\$35,200	No budget for proposed Asset Management software support services and other Infrastructure Management software maintenance. Eliminate software maintenance funding for one InfoWorks ICM license.	
3	5020/5030	Various	7580 Software	\$10,150	\$9,771	(\$9,771)	\$0	No budget for the Austin Water portion of CIP Management and Prioritization software maintenance and services in coordination with CTM and the Capital Planning Office, and other IMD software needs.	Impacts to quality and timeliness of IMD deliverables, and not being able to be part of the city-wide Capital Planning electronic documentation effort.
4	5020/5030	Various	5005 Overtime	\$2,500	\$10,000	(\$8,000)	\$2,000	Reduce overtime	At current rate of plan submittal, will be unable to achieve the required 28 day turn-around time for initial review or 14 day turn-around for subsequent reviews. Backlog & turnaround time will continue to grow until development slows.
5	5030	8411	5280 Consultant-others	\$7,500	\$7,500	(\$7,500)	\$0	Eliminate FY 2015 funding for AWU portion of rainfall data (also being funded by Watershed Protection) for wastewater collection system model calibration.	If agreement for Watershed Protection to fully fund this program for FY 2015 and provide the data to Austin Water cannot be achieved, will interrupt Austin Water's access to rainfall data for sewer model calibration. Without this data important wastewater collection system computer model calibration efforts will be interrupted and/or delayed.
6	5020/5030	Various	7615 Office furnishings	\$5,500	\$4,500	(\$4,500)	\$0	Eliminate office furnishings budget for FY 2015	Will delay purchase of office furnishings beyond FY 2015, will seek to get needed items from City Surplus stocks.
7	5020/5030	Various	7482 Food/ice	\$3,700	\$2,000	(\$2,000)	\$0	No budget available for food and drinks during IMD Public Meetings, Impact Fee Advisory Committee Meetings, and other Division events such as the Internal CIP Kick-off Meeting.	No food and drinks available for meetings that typically occur during the time most people eat dinner, and can sometimes last late into the night.
8	5020/5030	Various	6632 Memberships	\$2,595	\$2,345	(\$1,385)	\$960	Eliminate all memberships except one. The membership to remain is one that includes important publications with the membership. Publications are more costly than the membership cost.	Reduces the ability of professionals to network with other professionals and remain informed of emerging technology and procedures.

**Joint Committee Final Budget Reduction Recommendations**

Fund	Unit	Object Code	Line Item Description	FY 2014 Amended Budget	FY 2015 Proposed Budget	Budget Reduction Strategy	Revised FY 2015 Proposed Budget	Reduction Description	Service Level Impacts
9	5020/5030	Various	Other Items	\$1,400	\$1,579	(\$1,279)	\$300	Not having budget available for any applicable infrastructure management related activities requiring permits and/or fees. Not having functional office equipment for completing work effectively. No budget available for advertising position listings nor publishing public notices such as advertising for Public Meetings and Postings. No budget available for IMD clothing for field and customer-service related work, which could be confusing to citizens that observe IMD staff performing work.	Minimal as of this year we have not identified any applicable fees. Reduction in time to complete tasks. We would not be able to send any CIP and/or Asset Management related notices (note that most notices are now routed via the City Secretary's office). We would not be able to send any CIP and/or Asset Management surveys. Possible delays in field work.
	10	5020	5006	Temporary employees	\$0	\$92,000	\$92,000	Reduce fiber project completion to 9 months into the fiscal year.	Temporary employees for fiber project review reduced from 12 months to 9 months. Assumes all fiber project Plan review and construction oversight will be complete by the end of June 2015.
	11	5030	8431	Temporary employees	\$0	\$92,000	\$92,000	Reduce fiber project completion to 9 months into the fiscal year.	Temporary employees for fiber project review reduced from 12 months to 9 months. Assumes all fiber project Plan review and construction oversight will be complete by the end of June 2015.
<b>Total: Water Resource Management Reductions</b>						<b>\$18,165</b>			

**Environmental Affairs and Conservation Reductions**

1	5020	6607	all	all the Object Code	\$1,211,261	(\$1,066,652)	\$0	BCP costs assumed by General Fund	BCP costs assumed by General Fund
2	5020/5030	Various	5860	Services Other	\$308,992	(\$101,817)	\$232,175	Reduce fundamental land mgmt of the WQPL, eliminate \$1,500 for unspecified drinking water research; remaining funds for UT energy contract approved by Council	Work will be delayed leading to more expensive treatments to catch up with needed work
3	5020	6811	6450	Advertising/Publication	\$839,942	(\$39,000)	\$800,942	Reduce the overall advertising budget for water conservation efforts	The public would see less information regarding our water conservation efforts. If drought continues we would not publicize our possible stage 3/4 regulations.
4	5020/5030	Various	6452	Printing/Binding	\$67,305	(\$30,000)	\$37,305	Printing of the CCR and Reduce the size of the Water Science Expo	The cost of the CCR is currently being handled out the Treatment budget. Currently we serve over 2000 AISD students and provide information about water conservation and water services. We will reduce the number of students to 1000.
5	5020	6604	6383	Maintenance Buildings	\$9,000	(\$7,290)	\$1,710	Reduce majority of maintenance to buildings at Reicher	Maintenance for buildings will be curtailed with the potential for more costly repairs in future
6	5020/5030	Various	Various	Other Items	\$5,000	(\$2,600)	\$6,700	Reduction for Food/Ice, Subscriptions, Minor Computer Hardware, Maintenance-Office equipment, Clothing Material	Will delay some of our division's increased mobility efforts, Limit maintenance of office equipment service purchases to reduced amount. Field personnel will have to retain their City issued clothing and clothing materials for a longer period of time.
7	5020/5030	Various	7615	Office Furnishings	\$3,000	(\$1,050)	\$450	Reduce office furnishings purchases.	Limit office furnishings purchases to reduced amount.
8	5020/5030	Various	6632	Memberships	\$2,196	(\$1,007)	\$1,392	Eliminate membership funds not being used	none
9	5030	8221	6389	Maintenance-other equipment	\$4,000	(\$1,000)	\$3,000	Reduce maintenance of other equipment service purchases	Limit maintenance of other equipment service purchases to reduced amount.

**Joint Committee Final Budget Reduction Recommendations**

Revised  
FY 2015  
Proposed  
Budget

Budget  
Reduction  
Strategy

FY 2014  
Amended  
Budget

FY 2015  
Proposed  
Budget

Fund	Unit	Object Code	Line Item Description	FY 2014 Amended Budget	FY 2015 Proposed Budget	Budget Reduction Strategy	Reduction Description	Service Level Impacts
10	5020	6608	5006 Temporary Employees	\$0	\$0	\$16,500	maintain for legislative interim for 9 months, reduced by \$500 to offset subscription restorations of Statesman and Telicon	need support during intensive legislative session
11	5030	8607	5006 Temporary Employees	\$0	\$0	\$16,500	maintain for legislative interim for 9 months, reduced by \$500 to offset subscription restorations of Statesman and Telicon	need support during intensive legislative session FMLA-related issues keeping us from maintaining requisite staffing levels to keep up with the work load. Part time temporary position filling this gap by keeping them at the OSS dedicated to this part of the Pretreatment Program. Slower turn around time on plan reviews for OSS customers will result due to reduced staffing levels.
12	5030	7748	5006 Temporary	\$25,000	\$0	\$30,000	This is not a reduction. Retain temporary part time Pretreatment Compliance Specialist needed for One Stop Shop plan review duties.	
13	5020	6805	5006 Temporary Employees	\$250,000	\$0	\$75,000	Necessary support for drought restrictions	Necessary support for drought restrictions
<b>Total: Environmental Affairs &amp; Conservation Reductions</b>						<b>(\$1,112,416)</b>		

**Finance & Business Services Reductions**

1	5020/5030	6731/6631	5860 Services-Other	\$220,000	\$220,000	(\$220,000)	Eliminate all Aug Services Contractors	This will have a major negative impact on the ITS/GIS Service levels. Current Contractors are providing help desk, tech support, Application Project Management, and Development of CBT courses like PPE and Safety training requirements tracking, and Wastewater Averaging training videos
2	5020/5030	6248/6248	6382 Maintenance-grounds	\$75,000	\$372,576	(\$200,000)	Reduce number of grass cuts	Reduction in quality of lawn care maintenance levels
3	5020/5030	6417/6417	5860 Services-Other	\$122,000	\$122,000	(\$122,000)	Contractual Services from ESRI to assist the AVU GIS staff in development of Operational enhancements and Upgrades	Without this assistance there will be delays in delivery of new efficiency tools like the Operations Web Map and Cognos/ESRI integration. Negative implications to core AWU applications of Hansen, Cues Granite, Mobil workforce
4	5020/5030	Various	Maintenance Computer Software	\$142,500	\$124,500	(\$50,975)	Reduce Annual Maint. For Infor EAM software, eliminate Maint. For Brocade Ironview, eliminate the MSELTA True Up costs.	minimal impact.
5	5020/5030	Various	Maintenance -computer hardware	\$195,000	\$195,000	(\$50,000)	Maintenance -computer hardware	Less funds to replace security video recorders when they fail
6	5020/5030	Various	Minor Computer Hardware	\$54,100	\$54,450	(\$39,350)	Reduce or eliminate expenditure such as tables for training, computer monitors.	Will delay improvements to training, replacement equipment
7	5020/5030	Various	Interdepartmental charges	\$18,000	\$38,000	(\$38,000)	Consolidate all BSD services	Reduction in quality of custodial service levels
8	5020/5030	Various	Interdepart-PW CPM charges	\$0	\$36,000	(\$36,000)	Reductions in read/asbestos surveys	Defeat all building improvements
9	5020/5030	Various	Overtime	\$54,000	\$34,000	(\$35,800)	Schedule projects during business hours.	Some disruptions and noise during business hours
10	5020/5030	Various	Telephone - Base Cost	\$315,818	\$315,818	(\$30,000)	Reduce estimate by 10%	none
11	5020/5030	Various	Telephone - Cellular Phones	\$256,400	\$256,450	(\$26,050)	Reduce estimate by 10%	none
12	5020/5030	Various	Subscriptions	\$24,150	\$24,150	(\$24,150)	Eliminate AWU participation in the Gartner Subscription Services contract.	Removes a useful IT industry research and advisory services
13	5020	6248	Maintenance-buildings	\$20,000	\$30,000	(\$15,000)	Defer minor building repairs	Reduction in quality of building maintenance & repairs
14	5020/5030	Various	Services - medical/surgical	\$35,070	\$33,540	(\$7,540)	physicals for employees	will scale back on immunizations and audiograms
15	5020	6004	Non-CIP Capital	\$7,500	\$7,500	(\$7,500)	ID Badge Printer. Defer purchase until unit fails	Delay in ID badge production until new unit is purchased after failure; fund can come out of contingency fund.
16	5020/5030	Various	Services Other	\$0	\$5,000	(\$5,000)	Reduction in general improvements	Defer all building improvements
17	5020	6244	wireless communications install	\$0	\$4,200	(\$4,200)	Delay installation of AVL to investigators vehicles	Minimal
18	5020/5030	Various	Books - Library	\$33,955	\$32,199	(\$4,150)	required books for safety and TCEQ class	limits the number of students attending these classes
19	5020/5030	Various	Services security	\$5,000	\$4,000	(\$4,000)	Defer security automation repairs	Require manual securing of AVU sites
20	5020/5030	Various	Maintenance - other equipment	\$10,472	\$8,000	(\$4,000)	maint on confined space equipment	needed repairs may not happen

**Joint Committee Final Budget Reduction Recommendations**

Fund	Unit	Object Code	Line Item Description	FY 2014 Amended Budget	FY 2015 Proposed Budget	Budget Reduction Strategy	Revised FY 2015 Proposed Budget	Reduction Description	Service Level Impacts
21	5020/5030	Various	Software	\$8,000	\$8,000	(\$4,000)	\$4,000	Reduce expenditures by 50%	Eliminate funding some purchases for other divisions
22	5020/5030	Various	Telephone - Long Distance	\$5,929	\$5,929	(\$3,000)	\$2,929	Reduce estimate by 50%	none
23	5020/5030	Various	Educational/promotional	\$2,500	\$4,000	(\$3,000)	\$1,000	Safety educational materials	won't have materials to hand out to employees
24	5020/5030	Various	Other Items	\$6,900	\$5,929	(\$2,654)	\$3,275	Includes elimination or reduction to Mileage Reimbursements, Memberships, Clothing material, and electrical/lighting. Require employees to use AWU vehicles, reduce uniform costs.	Minimum impact, will encourage employees to use City Car and employees will have fewer new uniforms.
25	5020/5030	Various	Telephone - Equipment	\$25,525	\$25,525	(\$2,600)	\$22,925		none
26	5020/5030	Various	Maintenance-boilers	\$4,000	\$3,500	(\$2,500)	\$1,000	Defer boiler repairs	Disruption of boiler availability
27	5020/5030	Various	Office Furnishings	\$0	\$2,450	(\$2,350)	\$100	staff needs to replace broken furniture	Continue to use broken furniture, but need locking credenza
28	5020/5030	Various	Computer Supplies	\$2,000	\$2,000	(\$2,000)	\$0		Minimal impact to service levels
29	5020/5030	Various	Security Equipment	\$6,000	\$8,000	(\$2,000)	\$6,000	Reduce expenditures	Minimal impact to service levels
30	5030	8614	Rental-copy machines	\$4,868	\$4,868	(\$1,368)	\$3,500	Reduce Rental-copy	Not able to cover cost if rental copy fee increase
31	5020	6640	Rental - vehicles/buses	\$1,000	\$1,000	(\$1,000)	\$0	eliminate use of vans for USAT program	If the 2 temporary positions are not added back in, the impact would be a severe reduction in security expertise that is provided by the temps. Additionally, the Citizen Patrol coordination would be severely impacted.
32	5020/5030	Various	Temporary Employees	\$95,000	\$0	\$75,000	\$75,000	After the hire of Security Coordinator one temp can be eliminated but request to retain 2 temps	
<b>Total: Finance &amp; Business Services Reductions</b>						<b>(\$875,187)</b>			

**Direct Reports Reductions**

1	5020/5030	Various	Memberships	\$140,956	\$144,456	(\$84,224)	\$60,232	Professional corporate memberships and professional associations	Minimizes networking and strategic partnering with industry leaders and organizations that specialize in research in water and wastewater services. Many of these organizations offer a global perspective to the development and education of industry standards, practices, trends, and policies.
2	5020/5030	Various	Services Other	\$1,500	\$55,500	(\$54,000)	\$1,500	Utility wide document scanning contract	Negatively impacts the Utility's ability to comply with City Code (Chapter 2-11). Our Wild Land Conservation division and Retail customer Service division both have vital and historical records of the Utility that are not being maintained according to City Ordinance.
3	5020/5030	Various	Postage	\$66,000	\$80,000	(\$20,000)	\$60,000	Postage for the Utility	minimizes mail outs to customers on utility services and conservation programs
4	5020/5030	Various	Other Items	\$1,413	\$1,413	(\$1,413)	\$0	Reimbursement of mileage to travel to job fairs, meetings, and training at various sites and Safety Equipment for new board members and staff for plant tours.	Minimal impact. Staff may use the vehicle pool at Waller Creek. Also, we anticipate staff will have equipment available at the visiting sites to use.
<b>Total: Direct Reports Reductions</b>						<b>(\$159,637)</b>			

**Joint Committee Final Budget Reduction Recommendations**

Fund	Unit	Object Code	Line Item Description	FY 2014 Amended Budget	FY 2015 Proposed Budget	Budget Reduction Strategy	Revised FY 2015 Proposed Budget	Reduction Description	Service Level Impacts
<b>Other Operating Cost Reductions</b>									
1	5030	8806	5620 Legal Services	\$10,000	\$100,000	(\$100,000)	\$0	Eliminate outside legal counsel funding	Funding dedicated for outside legal counsel for Hornsby Bend Utility lawsuit. Cost can be avoided through settlement of issues
2	5030	8806	9012 Fencing	\$100,000	\$100,000	(\$100,000)	\$0	Delay Fencing at future NE Regional WWTP Site	Will delay compliance with purchase agreement (between Austin Energy and AWU) in which AWU must construct a fence separating Austin Energy's property from AWU's property for security and land management purposes
3	5030	8806	6363 Legal Services	\$40,000	\$40,000	(\$40,000)	\$0	Delay payment to Hornsby Bend in 2015	Assumes land in portion of Whisper Valley affected by the 2003 CCN settlement agreement will not be developed during the fiscal year. A one-time \$400 payment per connection paid to Hornsby Bend is contractually required.
4	5020	6806	6203 CTM easement management system gap analysis	\$25,000	\$25,000	(\$25,000)	\$0	Remove CTM easement management system gap analysis	Delay in analysis and potential implementation of easement management system-HK10
5	5020	6806	5860 Conflict Resolution service cost	\$9,634	\$9,634	(\$9,634)	\$0	Eliminate Conflict Resolution service cost	No service level impact
<b>Total: Other Operating Cost Reductions</b>				<b>(\$274,634)</b>					

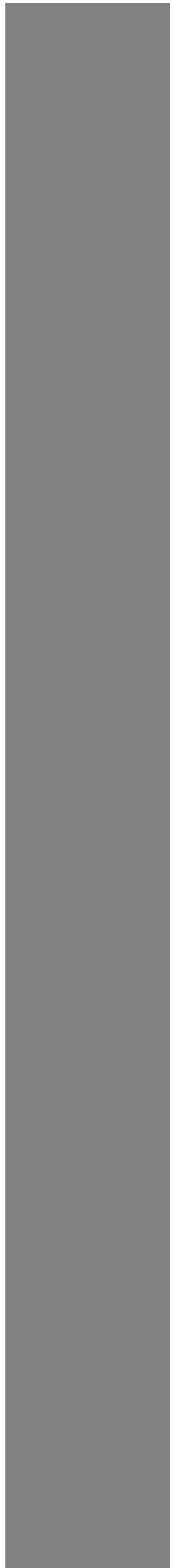
**Total: Joint Committee Recommended Budget Reductions** **(\$24,990,925)**

**Austin Water Utility**

**FY 2014 & 2015**

**Proposed Budget Reductions**

**Attachment B**



## Austin Water Utility FY2014 & 2015 Proposed Budget Reductions

Program Area/Division	Austin Water Utility	Treatment	Pipeline Operation	Water Resources Management	Environmental Affairs & Conservation	Engineering Services	Direct Reports	Finance and Business Services
AD/DM		Jane Burazer	Rick Coronado	David Juarez	Daryl Slusher	Chris Chen	Greg Meszaros	David Anders
FY2014 Approved Budget	178,109,044	80,125,776	41,740,477	7,897,387	14,229,724	11,340,041	3,214,245	19,561,394
Excluded Personnel Costs	90,241,350	30,165,461	22,277,285	7,296,601	7,887,723	6,956,351	2,657,956	12,999,973
Reduction Base	87,867,694	49,960,315	19,463,192	600,786	6,342,001	4,383,690	556,289	6,561,421
<b>5% Budget Reduction Target</b>	<b>4,393,385</b>	<b>2,498,016</b>	<b>973,160</b>	<b>30,039</b>	<b>317,100</b>	<b>219,185</b>	<b>27,814</b>	<b>328,071</b>
AD/DM Proposed Reduction	4,532,743	2,508,619	1,064,663	30,040	319,826	224,939	27,831	356,825
<b>Variance</b>	<b>139,358</b>	<b>10,603</b>	<b>91,503</b>	<b>1</b>	<b>2,726</b>	<b>5,755</b>	<b>17</b>	<b>28,754</b>

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Treatment  
AD: Butrazer

FY 2014 Overtime	\$1,489,187
FY 2014 Temporaries	131,920
FY 2014 Contractuals	33,601,890
FY 2014 Commodities	14,217,618
FY 2014 Non-CIP Capital	519,700
<b>Total</b>	<b>\$49,960,315</b>

**5% Reduction Goal \$2,498,016**

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings
2	AWU Electrical Services	5020	6043	5005	Overtime	Overtime 6043	Reduced ability to support critical process equipment emergencies repairs & internal repair projects at WTP's and Pump Stations/reservoirs	5,000
3	Wastewater Treatment: Hornsby Bend BMP 8032	5030	8032	5005	Overtime	Overtime for after hours needed work / weekend. Overtime for special projects.	No weekend or after hours work on special projects.	3,000
2	Wastewater Treatment: Hornsby Bend BMP 8033	5030	8033	5005	Overtime	Overtime for after hours needed work / weekend. Overtime for special projects.	No weekend or after hours work on special projects. No weekend work on the Compost pad moving sludge to storage areas or getting ready for peak sales season.	3,000
				<b>5005 Total</b>				<b>11,000</b>
1	Lab. Services	5030	8061	5006	Temporary employees	As hiring temporary employees will not be approved this FY, remove 5K budgeted in 5030-2200-8061 and 7K budgeted in 5030-2200-8063	May affect customer turnaround time and may not be able to support all new projects requested by customers; will have to prioritize the work we can accept	5,000
1	Lab. Services	5030	8063	5006	Temporary employees	As hiring temporary employees will not be approved this FY, remove 5K budgeted in 5030-2200-8061 and 7K budgeted in 5030-2200-8063	May affect customer turnaround time and may not be able to support all new projects requested by customers; will have to prioritize the work we can accept	7,000
2	Process Engineering	5020	6070	5006	Temporary employees	summer intern for water, wastewater and biosolids	We won't get as many studies done but can manage with one intern	3,600
2	Process Engineering	5030	8070	5006	Temporary employees	summer intern for water, wastewater and biosolids	We won't get as many studies done but can manage with one intern	3,600
				<b>5006 Total</b>				<b>19,200</b>
2	Lift Station / Remote Treatment	5030	8053	5018	Holiday Pay	Hours worked by staff on city Holidays.	Will reduce Normal schedule of 6 to 5.	2,000
				<b>5018 Total</b>				<b>2,000</b>
1	Instruments & Controls: 6044	5020	6044	5026	Stability pay	Stability pay 6044	No effect on operational abilities.	1,100
1	Instruments & Controls: 8044	5030	8044	5026	Stability pay	Stability pay 8044	No effect on operational abilities.	1,400
1	Process Engineering: 8070	5030	8070	5026	Stability Pay	Stability Pay	No Impact	2,130
1	Pump Stations and Reservoir Maint	5020	6042	5026	Stability Pay	Stability Pay 6042	No Impact	500
1	Pump Stations and Reservoir Maint	5020	6045	5026	Stability Pay	Stability Pay 6045	No Impact	4,000
1	Wastewater Treatment: SAR Treatment Plant	5030	8011	5026	Stability pay	Stability pay 8011		2,110
12	Wastewater Treatment: Walnut Creek WWTP	5030	8052	5026	Stability Pay	Stability Pay 8052		1,459
2	Water Treatment: Davis 6022	5020	6022	5026	Stability Pay	Stability Pay	No Impact	919
3	Water Treatment: Ullrich 6031	5020	6031	5026	Stability Pay	Stability Pay	No Impact	1,443
1	Water Treatment: Davis 6021	5020	6021	5026	Stability Pay	Stability Pay	No Impact	3,412
				<b>5026 Total</b>				<b>18,473</b>
3	Lift Station / Remote Treatment	5030	8053	5037	Call Back Time	Hours worked during emergency call back	Hope to achieve with better staffing during the day.	2,500
				<b>5037 Total</b>				<b>2,500</b>
9	Wastewater Treatment: Walnut Creek WWTP	5030	8052	5560	Services-construction contr			2,500



Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Treatment  
AD: Burazer

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FY 2014 Commodities	14,217,618
FY 2014 Non-CIP Capital	519,700
<b>Total</b>	<b>\$49,960,315</b>

**5% Reduction Goal \$2,498,016**

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings
4	Wastewater Treatment: Hornsby Bend BMP 8032	5030	8032	5560 Total	Hazardous Materials Disposal	Disposal of Hazardous materials that are located on site.	Store Hazardous materials on site longer until able to properly dispose.	2,500
				5600				7,000
				<b>5600 Total</b>				<b>7,000</b>
9	Wastewater Treatment: Hornsby Bend BMP 8033	5030	8033	5650	Services-Biosolids Reuse	Sludge Land Application contract	Continued stockpiling of sludge on site. Not able to remove as much of the fire related materials. Potential regulatory storage issues.	150,000
				<b>5650 Total</b>				<b>150,000</b>
7	Wastewater Treatment: Walnut Creek WWTP	5030	8052	5860	Services-other			2,500
32	Water Treatment: Ullrich 6032	5020	2200	5860	Services other	Lo Service pump 4 overhaul	Pump has vibration but still operates, pump 1 is scheduled to return soon and monies are encumbered from 2013 budget for pump 6 (lower seal leak) to be overhauled next with this timeline pump 4 may not get in until later this budget year so we can defer to 2015.	250,000
				<b>5860 Total</b>				<b>252,500</b>
4	Lift Station / Remote Treatment	5030	8053	6126	Rental - Other	Rental of small equipment	Better Reflect usage	311
				<b>6126 Total</b>				<b>311</b>
5	Lift Station / Remote Treatment	5030	8053	6135	Uniform Rental	Staff Uniforms and service	Better flect current usage	2,000
1	Wastewater Treatment: SAR Treatment Plant	5030	8011	6135	Rental - Uniforms	Uniform Contract for Employees	Estimate that plant budget is sufficient	1,500
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	6135	Rental - Uniforms	Uniform Contract for Employees	Estimate that plant budget is sufficient	1,500
				<b>6135 Total</b>				<b>5,000</b>
6	Lift Station / Remote Treatment	5030	8053	6160	Electric Service	Electric Bills	With taking Onion Creek Plant down and other saving measures.	65,000
1	Pump Stations and Reservoir Maint	5020	6045	6160	Electric Services	Electric Services	The operational impact to the Division should be minimal. The Time of Use(TOU) agreement with Austin Energy has forced us to evaluate, innovate, and reduce electric consumption while improving the operation and efficiency of our pump stations and reservoirs.	298,903
3	Wastewater Treatment: Walnut Creek WWTP	5030	8051	6160	Electric services			100,000
				<b>6160 Total</b>				<b>463,903</b>
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	6203	Interdepartmental Charges	AE no longer backcharges	Estimate that plant budget is sufficient	700
15	Water Treatment: Davis 6022	5020	6022	6203	HVAC	HVAC repairs	None repair cost now with facility management group	5,000
13	Water Treatment: Ullrich 6032	5020	6032	6203	Training	Money budgeted for training, hazwoper etc.	Training funds handled in treatment support	8,860

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Treatment  
Burazer

FY 2014 Overtime	\$1,489,187
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FY 2014 Contractuals	33,601,890
FY 2014 Commodities	14,217,618
FY 2014 Non-CIP Capital	519,700
<b>Total</b>	<b>\$49,960,315</b>

5% Reduction Goal \$2,498,016

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings
				<b>6203 Total</b>				<b>14,560</b>
33	Water Treatment: Ullrich 6032	5020	6032	6236	Inspector Public Works	Lo Service pump 4 overhaul inspection/oversite	Defer to 2015	15,000
				<b>6236 Total</b>				<b>15,000</b>
1	Instruments & Controls	5020	6044	6245	Wireless Communications	5020 2200 6044 AVL monthly fee, equipment costs.	No effect on operational abilities. Vehicles not currently equipped so can defer but would provide a safety and accountability factor	3,900
26	Water Treatment: Davis 6021	5020	6021	6245	AVL install maintenance?	GPS units for 7 sludge tractors	Vehicles not currently equipped so can defer but would provide a safety and accountability factor	4,700
29	Water Treatment: Ullrich 6031	5020	6031	6245	AVL install maintenance?	GPS units for 7 sludge tractors, one ops vehicle	Vehicles not currently equipped so can defer but would provide a safety and accountability factor	5,200
				<b>6245 Total</b>				<b>13,800</b>
1	Instruments & Controls	5020	6044	6248	Wireless Communications	5020 2200 6044 AVL equipment installation costs.	No effect on operational abilities. Vehicles not currently equipped so can defer but would provide a safety and accountability factor	2,465
27	Water Treatment: Davis 6021	5020	6021	6248	AVL purchase?	GPS units for 7 sludge tractors	Vehicles not currently equipped so can defer but would provide a safety and accountability factor	3,500
30	Water Treatment: Ullrich 6031	5020	6031	6248	AVL purchase?	GPS units for 7 sludge tractors, one ops vehicle	Vehicles not currently equipped so can defer but would provide a safety and accountability factor	3,600
				<b>6248 Total</b>				<b>9,565</b>
7	Lift Station / Remote Treatment	5030	8053	6381	Maint. Electric Motors	Fixing Motors	Reflect Current usage	5,000
	Wastewater Treatment: Hornsby Bend BMP 8032	5030	8032	6381	Maintenance-electric motors	Repair of electric motors	Delay equipment repairs. Possible interference with plant operations.	15,000
				<b>6381 Total</b>				<b>20,000</b>
2	Treatment Support: Govalle / 8021	5030	8021	6382	Maintenance--Grounds	Contract maintenance for grounds maintenance	None--covered in Facility Mgmt Budget	\$ 30,000
10	Wastewater Treatment: Hornsby Bend BMP 8032	5030	8032	6382	Maintenance--Grounds	Contract for grounds maintenance	Being paid for by Facilities Mgmt	20,000
2	Wastewater Treatment: SAR Treatment Plant	5030	8012	6382	Maintenance - grounds	Grounds maintenance for facility	Minimal - facility maintenance funds this service	50,000
6	Wastewater Treatment: Walnut Creek WWTP	5030	8052	6382	Maintenance-grounds			1,000
11	Wastewater Treatment: Walnut Creek WWTP	5030	8052	6382	Maintenance--Grounds	Maintenance--Grounds 8052		55,000
				<b>6382 Total</b>				<b>156,000</b>
8	Lift Station / Remote Treatment	5030	8053	6383	Maint. of Buildings	Building repairs	Current usage and 1 less building from Onion Creek	2,000
8	Wastewater Treatment: Walnut Creek WWTP	5030	8052	6383	Maintenance-buildings	Replacement of old appliances in breakrooms	Still working some better than others but very old run until failure defer to next year	3,000
19	Water Treatment: Ullrich 6032	5020	6032	6383	Maintenance buildings			3,881
				<b>6383 Total</b>				<b>8,881</b>
16	Water Treatment: Davis 6021	5020	6032	6387	Scada computer warranty	Maintenance office equipment	Funds not used last year- no warranty on computer failure? (Quick's workgroup)	1,119

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Treatment  
AD: Butrazer

FY 2014 Overtime	\$1,489,187
FY 2014 Temporaries	131,920
FY 2014 Contractuals	33,601,890
FY 2014 Commodities	14,217,618
FY 2014 Non-CIP Capital	519,700
<b>Total</b>	<b>\$49,960,315</b>

5% Reduction Goal \$2,498,016

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings
16	Water Treatment: Davis 6021	5020	6021	6387	Scada computer warranty	Maintenance office equipment	Funds not used last year- no warranty on computer failure? (Quick's workgroup)	3,100
				<b>6387 Total</b>				<b>4,219</b>
5	Wastewater Treatment: Hornsby Bend BMP 8032	5030	8032	6389	Maintenance-Other equipment	Repair / Replacement of overhead cranes in Thickener and Maintenance Shop.	Certain work may not be able to be completed. Possibly have to rent moving equipment for work in buildings.	40,000
5	Wastewater Treatment: Walnut Creek WWTP	5030	8052	6389	Maintenance-other equipment			2,000
7	Water Treatment: Davis 6022	5020	6022	6389	Maintenance other equipment	Rebuild one high service pump	None now included in current CIP Hydraulic project	60,000
21	Water Treatment: Ullrich 6032	5020	6032	6389	Maintenance other equipment	Centrifuge repair	Defer until next year the 4 are currently working okay just does not support asset management of one rebuild per year, some of these funds will move to 7320 due to amount currently used in that object	35,000
				<b>6389 Total</b>				<b>137,000</b>
11	Water Treatment: Davis 6022	5020	6022	6395	Maintenance vehicles	Lift tailgate purchase for maintenance truck	Savings on actual purchase vs budget estimate given	7,500
				<b>6395 Total</b>				<b>7,500</b>
14	Water Treatment: Davis 6021	5020	6021	6406	Telephone equipment	Replacement phone equipment	Plant currently under a total phone system upgrade should have some warranty	2,081
				<b>6406 Total</b>				<b>2,081</b>
1	Wastewater Treatment: SAR Treatment Plant	5030	8011	6407	Telephone - cell phones	Cell phone and AVL card	Estimate that plant budget is sufficient	125
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	6407	Telephone - cell phones	Cell phone and AVL card	Estimate that plant budget is sufficient	375
28	Water Treatment: Davis 6021	5020	6021	6407	telephone cellular	GPS units for 7 sludge tractors	Vehicles not currently equipped so can defer but would provide a safety and accountability factor	1,000
31	Water Treatment: Ullrich 6031	5020	6031	6407	Telephone cellular	GPS units for 7 sludge tractors, one ops vehicle	Vehicles not currently equipped so can defer but would provide a safety and accountability factor	1,400
				<b>6407 Total</b>				<b>2,900</b>
5	Lab. Services	5020	6050	6416	Priority Mail services	Remove \$350.00 from each org . In the Division	None expected	350
5	Lab. Services	5030	8061	6416	Priority Mail services	Remove \$350.00 from each org . In the Division	None expected	350
5	Lab. Services	5030	8063	6416	Priority Mail services	Remove \$350.00 from each org . In the Division	None expected	350
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	6416	Priority Mail - parcel	Overnight mail of instrumentation equipment	Estimate that plant budget is sufficient	128
				<b>6416 Total</b>				<b>1,178</b>
9	Lift Station / Remote Treatment	5030	8053	6551	Mileage Reimbursement	Reimbursement for POV usage	Vacant DM, Better flexion during vacancy.	750
				<b>6551 Total</b>				<b>750</b>
1	Wastewater Treatment: SAR Treatment Plant	5030	8011	6558	Professional Registration	TCEQ WW License for O & M Techs	Estimate that plant budget is sufficient	516

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Treatment  
AD: Butrazer

FY 2014 Overtime	\$1,489,187
FY 2014 Temporaries	131,920
FY 2014 Contractuals	33,601,890
FY 2014 Commodities	14,217,618
FY 2014 Non-CIP Capital	519,700
<b>Total</b>	<b>\$49,960,315</b>

5% Reduction Goal \$2,498,016

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	6558	Professional Registration	TCEQ WW License for O & M Techs	Estimate that plant budget is sufficient	333
				<b>6558 Total</b>				<b>849</b>
6	Lab. Services	5020	6050	6633	Subscriptions	Remove \$1022 from 5020-2200-6050	None expected	1,022
				<b>6633 Total</b>				<b>1,022</b>
7	Lab. Services	5020	6050	6843	Government Permits and Fees	Remove 8K from 5020-2200-6050	Fees for UCMR 3 testing invoiced less than expected but if there is a retest there will be an impact to the fees and may affect the budget in this object code	8,000
1	Wastewater Treatment: SAR Treatment Plant	5030	8011	6843	Government Permit and Fees	Plant Permit & Stormwater Renewal	Minimal - both Permits paid and budget is sufficient	4,420
				<b>6843 Total</b>				<b>12,420</b>
10	Lift Station / Remote Treatment	5030	8053	7114	Construction Repair	Construction Materials	Better Reflect usage	500
				<b>7114 Total</b>				<b>500</b>
11	Lift Station / Remote Treatment	5030	8053	7117	Cement	Cement	Better Reflect usage	250
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	7117	Cement/Concrete	Concrete repair of sidewalks & structures	Estimate that plant budget is sufficient	1,000
				<b>7117 Total</b>				<b>1,250</b>
12	Lift Station / Remote Treatment	5030	8053	7119	Sand and Gravel	Material	Better Reflect usage	500
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	7119	Sand/Gravel/Stone	Fill material, road repair, etc.	Estimate that plant budget is sufficient	1,000
<b>10</b>	Water Treatment: Davis 6022	5020	6022	7119	Sand, gravel, stone	Sand, gravel, anthracite purchase	Savings on amount purchased	12,000
<b>9</b>	Water Treatment: Ullrich 6032	5020	6032	7119	Sand, gravel, stone	Anthracite purchase	Savings on amount purchased	15,000
				<b>7119 Total</b>				<b>28,500</b>
13	Lift Station / Remote Treatment	5030	8053	7122	Hardware / Steel	Material	Better Reflect usage	2,750
2	Wastewater Treatment: SAR Treatment Plant	5030	8012	7122	Hardware/Wire/Steel	Bolts, screws, rebar, etc.	Estimate that plant budget is sufficient	7,500
				<b>7122 Total</b>				<b>10,250</b>
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	7123	Building material	Wood, metal, etc. for structure repairs	Estimate that plant budget is sufficient	1,600
				<b>7123 Total</b>				<b>1,600</b>
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	7128	Welding Supplies	Welding equipment	Estimate that plant budget is sufficient	1,000
				<b>7128 Total</b>				<b>1,000</b>
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	7129	Refrigerant Components HVAC	Refrigerant for the various AC units	Minimal - facility maintenance funds this cost	1,000
				<b>7129 Total</b>				<b>1,000</b>
2	Wastewater Treatment: SAR Treatment Plant	5030	8012	7132	Pipes and fittings	PVC, cast iron, ductile iron pipe repair	Stormwater, Risk Management problem with leaks	7,000
<b>23</b>	Water Treatment: WTP 4 6062	5020	6062	7132	Pipe and fittings	Storeroom stock	Cut the dollar amount allotted should be okay to defer 2015	2,000
				<b>7132 Total</b>				<b>9,000</b>

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Treatment  
Burazer

FY 2014 Overtime	\$1,489,187
FY 2014 Temporaries	131,920
FY 2014 Contractuals	33,601,890
FY 2014 Commodities	14,217,618
FY 2014 Non-CIP Capital	519,700
<b>Total</b>	<b>\$49,960,315</b>

**5% Reduction Goal \$2,498,016**

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings
3	Wastewater Treatment: SAR Treatment Plant	5030	8012	7133	Valves	Valve replacements	Process control problems	4,000
24	Water Treatment: WTP 4 6062	5020	6062	7133	Valves	Storeroom stock	Cut the dollar amount allotted should be okay to defer 2015	2,000
				<b>7133 Total</b>				<b>6,000</b>
8	Lab. Services	5020	6050	7134	Chemicals	Remove 10K from 5030-2200-8063 and 10K from 5020-2200-6050	If cost of Chemicals go up or new testing requested or if there is an unexpected increase in chemicals for WTP4 then we may have to revisit this amount but based on current spending and 5 Year history this is the max. cut in this obj. code without significant impact	10,000
8	Lab. Services	5030	8061	7134	Chemicals	Remove 10K from 5030-2200-8061, 5K from 5030-2200-8063 and 10K from 5020-2200-6050	If cost of Chemicals go up or new testing requested or if there is an unexpected increase in chemicals for WTP4 then we may have to revisit this amount but based on current spending and 5 Year history this is the max. cut in this obj. code without significant impact	10,000
8	Lab. Services	5030	8063	7134	Chemicals	Remove 10K from 5030-2200-8061, 5K from 5030-2200-8063 and 10K from 5020-2200-6050	If cost of Chemicals go up or new testing requested or if there is an unexpected increase in chemicals for WTP4 then we may have to revisit this amount but based on current spending and 5 Year history this is the max. cut in this obj. code without significant impact	5,000
14	Lift Station / Remote Treatment	5030	8053	7134	Chemicals	Materials and chemicals	Onion Creek cut back, and soda ash cut back	5,000
7	Wastewater Treatment: Hornsby Bend BMP 8031	5030	8031	7134	Chemicals	Polymer, Sulfa-Treat, Odor Chemicals	More odor emissions and more sludge because of less thickening and dewatering.	150,000
3	Wastewater Treatment: SAR Treatment Plant	5030	8011	7134	Chemicals	Hypochlorite, Sulfur Dioxide, Magnesium usage	Estimate that plant budget is sufficient	250,000
2	Wastewater Treatment: Walnut Creek WWTP	5030	8051	7134	Chemicals	CO2 contract cost reduction	None	300,000
4	Water Treatment: Davis 6021	5020	6021	7134	Chemicals	CO2 contract cost reduction	None (note reduction not as much as salt contract cost increased) offset included	40,564
6	Water Treatment: Plant 4 6061	5020	6061	7134	Chemicals	CO2 and LAS contract cost reduction	None	13,281
5	Water Treatment: Ullrich 6031	5020	6031	7134	Chemicals	CO2 contract cost reduction	None	71,562
				<b>7134 Total</b>				<b>855,407</b>
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	7310	Gasoline/oil/grease	Gas/oil for plant vehicles	Estimate that plant budget is sufficient	8,000
25	Water Treatment: WTP 4 6062	5020	6062	7310	Gas, oil, grease	Storeroom stock	Cut the dollar amount allotted should be okay to defer 2015	1,000
				<b>7310 Total</b>				<b>9,000</b>
15	Lift Station / Remote Treatment	5030	8053	7320	Parts for Equipment	Repair Parts	Cut Back 5% reduction	5,500

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Treatment  
AD: Butrazer

FY 2014 Overtime	\$1,489,187
FY 2014 Temporaries	131,920
FY 2014 Contractuals	33,601,890
FY 2014 Commodities	14,217,618
FY 2014 Non-CIP Capital	519,700
<b>Total</b>	<b>\$49,960,315</b>

**5% Reduction Goal \$2,498,016**

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings
8	Wastewater Treatment: Hornsby Bend BMP 8032	5030	8032	7320	Parts for equipment	Parts to repair plant equipment	Delay equipment repairs. Reduction in PM program. Higher equipment breakdown rates, higher repair costs	50,000
3	Wastewater Treatment: SAR Treatment Plant	5030	8012	7320	Parts for equipment	Bearings, pump parts, etc.	Estimate that plant budget is sufficient	20,000
				<b>7320 Total</b>				<b>75,500</b>
2	Lab. Services	5020	6050	7486	Books-library	Remove \$350.00 from each org . In the Division	None expected	350
2	Lab. Services	5030	8061	7486	Books-library	Remove \$350.00 from each org . In the Division	None expected	350
2	Lab. Services	5030	8063	7486	Books-library	Remove \$350.00 from each org . In the Division	None expected	350
				<b>7486 Total</b>				<b>1,050</b>
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	7500	Office Supplies	Office Supplies for all of the plant offices	Estimate that plant budget is sufficient	2,500
				<b>7500 Total</b>				<b>2,500</b>
4	Lab. Services	5020	6050	7510	Computer Supplies	Remove \$1250 from 5020-2200-6050	None expected	1,250
				<b>7510 Total</b>				<b>1,250</b>
9	Lab. Services	5020	6050	7600	Small tools/minor equipment	Remove 7.333K from 5030-2200-8061, 3.667K from 5030-2200-8063 and 11K from 5020-2200-6050	If cost of supplies go up or new testing requested or if there is an unexpected increase in supplies for WTP4 then we may have to revisit this amount but based on current spending and 5 Year history this is the max. cut in this obj. code without a significant impact	11,000
9	Lab. Services	5030	8061	7600	Small tools/minor equipment	Remove 7.333K from 5030-2200-8061, 3.667K from 5030-2200-8063 and 11K from 5020-2200-6050	If cost of supplies go up or new testing requested or if there is an unexpected increase in supplies for WTP4 then we may have to revisit this amount but based on current spending and 5 Year history this is the max. cut in this obj. code without a significant impact	7,333
9	Lab. Services	5030	8063	7600	Small tools/minor equipment	Remove 7.333K from 5030-2200-8061, 3.667K from 5030-2200-8063 and 11K from 5020-2200-6050	If cost of supplies go up or new testing requested or if there is an unexpected increase in supplies for WTP4 then we may have to revisit this amount but based on current spending and 5 Year history this is the max. cut in this obj. code without a significant impact	7,333
16	Lift Station / Remote Treatment	5030	8053	7600	Small Tools	Tools and small Equipment	Cut Back 6% reduction	7,500
10	Wastewater Treatment: Walnut Creek WWTP	5030	8052	7600	Small tools/minor equipment			1,000
17	Water Treatment: WTP 4 6062	5020	6062	7600	Small tools minor equipment	Office furniture, lab equipment, breakroom equip.	None furnishings and equipment now provided in plant project-unknown if provided when budgeted.	54,950

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Treatment  
AD: Butrazer

FY 2014 Overtime	\$1,489,187
FY 2014 Temporaries	131,920
FY 2014 Contractuals	33,601,890
FY 2014 Commodities	14,217,618
FY 2014 Non-CIP Capital	519,700
<b>Total</b>	<b>\$49,960,315</b>

**5% Reduction Goal \$2,498,016**

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings
20	Water Treatment: Ullrich 6031	5020	6031	7600	Small tools minor equipment	Operations tools and equipment	Reduced budgeted amount, may not have enough to repair or replace	5,000
22	Water Treatment: WTP 4 6061	5020	6061	7600	Small tools minor equipment	Operations small tools	Cut the dollar amount allotted should be okay to defer 2015	1,000
				<b>7600 Total</b>				<b>91,450</b>
1	Wastewater Treatment: SAR Treatment Plant	5030	8012	7603	Security Equipment	Front security gate repair	Plant security could be compromised	2,000
				<b>7603 Total</b>				<b>2,000</b>
3	Lab. Services	5020	6050	7610	Minor Computer hardware	Remove \$350.00 from each org . In the Division	None expected	350
3	Lab. Services	5030	8061	7610	Minor Computer hardware	Remove \$350.00 from each org . In the Division	None expected	350
3	Lab. Services	5030	8063	7610	Minor Computer hardware	Remove \$350.00 from each org . In the Division	None expected	350
12	Water Treatment: WTP 4 6061	5020	6061	7610	Minor computer hardware	Office printers	None follows city initiative to reduce printers	1,200
				<b>7610 Total</b>				<b>2,250</b>
18	Water Treatment: Davis 6022	5020	6022	7615	Office furniture	Furniture to replace dated training room and offices	Defer and continue with old worn out furnishings-not ergonomic	10,000
				<b>7615 Total</b>				<b>10,000</b>
1	AWU Electrical Services	5030	8043	9051	Other Equipment	8043	Continue using dated testing equipment that is dated technology high maintenance and difficult to support, until FY14/15 Budget.	8,000
1	Wastewater Treatment: Hornsby Bend BMP 8032	5030	8032	9051	Other equipment / NON-CIP Capital	Man lift for Digester Complexes	Certain work will have to be delayed until unit can be purchased, or leased.	30,000
8	Water Treatment: Ullrich 6032	5020	6032	9051	Other equipment	Bljjax purchase (articulating man lift)	Savings on bid vs. estimate when budgeted	19,000
				<b>9051 Total</b>				<b>57,000</b>

**Total Reductions 2,508,619**

**Variance from Target \$ 10,603**

**Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Pipeline Operations  
AD: Coronado**

2014 Budget	\$ 41,740,477
Minus fixed Personnel	\$ 22,277,285
Difference	\$ 19,463,192
5% reduction target	\$ 973,160

Priority (1 = 1st to Cut)	Division	Object Code	Object Code Name	Description	Impact	\$ Savings
1	CSS-8442	5006	Temp. Employees	Temporary Employees	Fewer staff to meet CSS Business Plan	\$ 125,757
2	CSS-8442	6125	Rental-vehicle/buses	Rental-vehicle/buses	N/A	\$ 500
7	CSS-8442	5595	Service-garbage/recycle	Service-garbage/recycle	Pick-up of recycle / WW Waste Pick-up	\$ 30,000
3	CSS-8442	7500	Office Supplies	Office Supplies	Limited office supplies for Staff and field crews	\$ 2,000
5	CSS-8442	7135	Household/cleaning supplies	Household/cleaning supplies	Limited cleaning supplies for field crews to clean their equipment and vehicles	\$ 1,000
8	CSS-8442	9051	Other Equipment	Other Equipment	Need 3" WW pump to address SSO	\$ 3,913
4	CSS-8443	6124	Rental-copy machine	Rental-copy machine	Funds needed for rental of copy machine	\$ 500
6	CSS-8442	7478	Clothing/clothing material	Clothing/clothing material	No new coveralls or jackets	\$ 13,737
1	CSS-8231	5006	Temp. Employees	Temporary Employees	Fewer staff to meet CSS Business Plan	\$ 30,000
6	CSS-8231	7116	Asphalt	Asphalt	Will have to complete fewer street cuts, this asphalt is for temporary repairs.	\$ 40,000
4	CSS-8231	7122	Hardware/wire/steel	Hardware/wire/steel	Will rebuild/repair fewer fences	\$ 1,000
5	CSS-8231	7123	Building material	Building material	Will rebuild/repair fewer fences	\$ 5,000
7	CSS-8231	7478	Clothing/clothing material	Clothing/clothing material	No new coveralls or jackets for employees in FY 14, purchased all employees jackets in FY 13	\$ 5,000
10	CSS-8231	6207	Intrdepartmental - Street Cut	Paving/Restoration by Street & Bridge (North Zone)	May limit Paving/Restoration by Street & Bridge	\$ 126,225
1	Mgmt. Services-6211	5006	Temp. Employees	Temporary Employees	Documents will need to be separated, filed and disposed of according to our records retention schedule by the existing staff.	\$ 8,000
2	CRS-6243	5006	Temp. Employees	Temporary employees	none	\$ 5,000
1	CRS-6416	5006	Temp. Employees	Temporary employees	none	\$ 77,064
	ARV/PRV	5037	Call Back	Call Back	Could reduce response time for repairs	\$ 1,513
	ARV/PRV	7478	Clothing	Uniforms	N/A	\$ 503
	ARV/PRV	7600	Small Tools	Small Tolls / Minor Equipment	Would utilize funding from another unit as needed	\$ 1,500
	ARV/PRV	7132	Pipes and Fittings	Pipes and Fittings	Would utilize funding from another unit as needed	\$ 2,500
	ARV/PRV	7133	Valves	Valves	Would utilize funding from another unit as needed	\$ 1,500
	ARV/PRV	7330	Parts for Vehicles	Parts for Vehicles	Would utilize funding from another unit as needed	\$ 1,000
	Valve Exercising	5030	On-Call Hours	On-Call Hours	Would utilize funding from another unit as needed	\$ 1,000
	Valve Exercising	7122	Hardware/Steel	Hardware/Steel	Would utilize funding from another unit as needed	\$ 200
	Valve Exercising	7133	Valves	Valves	Would utilize funding from another unit as needed	\$ 921
	Fire Hydrant	5030	On-Call Hours	On-Call Hours	Would utilize funding from another unit as needed	\$ 3,121
	Fire Hydrant	7117	Concrete	Concrete	Would utilize funding from another unit as needed	\$ 4,000
	Fire Hydrant	7132	Pipes and Fittings	Pipes and Fittings	Would utilize funding from another unit as needed	\$ 24,135
	Fire Hydrant	7133	Valves	Valves	Would utilize funding from another unit as needed	\$ 16,802
	Fire Hydrant	7600	Small Tools	Small Tolls / Minor Equipment	Would utilize funding from another unit as needed	\$ 5,163



Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Pipeline Operations  
AD: Coronado

2014 Budget	\$ 41,740,477
Minus fixed Personnel	\$ 22,277,285
Difference	\$ 19,463,192
5% reduction target	\$ 973,160

Priority (1 = 1st to Cut)	Division	Object Code	Object Code Name	Description	Impact	\$ Savings
	Fire Hydrant	6207	Intrdepartmental - Street Cut	Intrdepartmental - Street Cut	Would utilize funding from another unit as needed	\$ 11,900
	Valves	7102	Agricultural / Horticultural	Agricultural / Horticultural	Reduce the amount of remediation completed to property	\$ 518
	Valves	7121	Street/Traffic Signs	Street/Traffic Signs	Would utilize funding from another unit as needed	\$ 618
	Valves	7123	Building Material	Building Material	Would utilize funding from another unit as needed	\$ 765
	Valves	7127	Electrical Lighting	Electrical Lighting	Would utilize funding from another unit as needed	\$ 698
	Valves	7132	Pipes and Fittings	Pipes and Fittings	Would utilize funding from another unit as needed	\$ 10,000
	Valves	7134	Chemical	Chemical	Would utilize funding from another unit as needed	\$ 576
	Valves	7510	Computer Supplies	Computer Supplies	Would utilize funding from another unit as needed	\$ 1,000
	Valves	6207	Intrdepartmental - Street Cut	Intrdepartmental - Street Cut	Would utilize funding from another unit as needed	\$ 12,325
	Maintenance Days	5600	Hazardous Material Disposal	Hazardous Material Disposal	Would utilize funding from another unit as needed	\$ 2,181
	Maintenance Days	7102	Agricultural / Horticultural	Agricultural / Horticultural	Reduce the amount of remediation completed to property	\$ 528
	Maintenance Days	6207	Intrdepartmental - Street Cut	Intrdepartmental - Street Cut	Would utilize funding from another unit as needed	\$ 274,550
	Maintenance Nights	6126	Rental- Other Equipment	Rental- Other Equipment	Would utilize funding from another unit as needed	\$ 450
	Maintenance Nights	7615	Office Furnishings	Office Furnishings	Would utilize funding from another unit as needed	\$ 10,000
	WMO-6241	5560	Const Contract	For Meter Repair Service Contract	None - Contract will not be awarded in time to spend all of the funding	\$ 200,000

**Total Reductions** \$ 1,064,663

**Variance from Target** \$ 91,504



Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Environmental Affairs & Conservation  
AD: Daryl Slusher

2014 Budget without Personnel Fixed Cost	\$ 6,342,001
5% Reduction Target	\$ 317,100

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Name	Description	Impact	\$ Savings
1	Water Conservation	5020	6810	6811	Commercial Incentives	Funding dedicated to the commercial sector for rebates related to enhanced water use efficiency. Reduce existing \$750,000 budget to \$650,000, resulting in a \$100,000 reduction.	The \$100,000 reduction will impact the amount of funding available for commercial sector rebates related to enhanced water use efficiency. The commercial sector rebates have been under spent in recent budget cycles. However, a new commercial audit rebate scheduled to commence in FY14 is expected to drive higher demand for the commercial incentive in the following years. The proposed reduction will have a marginal impact on the ability to provide commercial incentives in the future.	\$ 100,000
2	Water Conservation	5020	6805	6825	Grants to others /subrecipients	Funding dedicated for grants related to enhanced water use efficiency. Reduce existing \$250,000 budget to \$160,000, resulting in a \$90,000 reduction.	The \$90,000 reduction will impact the amount of funding available for grants related to water use efficacy. A slow start to the Community Grant Program in FY14, lower than expected interest levels and administrative resource allocation issues have reduced spending in this budget area. The proposed reduction will have a marginal impact on the ability to provide community grants in the future.	\$ 90,000
3	Wildland Conservation	5020	6606	6327	Fire/Extend Coverage Insurance	Insurance for Prescribed Fire	Changes at Legislature this year have made it unnecessary	\$ 25,436
4	Wildland Conservation	5020	6606	5006	Temp Employees	Temp Employees	No wildlife management this year reduces the need in this object code	\$ 5,344
5	Regulatory Services	5020	6608	5860	Services - Other	funding for drinking water research	reduce discretionary contribution to Water Research Foundation from \$2,500 to \$1,500	\$ 1,000
6	Regulatory Services	5030	8607	5860	Services - Other	funding for waste water research	reduce discretionary contribution to Water Environment Research Foundation from \$2,500 to \$1,500	\$ 1,000
7	Regulatory Services	5020	6608	6416	Priority Mail - Parcel Services	funding for priority mail or packages - primarily for TCEQ correspondence and submittals	TCEQ submittals are being hand-delivered so priority mail is not being used very much; sufficient funding will still be available with this reduction	\$ 4
8	Wildland Conservation	5020	6607	6382	Maintenance - grounds	Ground maintenance at Reicher and Bohls II	Reducing the amount of grounds maintained, and doing work with WCD staff	\$ 8,000

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Environmental Affairs & Conservation  
AD: Daryl Slusher

2014 Budget without Personnel Fixed Cost	\$ 6,342,001
5% Reduction Target	\$ 317,100

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Name	Description	Impact	\$ Savings
9	Wildland Conservation	5020	6607	6383	Maintenance - buildings	Building maintenance at Reicher and other tracts	Less maintenance work needed, some buildings being removed	\$ 4,000
10	Wildland Conservation	5020	6607 6222-	5860	Outside services	Outside service contracts for BCP	Reducing the amount of work we will be able to get done on the Preserve such as oak wilt trenching, cave gating, and restoration	\$ 14,296
11	Special Services	5020 5030	\$1000 8221- \$1000	7615	Office furnishings	Replacement of office furniture	We will defer obtaining replacement office furniture to another fiscal year.	\$ 2,000
12	Special Services	5030	8221	7600	Small tools/minor equipment	Two automatic samplers with flow metering, pH monitoring & other accessories.	We will only purchase one of the three auto-samplers originally budgeted for replacement in FY2014, which will affect our ability to sample industrial users as effectively as originally planned. Plan is to acquire the other two auto-samplers in a future budget year.	\$ 8,000
13	Public Information Office	5020	6811	6450	Advertising Publication	We will reduce our TV advertising as it is the most costly to run.	Less promotion of our water conservation message. This will reduce the number of TV spots placed throughout the year. This reduction equates to roughly 700 TV spots over the next year. We currently have about 100 spots running each week	\$ 45,746
14	Public Information Office	5020	6811	6450	Advertising Publication	Sponsorships for various organizations and events	For FY 2013-14 Austin Water committed to support various organizations and events to a sum of \$102,000. We will reduce financial commitment for several of the events such as funding the entire City participation of \$10,000 for the earth day event and funding \$10,000 for the Zilker Park event. We would fund at the \$2500 funding level for each event.	\$ 15,000

**Proposed for 5% Reduction**      \$ 319,826  
**Variance from Target**                      \$ 2,726

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Engineering Services  
AD: Chris Chen

2014 Budget without Personnel Fixed Cost	\$ 4,383,690
5% Reduction Target	\$ 219,185

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings
1	Collection Engineering	5030	8440	6396	Maintenance-pipelines	Sewer line cleaning and TV inspection -citywide	Contractor is moving slowly, do not expect to be able to utilize these funds this FY.	75,000
2	Collection Engineering	5030	8440	6396	Maintenance-pipelines	Sewer line cleaning and TV inspection - downtown	Contractor is moving slowly, do not expect to be able to utilize these funds this FY.	75,000
3	Distribution Engineering	5020	6215	6396	Maintenance-Pipelines	PURE Contract for leak detection and conditional assessment for transmission lines	Could minimize the amount of leak detection and condition assessment performed in the system.	44,000
4	Distribution Engineering	5020	6215	6396	Maintenance-Pipelines	ME Simpson Contract for large valve exercising	Could minimize the number of large valves to be exercised and evaluated within the system. Contract assists in determining status of valves (operable, cannot be found, broken/inoperable, etc.	20,000
5	Engineering Facility	5020	6420	6125	Rental-vehicles/buses	Reduction of budget to \$200.	Consistent with recent two years of expenditures	1,775
6	Engineering Facility	5020	6420	6551	Mileage reimbursement	Reduction of budget to \$22,030 (approx. 7%)	Consistent with recent two years of expenditures. May be impacted by higher staffing levels.	1,664
7	Engineering Facility	5020	6420	7580	Software	Reduction of budget to \$4,300 (approx. 45%)	Still consistent with higher staffing level and max historical expenditure.	3,500
8	Engineering Facility	5030	8420	7600	Small tools / minor equipment	Reduction of budget to \$6,000 (approx. 14%)	Still consistent with max year historical spend.	1,000
9	Engineering Facility	5020	6422	7610	Minor computer hardware	Reduction of budget to \$7,885 (approx. 6%)	Still consistent with average annual expenditures.	500
10	Engineering Facility	5030	8420	6388	Maintenance - computer software	Reduction of budget to \$22,500 (approx. 10%)	Still consistent max historical expenditure.	2,500

**Proposed 5% Reduction** \$ 224,939

**Variance from Target** \$ 5,755

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Direct Reports  
Director: Meszaros

2014 Budget	\$ 3,214,245
Minus fixed Personnel	\$ 2,657,956
Difference	\$ 556,289
5% reduction target	\$ 27,814

Priority (1 = 1st to Cut)	Division	Object Code	Object Name	Description	Impact	\$ Savings
1	HRSD 6622/8722	6530	Training-City Wide	Tuition Reimbursement	None	\$ 4,000
1	HRSD Director's Office 6610/8610	7580	Software	Overtime for WWW Commission Liaison monthly meetings and Executive Assistant	None	\$ 500
1	Director's Office 6610/8610	5005	Overtime		The average monthly fee is \$180. That amount for 12 months is \$1416.00. At times staff request special services for large confidential shredding jobs. Minimizing these funds will prevent staff from having these services	\$ 1,000
6	Director's Office 6610/8610	5860	Services	These funds support the Utility's confidential shredding and pickup services contract.	reduction in the number of newspaper received at Waller Creek. We currently receive a newspaper in 3 different areas. If staff wants to continue to their subscription, they can continue to do so out of their respective budgets.	\$ 500
2	Director's Office 6610/8610	6633	Subscriptions	Funding for news papers and on-line subscription		\$ 200
3	Director's Office 6610/8610	7486	Books		None.	\$ 100
4	Director's Office 6610/8610	6531	Seminar/training	Training budget for the utility	Reduction in training for Utility staff	\$ 20,000
5	Director's Office 6610/8610	6532	Travel	Travel budget for the utility	Reduction in travel funds for Utility staff	\$ 785
1	Internal Audit 6609/8609	7610	Minor computer hardware	Used for replacement of small hardware such as projector, laptop accessories, etc.	Any needed items will be borrowed from other divisions.	\$ 500
1	Internal Audit 6609/8609	7482	Food/ice	Used for refreshments for field crews during audits and related recognition programs	None expected. Fewer of these types of audits and recognition programs are being conducted in FY 2014.	\$ 146

Austin Water Utility  
 Proposed 5% Budget Reductions FY 2014 & 2015  
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Priority (1 = 1st to Cut)	Division	Object Code	Object Code Name	Description	Impact	\$ Savings
1	Internal Audit 6609/8609	6854	Miscellaneous expense	Used for replacement keys and other unexpected expenditures that do not fit in other object codes.	Any needed items will be deferred until FY 2015.	\$ 100

**Total Reductions** \$ 27,831  
**Variance from Target** \$ 17

Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Finance & Business Services  
AD: Anders

FY 2014 Overtime	\$70,445
FY 2014 Temporaries	213,840
FY 2014 Contractuals	5,901,438
FY 2014 Commodities	368,198
FY 2014 Non-CIP Capital	7,500
<b>Total</b>	<b>\$6,561,421</b>

5% Reduction Goal \$328,071

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings - 5020
1	Budget & Accounting	5020	6714	5005	Overtime	No more overtime at stores (6714)	All work will need to be done during regular hours.	\$ 1,617
1	Budget & Accounting	5030	8614	5005	Overtime	No more overtime at stores (8614)	All work will need to be done during regular hours.	1,618
1	Financial Management	5020	2200	7482	Food/ice	Unit 6711		340
3	Financial Management	5020	2200	7610	Minor Computer Hardware	Unit 6711		200
4	Financial Management	5030	2200	7610	Minor Computer Hardware	Unit 8611		200
1	Information Systems / GIS	5020	6731	5006	Temporary Employees	A temporary will not be obtained this FY	Possible delays in Help Desk Support services	20,800
1	Information Systems / GIS	5030	8631	5006	Temporary Employees	A temporary will not be obtained this FY	Possible delays in Help Desk Support services	20,800
2	Information Systems / GIS	5020	6731	5860	Services-Other	We will not replace departed Contractors	Delays in delivery of new applications such as Humorist	50,000
2	Information Systems / GIS	5030	8631	5860	Services-Other	We will not replace departed Contractors	Delays in delivery of new applications such as HumrIS	50,000
1	Safety and Technical Training	5020	6640	5006	Temporary employees		Had budgeted for additional trainers, but not all used	12,000
1	Safety and Technical Training	5030	8740	5006	Temporary employees		Had budgeted for additional trainers, but not all used	12,000
1	Consumer Service	5020	6242	5005	Overtime	Overtime (6242)	Any overtime needed by TAPS non exempt personnel will not be able to funded; work will need to be done within normal hours	1,000
1	Consumer Service	5030	8644	5005	Overtime	Overtime	Any overtime needed by TAPS non exempt personnel will not be able to funded; work will need to be done within normal hours	300
2	Consumer Service	5020	6244	7478	Clothing	Blue jeans for investigators	Will not be able to purchase blue jeans for investigators	50
3	Consumer Service	5020	6245	7500	Office supplies	Office supplies	Cut back on toner purchases, etc.	100
4	Consumer Service	5020	6244	7122	Hardware/wire/steel	Hardware/wire/steel	Will not be able to lock all service connections that have been tampered with, e.g. prevent further water theft	400
5	Consumer Service	5030	8644	7122	Hardware/wire/steel	Hardware/wire/steel	Will not be able to lock all service connections that have been tampered with, e.g. prevent further water theft	400
1	Facilities Management	5020	6248	5675	Services Security	Physical security repairs	Savings acquired through new preventative maint program	1,000
1	Facilities Management	5020	6722	6203	Interdepartmental Charges	Misc charges from Building Services	Office construction thru various contracts instead	8,000
1	Facilities Management	5030	8622	6203	Interdepartmental Charges	Misc charges from Building Services	Office construction thru various contracts instead	8,000
1	Facilities Management	5030	6248	6383	Maintenance Building	Misc building maintenance	Defer some maintenance to future FY	5,000
1	Facilities Management	5030	8248	6383	Maintenance Building	Misc building maintenance	Defer some maintenance to future FY	5,000



Austin Water Utility  
Proposed 5% Budget Reductions FY 2014 & 2015  
Program Area: Finance & Business Services  
AD: Anders

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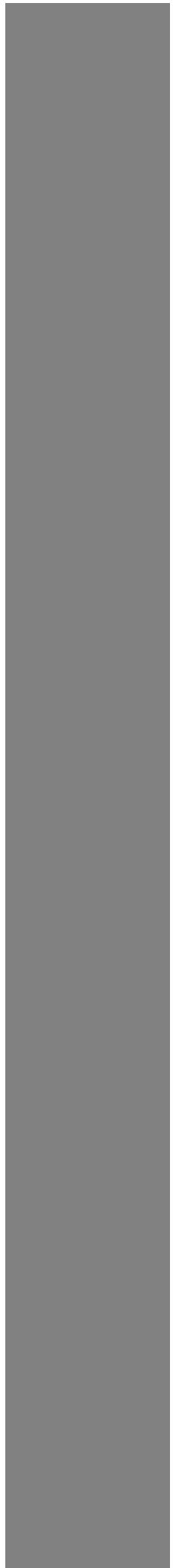
5% Reduction Goal \$328,071

Priority (1 = 1st to Cut)	Division	Fund	Unit	Object Code	Object Code Name	Description	Impact	\$ Savings - 5020
1	Facilities Management	5020	6722	6389	Maintenance Other Equip	Misc equipment maintenance	Defer some maintenance to future FY	18,000
1	Facilities Management	5030	8622	6389	Maintenance Other Equip	Misc equipment maintenance	Defer some maintenance to future FY	18,000
1	Facilities Management	5020	6722	6398	Maintenance Chillers	Gen maint for all AWU chiller systems	Conducting more in-house PMs and services	12,500
1	Facilities Management	5020	6248	7121	Street Traffic Signs	Street Traffic Signs	Defer to future FY with temporary signage	100
1	Facilities Management	5030	8248	7121	Street Traffic Signs	Misc signage used throughout facilities	Defer to future FY with temporary signage	100
1	Facilities Management	5020	6722	7129	Refrig Components-HVAC	Misc repair parts for HVAC equipment	Defer maint to future FY through stronger PM programs	15,000
1	Facilities Management	5030	8622	7129	Refrig Components-HVAC	Misc repair parts for HVAC equipment	Defer maint to future FY through stronger PM programs	15,000
1	Facilities Management	5020	6248	7135	Cleaning Supplies	Cleaning supplies & paper products all facilities	Reduction of inventories and monitor personal usage	4,000
1	Facilities Management	5020	6722	7478	Clothing Materials	Uniform purchases for FMD staff	Reduction of staff requiring uniforms	300
1	Facilities Management	5030	8622	7478	Clothing Materials	Uniform purchases for FMD staff	Reduction of staff requiring uniforms	300
1	Facilities Management	5020	6722	7500	Office Supplies	Misc office supplies for staff	Reduce usage and inventories	800
1	Facilities Management	5030	8622	7500	Office Supplies	Misc office supplies for staff	Reduce usage and inventories	800
1	Facilities Management	5020	6248	7600	Small Tools Minor Equip	Misc tools for field staff and truck inventories	Reduce tool purchases and defer to future FY	1,800
1	Facilities Management	5020	6722	7600	Small Tools Minor Equip	Misc tools for field staff and truck inventories	Reduce tool purchases and defer to future FY	3,400
1	Facilities Management	5030	8248	7600	Small Tools Minor Equip	Misc tools for field staff and truck inventories	Reduce tool purchases and defer to future FY	900
1	Facilities Management	5030	8622	7600	Small Tools Minor Equip	Misc tools for field staff and truck inventories	Reduce tool purchases and defer to future FY	3,900
1	Facilities Management	5020	6722	7601	Safety Equipment	Misc safety supplies for staff	Reduce staff inventories	300
1	Facilities Management	5030	8622	7601	Safety Equipment	Misc safety supplies for staff	Reduce staff inventories	300
1	Security Management	5020	6004	5675	Security - services	Security Guard Services - These funds will be used to hire / pay for additional security guard services throughout the year in exigent situations (e.g. threats to AWU employee's, and/or facilities)	Reduced by half - Limited impact	5,000
1	Security Management	5030	8004	5675	Security - services	Security Guard Services - These funds will be used to hire / pay for additional security guard services throughout the year in exigent situations (e.g. threats to AWU employee's, and/or facilities)	Reduced by half - Limited impact	5,000
2	Security Management	5020	6004	6387	Maintenance-computer hardware	Security specific computers - Video Recorders, etc.	Systems are reaching 5 year mark, failures are starting to occur, parts are becoming difficult to obtain, operating system is going End of Life	20,000
3	Security Management	5030	8004	6387	Maintenance- Computer Hardware	Maintenance- Computer Hardware	Will repair / service the video recorders as long as we can	20,000

**Total Reductions \$ 356,825**

**Variance from Target \$ 28,754**

**2014 Joint Committee  
Recommendation Vote Record**





**JOINT COMMITTEE  
REGULAR MEETING  
FINAL RECOMMENDATION**

	Motion		COMMISSIONER'S VOTE			
	Made By	Seconded By	Consenting	Dissenting	Abstaining	Absent
Mickey Fishbeck, Chair	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kris Bailey, Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Sean Kelly	<input type="checkbox"/>	X	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J.R. (Hank) Kidwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Chien Lee, P.E.	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Luke Metzger	X	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Rodgers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

**SUBJECT:**

The 2014 Joint Committee voted on the final Recommendation document for Austin Water Utility's Proposed Budget for FY 2015.

- Recommended by Joint Committee
- Not Recommended by the Joint Committee
- No Recommendation \_\_Motion Failed: Did not receive (4) affirmative votes \_\_Motion Failed:
- Lack of a Second

Mickey Fishbeck  
Mickey Fishbeck, Chair

6-25-14  
Date

**From:** Brian Rodgers [<mailto:pbrodgers@austin.rr.com>]

**Sent:** Monday, July 07, 2014 9:40 AM

**To:** Anders, David

**Cc:** Pullen, Chevonne; Rodgers, Brian - BC; Fishbeck, Mickey - BC;  
[pbrodgers@austin.rr.com](mailto:pbrodgers@austin.rr.com)

**Subject:** Letter from Brian Rodgers on the Joint Committee's Final Recommendation

Hi David,

The final meeting of the Joint Committee on Austin Water Utility's Financial Plan was held May 28, 2014. I was out of town and not able to vote on the final recommendations which the other members of the committee and I helped craft. I fully support the work of the committee as a package and would have voted in favor of the final recommendation document had I not been absent. Please let this letter serve as my belated consenting vote.

Nobody enjoys the task of cutting services and raising rates. These actions were necessary because of a confluence of events, some natural and some man made. While the ratepayer understands the utility's predicament of fixed costs, a growing city and declining usage, they are not sympathetic to business as usual while they try to accommodate higher fees into their own family budgets.

The committee asked for deep cuts and the utility responded. I have already heard back from a friend in the water department who has told me his work load has increased as a result of the pending cuts and that everybody was on notice for the belt tightening. The City of Austin must now share the sacrifice and eliminate transfers not related to the provision of utility service. "The boom, not the slump, is the right time for austerity at the Treasury." So declared John Maynard Keynes in 1937.

I encourage the City Council to adopt these changes.

Thank you,

Brian Rodgers