

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	47797	Agenda Number	63.
---------------------	---------	-------	---------------	-----

Meeting Date:	8/20/2015	Department:	Austin Water Utility
---------------	-----------	-------------	----------------------

Subject

Conduct a public hearing to receive public comment on the proposed rate and fee changes for Austin Water as part of the Fiscal Year 2015-2016 Proposed Budget.

Amount and Source of Funding

There is no unanticipated fiscal impact.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	David Anders, 512-972-0323; Denise Avery, 512-972-0104
Council Committee, Boards and Commission Action:	August 12, 2015- Unanimously approved by the Water and Wastewater Commission on a 9-0 vote. Recommendation Number 20150812-D13
MBE / WBE:	
Related Items:	

Additional Backup Information

This action requests that City Council conduct a public hearing to hear public comments on the water, wastewater, and reclaimed rate changes proposed in the Utility's Proposed Fiscal Year 2015-2016 Budget. Council is scheduled to adopt the budget on September 8, 9, and 10, 2015. The City Code in Section 2-5-45 specifically requires a public hearing prior to the City Council approving any changes in electric, water, wastewater, and garbage collection rates.

Austin Water's Proposed Fiscal Year 2015-16 Budget includes the following changes to the current water and wastewater rates:

	Water Rates (Revenue Impact) (1)	Wastewater Rates (Revenue Impact)
<u>Retail Customers:</u>		
Single Family (Non-CAP)	6.6% Increase	5.9% Increase
Single Family (CAP)	11.0% Increase	8.1% Increase
Multifamily	6.4% Increase	4.3% Increase
Commercial	2.2% Increase	4.5% Increase
Large Volume (2)	2.1% Increase	5.0% Increase
<u>Wholesale Customers: (2)</u>		
	-0.4% Increase	0.0% Increase
Systemwide without		
Water Revenue Reserve Fund:	4.8% Increase	4.8% Increase
Systemwide Including		
Water Revenue Reserve Fund:	4.7% Increase	4.8% Increase

(1) Water Rate percentage impacts shown for all customer classes include Revenue Stability Reserve Fund

(2) Large Volume and Wholesale customers each have individual rates

The attached schedules provide detailed current and proposed water, wastewater, and reclaimed rates for all retail and wholesale customer classes.

**CITY OF AUSTIN, TEXAS
AUSTIN WATER UTILITY**

**PROPOSED WATER RATES
FY 2015-16**

PROPOSED RATES EFFECTIVE NOVEMBER 1, 2015

All Retail Customers:

<u>Monthly Meter Equivalent Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Meter Size:		
5/8"	\$ 7.10	\$ 7.10
3/4"	13.00	13.00
1"	14.00	15.00
1 ¼"	16.00	17.00
1 ½"	23.00	25.00
2"	36.00	41.00
3"	59.00	68.00
4"	118.00	139.00

6"	238.00	283.00
8"	876.00	1,046.00
10"	1,036.00	1,236.00
12"	1,226.00	1,466.00

**Customer Assistance Program (CAP) customers qualify for a waiver of the retail monthly meter equivalent minimum charge.*

**Residential Class Monthly
Tiered Minimum Charge:**

	<u>Current Charge</u>	<u>Proposed Rates</u>
0 – 2,000 Gallons	\$ 1.05	\$ 1.20
2,001 – 6,000 Gallons	3.00	3.45
6,001 – 11,000 Gallons	7.60	8.75
11,001 – 20,000 Gallons	23.75	27.35
20,001 – over Gallons	23.75	27.35

** This fee is charged in addition to the Retail Monthly Equivalent Minimum Charge.*

*** Customer Assistance Program (CAP) customers qualify for a waiver of the residential monthly tiered minimum charge.*

**Residential Class
Volume Charges:**

	<u>Current Rates \$ / 1,000 Gallons</u>	<u>Proposed Rates \$ / 1,000 Gallons</u>
0 – 2,000 Gallons	\$ 2.93	\$ 3.16
2,001 – 6,000 Gallons	4.49	4.84
6,001 – 11,000 Gallons	7.29	7.88
11,001 – 20,000 Gallons	11.03	11.90
20,001 – over Gallons	13.93	14.16

**CAP Residential Class
Volumetric Charge:**

	<u>Current Rates \$ / 1,000 Gallons</u>	<u>Proposed Rates \$ / 1,000 Gallons</u>
0 – 2,000 Gallons	\$ 2.16	\$ 2.47
2,001 – 6,000 Gallons	3.40	3.89
6,001 – 11,000 Gallons	5.03	5.76
11,001 – 20,000 Gallons	8.65	9.90
20,001 – over Gallons	13.93	14.16

Multifamily Monthly Minimum Charge:

<u>Meter Size:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
5/8"	\$ 10.57	\$ 18.60
3/4"	16.00	28.00
1"	26.00	47.00
1 ¼"	35.00	65.00
1 ½"	53.00	93.00

2"	85.00	149.00
3"	169.00	298.00
4"	264.00	465.00
6"	529.00	930.00
8"	846.00	1,488.00
10"	1,216.00	2,139.00
12"	1,797.00	3,162.00

* This fee is charged in addition to the Retail Monthly Equivalent Minimum Charge.

<u>Multifamily Class Volumetric Rates:</u>	<u>Current Rates</u> <u>\$ / 1,000 Gallons</u>	<u>Proposed Rates</u> <u>\$ / 1,000 Gallons</u>
Off Peak/Peak	\$4.95 / \$5.45	\$4.90 / \$5.39

<u>Commercial Monthly Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Meter Size:		
5/8"	\$ 7.67	\$ 10.85
3/4"	12.00	16.00
1"	19.00	27.00
1 1/4"	29.00	41.00
1 1/2"	38.00	54.00
2"	61.00	87.00
3"	123.00	174.00
4"	192.00	271.00
6"	383.00	543.00
8"	613.00	868.00
10"	882.00	1,248.00
12"	1,303.00	1,845.00

* This fee is charged in addition to the Retail Monthly Equivalent Minimum Charge.

<u>Commercial Class Volumetric Rates:</u>	<u>Current Rates</u> <u>\$ / 1,000 Gallons</u>	<u>Proposed Rates</u> <u>\$ / 1,000 Gallons</u>
Off Peak/Peak	\$5.98 / \$6.58	\$5.82 / \$6.40

<u>Large Volume Monthly Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Freescall	\$34,000.00	\$46,500.00
Hospira	4,700.00	0.00
Samsung	88,500.00	111,000.00
Novati	2,850.00	3,700.00
Spancion	15,000.00	22,000.00
University of Texas	19,000.00	20,000.00

* This fee is charged in addition to the Retail Monthly Equivalent Minimum Charge.

<u>Large Volume Volumetric Rates:</u>	<u>Current Rates</u> <u>\$ / 1,000 Gallons</u>	<u>Proposed Rates</u> <u>\$ / 1,000 Gallons</u>
Freescall: Off Peak/Peak	\$5.02 / \$5.52	\$5.17 / \$5.69
Hospira: Off Peak/Peak	5.98 / 6.58	0.00 / 0.00
Samsung: Off Peak/Peak	5.41 / 5.95	5.30 / 5.83
Novati: Off Peak/Peak	5.36 / 5.90	5.48 / 6.03
Spanion: Off Peak/Peak	5.24 / 5.76	5.22 / 5.75
University of Texas: Off Peak/Peak	5.98 / 6.58	5.82 / 6.40

All Wholesale Customers:

<u>Monthly Meter Equivalent Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Meter Size:		
5/8"	\$ 8.00	\$ 8.00
3/4"	9.00	9.00
1"	10.00	10.00
1 1/4"	12.00	12.00
1 1/2"	14.00	14.00
2"	19.00	19.00
3"	31.00	31.00
4"	45.00	45.00
6"	84.00	84.00
8"	131.00	131.00
10"	186.00	186.00
12"	271.00	271.00

<u>Wholesale Monthly Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Creedmoor-Maha WSC	\$ 2,800.00	\$ 2,800.00
High Valley WSC	250.00	250.00
Lost Creek MUD	12,000.00	0.00
Manor, City of	0.00	0.00
Marsha WSC	450.00	450.00
Mid-Tex Utilities	0.00	0.00
Morningside Subdivision	75.00	75.00
Night Hawk Water Supply Corp.	450.00	450.00
North Austin MUD # 1	12,500.00	0.00
Northtown MUD	10,000.00	0.00
Rivercrest Water Supply Corp.	4,500.00	4,500.00
Rollingwood, City of	5,000.00	5,000.00
Shady Hollow MUD	7,500.00	7,500.00
Southwest Water Company	0.00	0.00
Sunset Valley, City of	4,000.00	4,000.00
Travis Co. WCID # 10	31,000.00	0.00
Village of San Leanna	200.00	200.00

Wells Branch MUD	18,000.00	0.00
Windermere Utility Co.	350.00	350.00

	Current Rates	Proposed Rates
<u>Wholesale Volumetric Rates:</u>	<u>\$ / 1,000 Gallons</u>	<u>\$ / 1,000 Gallons</u>
Creedmoor-Maha WSC	\$ 3.89	\$ 3.89
High Valley WSC	3.87	3.87
Lost Creek MUD	4.26	0.00
Manor, City of	5.09	5.09
Marsha WSC	3.92	3.92
Mid-Tex Utilities	4.10	4.10
Morningside Subdivision	5.09	5.09
Night Hawk Water Supply Corp.	3.90	3.90
North Austin MUD # 1	4.07	3.71
Northtown MUD	3.86	3.57
Rivercrest Water Supply Corp.	4.35	4.35
Rollingwood, City of	4.65	4.65
Shady Hollow MUD	4.45	4.45
Southwest Water Company	4.10	4.10
Sunset Valley, City of	4.24	4.24
Travis Co. WCID # 10	4.13	3.97
Village of San Leanna	4.06	4.06
Wells Branch MUD	3.98	3.46
Windermere Utility Co.	6.77	0.00
Average Wholesale Water Rate	0.00	4.10

All Retail Water Customers:

	Current Rates	Proposed Rates
<u>Revenue Stability Reserve Fund Surcharge □ Retail</u>	<u>\$ / 1,000 Gallons</u>	<u>\$ / 1,000 Gallons</u>
	\$ 0.19	\$ 0.19

**This fee is charged to all Retail water customers per 1,000 gallons of water billed for the billing period to fund the Revenue Stability Reserve Fund.*

All Wholesale Water Customers:

	Current Rates	Proposed Rates
<u>Revenue Stability Reserve Fund Surcharge □ Wholesale</u>	<u>\$ / 1,000 Gallons</u>	<u>\$ / 1,000 Gallons</u>
	\$ 0.12	\$ 0.10

**This fee is charged to all Wholesale water customers per 1,000 gallons of water billed for the billing period to fund the Revenue Stability Reserve Fund.*

All Retail & Wholesale Water Customers:

	<u>Current Rates</u>	<u>Proposed Rates</u>
<u>Water Drought Rate Surcharge</u>	<u>\$ / 1,000 Gallons</u>	<u>\$ / 1,000 Gallons</u>
Stage 3 Volume Rate	\$ 1.00	\$ 1.00
Stage 4 Volume Rate	\$ 3.00	\$ 3.00

**Surcharge enacted for all retail and wholesale customer classes during Stage 3 and Stage 4 of drought response water restrictions to ensure financial stability to the Austin Water Utility. These surcharges will take effect the next billing cycle following the declaration of Stage 3 or Stage 4 water restrictions, and will continue until directed by the City Manager.*

	<u>Current Rates</u>	<u>Proposed Rates</u>
<u>Monthly Customer Charge:</u>	\$ 10.30	\$ 10.30

** Customer Assistance Program (CAP) customers qualify for a waiver of the monthly customer charge.*

	<u>\$ / 1,000 Gallons</u>	<u>\$ / 1,000 Gallons</u>
<u>Retail Volumetric Rates:</u>		
Single Family:		
0 – 2,000 Gallons	\$ 4.51	\$ 4.90
2,001 – over Gallons	9.13	9.94
Customer Assistance Program:		
0 – 2,000 Gallons	\$ 4.51	\$ 4.90
2,001 – over Gallons	9.13	9.94
Multifamily	8.79	9.20
Commercial	8.82	9.26
Large Volume		
Freescall	8.16	8.52
Hospira	8.38	0.00
Samsung	7.42	7.89
Novati	7.32	7.63
Spanston	7.51	7.95
University of Texas	8.82	9.08

Wholesale Volumetric Rates:

Manor, City of	\$ 5.64	\$ 5.64
Mid-Tex Utilities	0.00	5.66
North Austin MUD # 1	5.76	5.76
Northtown MUD	5.70	5.70
Rollingwood	5.67	5.67
Shady Hollow MUD	5.73	5.73
Sunset Valley	5.71	5.71
Travis Co. WCID # 17 Com. Canyon	3.98	3.98

Travis Co. WCID # 17 Steiner Ranch	3.80	3.80
Wells Branch MUD	5.72	5.72
Westlake Hills, City of	5.68	5.68
Avg. Wholesale Wastewater Rate	0.00	5.66

Reclaimed Monthly Customer Charge:	<u>Current Rates</u>	<u>Proposed Rates</u>
Meter Size:		
5/8"	\$ 8.00	\$ 8.00
3/4"	9.00	9.00
1"	10.00	10.00
1 ¼"	12.00	12.00
1 ½"	14.00	14.00
2"	19.00	19.00
3"	31.00	31.00
4"	45.00	45.00
6"	84.00	84.00
8"	131.00	131.00
10"	186.00	186.00
12"	271.00	271.00

<u>Reclaimed System-wide Volume Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
All volumes (Unit Cost Per 1,000 Gallons)	\$ 1.99	\$ 0.00

<u>Reclaimed System-wide Volume Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
All volumes (Unit Cost Per 1,000 Gallons)		
Non-Mandatory Connections	\$ 1.99	\$ 2.19
<i>Potable water conversions with main extensions greater than 250 feet; customers with a site plan submitted prior to May 1, 2015.</i>		

<u>Reclaimed System-wide Volume Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
All volumes (Unit Cost Per 1,000 Gallons)		
Mandatory Connections	\$ 1.99	\$ 4.07
<i>New commercial developments or redevelopments within 250 feet of an existing main.</i>		

<u>Parkland Reclaimed Water Rates</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
All volumes (Unit Cost Per 1,000 Gallons)	\$ 1.25	\$ 1.56

** Parkland Reclaimed Water rates are for reclaimed water use at City-owned parkland and golf courses,*

<u>Austin Energy Sandhill Power Plant</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
All volumes (Unit Cost Per 1,000 Gallons)	\$ 0.45	\$ 0.91

** AE Sandhill reclaimed water volumetric rate is low because of a high monthly fixed charge of \$10,690.00 that will remain unchanged during the debt service period.*