

## Health and Human Service Committee Meeting Transcript –8/19/2015

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[3:09:10 PM]

>> Garza: It is 3:08 and I am calling the public utilities committee to order. We don't have any -- I will hand it off to councilmember Houston because we're also -- this first item we're going to share with the health and human services committee. So she's going to call her meeting to order now.

>> Houston: Good afternoon, everybody, I'm ora Houston, chair of the health and human services council committee. And I am here to call our meeting to order.

>> Garza: Thank you. And I don't have any list of speakers signed up to generally speak on anything not on the agenda. I want to make sure somebody walked in on something to speak that's not on the agenda. Okay. So the first item is approval of the minutes from the last meeting. So I'd grain a motion.

>> Zimmerman: I move that we approve the minutes.

>> Second.

>> Garza: Motion by councilmember Zimmerman, seconded by councilmember kitchen to approve the minute. All in favor please say aye?

>> Aye.

>> Garza: All opposed? That passes 4-0. I'm having confusion on who is on my committee.

[Laughter]. Because Ellen and I are also on health and human services. We're sharing a quorum here. Then the next item is item number 3, and I just wanted to give an explanation of how the presentation is going to go. We already had a previous public testimony on this, so the first 15 minutes will be city staff presentation and then councilmember Zimmerman has invited some folks to speak also, so there will be another panel for 15 minutes, and then because we've already had a public hearing, we're going to limit the general speakers to two for and two opposed for three minutes each.

[3:11:19 PM]

And I already have those names here. So we'll go ahead and get started. I would like to invite Dr. Wong from the health and human services department to begin.

>> Good afternoon, thank you for the opportunity to speak for you. First I understand it doesn't count in our 15 minutes, I would like to introduce the other panelists that we will have for our group. We have a total of five people. Again, I'm Dr. Phil Wong, the medical health authority with the city of Austin health and human services department. We also have Dr. John brown, who is -- actually, he is currently research professor at the dental school, university of Texas health science center at San Antonio, but he's now moved to Austin and he's an Austin resident. He was previously chair of the community department of dentistry from 2004 to 2006. He has extensive experience. He was the San Antonio site principal investigator for the world health organization. Second international collaborative study of oral health outcomes and the international collaborative study of childhood caries. So again, we're very fortunate he's now moved to Austin and is now an Austin resident. We also have Dr. Elise kronen barren, who is -- she's actually currently the president of the capital area dental society. She -- UT graduate and then got her degree at university of Washington in Seattle school of dentistry and then came back to Austin. She was named new dentist of the year in 2011. She's been serving on the board of the capital area dental society for six years and is again currently the president. And then our other panelist is Dr. Matthew Hecht.

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He is currently the president-elect of the capital area dental society. He's been also a delegate to the Texas dental association, worked in multiple dental settings, including community service clinics, medical based practices, corporate group practices and private practice. Then we also have Dr. Jane brazer who is the assistant director with Austin water. So there will be three of us that are actually going to be speaking. I'm going to speak first. Then Dr. Hecht. And then Dr. Kronen barren. So we'll go ahead and get started with that. The first point I would like to make is fluoride is naturally occurring in our environment. It's the 13th most abundant element in the Earth's crust. It's in the air. It's naturally

released in the environment through weathering of rocks, through atmospheric emissions from volcanos, sea waters and also human activity, things like industrial processes, steel manufacturing. It's also naturally in the surface water. It's 0.1 million grams of liter. Groundwater 0 to 5 milligrams. It's also in the food and plants. I think the natural level for Austin water is 0.2 to 0.25 naturally in the water. So it is naturally there. There are some places that naturally have higher amounts of fluoride. When we're talking about community ingestion, woo we're talking about the level that basketball identified as beneficial of tooth decay. You're taking the natural level of fluoride in the water and if it needs additional fluoride to get to that optimal level then that's what's added. And zero 0 'parts per mall is the same as 0.7 milligrams per parts per liter.

[3:15:30 PM]

I want to get a sense of what one part per million. One part per million is the same as one inch in relation to 16 miles. So that's the dilution of what we're talking about with fluoride in our water. The question is fluoridation still important? For the past 70 years fluoride has been a contributor to tooth decay and loss. It has played a role in the reduction of tooth decay across all age groups. Although... Even more common than asthma. Research shows children with dental problems much more like I to miss schools and teens with a recent toothache four times more like Loy to struggle academically. It now, when you compare the data, the problem with tooth decay in Texas, compared to the United States, more six to eight-year-olds in Texas have experienced careys of untreated decay in the U.S. This is for all groups by race, ethnicity and gender. We also in Texas have higher poverty rates than in the U.S. And so rates of decay are not evenly distributed across the nation. From 2009 to 2010, it showed that untreated dental careys varied from race, nationality and poverty level. Children had untreated tooth decay which can result in pain, abscesses and poor school performance. If fluoride is decreased over time,... Many local residents lack dental insurance or face derrieres for dental care and tap water gives individuals an immediate access to fluoride that helps them with their risk of tooth decay. The impact of fluoridation would fall disproportionate nautili on some of those residents.

[3:17:32 PM]

One thing, it's very difficult and I think it's important to hear that in a setting like this you can't really make informed and educated decisions on this issue. You know, that's why there are many scientific reviews that are objectively objected looking at the volume of the science that we're talking about. Otherwise in a setting like this you will hear cherry picked data, misstatements of fact. You will hear scare tactics a and I'll talk about that in a little bit. But you need to look at the entire body of weight of scientific evidence and review it in an objective, systematic process. I've listed some of the scientific

reviews that have been performed. There are thousands literally of studies related to this topic. I have a whole box there full of some of the studies that I've had to review to look at this. And again, in this setting one cannot just look at this volume of data and it requires fairly expertise with the researchers, diversity of panel of experts to look at the data in a systematic and balanced manner. You know, we rely on and review the work of some of these expert groups and these things include work by CDC, the EPA, ADA and other agencies and bodies. And they update these reviews periodically in response to new science and amend their recommendations as appropriate. As you can see some of the most latest scientific reduce, the U.S. Public health service just came out with an updated review July, August '15, which I think everybody has been provided a copy of that report. It takes a systematic review of the data. You can't just look at a chart that shows a bunch of countries and their dental carries rates over time and the countries that are dropping don't have community water nor ration. You don't have if they don't have centralized water systems and they can't fluoridate the water, but they have other mechanisms with other programs, national health care, things like that, because those are factors in interpreting some of this data.

[3:19:44 PM]

And all of this data is very complex. Looking at these studies it just takes a lot to really evaluate how the study design, whether it's their biases involved in that and what other limitations and strengths that are with those studies. I'm going to go through one example of a systematic review is the U.S. Preventive task force on community preventive services. It's an independent volunteer body for research, practice and policy that oversees the systematic reduce done for the community guide. They develop evidence based recommendations on the basis of the systemic review results and identify areas in further need of research. And so one of the things -- they actually did their first report on this October 2000 and they updated it April of 2013. But in the 2000 report and the 2013 report still being published, they -- the summary of conclusions are that they recommend community water fluoridation based on strong evidence of effectiveness in reducing tooth decay. But what they looked at to get you a sense of what that process is like, they looked at 21 studies qualified for review. Now the updated review had 28. They looked at the decay rates measured before and after water fluoridation and median decrease of 29% among children four to 17 when compared to control groups. There were 21 study arms. The decay rates measured after fluoridation only, a median increase of 50% among children age four to 17 years. And fluoridation was helped to decrease tooth decay with varying decay rates and with children of varying socioeconomic status. They also looked at some of the economic efficiency of community water fluoridation programs, median cost per person per year for 75 water systems receiving fluoridated water was \$2.70 among 19 systems that served 19,000 people in the population and 40 cents per person among 35 systems that served greater than 20,000 people P in smaller communities with the 5,000 to 20,000 residents fluoridation was estimated to be cost saving for decay instance in the community exceeded per personably.

[3:21:59 PM]

And actually, Dr. Down, who is on our panel, was instrumental in doing one of the studies looking at economic cost in Texas. And we might hear more from that if you like. Next slide talks about systemic versus topical benefits. And you hear from the other side sometimes that it's only topical, but I use an actual CDC slide because it shows that CDC still acknowledges that in addition to the systemic there's continued evidence supporting -- in addition to the topical, there is continued evidence supporting a systemic benefit also. Earliest researchers initially hypothesized it was just incorporated into developing enamel, but it's also the topical effect. And so what it is is ingesting small amounts of fluoride during early stages of tooth development strengthens tooth enamel decreasing cavities, but also maintaining a constant low level fluoride in the mouth is the most effective measure in cavity prevention as opposed to infrequent high concentration fluoride gels, foams and varnishes. Water fluoridation is a method that promotes continuous low levels of fluoride in the saliva and in the mouth. Next I've got for the next three slides, some of the organizations that support community water fluoridation. Because the point is really it is today water fluoridation is recommended by nearly all public health, medical and dental organizations, including the American dental association, American academy of pediatrics, American institute of medicine, U.S. Public health service and the world health organization and as you probably heard, the CDC has recognized community water fluoridation as one of the 10 great public health achievements of the 20th century. That's one slide. Here's another list of those that support community water fluoridation. Another one. So now if you look at current fluoridation activity, it's now 44 of the 50th largest cities in the United States have fluoridated water. And you know, sometimes you get the sense you're hearing these things, communities are looking at this and they're dropping out of fluoridation and topping their fluoridation programs.

[3:24:08 PM]

Actually in the past 15 years more than 449 U.S. Communities in 42 states have voted to adopt or retain successful fluoridation programs. So actually, if you look at the Numbers, the U.S. Population that's served by fluoridation systems continues to grow. In 1992 it was 62% with 144 million people. In 2012 74% of the population, that's it 10 million people, are -- 210 million people, are served by community water fluoridation at optimal levels. So we're talking literally hundreds of millions of U.S. Citizens that have been -- have been benefiting from community water fluoridation for decades. So bottom line, some of the major issues that you're going to hear, benefits of water water fluoridation, as I mentioned, this has been extensively studied. I showed you a list of some of the systemic reduce that have been conducted. All of its proven to be safe and effective. The systematic reduce, they included what community water fluoridation is effective in decreasing dental caries. A significant increase in the

number of children who are caries free and reduction in the number of tooth surfaces and tooth caries in both children and adults. When analysis were conducted after the introduction of other sources of fluoride, especially fluoride toothpaste, beneficial effects across the life-span from community water fluoridation were still apparent. Next issue, dental fluorosis, and I'm sure you will hear more about that. More than 90% of the dental fluorosis in the United States is the very mild or mild form, most appearing as barely visible lacy white markings or spots. Sustaining and pitting of the tooth surface is the adverse health effect to be prosecuted. It is rare in the United States. Its prevalence couldn't be estimated among adolescence in a Dennis Franchione,

[3:26:15 PM]

>> Was near zero at fluoride concentrations of two milligrams per liter, which is much higher than what we're talking about the recommended .7-milligrams per liter. You're going to hear concerns about other health effects. A lot of times they will cite this 2016 National Research Council report. The thing about this report, if you look in the -- in the report itself, what the report says is the committee did not evaluate the risks or benefits of the lower fluoride concentrations, used in water fluoridation, [reading graphic] Provost bottom line, they will cite a lot of these studies in here, but the concentration levels that you are -- that you will hear about fluoride are much higher than we're talking about with community water fluoridation. Even iron, oxygen, even water, at too high of levels can be adverse -- have adverse health effects. You will hear studies about IQ. You know, there's some Chinese studies, I have some of the studies right there. They were performed in these remote mountain villages in China. They report lower IQ among children exposed to fluoride. The levels of fluoride they're exposed to, naturally occurring fluoride are like sometimes in the 2.5 to 4.1-milligram per liter level. The control group that they are comparing it to are actually the ones that did not have the problems are at the levels of fluoridation that we're talking about for our community water fluoridation. The Harvard studies, people reviewed that study and supported it. That's actually been debunked. The dean of the -- have called fluoridation an effective and safe health measure for people of all ages, I know you will hear about infant formula. In 2011 ADA convened an expert panel regarding fluoride intake...

[3:28:21 PM]

Fluorosis and what they said was they suggest a continued use to powdered or liquid concentrate infant formula reconstituted with optimally -- while being cognitively appropriate for the ... For those parents who consume powdered or infant concentrate formula as their main source of nutrition. That's the latest of the ADA recommendations on that. The cancer, again, a lot of -- there's been studies that have been cited reporting an association between osteosarcoma among young males. They have been subsequent

studies published in 2011 more accurate objective measure than previous estimates that showed no significant association between fluoride levels and osteosarcoma lists which are consistent with all of the systemic reviews.

[Buzzer sounding]

>> Do you want to finish.

>> Yeah.

>> Sure. Then the last thing that you will hear about is fertilizer byproduct. Again, it's sort of a scare tactic. What it is, you know the way that we get the fluorosylcaic acid, some of the products are used for gypsum and sheetrock and phosphate is produced that is used in fertilizer, but the rest is used for this process. I have two more slides I think. I just wanted to review the prior council activities. In 2011 the Austin city council public health and human services subcommittee extensively reviewed the topic, more than six hours of testimony. They passed resolution as you can see supporting the continuation of water fluoridation. Also required that Austin water utility and the health department provide some information to customers highlighting fluoride and infant information. Just of note, in April 2011 the states man did a Politi fact check on one of the statements that came out of that that Austin residents say fluoride compound added to local water supply is toxic waste. That is found to be false.

[3:30:21 PM]

Our staff recommendations are continue water community water fluoridation, at the level of .07- milligrams per liter and continue to monitor as new information becomes veil. Now to Dr. Hecht to show a few slides from the clinical perspective.

>> I would like to mention something. In the June meeting, the dental committee was given essentially no warning of this issue up, the resolution was given us to the Monday of that week, so we would appreciate it if the council would allow, Dr. Conan and I a five minute extension of this to give our statement.

>> Thank you.

>> I'm okay adding it, but we will add it to the other side as well.

>> Apologize for that.

>> Garza: That's okay.

>> Dr. Matthew Hecht, president elect of the Austin dental society and also representing the Texas and federal dental association. Dr. Huang summarized this very well. The con suns in the united States is that this is a safe and effective practice. I wanted to show some images to show what we are talking about.

As clinicians we see this on a daily basis. The risk of not allowing this vitamin to be available to our populations, cases like this, we see these quite commonly. This isn't a third world country, this is, you know, clinics such as here in Austin, I've seen this myself. Many of us here in this room have seen this. So again, greater risk without exposure to fluoride, a greater risk for these kind of conditions to occur. Just a couple of data points on the many millions of school hours that are missed, of course, the lifetime negative effects that occur from children and then moving into adulthood of having dental problems.

[3:32:30 PM]

Then, of course the consensus of studies that is in children that there's a reduction of 30 to 50% of caries, that is the consensus of science right now. The -- progresses even further as a risk of high caries rates in our children and citizens. This is for also citizens, adults included. In a three year span, we had over 4 million emergency room visits, costing our \$2.7 billion. In that period from these dental infections. This isn't just a small tooth ache. This isn't something small we can just make, you know, put a filling on, sometimes this is very, very serious. So those are some of the risks that we have of not exposing our citizens to this -- giving our citizens the benefit of this nutrient. This is what you are looking at, the risk. The scientific community agrees, our consensus is that the the only risk that our children and our citizens have from being -- being ingesting community -- excuse me, fluoridated community water is mild fluorosis, this occurs in the population, the vast majority of our citizens either have no fluorosis or very mild to undetectable amounts that even I cannot detect. The severe fluorosis that you will see some evidence of it, the only significant risk is not something that occurs here in Austin, not in controlled visual impairments. This controls in places like even out in west Texas where the level of fluoride in the rock in their natural water is much, much higher concentration, like Dr. Huang was talking about. I wanted to live this image up to show. This is what the science shows. This is going to be a lot of positions, statements, certain data brought up, but the consensus of science in the United States on the left, this is what happens when there's a lack of education, a lack of proper hygiene and the lack of exposure to fluoride. On the right, this is the only risk that we pose right now that agree upon to our citizens.

[3:34:38 PM]

I will mention that 5%, those teeth are actually stronger. I do want to mention before I have Dr. Conan get up, I've been practicing dentistry for six years, a lot of work in community health. My wife is a dentist at well that works at the St. David's foundation, many of their representatives are here in support of community water fluoridation because of its safety and efficacy. It's come to my attention that the opposition is going to show a video of that -- of that -- of that group and what they do for our

community. I can't really figure out why that is because it is -- it is an organization that supports community water fluoridation. They apply [indiscernible] To the children, they work as hard as they can to educate and treat a lot of underserved children in our community. They still only serve 16% of the kids in the Austin area. So there are still -- the majority of our children that are underserved that need the benefit of programs like community water fluoridation to improve their dental health. I just appreciate your time and [indiscernible].

>> Thank you, Dr. Hecht. Good afternoon, council members. My name is Dr. Ali Sean Elliott E baron, the president of the capital area dental society, also a dentist here in Austin, I'm a wife, mother, sister and daughter of Austin residents. I'm not an activist or a politician, I'm here today because I love research, evidence and serving my patients. Like many austinites, I pride myself on being a non-traditionalist, a non-conformist. On just not following the masses in blind obedience, as a dental community we've been discussing, organizing and battling over this topic of water fluoridation for years. In 2011 when it rose again, I started to question everything that I had been taught. And it seemed pretty juvenile to just repeat everything that I had learned in school or repeat studies from the original study 50 years ago. Going through the recent literature and research, with an open mind, I found myself supporting water fluoridation because of excellent controlled peer review studies with good scientific methods. And you guys have all received a packet of some of those references.

[3:36:42 PM]

There's education and there's experience. Like Dr. Hecht talked about. And as dentists we've all had experiences where we know fluoride has been absolutely essential to the diagnosis. Last month I had to extract several baby teeth on a seven-year-old. The teeth were hopeless and beyond repair and she was in pain. And the mother didn't believe in the use of fluoride. Respecting her right to parent didn't mean that I had to give up the obligation to let her know those cavities could have been prevented. As an individual's doctor that is what we try to do is prevent oral disease. As health care providers, I believe we also have an obligation to try to prevent it on a larger scale. Those opposed to fluoridation project fluoride as poisonous at any level. Keep in mind many things healthy in moderation are harmful in excess. Vitamin C, kidney Zones, headaches, vitamins, iron overdoses cause heart failure, still recommended for pregnant women. Fluoridation can cause adverse -- excessive amounts of fluoride can cause some adverse affects but only in concentrations well above those in Austin or other communities with water fluoridation. I represent a voice at the capital area dental society, the Texas dental association and the American dental association. We all have scientific background, we have read and analyzed the most current research to the best of our ability. As doctors we have not only learned by experienced the incredible value that fluoride plays in helping preserve the role of teeth. Please council members we ask you to not only lean on your own understanding of this issue but of ours, the doctors who care for our own families and for yours and base your decision on the consensus of the scientific community and the safety and efficacy -- efficacy of community water fluoridation. We're here

today because we value the oral health of our patient, our neighbors and hope that you as our public representatives decide to continue to invest in the health of our citizens. Thank you.

[3:38:47 PM]

>> Thank you for the -- for our first speakers. Does -- does the panel or the committee have any questions for any of those speakers?

>> Do you want to hear from the other side and then start questions. Councilmember Zimmerman's panel?

>> Zimmerman: The other side of the question.

>> Is there a panel that's representing -- okay. I showed they ran nine minutes over, if we can add nine minutes on to this one.

>> Thank you. I'm Dr. Griffin Cole, a dentist here in Austin as well, I've been practicing for 23 years, I spoke at the last meeting, I won't go through a whole intro of my accomplishments. But I can tell you that I've been studying this longer than most people in this room. If you look at Dr. Huang's presentation, as good as it was, his first two slides contradict each other. If it's been around for so long and it's so great, why is decay rates going up? Why are they going up? I'm going to just -- I have a bunch of slides to show, but I may not even get to one because I just want to talk about this. I thought about this on the way over. I've been arguing this for about 15 years now. All of my arguments have been on the science, we've got boxes, probably 10 of the ones that he has in that one box to show that it's not effective. He have to differentiate, I don't think that I've done a good job of between topical and systemic. Topical you physically rub it on your teeth, toothpaste, gels, varnishes, trays in the office. Typeally, that's how fluoride works, we're not talking about that today.

[3:40:49 PM]

Cast it aside, it has nothing to do with water fluoridation. Zero. We're talking about ingesting it. Systemically. The water passing over your teeth for half a second does not give you a topical effect. Scientists all agree on that. There's no topical effect when you drink it. Now it's in the body. Tell me in the body is it effective? Science shows it's not, everyone including CDC will tell you that it's topical, post erupt active. So it's in our body, how does it affect our teeth? Negatively in that you get the fluorosis, brown and white spots, modeling, teeth are more porous, not a positive thing. There is science as recently as just last month on thyroid problems, pineal gland problems, enzyme problems, bone cancer, all of that stuff can be validated with science just as well on our side. When you hear them arguing, he's

right, experts against experts nothing gets accomplished. I agree with that. That's why I thought well let's just get down to basics here. Topical is how it works. Rubbing it on your teeth, drinking it, it's ineffective. Science shows that over and over again. By the way, I'm good. If we want to keep adding fluoride, I've been buying bottled spring water since before my kids were born. I got a state-of-the-art filtration system on my house. If I go to a restaurant I order bottled water, I'm good. You guys aren't going to affect me or my children at all. It's the people that don't have the option or the luxury to do that is who I'm fighting for. I'm not here for a self-serving purpose. I'm really concerned about those who are forced to drink this water. It's not helpful and it's harmful. So, you know, to my young colleagues who are relatively new dentists, you're not looking at the science carefully. You really need to, seriously. Because I was taught the same way and I believed it as well. I even taught my patients that for the first couple of years. And then I started getting informed. I started looking at things.

[3:42:50 PM]

Look at all of the latest reports, even from the Cochran report, which I think Dr. Huang had on his chart. They clearly say that it's not effective. I think it was the second thing that you listed. Quote from the report here, there is very little contemporary evidence meeting with this reviews and conclusion criteria that has evaluated the effectiveness of water fluoridation for the prevention of caries, that's their main statement. The nrc report, they were told do not study any

[indiscernible] Fluoride in the water, which is what's added in water fluoridation. They say there's nothing going on there, yet I can read two quotes from two of the people who are actually on the panel. Scientists, toxicologists, not dentists, not lay people, toxicologists, John dual says what the committee found we have gone with the status quo for too long, really, now we need to take a fresh look. When we look at the studies that have been done, many of these health questions are unsettled we have much less information than we should considering how long water fluoridation has been going on. Dr. Hardy line-back, phd. The evidence that fluoridation is more harmful than beneficial is overwhelming and policy makers before reducing new fluoridation schemes do so at risk for future litigation. Cath Theisen put out a huge report on the ineffectiveness and danger of water fluoridation. I'm going to show you five quick slides and then I want to pass it on because there's so many great speakers. Next one. Is it the right one. We talk about studies, he talks about systematic review. Never a single randomized trial to approve that fluoridated actually worked, never been a long-term follow-up study to prove that it actually worked.

[3:44:56 PM]

Never studied prior to dumping our water supply. CDC, the one that my friend Dr. Huang quotes all of the time, predominant effect is post eruptive and topical. We are unaware of data about the additional protection of tooth decay that could result from the consumption of fluoride drank water. F.d.a. Approved it as a --

[reading graphic] He made fun this slide, that's fine. Let's make fun it. Look at all of these -- I can't differentiate between which countries are fluoridated and not, according to the last three speakers, decay has gone up. If it has your argument is null and void because obviously it's not working. If it's gone down like this is showing, maybe there's something else at play here. Maybe diet, wow, maybe home care has gotten better, maybe the things that really affect dental health are at play here and not water fluoridation. For my young colleagues, just read that statement and see how you feel after reading that. That to me is very intimidating. I'm going to pass this one. One slide if you could bring up that Dr. Presley put up. We have a Amy Rodriguez from Lulac is here to speak soon. I wanted to put up this one 2005 CDC study showing the affect on hispanics and African-Americans is so much more involved. It's the next one. This is the -- from again 2005, CDC study accumulating over many years showing the effects of fluoridation on hispanics and African-Americans and how much higher it is. Sometimes up 110% more actual negative effect on them. He's going to cover that in more detail. The last slide is a group of people who don't endorse water fluoridation and that's a small group, but read them and see who they are.

[3:47:00 PM]

They are not a bunch of demigroups, thank you very much for your time again, guys.

[Applause]

>> My name is bill swale with people's pharmacy. And my employees whenever I'm here, because there's a strong research showing that -- that you lower your thyroid hormone with this -- with fluoride, the drug fluoride. So if we're lowering the thyroid hormone and we have to make or sell the a thyroid hormone why am I here? It looks like I'm putting myself out of business. It is dose related, by the way. The real problem that we have here is that during the summer months people are -- are drinking a lot of water. A lot of tap water. And so we have a problem. In this community. Because the doses, even though it's not approved by the F.D.A., there is a drug, I bought this polybyflor, we never dispense it, I don't know why, we just don't know. One reason is the price of this is \$200. And that's my cost. \$200. Your cast would be 300, I'm just teasing. It's -- it's interesting that -- that --

[indiscernible] Is old Texas term, it means procrastinate. Are we procrastinating on this? Is this really enough research to show that -- I don't know how y'all do this, I don't know how y'all sit there listening to both sides and try to determine which is the best side to go to. You know, it is sad that -- that the -- the data may not be correct, as a druggist, as a pharmacist I can tell you a lot of drugs are on the market today that shouldn't be on the market.

[3:49:07 PM]

Until you study the data, how the research got passed and -- a lot of times its due to the -- it's due to the money and that's sad. I don't think money is involved here, but we got to figure out what we can do to solve this problem and I think if there's a referendum for just one year, two years, I have already paid I think -- y'all have already paid in advance for the fluoride in the water now for two years, I understand. If you had a referendum and let's study the research, really study it and make sure that it's -- it not based on -- on something that's -- that's not -- just not tainted. Something that there wasn't money involved and that's what we have. That's why in the national government, people are distrusting the government because they're not really watching [indiscernible] House and I think that's the real problem. But I think it's really important to understand that this is a drug and this is -- requires a prescription, by the way. And there are side effects to it and I think that if you're not aware of that, like there's a drug for oral psoriasis, this drug also if you are on dylantin, a drug for -- for seizures, you can have more seizures because this will lower the effect of the dylantin. So they are very careful. It's not F.D.A. Approved. There's nothing on there that says that it is. But it does require a prescription. It's very expensive. Well, why is it expensive? That's another thing to look at because possibly I know when acutane came out with all of their side effects, babies born without legs and arms and all of that, boy the drug price went up and wherever there's a real danger, with something -- I hope it's not true with this. But if there's a danger with fluoride, then the drug company is trying to cover themselves with increased insurance.

[3:51:12 PM]

And by the way, these are not drops. These -- they discontinued the drops. These are strips. So what you do is you put the strips in the baby's mouth or the child's mouth, so that they don't overdosed. So it's not an easy thing to look at. I understand the situation that you all are in. I don't know how you make the decision. It's dividing the community of dentists. You have some dentists that are really against it and some that are for it. So it's a decision that's kind of tough. So just listen to our side, okay? That's all that you've got to do. Just support it. A couple of facts that you need to know about, in almost all developed countries there is no fluoride in the water. Fluoride countries where they add the fluoride, they found out there's not less tooth decay. That's a metaanalysis. It affects many tissues, I mentioned the -- I mentioned the thyroid gland, other tissues, too, mental conditions. There's lots of research going on now what fluoride can do to affect children, especially young children. It's really sad that we're doing this and we don't know for sure what's happening to our children when they take this because once again it's not dose-related. A lot of these kids now playing football, they all out there drinking lots of water, a lot of times they can't afford reverse osmosis so they are drinking water with lots of fluoride

and that can cause lots of problem. Again, I don't know why I'm here, we make money with people not doing it very well. By the way, if you have any questions, I will be happy to answer them, thank you.

>> Thank you.

[Applause]

>> Thank you very much, my name is Henry Rodriguez from San Antonio.

[3:53:14 PM]

With the league of Latin American citizens, I'm here to tell you that the nation of lulac, the entire country, all of us, are in direct and firm opposition to -- to fluoridating our public water. We are one of the most active, dynamic, well respected lulac councils anywhere in this country. I say that with a lot of confidence because that's who we are. In '66, in 1985 and 2000. There were referendums trying to pass that fluoridated water. Well, the establishment, if you will, spent tens -- no, hundreds of thousands of dollars. They used every one, mayors, very popular mayors, very popular politicians, the archbishop, what have you. And on the other side were us, the rank and file, grassroots people. That really cared about what's going on. Yes, at first it was a balancing act because what I saw in 1966, you have -- you have scientists on one side and scientists on the other, what do I know? I'm not going to take a chance and that's why I voted against it. I'm not going to take a chance and you shouldn't either. Nobody should. If the CDC even says a little bit says it might be bad for babies, that's good enough. You should say no. Let's revisit this. I met -- we met, our council, there's 11 people on that city council, we met with most of them, about eight. None of them, not one of them could give us a report of what were the benefits since 2002 when they started putting the fluoride in the water. In the public water. No one could give us an answer and say, look, there's 40% less cavities in the babies. That is bad. Now, there's people that are -- that are in different stages of life, the very old, the very young, like babies, old people, athletes, laborers, our people that work very hard in the sun, they drink more water.

[3:55:31 PM]

So one size does not fit all. Definitely does not.

[Applause] So we ask you, those of you that are pretty much on our side, to please -- please work with your council people and ask them all this -- all of these great questions, if you're going to champion something, champion the law, champion accountability to say, look, we're throwing all of this money to pay for this fluoride, yet where are the results? Give it to me in plain Numbers, don't lie type of thing. Now, we have -- we have exhaustively -- I did -- yeah, I did a lot of research. But I'm the layperson. I

would not dare go against them. The first thing they'll say, what kind of degrees do you have? What kind of studies have you done? Really, what university did you attend? Well, I went to the school of hard knocks and nobody is going to pull the wool over my eyes. Especially people that come and use their titles and tell me, look, this is what's going for you. I know what's going for me. I have been an activist for over 40 years. And you're not going to tell me that this is not a civil rights violation because forced medication is exactly that.

[Applause] When you try ---- when you try, when you use all that money, all that power and then you say all of you, you drink it or tough luck, if you don't have money for bottled water for your babies, tough luck. Well, that's unacceptable. That is totally unacceptable. So look, all I'm asking is that you do some soul searching and real research, listen to your hearts. If there is a little chance that our kids are in danger of something adverse, then please, say no.

[3:57:37 PM]

Use all that precious money to educate better diets, better oral hygiene. All these things it really makes sense. And stop throwing that money away. Thank you so much.

[Applause].

>> Garza: I'm going to go ahead and call the speakers now, the signed up speakers. So James McClain.

>> Hello. My name is James McClain. I'm a resident of Austin, district 8, hello, councilmember troxclair. And you know, I'm here not only as a dentist here in Austin, but also as a father of a two-year-old daughter who drinks city of Austin water filtered through a carbon filter in my refrigerator. I appreciate that the city of Austin does provide water fluoridation. I understand the concerns about forced medication without consent, but the government chooses that without our consent we also, all of our salt is going to have iodine in it, all of our flour is going to have folic acid, niacin and iron. Most of that iron is mined, some of that iron is actually a steel mill waste product. It's the rust that's scraped off fresh steel. But these are things that are accepted to be safe and beneficial. The vitamin D that's in vegetable oil, we don't have a choice whether that goes into our flour or salt, but there are noticeable health benefits for that and they're shown to be safe. For fluoride I appreciate that this is a very difficult position or a difficult issue for a layperson.

[3:59:41 PM]

The last good science we had on this, frankly, is 60 years old. There's a reason that they started putting fluoride in the water in the first place. That's why they started putting it in the water, 50, 60 years ago,

because they saw communities where there was not fluoride was not occurring naturally. They put it in a the water and saw a difference in the caries rates. There really isn't a lot of great science lately. A lot of the reduce are going to say something to the fact that it's unclear, but a lot of those studies are the ones that they're citing as far as adverse health effects. All of the cancers, osteosarcoma, the reviews consistently show that these are weak, deleterious effects, weak preventives in some cases, but the science back when we started putting the fluoridation in the water was clear that community water fluoridation does reduce dental decay rates. Dental decay rates can be going down for a lot of reasons. We are getting better at understanding why cavities happen. The sugar lobby did a great job of convincing us that it's all about brushing and flossing. Please, please brush and floss, but understanding dietary habits, hygiene habits makes a tremendous difference, but not having fluoride is going to be detrimental to the health of citizens of Austin and I am glad that my daughter will be drinking fluoridated water. And my patients as well. We care about our patients. They say that in politics follow the money. And it just doesn't work here. As dentists, we stand to benefit tremendously from an increase in the prevalence of dental caries.

[4:01:43 PM]

We would do very well with that. The folks that are against fluoride, I don't believe that they really have any malicious intent. I believe we are interpreting the same science differently. And I understand that that makes this difficult for the council, but I would like to support -- voice my support for the continuation of community water fluoridation. If you very much.

-- Thank you very much.

>> Garza: Thank you. Next speaker, ray nadler-olenick. Rae nadler-olenick.

>> Well, I'm delighted to play a clip about the great St. David's foundation healthy smiles dental program. And while you're watching, which serves title I schools in Austin, title I, okay? Now, while you're watching this please ask yourselves why after 40 years of fluoridation this program is not only needed, but operates exclusively in low income areas. Play it, please.

>> [Inaudible]. We operate six we call them dental vans, but the best way of looking at it is these are [indiscernible] With two dental chairs, x-ray equipment in each van. During the school year you will find our dental vans in the parking lots of elementary schools in six districts throughout our region. And we provide free dental care.

>> The dental program at St. David's became about years ago. The idea was providing direct access, coming straight to the school and providing care at the school so that the moms don't have to take off from work or find a babysitter or find transportation and kids are not losing any extra time at school.

[4:03:50 PM]

It was initially

[inaudible].

>> It's just amazing our dental program

[inaudible].

>> It makes me really happy to be part of something that's so beneficial to our children. You see a lot of capping of permanent teeth, some primary teeth or baby teeth. A lot of kids are in pain, they're swollen, they're hurting. They aren't able to eat

[indiscernible] During class. They can't sleep at night. It keeps them up at night. We take x-rays, we diagnose what they need and we'll treat them. If they have any cavities or if anything needs to be done, we'll take care of that tooth.

>> There is such a huge unmet need in central Texas for dental services. What we bring to the community with this program is comfort to the kids who are in pain. And we are making it not only a pain-free environment where that's happening, but the kids are learning about brushing their teeth and they're asking for toothbrushes to take home to the rest of their family.

>> We are just making sure that all the children of Austin and the surrounding areas are taken care of.

>> Small things like a dental program can mean so much to so many.

>> We're taking care of people in central Texas everyday, 50 weeks out of the year.

>> It's a great feeling.

[Buzzer sounds]

>> One sentence, please. Water fluoridation promises dental equity for economically disadvantaged children, but it doesn't deliver. So it's time to stop wasting millions of taxpayer dollars on this exercise in futility and concentrate on what we know really works.

[4:05:57 PM]

Thank you.

[Applause].

>> Garza: Thank you. Next speaker is Stephanie -- I believe it's Rubin.

>> Thank you very much. I'm Stephanie Rubin, I'm an Austin resident and parent of a four-year-old. We drink tap water and are thrilled to live in a community with clean and fluoridated water. How lucky we are that St. David's is doing this tremendous work. Of course, it's a very limited prevention strategy in central Texas. It doesn't reach all children. It doesn't reach all the children's dental health needs. And community water fluoridation is an important prevention strategy, a comprehensive strategy for all of us. I'm familiar with the research on fluoridation and am completely confident that fluoride is safe for my child and my whole family. I trust the CDC, the American academy of pediatrics and my local public health officials on the benefits and risk of fluoridation. I've heard from some parents, some friends of mine, that my kids brush their teeth so why do we need community water fluoridation? Why should I care? My answer to them is that drinking fluoridated water as an important prevention against tooth decay. It's safe and has been called one of the most -- one of the greatest public health benefits of the 20th century. And regarding the gentleman's comments about why tooth decay has gone up even when we have community water fluoridation, I'm sure part of the problem is sugar, sugary sodas, lack of dental health care access. So getting rid of community water fluoridation is our answer? That's going to help the public health benefit.

[4:07:57 PM]

And it's free. It's an incredible public health benefit for all of us. Let's keep focused on the decades of solid and irrefutable elements that proves the health safety of fluoridation. I've read the web commentary and it's truly a fact that this is not evidence that can be interpreted in different ways by different scientific scholars. The weight of the evidence is very, very clear, this is a safe and effective form of public health benefit. Finally, I just want to comment about -- I realize this issue keeps coming up over and over again and I realize that the city council -- I appreciate that you keep hearing from both sides and I strongly support continuing the community's water fluoridation. Thank you.

>> Garza: Thank you. The next speaker is Joan sefcek.

>> Good afternoon. I'm Dr. Joan sefcek and I practice dentistry in Austin and I've been practicing for over 30 years. I've currently the president of the international academy of biological den advertisety and medicine. I was accepted to dental school when I was 19 years old and that didn't happen without a lot of studying on my part. And I didn't stop studying after I got out of the dental school. Dental decay is caused by a bacterial infection, not from a lack of fluoride. In fact, fluoride doesn't exist naturally anywhere in your body. There are no recommended daily requirements for fluoride and there are no diseases caused by a lack of fluoride. God did not intend for fluoride to be in your body.

[Applause]. Therefore fluoride is a toxin. That's why toothpastes have a warning on them if you swallow them to call police and poison control. It's right here.

[4:09:58 PM]

When you drink or ingest fluoride it combines with the hydrochloric acid in your stomach and forms hydrofluoric acid. That acid is so caustic that it eats through glass. You can't keep it in a glass container. This hydrofluoric acid goes throughout your body and damages your organs and your tissues. This is particularly harmful to children whose organs are developing. Even god knows that fluoride isn't good for babies because it's filtered out of breast milk. If you give infants formula made with fluoridated water, they can receive 400 percent the amount of fluoride an adult receives per pound of body weight. By the way, Brita and pure water filters do not remove fluoride. Fluoride in the body damages the brain. It lowers our IQ, it's linked to autism, ADHD and other neurological problems. Fluoride also affects the pineal gland that helps in sleep. How many people have sleeping problems these days? Fluoride damages the thyroid gland, replacing iodine and causing hypothyroidism and thyroid cancer. This is prevalent today. It makes bones more brittle and susceptible to fracture. Hip fractures in the elderly have been linked to fluoridation. The National Institute for Dental Research, Newsweek magazine, and even the Journal of the American Dental Association cite studies that show no statistically significant differences in decay rates in cities that are fluoridated or non-fluoridated.

[Applause]. Water fluoridation does not decrease tooth decay. But it does cause dental fluorosis, the permanent spots in the teeth that 41% of our adolescents have nowadays. Sadly this means they're bodies have been overexposed to fluoride in their formative years. I ask you to please stop placing this toxic chemical that god never intended to be in our bodies in our water supply.

[4:12:04 PM]

[Buzzer sounds] The health of the people of Austin, their pets and especially the children who are the most vulnerable is in your hands. Thank you.

[Applause].

>> Garza: Those are all our speakers. And I'm going to open it up to questions. Councilmember Zimmerman?

>> Zimmerman: Thank you. Dr. Hang I had a couple of questions. I'm pretty impressed. This is a list of 110 organizations. I counted them here. 110 professional organizations supporting fluoridation. It's pretty impressive. So when I see that kind of consensus in professional organizations I set my bar a little

bit higher about what I expect for scientific proof. So can you help me understand the lowering of the recommended -- E.P.A. Recommended limits? It was 1.2 parts per million down to .7 ever since, what, the '60s or so? And then in 2011 they lowered it to .7. And I said okay, cool. If you're going to do that with all the scientific consensus I will look for a controlled exposure study. I will look for something that's really serious that says hey, we've done the studies and we know this is the optimum limit. We're using .7 because .2 might be too little and two is too much, but -- I can't find the science that backs up that number. Can you illuminate me on that? Why .7? Why not .5, .2, .1?

>> I'll start and I might even let Dr. Brown speak so he has an opportunity since he's participating. Originally there was that range that was recommended because with the thought that there were variations and the consumption of water based on climate, warmer weather climates that people drank more so that -- and I think historically Austin was at that lower range to begin with.

[4:14:15 PM]

I think that there's been an -- E.P.A. Did some assessments of what is the actual consumption variations and I think it's been found with increasing in air conditioning that there are actually less variation in some of those water consumption based on the different climates. But that's a good example of continuing to look at what information is out there and refining the recommendations based on that. Do you have anything else to add, Dr. Brown?

>> Just to say that the net effect of the new recommendations in Austin is zero. I think the change, you know, is from a range of 0.7 to 1.2 parts per million to a recommendation of 0.7 parts per million. We've been at .7 all along. Now, it was thought in the past that water consumption varied with latitude, that is, varied with climate. And that in hotter climates water consumption would be higher. But more recent studies of that have shown it's not the case, and as said, likely this is due to widespread air conditioning.

>> Zimmerman: I'm sorry, but that was interesting, but it seemed completely unresponsive to my question. Where are the -- I'm sorry.

[Applause].

>> The other thing I would add is that .7 is -- it's been identified as the optimal level for optimizing the benefits with respect to tooth decay and balancing it with any effects related to mild dental fluorosis.

>> Zimmerman: Based on what? What I'm driving at is I've been involved in an ozone debate, you know, parts per billion, whatever measurement you have.

[4:16:21 PM]

And there were some controlled exposure studies, rather interesting. They took a control group, they put a mask on somebody, get them to breathe through their mouth, they put a certain controlled amount of ozone that people ingest, they measure it. It's a scientific study. I'm looking for that on this scientific 63, all these scientific organizations that have signed on, and I'm looking for science.

>> Well, it's based upon 70 years of studies. That's a very long time to be studying this subject. And optimal was defined and has continued to be defined as the balance between caries reduction, tooth decay reduction and the minimal amount of dental fluorosis. Now, dental fluorosis and we're talking about it is mild and it's a slight whitening of the teeth. I want to remind you that that's not a problem. It's not a health problem. In fact, I can't even believe that it's an esthetic problem when millions of people pay to have their teeth bleached and thereby make their look as if they have mild fluorosis. The public doesn't seem to believe it's a problem. They seem to think that's an enhancement. So the 70-year history I think we ought to be -- it ought to be pleasing to see that the authorities continue to monitor this. And as they notice a change, a slight increase in this mild fluorosis, largely due to other fluorides in toothpaste and a range of other products, they recommend that the range be reduced from 0.7 to 1.2 and just be set at 0.7. But it's based upon 70 years of experience and studies all over the world.

>> Zimmerman: A final question here for Dr. Wang.

[4:18:23 PM]

Do you know of any cities in Texas that have eliminated fluoride treatment in the water, fluoride addition?

>> Actually, I think Jane Brazier has that information.

>> I'm Jane Brazier, assistant director with Austin water. In 2011 College Station discontinued fluoridation. It came about when the city manager made a recommendation to eliminate it as part of the budget process. Corpus Christi discontinued the fluoridation, but their equipment broke and they never repaired it. They are now, though, based on data going back to fluoridation, trying to bring that back. Dallas, Texas reviewed the fluoridation issue and in January of this year they voted to continue fluoridation in that city. San Marcos is currently fluoridating, but citizens have gathered a petition to support a charter amendment to end fluoridation. That election has not taken place yet.

>> Zimmerman: What about Bryan, Texas?

>> They're not fluoridating either.

>> Zimmerman: You left them out.

>> The articles I read were mixed with college Station so I couldn't tell who the provider was, if College Station was treating the water for Bryan or not.

>> Zimmerman: No, they quit in about 2006, 2007. The reason that's important is there are -- from my information -- I went to Texas A&M. I'm familiar with this area.

>> I did too.

>> Zimmerman: Gig 'em aggies. I think there are still people there that don't know that fluoridation has ended. So there's an opportunity there to look at some statistical analysis from, say, the 7-8 years in that bryan-college station area in areas where the fluoridation has ended and see if there's any difference in the tooth decay or any other symptoms.

>> I couldn't find any studies where that had been done yet.

>> Zimmerman: Okay. And finally one quick thing on the science, the toxicology, the neuro cox in, fluoride is a neuro toxin potentially in higher concentrations, was that investigated or even known back in the 1960's.

[4:20:39 PM]

Would anybody to think to look at fluoride as having potential neuro toxic effects in the 1960's?

>> I can't speak to what was done in the 1960's.

>> If you're referring to the toxicology of fluorides and not just community water fluoridation, Harold Hodge in Rochester, new York did those studies in the 50's and '60's, the toxicology of fluorides. But of course today we're talking about community water fluoridation. We're not talking about fluorides as used in chemical engineering, for instance. So I'm not sure what the point of your question is.

>> Zimmerman: Fair enough. That's all I've got. I want to ask Dr. Cole to come back if you have any questions.

>> Garza: Does anybody have questions? Councilmember kitchen.

>> Kitchen: I just -- I just wanted to thank you all for your testimony today. Dr. Wong, I wanted to give you the opportunity to respond to some statements that were made I think by -- maybe by Dr. Cole, but I don't remember you responding to these in particular. There's been a lot of statements about decay rates going up and so therefore it's proof that community fluoridation doesn't work. I'd like for you to respond to that for us. Related to that was the statement that systemic community water fluoridation was not useful and that in order for fluoridation to be useful to combat tooth decay it had to be topical. So if you could just speak to those two things.

>> Sure. In that -- July-August 2015 public health report that I think you all have a copy, they do talk about some of the historic trends in dental caries.

[4:22:44 PM]

So they say that it is responsible for the decline and prevalence and severity of dental caries during the second half of the 20th century. For adolescence, it decreased from 90 percent among those age 12 to 17 years in the 1960's to 60% among those age 12 to 19 years in 1999 to 2004. During that interval the number of permanent teeth affected by dental caries, decayed missing and filled, declined from 6.2 to 2.6 respectively. Adults have also benefited from community water fluoridation. Average number of affected teeth decreased from 18 among 25 to 44-year-old adults in the '60s to 10 among 35 to 49-year-old adults. Although not suggested, age groups in the 1999 to 2004 survey used a higher up age limit and the teeth effect also increased with age. Thus the comparisons may underestimate caries decline over time. One thing I know that also Dr. Cole mentioned the Cochran report. And the thing is also the results in that report. It still says data suggests the introduction of water fluoridation resulted in a 35% reduction in decayed, missing or filled baby teeth and a 26% reduction in decayed, missing or filled permanent teeth. It also increased the children by 15%. Although the results show that water fluoridation is effective in baby and permanent teeth, the applicability that refers to current lifestyles is unclear. The criteria for studies that the Cochran report was actually higher than some of the other studies because they're typically doing like health care treatment studies. So you're looking at drug studies where can you do randomized controlled studies, you can do double blind studies. As council member Zimmerman mentioned, you know, maybe you have this setting in college Station where they don't know if they're fluoridated or not, but typically you can't do that double blind setting where the evaluator doesn't know if they're from a fluoridated community and the person doesn't know if they're from a fluoridated community.

[4:24:51 PM]

That they're followed up -- some of the criteria for the Cochran report is there had to be that follow-up in that same group of patients for 15 years. Which again you can do these things more in some kind of clinical trials. For community water fluoridation you can't do that. That's one of the reasons, they say since the '70s there haven't been studies that meet that degree of standards, but that's a very hard -- it's a very different standard when we're looking at evaluating community water fluoridation. But there are other studies that have been conducted contrary to what was said that have shown still that beneficial effect despite -- in the setting of fluoridation of toothpaste and other fluoride being tabletop include. Now -- topically. You mentioned the subject regarding topical versus systemic, and I think that's

why I specifically had a CDC slide that showed CDC says there is still both systemic and topical effects. Now, it's predominantly topical because what you're talking about, the systemic effect occurs before the primary teeth, before they've erupted, but then you've got the rest of the life of the person for years that you're getting that beneficial from that topical effect. And the ingestion of the water with fluoride, it's that it's also in the saliva, it's -- so the teeth are continuously bathed in that. So there's beneficial aspects to that.

>> I wanted to mention also that we had a detailed analysis of the resolution here that the A.D.A. Put forth, and you all should have received that beforehand. And the systemic versus topical debate, we had a dozen research articles there describing the systemic benefits of ingesting fluoridated water. And they are mostly dental journals, but we're the ones who study tooth decay so I don't know why that's relevant. You should have that in front of you.

>> Zimmerman: Dr. Cole, could you put up the slide that you had of different countries where they're fluoridating water versus ones that are not?

[4:26:59 PM]

There's a couple of things mentioned. Dr. Wong touched on double blind studies, things that you can do to isolate cause and effect. Very, very difficult in a complex world to be exact, to be precise about cause and effect. So you fluoridate the water and then you look at dental caries. But there's so many other things involved. There's your hereditary, your genetics, your life-style, whether you're drinking four cokes a day, do you brush your teeth, do you use a fluoridated toothpaste? So to be honest it would be very complicated, it's very difficult to isolate what the fluoride effect has versus all the other effects. Very expensive and very complicated to do that study. And when I referred to studies, that's what I was looking for, those kind of double blinds and where you really control so you can isolate what's going on. So if you talk about that for a few minutes, because to me this decision is about we're spending around half a million dollars. You know, I'm looking for cost savings in our budget. And the question of the effectiveness and the proof that we're getting our money's worth is very, very important to my decision. So if you could please talk to that slide.

>> Okay, thank you. I think I mentioned this in prior arguments in that most of western Europe, in fact, 98 percent of western Europe doesn't fluoridate at all and there are several countries here to show that your point is so valid. It's all about diet and home care. Fluoride is unnecessary in any form for sound dental health, truly. But let's stick to systemic fluoride. This graph is so important, this is the world health organization and I think you listed them as a proponent of fluoridation and I don't believe they are. They're an unbiased group. But this is put up by the world health organization and their point was to show that did decay rates were going down on a global scale and that try to determine which ones are fluoridated and with once are not. That was the point of the slide, which is why I love this slide because I still can't look at it except the U.S. Is circled, and discern who is who.

[4:29:06 PM]

>> And should I respond? You know, that was part of my point. You can't put up a slide like this and this is not an epidemiologic study. In Europe, France, Hungary, France, Germany, Switzerland have fluoridation. Finland there's comprehensive free dental care, intense active topical fluoride routines, dental sealant programs. There are many factors that have to be looked at when you're evaluating some of these and you can't just say here's this and so these communities are --

>> Zimmerman: You lost me there we've been talking fluoride, fluoride, fluoride is great, fluoride is great. Got to have fluoride, fluoride is great. We're talking about fluoride today. We're not talking about all those other things we have, dental, the health care that's available. We're talking about fluoride. So let's be fair.

>> I'm just saying that this particular slide is not an epidemiologic study. There have been numerous, hundreds and thousands of epidemiologic studies that have been performed. The first fluoridation program, that was Grand Rapids moisture and the children there, the control non-fluoridated community, they were followed for 15 years.

>> I have to interject bassinet's true.

>> Garza: This is not going to turn into back and forth like this. Can you finish and then --

>> Zimmerman: Let him finish and then you finish.

>> So -- and this is exactly the point that this is not the setting where we are able to actually look at and have -- you know, everyone have the studies available to objectively -- first you do the literature search to identify all the possible studies and look at those that meet the criteria for the methods that are appropriate. Then to look at the different -- to try to summarize what are the findings, are they consistent. What is the total body of evidence, how well performed are these studies did they control for these other confounding factors. And that's exactly the point I'm making that this is not the setting.

[4:31:06 PM]

But there are many expert review panels that I showed a list that was the other slide that I showed, the numerous expert review panels that have looked at this. And the conclusions have all been the same.

>> Garza: Thank you. Councilmember Houston, do you have a question?

>> Houston: I wanted to say that the city of Austin has been discussing this since 1972. That's when the first -- when the referendum was passed and to add water to our fluoride -- I mean, fluoride to our water.

[Laughter]. Now it's making me crazy. To add fluoride to the water. So we've been having these conversations since then. And so I guess my question is since this was put in to our water by referendum, why don't we just go out and gather 20 signatures and put it back on the ballot?

[Applause].

>> That would be great. That would be great. I promise you if this came to a vote --

>> Houston: I was going to say you don't need our permission to do that. That's a citizen-initiated referendum.

>> But you said 20 signatures --

>> Houston: 20,000. No, no, 20,000.

>> Well, we may have to do that. We're just trying to go the more logical route here. Can I just address that real briefly? In 1944 the A.D.A., which is our governing group, denounced water fluoridation, and I can read the quote. It's long, but briefly they said we do know that the use of drinking water containing as little as 1.2 parts per million of Noren will cause such developmental disturbances in bones with many diseases and we cannot afford the risk of such systemic disturbances in applying what is at present a doubtful procedure intended to prevent development of dental disfigurements among children. It goes on and on.

[4:33:07 PM]

Three months later they started the Grand Rapids study. And it was supposed to go on for 10 years. After five years they realized that decay was going down in both cities and they dropped one as a control city and that was it. And fluoridation started going and it was just a bandwagon that wouldn't stop. So there's a lot of flares involved. Harold Hodge is one of them. I could name them all. Ai won't get into that part. I will just stick with the science. It only works top include. So why do we add it to our water? And we're naturally at .5 parts per million D we really have to spend six hundred grand a year to bring it up .2 parts per million.

>> That's incorrect. That is incorrect. We're at .2 parts per million, up to .24. We bring it up to .7 and we only spend 330,000 including maintenance on the system.

>> And that's throughout the system it's always at .24, because you said before --

>> It goes .2 to .24. It ranges a little bit. During the drought -- most of time during Normal flows it's .2. During the drought it .24.

>> Garza: I don't want this to go into back and forth like that. I haven't personally heard fluoride is great, fluoride is great, fluoride is great from this side. My understanding is it's an effective way to prevent tooth decay. And I understand the argument of topical versus systematic, but what could the alternative be if it's not in the water and if it's simply a matter of a family going and getting fluoride somewhere and putting it on their teeth, you mentioned the -- that this -- that you have access to bottled water. So it doesn't hurt you, but it hurts families that can't afford that. So what about families -- so what's the alternative if it's not in the water? How do you get every single family to topically apply it?

[4:35:09 PM]

>> If you turn that faucet off tomorrow where there's no fluoride you will see no changes whatsoever. Nothing will change in the city. Trust me on that. It doesn't have any effect. So if you're asking them what they can do? Well, gosh, they can brush and floss, have a decent diet. I have two children who have not had fluoride, obviously not under my control. They eat junk all the time. They have zero cavities. And the reason why is they clean their teeth and they have a good, overall sound diet. That is the answer.

[Applause].

>> Garza: Councilmember kitchen.

>> Kitchen: I want to thank everyone for coming to speak. I don't know about my fellow councilmembers, but I'm ready to move on. And so I don't know if -- I don't know what our next step is, but I think it's time to move on.

>> Garza: Sure. I'll entertain a motion after -- did you have a question, councilmember Houston?

>> Houston: Thank you very much for being here. I know everybody is passionate about this subject. I would just like to make a comment regarding every child having the kind of home that has healthy diet and has parents that are able to do the things that were just mentioned. In district 1 about 6,000 of my kids go to sleep hungry every night. So to assume that because of that, their circumstances and the low resources that their parents are trying to provide them with the kinds of lives that are traumatic at best, I think that most of my kids would have more dental caries than they do now because that's the only health care that they get, no dental care do they get, except for the van that goes through and doesn't reach all of our kids. So when we try to compare how your life might be and how other children's lives may be, I don't think that's a very fair comparison and I don't think that we have a standard of living at this point in our city where we can make those assumptions for people.

[4:37:22 PM]

So I just needed to say that because we've got a lot of low income families in this city who don't have the opportunity to see a dent activity on a regular basis, don't know how to floss or brush or they don't have healthy foods to eat. I just needed to say that for the record.

>> Garza: Thank you, councilmember Houston. I'll entertain a motion at this time.

>> Zimmerman: I'd like to move that we advance this issue on fluoridation to the full city council for discussion with no recommendation.

>> Garza: Is there a second to that? So that motion fails for lack of a second. Nobody else?

[Applause]. Does anybody else have a motion they want -- go ahead.

>> Kitchen: I'll make a statement. I'll explain my approach and thank you, councilmember Zimmerman for bringing this forward and I appreciate everyone coming to speak. I have to say that the -- I trust our public health officials. They have dug in to this. The great weight of the evidence supports community water fluoridation. I think it's critical for our kids. I want to thank councilmember Houston for --

>> [Inaudible].

>> Kitchen: I want to thank councilmember Houston for her statement and I have to tell you that I support the continued community water fluoridation because as far as I'm concerned the risk to our children is much, much greater without having community water fluoridation.

>> Garza: Thank you, councilmember. We're going to move on to the next item on our agenda.

>> Houston: Excuse me, chair.

>> Garza: I'm sorry, councilmember Houston, I will yield to you and the health and human services.

>> Houston: The reason that we had this --

[4:39:26 PM]

>> [Inaudible].

>> Houston: Excuse me, we've been respectful of everybody who has been in this room. We'll ask you to treat the rest of us with that same respect. I would appreciate it.

[Applause]. So we had two council committees who were listening to the fluoride issue today and I would like to see from the members of the health and human services commission if there is a motion of any kind. No? Okay. So we will show for the record that the health and human services makes no recommendation on the issue of fluoride, which means that it doesn't go any further than this committee.

>> Garza: Thank you, councilmember Houston. And also for the public utilities, let the record reflect that we also did not send this item to the council with any recommendation. The next agenda item is -- we're going to postpone item 4 and we're going to move to item 5. I don't believe we have any speakers on item 5. If I can ask you to move out to the atrium, please, because we have the rest of our meeting to finish. Thank you. I believe we have staff to speak on this item, but first in big board sports this wasn't put forward by staff. Do you want to talk about this item, councilmember Zimmerman?

>> Zimmerman: I understand this is a grandfathered wastewater system that has a permit to put its effluent, dump its effluent back into lake Travis based on a prior agreement.

[4:41:31 PM]

And that's kind of the motivation for trying to fix the situation, right, and tie it into Austin's wastewater.

>> Houston: Councilmember Zimmerman, I'm sorry, we need to recess the -- the health and human services meeting.

>> Garza: Actually, I think you adjourn.

>> Houston: That's what I mean. Okay. So if there's no other action items then we will adjourn the health and human services council committee until September. At 4:41 P.M. Thank you, councilmember Zimmerman.

>> Garza: And thank you for joining us, councilmember Houston. I'm sure that helped. There wasn't a lot of duplication of effort there because you were able to join us today. Thank you.

>> Councilmember Zimmerman, you're correct about the history of the wastewater treatment plant, however, the 17 lots will be contributing the wastewater to water control and improvement district number 17's wastewater treatment plant. We do have a wholesale contract with the water control and improvement district, but that is not a direct discharge into our wastewater system. From the previous plant.

>> Zimmerman: Okay. And kind of what is your technical assessment of that situation overall? So Austin water is in favor of it or are they neutral? Or have no opinion? What's the situation there?

>> Given that the utility, Austin water supports the removal of direct discharges into lake Travis, then we would support city council's recommendation to go ahead and waive our capital recovery fees for these 17 connections into water district 17's wastewater system.

>> Zimmerman: I'd like to make a motion that we approve this item if there's a second.

[4:43:32 PM]

>> Garza: Councilmember kitchen seconds that. I have a question for discussion. Will this set any kind of, I guess, precedent for other -- because we're doing it after the fact and my understanding is we usually do it before, waive these fees?

>> My name is Bart Jennings, Austin water utility. I don't think I gave that to you briefly. No, ma'am, we don't believe that there will be a precedent given the unique circumstances that this situation has.

>> Garza: Okay. Discussion?

>> Zimmerman: One follow-up question. Do you know of any other situations like this still remaining on lake Travis?

>> On lake Travis, no, sir. There are two in lake Ibj and three in lake Buchanan. And there is a current prohibition, as you mentioned, state law, I believe it's chapter 311 of the Texas administrative code that requires a ban on direct discharges.

>> Zimmerman: Thank you very much for coming, by the way.

>> Yes, sir.

>> Garza: And so is your motion, councilmember Zimmerman, to send this to the council with the recommendation to waive these fees?

>> Zimmerman: Yes.

>> Garza: Okay. All those in favor say aye? All opposed? So this item will be forwarded to the full council with the recommendation by the public utilities commission to waive these fees. On a vote of 4-0. The next item is item 6, Austin resource recovery organics collection pilot program. I believe we do have one speaker. Andrew huang,.

>> Thank you. Ms. Councilmember Garza and others. It's good to be before you today.

[4:45:34 PM]

I'm Andrew Dobbs, I'm the central Texas program director with Texas campaign for the environment. Around we are here to express our support for the -- for the proposed expansion of curb side composting to all of the residents of Austin to all of the early -- to all of the resource recovery department's customers. This is an important program. It is one that does have a cost. What's really

[indiscernible] To me it's actually going to be about 30 times the side of our water fluoridation program in terms of our annual cost. But I'm the only speaker on it. This is a big impact, the daily impact it's going to have on our health and environment is huge. It's going to be a benefit for us. It's going to be a cost. I know folks are concerned about costs, we are all concerned about costs in our city. But we have to look at this as an investment in the future of our health and our environment. Residents will end up paying about \$4.10 a month once this program is fully implemented. That is five cents less than a small serving at Amy's ice cream. I called and checked today. I should have known but I always get crushins, I didn't know what the minimum was. I don't get Smalls, either. But the point is that this is a cost that people can pay and it's a huge service. In fact if they switch out their trash cans to a smaller container, especially if they are going from the 64-gallon to 22 or 34, that will month than make up for the difference in fees that they will face. We've seen the stories recently about how our zero waste programs are stalling, how our diversion rate has slowed and gotten to a point where it's not growing over the last four years. This is the solution. This is the immediate solution to seeing this go up in a significant way. And that -- and ultimately it will save us costs because if we don't throw this stuff in the landfills, ie if we don't throw it into district 1, right, or into district, 2, right? If we don't put this into our landfills then we can avoid having to build new landfills in the future.

[4:47:37 PM]

There's also impacts in terms of water, you know, we use a lot less water when you grow things in compost and when we've asked our residents to stop watering for so long, this is an opportunity to restore the health of our trees, of our landscape, of our parks without increasing our water use and it also has a climate impact. When you put these organics into the landfills they degrade in an anarobic they change to methane gas, 30 times more powerful than C Co 2. Your constituents want to see this. We're going to make sure that you start hearing from them. I will give you that. All of you got post cards from a handful of folks interested in this, you will start seeing emails, we will probably start getting letters and phone calls on our door to door canvas. There is a constituency behind this, beyond just me, this is something that we need for our community. I'm happy to answer any questions.

>> Garza: Anybody have questions? Go ahead.

>> Zimmerman: I have a quick comment, first.

>> Absolutely.

>> Zimmerman: Once these new rules go into place and people start to feel some of the onerous effects they will come in here and complain. They don't see it coming. Talk to me quickly about the plastic.

[Bagpipes playing] Ban and some of the unintended -- the plastic bag ban. I know there's some unintended consequences. Dispute about the effectiveness. I intend to dig into this further, in the review it was claimed originally that we would save millions of dollars of landfill fees or something.

>> Sure.

>> Zimmerman: I think the conclusion now is that the unintended consequence, the single use --

>> Yeah, if you -- if you look -- if you actually dig into those Numbers, there was an overall dramatic drop in the number of bags being disposed off in total. The bags are being thrown away are the reusable bags because we don't have the single use bags available anymore for the most part.

[4:49:44 PM]

There has been an increase in those. I'm sorry I don't have the Numbers memorized, I could look at it again. But there was a total number of bags saw a big dramatic decrease. We did see a decrease in the amount of waste being generated in total. Whether or not there was a correlation, dollar to dollar, you know, that's hard to tell because, you know, those Numbers get swamped by the enormity of our city budget and the complexity of all of the -- of all of the programs that we're dealing with.

>> Zimmerman: I think it's an important point. I agree with you it can be complicated to measure what the real effects are in terms of volume of the landfill and costs, et cetera. But people put these Numbers out all the time. We get this at the council all the time. Do this and you're going to save a million dollars, two million dollars, those Numbers are thrown out by practically everyone that comes in and asks us to do something or impose a new rule, a new ordinance. So then we go and we impose the ordinance and then when it comes time to measure the results, we can't do it.

>> We did -- like one of the big problems is that we didn't get any baseline data beforehand. We didn't get a baseline data in terms of how many bags we were throwing away, how many bags were being littered that sort of a thing. That's problematic. What we did get was the best that we can do at this point, I think, was to compare Austin with similar sized communities that don't have similar ordinances, right? What we are seeing is that we do have a lot less litter. We do see -- and we can indicate that we are throwing away fewer bags. Bags and plastic film in general is --

>> Garza: I'm going to stop you because I can feel our legal cringing because we're not posted to talk about this nor did I expect you to come and defend the bag ban, either.

>> Happy to do it.

>> Garza: Does anybody else have any questions? Okay. Thank you.

>> We'll talk later, thanks.

>> Garza: I think we have staff here to talk about -- and just a quick question, are you seeking any action from the committee or is this purely a briefing --

>> It's a -- bob gethardt, director of Austin resource recovery, it's intended to be a briefing on an expense that's within the current budget deliberations.

[4:51:55 PM]

Could be a committee action. May not be. All I'm simply asking for is the platform to explain the proposal.

>> Garza: Sure, thank you, go ahead.

>> And I do have a shorten-minute presentation by powerpoint. I do have the interest in answering any of your questions. I would like to dive right into the powerpoint, if I may. There we go. To start with, we did a study of what's going to the landfill and we found that 46% of what's going to the landfill is compostable. Some of this material is collected through our yard trimmings collection program. Most of it is not. At least a quarter of what's going to the landfill is compostable food waste, which is -- does harm in a landfill and can be a positive attribute in a composting situation. So that's our starting point in discussion of this issue and -- it is part of our chapter 10 of our master plan that was adopted in 2011. The top part of this chart, the blue portion of this chart shows our current activity. The green portion of this chart shows our proposed activity. The current activity is that we collect yard trimmings about 27,000-tons a year. The food waste, food spoiled paper and wood is landfilled and we have a bagged collection system at the curb. What is being proposed is a combination cart and bag collection, a 32-gallon green cart plus the continuation of the bag collection with some adaptable trucks and equipment. We would therefore increase from 27,000 tons collected to 79,000. We call this a diversion and the definition of diversion is diverting the material away from the landfill into more productive venues. So there is an economic return to our economy -- to our local economy through composting and recycling, as opposed to putting it into a landfill.

[4:53:58 PM]

The proposed collection system is adding to the yard trimmings, food scrap collection, co-mingled, alongside compostable paper, proposing a new green cart at the curb, in addition to the two carts that

are currently serviced. We also desire to continue to promote residential back yard composting, but we recognize that not all residents have the capacity or the willingness to do back yard composting. So this is supplementing the back yard composting to be an organized collection of food waste and yard trimmings. The proposed collection service would include some resident education, highlighting a door to door as well as community meetings for the education on the use of this program, as well as 311 and the website activities. We have learned lessons from our collection pilot. We have run a two-year collection pilot that began in January of 2013. 14,000 households are on that pilot we have inventoried those residents, what they liked, what they disliked, the distribution is 10 geographic areas throughout the city, weekly collection. In this pilot, it is a 96-gallon green cart as opposed to the proposed 32-gallon cart. In the [indiscernible] We have various setout rates in different neighborhoods. We are looking at low in some neighborhoods, very high setout rates in other neighborhoods and we're taking a look at what the differences may be among the different neighborhoods. There are routing challenges when you are doing a pilot and you are only doing small sampling, there's certain ways we would deploy a city-wide implementation plan. Contamination challenges at the beginning of the pilot, when they have conquered, we don't have the challenges we have now. And an adjustment in the container labeling where we are telling residents on the container what can go in the container and what cannot.

[4:56:02 PM]

There is the continued learned lesson about the yuck factor of handling food waste. Food waste is difficult moving it from the kitchen to the cart and we have offered small one gallon containers that people can have in their kitchen that can carry that food waste to the container in the garage or in the side yard. We've worked with a private processor on some challenges in handling food waste, that has been worked out through the public. This is a public/private partnership where the city collects and a private company processes and composts the material. And we have varied needs on customer education. We found that one size does not fit all. Different neighborhoods need different ways of communication, so we have some learned lessons there. We've tried different truck styles, we have a selected truck style that works best and is flexible to our needs on bags and carts. The container side we definitely heard 96-gallon is too large, we are recommending the 32-gallon. Applying this to the proposed program we are recommending the 32-gallon cart, green cart. 14.5 pounds of organics is our target collection per week. This brings that collection volume from 27,000-tons to 79,000-tons. The -- the equivalent, if we reach that target city-wide, the equivalent is 33,000 GHT emissions, equivalent to 78 million miles driven by an automobile in savings on emissions, that's emissions from methane releases out of landfill as opposed to being in a compost situation. There's that benefit of mitigated gas release. We would establish this program in a geographic fashion throughout the city. It would impact all 10 districts. And we would grow this program over four years to city-wide service, so it would be 52,000 households each year until we reach the full city.

[4:58:10 PM]

We redesigned the cart label to address some contamination issues. We've selected the truck, researched acceptable compostable bags for that yuck factor. So we feel we've had a two-year pilot with learned lessons that we can apply for a city-wide distribution of carts. Based on this projection of 14.5 pounds new diversion per week per household, the annual estimated cost is about \$9.3 million a year in operating the program. This is an expansion of an existing program. It's not a new program. It's taking the yard trimmings and expanded it to include the food waste collection. We would have \$1.1 million in landfilling savings each year to offset some of the costs. The added benefit of this collection program is that it adds 15 percentage points to our diversion rate. So we are anticipating raising the diversion rate to 60% through an increase in recycling, moving from 60% to 75% diversion with this food waste collection. That's the theory behind this approach and council directive of 75% diversion by 2020. Again, diversion is moving the material away from landfilling into more productive end use. We're proposing a five-year rollout. The first year is planning and equipment acquisition. The next four years is a quarter of the city gaining access to the program until we have a full city-wide program. Again, 32-gallon carts, literature, semi automated rear loaders, competitive bid contracts on the processing of the material. A lot of Numbers there. Featured -- main point on the top chart is household conversion, the second row 14,000 is our pilot. We plan on expanding to 54,000 households in fiscal year '17.

[5:00:15 PM]

Then 1,064,000, then 158,000 and then 210,000 in 2020. That allows for program growth that's manageable and what the end goal of all residents having access to the program. The bottom chart shows the impact on the diversion rate, as I mentioned on the growth for recycling is in the blue, the growth on this organics collection program as we're highlighting is in the green. We would have zero impact on the diversion rate in the first year because we're not expanding how many households at the moment. But in the second year, 3% growth, then 4%, 4%, 4%, so a total of 15 percentage points on the diversion rate. As you can see on the bottom corner of the slide, fiscal year '20, 75% diversion if we can manage the growth and the recycling program at the same time as managing the growth in the organics collections program. More Numbers here. Economics. The bottom line is the rate impact. I recognize that the discussion point is how do we pay for the program, it's through fees on the utility bill. In fiscal year '16, the budget that's -- that we're facing right now, it's a four cent per household per month. However, there are rate impacts beyond that and therefore I'm seeking council approval for the entire program, recognizing that I come back to council every year to discuss the finances and the rates. So I'm not asking for approval of the rate structure for the next five years. But recognizing that it does impact the rates. 90 cents the second year, 1.13, 1.01, 1.02. Collectively after five years, a \$4.10 increase in the utility bills to finance this program. It's a cost benefit analysis, that's the cost. The benefits is G H. G

savings at the landfill, reduce landfilling fees. The productive end use of this material instead of putting it in the hole in the ground, it becomes a commercial value in the composting world.

[5:02:21 PM]

So there's major benefits. There's also cost factor there. We're projecting an annual rate adjustment somewhere around three to 4% increase each year until we're fully financed on the program and then no increases after that. And, again, 15% diversion -- diverse rate impact there. To sum it up in a different way, the left side is our average cost of service. You can see the cost of trash collection at \$11 a household per month. Recycling at 7.46. Yard trimmings without food waste, \$5.34. That includes the brush processing and then the bulky waste at 1.28. That's the current cost. This proposal on the 410 impacts that green row of yard trimmings, brush composting, would increase it to approximately \$9 per month instead of 5.34. Our timeline, my conclusion, on the powerpoint, we've had many public discussions in 2010, 2011, 2012 on this program. We formed the financials and the rollout schedule this year and have had zero discussions twice with zero waste advisory commission in February and April. Their recommendation is to bring it forward in our annual budget process. The five-year budget forecast on May 6th included a short slide and information about this program and, again, last Monday, this -- this past Monday, on incorporating the cost of this into our budget proposal for this year. Today's meeting, public utilities council committee today, and then the budget discussions in the next month. If adopted the implementation schedule would first start with community input meetings on selection of neighborhoods to start the program as well as literature, development, label development, we want to take some community input.

[5:04:24 PM]

We would adopt a city-wide rollout schedule over four years, next year. But we would plan in fiscal year '16 for the -- for the equipment purchases and then fiscal year '17 through fiscal year '20, that four-year period, phasing in 1/4th of the city each year. So that's the schedule of the rollout. Finally, cost benefit and I have a sheet of paper that I've distributed in front of you, cost benefit. The cost, of course, with the \$4.10 over a five-year period. The benefits, 15% advancement on diversion goals meeting the 2020 city council goal of 75% diversion. Significant progress towards the 90% zero waste goal. Landfill savings as well as significant greenhouse gas reductions. My recommendation is for us to move forward. I recognize that it's a council decision. I recognize that it's a value judgment of council between the cost and the benefits. And I certainly welcome any questions you might have.

>> Garza: Councilmember Zimmerman?

>> Zimmerman: Can you back up a slide? I want to commend you for doing a really good job. There are a handful of experts like yourself that do a terrific job of selling the policy that you want. I think it's terrific.

Here's my frustration: If you gave me the same number of experts as yourself in whatever resources and time you have to present this information, I could get some experts that could present solid information that it's a bad idea. It's not sustainable, it's not worth the money, you know, we're not getting our value out of it and those experts could stand up and give a professional presentation, like you, and they could come up with the opposite conclusion. They could. But then the council could make an informed decision between these two points of view. We don't have that. I have your point of view and I have no other point of view. So it's impossible, in my book, for this committee or the council to make an informed decision because we have one point of view.

[5:06:31 PM]

A very good point of view, one point of view. I'm going to vote against this and I think the chance of me having success is about zero because there's no other point of view up here at the dais.

>> I would adjust one point, there's 200 municipalities in the U.S. That have adopted food waste collection. So there's some experience --

>> Zimmerman: How many of those have an alternative point of view, of people that are paid professionally by the taxpayers to present the argument against this.

>> That I can't answer.

>> Zimmerman: It's probably about none, okay? So no wonder everybody is doing the same thing. There's no other point of view.

>> Garza: Councilmember troxclair. Troxclair --

>> Troxclair: So the pilot program you have been doing for the past two years, you said it was 14,000 households?

>> Yes.

>> Troxclair: Did everybody single household in your defined geographic area participate.

>> That's a good question. Depends on the neighborhood. We have circled certain neighborhoods. We selected based on a geographical as well as demographic variations. We wrote up the cards, educated the residents. In some neighborhoods about 80, 90 participation, in some neighborhoods about 20% participation. Overall, the target is I believe the recent count is about 62% participation. In the overall 14,000 households.

>> Troxclair: I'm guessing because it was a small pilot that you spent a lot of time and energy.

>> Yeah.

>> Troxclair: Making sure those households knew about the program.

>> That would be correct.

>> Troxclair: So do you expect that 62% participation rate to continue? 2020 if -- in 2020 if once we have all of the house holds being served do you expect 62% participation?

[5:08:34 PM]

>> It would be a growing participation rate over the years to 2020 we are anticipating 75% participation to match our recycling program. City wide the blue carts we have a 75%. When we measure participation, we're counting the blue carts at the curb any given week of collection. That's the setout rate. We feel if we match the recycling programs, we feel that's a realistic expectation.

>> Troxclair: So even though your pilot program were again I think you probably had more focused energy people were participating and didn't know about the program, had a lower participation rate, you think that city-wide that number will go up.

>> Absolutely, yes. We model again off the recycling program. When the recycling program moved again from an 18-gallon bin at the curb to the 96-gallon cart, the city-wide participation was -- was just slightly less than 50% and it grew over a period of years to 75%. But the starting point was about 50% -- participation.

>> Troxclair: Okay.

>> So it -- with repeated education and pure observation, observing what your neighbors are doing with your cart down the street, that increases the participation over time.

>> Troxclair: Okay. And you said that something about a variable rate? Can you explain that more? You said some neighborhoods would pay less than other neighborhoods.

>> No. We're looking at a standard straight rate across the board. We are looking at varying the rate impacts per year based upon economic need for the rollout. But after five years it would be approximately a 4.10 increase, across the board. Not variable. Where the variable rates come into play is the trash carts. People using this cart and putting food waste in it would naturally use the trash cart less.

[5:10:41 PM]

To a lesser degree. They're not putting the food waste in the trash cart, they are putting it into the green cart and in many cases, not in all cases, but in many cases people can down size their trash cart after successfully using the green cart. And that would be a significant economic savings per household, depending on the -- on the downsizing of the trash cart.

>> Well, there's a lot of people who already have the smallest, I already have the smallest trash thing. So that's not an option for --

>> No, I thank you for being at the 24-gallon level. I'm at that level, too.

>> Troxclair: I certainly understand the interest in the program, I appreciate the cost benefit analysis that you did. I think that is an important thing for us to have and to consider in being forthcoming about the fact that this -- we are going back to our constituents again in this affordability crisis and telling them that they're going to have to spend \$50 a year on this new program and so I, of course, have a lot of hesitation about that. Especially knowing that -- that not everyone will participate in the program, but that they're going to be charged regardless. So my question is to that point, if this is a community value and a community program that -- that some people want to have and some people are willing to pay for, is there a way to structure this to opt into it and to the people who want to use this service to pay -- to pay a fee and you're not mandatorily having to pay a fee if you do not want to or can't afford it.

>> I'm open to that conversation and that direction. I'm open. There are challenges to go in that direction. There are routing inefficiencies when certain people select on a neighborhood and some don't.

[5:12:42 PM]

We have to drive down that street anyway. So -- so in -- in this proposal, we're changing the yard trimmings to a full organics collection. We're already traveling every street right now and we would travel the same miles under this proposed program in -- and we would not save on those miles through an opt-in program. I'm open to the conversation. I'm open to the thought that some would use the program and some would not. I have some -- I have some efficiency challenges on operating with less than a proper headcount. About you that proper headcount, that proper household count might come in anyway through an opt-in program. I believe it would be a popular program.

>> Yeah. I think based on the percentages that you just gave people would -- I guess it would be interesting -- I posted that option to the concept menu and I really would like to have more discussion about how that might work because I am just not going to be able to support such a huge fee increase. I mean it's a pretty significant fee increase. I know it's stepped up over the years and all of that. But at the end of the day, we are committing to the full cost of the program this year. So that's a really tough sell to me to put -- to mandate that for people who aren't, who may not use the program. But I am open to

supporting it if it's -- if we can figure out a way to do an opt-in cost because I do think that there are a lot of people in my district who would appreciate having it and who would be willing and able to pay for the service. But not everybody is in that situation. So I hope that I guess you'll look -- you'll look at that option and come back to us with neighbor some ideas of if we didn't do the mandatory blanket program, what our other options could be.

[5:14:46 PM]

>> I appreciate those thoughts and I'm open to that conversation. Another way of looking at it is an opt-out program. Where residents can choose to opt out. I'm open to either approach. When we've stopped and moved to a platform of opt in or opt out, we do sacrifice some of our ambitious goals towards 75% diversion. There may be a slippage on the diversion calculations and the desire to reach 75%. Again, that's a value judgment of council. The cost versus the benefits there.

>> Troxclair: Uh-huh. I guess that knowing that, I would rather err on the side of let's let the people who want to use it and can afford to use it do and re-evaluate when we get to 2020 in comparison to what our goals were for the program. Then if we need to take a different approach, we could always expand or we could always change if necessary. But I just think that asking -- asking for this kind of fee increase at this point in time is -- is a really tough ask for me and I'm guessing probably at least some of the other councilmembers. But I think that there could be a compromise. I think there could be some middle ground where we could accomplish both goals.

>> Garza: Councilmember kitchen?

>> Kitchen: Oh, I just have a few questions. So I'm trying to figure out, you know, an opt-in or an opt-out. What would that do to the cost? In other words is this cost that you have figured out right now spread across everybody, right?

>> Yes.

>> So in the first year even though the piloting is not happening in very many places, everybody is still paying it. So if you do an opt-in -- are you going to have challenges with the cost if you do an opt-in or an opt-out.

>> Kitchen: There's challenges in calculating the proper cost with that.

[5:16:51 PM]

Also challenges on the mechanics of the utility bill. I believe we can overcome that barrier, but the utility bill is set up that you charge a base rate and it's charged to all of our customers. So we would have to work with Austin energy on coding the utility bill for a selection of customers on it. The cost you correctly noted the 4.10 is based on 210,000 customers paying for the program. The fact that all customers are paying in the first year is the argument by some of rolling this out in three years rather than five years. Which is an option to move it more aggressively. But that would move earlier up in the time schedule the full rate and that's my shyness of offering the three year. If it's an opt-out or an opt-in, we would have to recalculate the price per unit.

>> Kitchen: I share councilmember troxclair's concern, we all have the concern trying to balance the cost. I appreciate the fact that you are willing to go back and think about what kind of options there might be for us to get started on, a very valuable program and in an environment that we're in right now in terms of people's affordability. So I do have another question. The savings, the cost benefit analysis and thank you for that, that's from landfill, right? That's --

>> Yes.

>> Kitchen: Okay. So who does that benefit? In other words, that saving accrues to whom? I'm just not as familiar with the costs?

>> There's -- from my department, we pay a tipping fee at a landfill, so there is a direct economic savings in my department and therefore passed on to our customers of landfill savings, there's also an unmitigated gas release at the landfills that is a savings to the general environment. But not a direct economic savings.

>> Kitchen: So does that mean that at some point we can reduce our costs because we're saving --

[5:18:52 PM]

>> Yes.

>> Kitchen: When does that -- I didn't see that or maybe I missed it, but was that calculated into the rate?

>> That is not. That's an interesting point. I'm glad you raised it. It is difficult -- we do calculate into the rate the tonnage reduction going to the landfill and the economic savings there. There is an additional economic savings and it's hard to estimate where the threshold is, but when we start to collect and divert enough material away from a landfill, we can start reducing the number of trucks on the trash routes.

>> Kitchen: Okay.

>> I believe that is not calculated in the rate at this moment in time. But would be an economic savings and I believe that once we're servicing half the city we will start to experience some economic savings on trash routes and reducing the trash routes. That's hard to calculate.

>> I understand that. But it would be helpful to the extent that it can be calculated, I mean, I don't want to be in a situation where we're, you know, promising the public that we will be reducing their rates. But it is a factor, you know, in the consideration for earn to see okay I'm going to have to pay more over here, I'll be paying less over here.

>> That's correct.

>> Kitchen: To the extent that that's true, then I think it would be helpful to see that, those calculations.

>> We're far enough along on the recycling that when we add more routes on recycling, we are -- we have the capacity now to reduce the trash routes. The point -- the juncture point to do so on the food waste, I would have to calculate by tonnage how it impacts the trash routes. I can attempt to make that calculation.

>> Kitchen: Okay. Thank you. Anyone else? Go ahead.

>> Zimmerman: Hear on the slide again to allude to what councilmember kitchen said, it says landfill savings 1.1 million.

>> That's right.

[5:20:52 PM]

>> Zimmerman: I mean --

>> That's our reduced cost to landfilling the material.

>> Zimmerman: So we've got shut down on the bag ban conversation, but what I had said is that we saw that when the bag ban was proposed as a benefit, 1.6 million and now it turns out there's no way to even know. It sounds like it's not measurable. It wasn't measured, there was no baseline done, do you see why I feel like I'm being sold? The number is being thrown out. There's not going to be a follow-up. How do I know? It's just a number thrown out. I feel like I'm being sold.

>> There will be another juncture point on the bag ban issue, but the number that you quote isn't what was promised. But we'll have another conversation on that.

>> Zimmerman: Okay.

>> Garza: Any other questions? Does anybody want to take any -- go ahead.

>> Maybe an action. I don't know if it's -- if we were going to take an action, I guess that I would suggest that we recommend that the department examine other options for an opt-in program and come back to the council. But like I said I have already posted that to the concept menu, so I don't know if that's duplicative.

>> Garza: I'm thinking that's maybe the best place to do it since it's a budget question.

>> All right. Thank you.

>> Thank you.

>> Garza: So we're not taking any action on item 6. And the next item is item 7. And I believe we have one speaker. Deece Eckstein. And item 7 is a staff briefing and discussion and possible action on fiscal year 2016 charged base rate assumption.

[5:22:54 PM]

>> Hello.

>> Good afternoon, councilmember and members of the committee. I'm actually just here as a resource witness, I represent Travis county as its intergovernmental relations officer. We have a position on one of the proposal that you are going to be considering under your staff briefing and I'll leave it at that. Thank you.

>> Garza: Okay. Do you want to speak to the one part --

>> We're Agin it.

>> Pardon?

>> We're Agin it. The Travis county commissioners court opposes the proposal to remove the exemption from the drainage fee.

>> Garza: Okay. Thank you.

>> Thank you very much.

>> Garza: I will go ahead and invite staff up to present.

>> Councilmembers, I'm Craig bell from watershed protection. We're here to talk about four items. Pertaining to the drainage charge, seek your direction on two of them. In June -- can we get those slides up? There we go. I've got it right here. Thank you. I tell you what, if you can get that up again. Okay, there we go. On June 25th, the council approved an ordinance that changed the way the city's drainage charge shall be calculated and assessed. So what's ahead as to determine the budget and the fee

schedule and the city staff has been developing and refining information needed to determine the charge for each individual property in Austin. We're dealing with more than 200,000 properties and many of those have multiple accounts. Last week we started testing the revised algorithms and the coding that's required to implement the new methodology for the building system.

[5:25:01 PM]

We know that the final base rate will not be determined until a budget is adopted and we're prepared to slip that in when we get it. However, there are other variables that will affect how we calculate the new fee and for all of the properties and how we do the billing. And in order to finish programming the billing system and provide good information to the public, it would help if we could get a few things settled. What we want to do today is brief you on four issues, two of them in particular. So you can be thinking about them and how to resolve them and the sooner we get direction on these, the better. These issues were addressed in a memo to mayor and council dated August the 12th. Which is in the backup material. I'll refer to that memo several times. The drainage portion of the city's fee schedule for next fiscal year needs only two items. That's the base rate, and which is the amount -- the amount per square foot of impervious cover per year. Needs to be in there per year, divide by 12 to get the monthly rate and of course it will square with the adopted budget. The adjustment factor, it's a formula, that must also be established in the fee ordinance. There are two major unknowns that could affect the base rate. And that we will need to resolve as we proceed with altering the building process. These are the two things for which we are seeking your direction. First, council has discussed a possibility of limiting the fee increases to single family properties by reducing the percentage of any increase. This is intended to be a phase-in fee of -- the phase-in fee increases for the fiscal year. And the second at your June 25th meeting the possibility of eliminating non-state-mandated exemptions was raised.

[5:27:08 PM]

So to take them one at a time, the ordinance passed by council --

>> I have a question. Can I interrupt. I'm sorry.

>> I'm sorry. Go ahead a little bit further and then I have a question. About the phase-in.

>> Phase-in, okay.

>> Then I have a question. Do we have a copy of this presentation or no?

>> A copy of the what?

>> Presentation.

>> I don't -- well, yes, it actually got into the backup material, should be there. We were told. There's a very long -- there is a four-page memo, followed by numerous attachments and then there should be this -- this is backup material. So what I understood -- you don't see it?

>> Troxclair: I don't think that we have it.

>> I apologize for you not having it. We must have got it in too late.

>> Troxclair: That's okay.

>> Okay. Okay. The ordinance passed by the council on June 25th provided for a one-year modification of increases to the drainage charge, for single family residential properties and that's -- should the council choose to do so. The option that the council and staff focused on at that time involved cutting the single fee increases by half. So -- so apply 50% reduction on any increase. That's what this graph shows. You can select any reduction, however, including zero, so this graph shows the impact of the 50% reduction on different classes of single family properties, they are grouped by the amount of impervious area. So each set of bars has another thousand feet of impervious area.

[5:29:09 PM]

It illustrates that the greatest benefit will accrue to the properties with the greatest impervious cover. And they are relatively small percentage of the total. The largest portions of reductions in the fee or none at all. 79% of the single family properties are in those first four bar groupings. So I want to point out -- I want to point out these groupings are a little bit different today than what was in the August 21st memo because we are using a more refined gis database. Was there a question?

>> Kitchen: I'm sorry, and I apologize, but it was July since -- there's been some intervening time. I should remember this. But I thought we passed -- that we were doing the cap.

>> You passed in the ordinance the provision that allows the cap, but it didn't put any percent in it. So there's -- it was -- the percent would have to go into the fee ordinance. It's said to be established by ordinance. So there's no percentage in there. We were looking at 50% at the time. So the question is do you want to proceed with a cap, a phase-in?

>> Kitchen: I think we voted to proceed with the cap.

>> Okay. You definitely want to do that.

>> Kitchen: We definitely voted to proceed with the cap.

>> 50% cap then. So you're comfortable with us proceeding with the assumption we'll have a 50% reduction on any increases for single-family --

>> Kitchen: I thought this that's what we did.

>> Garza: You said that -- for clarification, I thought you just said that we did agree on a percentage, but we didn't agree on the exact percentage? Like general idea of a percentage, but not the number?

[5:31:10 PM]

>> The provision that was in the ordinance 15-2 was to allow the council when they set the rate to also set a reduction for single-family for one year. The reduction of the increase for single-family for one year. So the provision that allows you to do that just needs to be in the ordinance. So when the fee ordinance comes in we'll need to make sure that that is in the fee ordinance as a footnote or whatever it needs to be.

>> Kitchen: We had a lot of discussion about this and I don't think we want to revisit the decision that we made.

>> Zimmerman: Is there a draft, a draft fee ordinance in our backup? There's no draft yet.

>> Well, the fee schedule is a very long document and the council -- there is something in the fee schedule, but this is not in the fee schedule. This is not what I've seen in the fee schedule yet. We'll need to put that in. So we'll get off of this. If you would say that 50% reduction for single-family, then that's what we'll do.

>> Garza: I'm not sure we have -- this committee has the power to make it 50%.

>> Kitchen: All I'm saying is that I want to stick with what we voted on, and I'm not fully remembering what we voted on. My memory right now is that it's 50%. So I didn't think we were ambiguous on what we voted on. But I have to refer to, and I think my aide is going to check it. I have to refer to what we actually voted on.

>> We can see either through a fee motion -- you've got the ordinance here. There's nothing in there about the percent, but we can see that it is put either in the fee schedule that you get or it will be a motion sheet for you to do that. There's actually -- we have to have conditional overlay motions. We have to have a motion sheet to assist several things because the fee that was posted in the newspaper may not be what the fee turns out to be.

[5:33:19 PM]

So there will be several things that we'll need to change.

>> Kitchen: Okay. We'll do our homework and go back and refresh our memory, but that's what I'm remembering right now.

>> Okay. That gives us some direction on that. We're going to assume then that we're going with a 50% reduction on increases of single-family fees.

>> Troxclair: And I understand. I think the chair's concern is that we're trying to make a decision right now. And I think all we're saying is that we clearly remember having a discussion about having the cap at 50%. And I definitely do not remember any other percentage being suggested or discussed. So it's not that we're trying to make this policy right now. It's all of our memories is that clearly we did pass the 50% cap. We just need to clarify that.

>> Zimmerman: Moreover what this committee was doing is considering all that complexity and recommending something to the full council. It's not our final decision, but we're recommending to the full council.

>> Kitchen: Previously we adopt. You're talking about right now. Kim right, but would --

>> Zimmerman:, but would it not hold that once we get the details finally put in, or does it go straight back to council?

>> Kitchen: My idea is because of the whole budget process that we just handle this -- that we handle it through the concept menu budget process.

>> Zimmerman: I'm good with that. That makes sense.

>> Okay. And what that will mean is that there will be about a five percent increase in the base rate when you -- in order to recover what's lost on the single-family revenue.

>> Kitchen: Yeah, we understood that, I think.

>> Okay. Then let's talk about exemptions. And at the June 25th council meeting the possibility of eliminating non-state mandated exemptions was raised, and watershed protection was requested to inform impacted parties and solicit feedback on how that might affect them.

[5:35:33 PM]

So state law mandates that state agencies and institutions of higher education must be exempt. State law also allows, but does not mandate the exemption of counties, school districts and tax exempt

religious organizations. Now, our city code, that's the code we just passed in June, that exempts counties and school districts from the fee. However, it exempts only those religious organizations that participate in a program that provides housing for the homeless. For almost two decades the religious coalition for assisting the homeless, rchh, has been the only such program recognized by the city. The feedback we received from potentially impacted parties is in the form of letters that are attached to the memo that the department sent to the mayor and council. That's the one dated August the 12th. The letters from school districts and from organizations that provide services to the homeless that could lose funding are there. And this week we received a letter from county judge Sarah Eckhardt, and that is one of the attachments in the August 12th memo. It's a very late backup addition. So if these -- if these three non-state-mandated exemptions would be eliminated, the fees collected are estimated to be about \$2.8 million, which could reduce the base rate by about 4%. Now, taking a look at what that's comprised of, school district properties would account for about two-thirds of that 2.8 million and about 1 and a quarter million would be straight from aid. The county would pay a little less than a quarter million dollars. More than \$800,000 of the drainage fee has been diverted to rcah, the religious coalition to assist the homeless.

[5:37:40 PM]

That's in addition to the 12,500 households that receive the 50% discount from the capprogram, the customer assistance program, which is another three-quarters of a million dollars. Now, when we compare the distribution of the fee to the three main customer classes, we see that both the residential categories would benefit a little bit, slightly, from the fee reduction that these exemptions -- if these exemptions were eliminated. The nonresidential share would can increase because that's where the previously exempted properties are. The base rate in the adjustment factor must both be in the fee ordinance each year and they will probably be recalculated about this time every year. So this slide shows that the most recent recalculation of both components and using the best available data and new methodology, the most recently calculated base rate is approximately 5 percent what has been previously posted. So we've been saying that what we've been expecting is about half a penny per month. Now, we calculated something about five percent lower, however with the -- with the phase-in for single-family it would go back up right to about the .005 again, or what is the half a penny per square foot per month. Now, the adjustment factor is slightly different from what was posted in the ad. It will have a slightly dampened effect compared to the previous calculation. That is, it will result in fees that are not quite as high on the high end and not quite as low on the low end. And this graph shows how the recalculated rates compared to previously posted rate, but only on single-family properties, and these are the same groupings as before.

[5:39:48 PM]

The recalculated base rate is a little bit lower and the adjustment factors changes things just slightly for the properties, especially for the citywide average, which we now calculate to be 52.3% of impervious cover. But with the base rate going back up again these differences would evaporate. So you would be looking pretty much at the blue columns there. So the staff recommends -- well, we were going to recommend no phase-in, but we're not going to anymore. We will be ready for a five percent -- the 50% phase-in. We'll get that prepared, if that's what the council wants. And we do recommend, however, continuing the existing drainage storage exemptions. While eliminating the exemptions may allow four percent reduction in the base rate, it would impose an unanticipated burden on Travis county and seven independent school districts. It would eliminate an important funding source for 18 organizations that provide housing and services to the homeless. And it would also require going back and amending chapter 152 because this can't be done in the fee schedule. We have to go back and change the other ordinance. And in summary, if we can get this resolved, it would be helpful to us.

>> Garza: And I apologize as a chair not knowing. This didn't set any alarms off for me because I think I was on maternity leave when you voted on this. So I thought it was still an open issue. But I guess our -- my colleagues believed we did set that percentage. So I would assume we're not going to forward any recommendation to the council on that one. I guess pending clarification if we did not indeed set that percentage, but I'll entertain any motion on the second one or any question -- go ahead, councilmember kitchen.

[5:41:53 PM]

>> Kitchen: On the exemptions, the council has not taken any action to change the current exemptions.

>> Correct.

>> Kitchen: And as far as I know, there's no action on the table to change those. I know that we did have some discussion and I assume that was probably -- that may have been unclear, you know, to you all about what our intentions were, but since that time there's been -- nobody has come forward with any kind of change on the exemption, so -- and I don't intend to bring anything forward. I don't know if anyone else does, but I would say that you are safe going forward assuming -- you know, absent any councilmember bringing forward a proposal to take off those exemptions, I think you're safe going forward just assuming the status quo.

>> Well, we appreciate the direction that this committee has given us.

>> Zimmerman: I don't know what else to say.

>> Garza: I know there was discussion -- I do remember this conversation because I was there for this one. There was discussion on -- I think that's why it came to us because I think it was referred -- there was a question about this and it was referred to the committee because of that. So do you have a question? Go ahead, councilmember.

>> Zimmerman: Somebody, maybe it was David king, but somebody mentioned that and I thought it was a great idea so I was the ones asking for these Numbers for the data to figure out what it would look like. But like councilmember kitchen said, I've heard nothing from anybody about the matters. It seems like we had a lot of contention, a lot of debate and then it went away. So I haven't -- I don't know what people are thinking. I don't like exemptions like these because it shifts the costs on to other people. And some of the schools, for instance, they take up tremendous impervious cover for their parkings lots and things. So it contributes to runoff. So I don't like that. They should be able to afford the impervious cover they're putting down.

[5:43:55 PM]

But I haven't heard much.

>> Troxclair: I'm sorry if I missed it, but do you know the -- what the costs would be or what the loss of revenue is for these exemptions?

>> Well, the school districts and the county and the religious organizations would be \$2.8 million and that would be about a four percent decrease in the rate, if those exemptions were to be eliminated.

>> Troxclair: Sorry, say that again?

>> It would be about a four percent -- as much as four percent decrease in the base rate if those exemptions were to be eliminated. \$2.8million.

>> Zimmerman: Put another way, everybody else is paying four percent higher to cover the schools, religious organizations and county.

>> That is correct.

>> Troxclair: So just looking at -- the school district is in a different situation because of the way that our state tax structure works. And for the county it may be too small of an amount to really bicker over, but it does seem like we're just -- yeah, it's just a transfer of a tax really because if we didn't -- right now since we're exempting the county, we're charging all of our customers more in order to cover that \$230,000. If we didn't exempt the county they would include it in their tax rate and the people who paid county taxes would pay it to the county and then the county would pay us for their percentage of impervious cover, it seems. So I guess I don't -- I don't know that I -- the county exemption doesn't make sense to me. It seems like it's -- it would be more transparent -- it seems like the individual is going to

cover the cost either way, but it's more transparent if they pay the pay the county and the county pays us rather than us exempting the county and them paying us to cover the county's exemption.

[5:46:07 PM]

>> I might point out that the council did request the department to solicit feedback from any organization that would be impacted by this. We did that. We got quite a few letters and they are in your backup material. They are attachments to your -- to that memo. And those organizations, including the county, got one from judge Eckhardt, were articulate in expressing why the exemption makes sense. To them.

>> Zimmerman: Okay. So I think -- well, I would -- sorry?

>> Sure.

>> Sorry to butt in there. Deece Eckstein for Travis county. I do want to point out that about 21% of the population of Travis county, taxpayers all, live outside of the city of Austin. So when we ask them why don't you help pay for Austin's watershed protection program, we're asking people outside of the city of Austin, at least 20 percent of the population of Travis county, if they will help subsidize that. And I think that creates some problems. I agree with you, representative troxclair, that it really is for people living inside the city of Austin. It's money they are already paying whether it's to the city or to the county, but for people who live outside of the boundaries of the city of Austin it's really a tax on them that the county is going to end up having to pay to the city of Austin. That's just my comment on that.

>> Troxclair: Right, but it's because the county owns land in the city that contributes to the runoff.

>> We have about 77 acres of property inside the entire city, and it does have -- and it does have impervious cover, but we also use that property to provide services to residents of the county, including residents of the city.

[5:48:19 PM]

>> Troxclair: Okay, thank you.

>> Zimmerman: So let's not lose sight of the whole point of this. The whole point of this is that we have flooding problems in the city and in the county. The flooding doesn't care whether it's on a county line or a city line. Flooding is flooding. To me the point of changing these rules was to say impervious cover, you know, has a system-wide effect on our area. So to me it makes no sense for some people to be

exempted because they're contributing to the problem we're trying to solve, which is we have flooding problems. So I would like to make a motion before we move off of this.

>> Garza: Okay. I'll entertain a motion.

>> Zimmerman: I would. I would like to move that the full council consider not providing the exemptions for the purpose of lowering the impact to everyone, if I could make that motion. Is there something not on the agenda where I can't do that? Is that in order?

>> [Inaudible]. To provide exemption or not is totally to the council's discretion. And for your decision. But from the staff point of view for this year we recommend to keep all the exemptions the same. If we make any change at this time we would not have enough time to go through the stakeholders process to change the city ordinance, the city code, to include or to change the exemption. And then at the same time we have to work with Austin energy on reprogramming, the invoices and the entity will have to come up with budget to pay for this fee that they were exempted before. So the staff's recommendation is for council to consider, but not for this year.

[5:50:29 PM]

>> Zimmerman: Okay. Then I would change that motion to -- that question we consider it not for this year, but we consider ending those exemptions and to send that back to full council, if somebody seconds it and votes for it.

>> Garza: Is there a second? Seconded by councilmember troxclair. Any discussion?

>> Zimmerman: Yeah, again, I think it's just an important point that deserves a little bit of attention from the full city council because the full city council -- and I know you were on leave --

>> Garza: I was here for that one.

>> Zimmerman: But the full council didn't dig into this and the impact. I think when people get their bills there's going to be some more noise about this. So I think -- as a council, I think the whole council should look at it because if we stop those exemptions it could soften the blow to everybody.

>> Garza: And I guess a suggestion would be to possibly make that -- I guess it -- I wouldn't know how to -- because the drainage issue is not coming before the council again. And the only thing left is the -- would be discussed during the budget process.

>> Kitchen: Yeah. I would think that if -- you know, if -- you know, if you would like to bring a proposal for next year that it would need to go through the process as being placed on our agenda so that we would have testimony on it. I don't think we could send it back to the council at this point.

>> Zimmerman: I think you're right. I withdraw the motion. You're right. I agree with that. Too late to do anything about it.

>> Garza: All right. If we don't have any more questions or entertain -- do you have a comment?

>> I'm Morgan buyers with the watershed protection department. I think the main point of this briefing was for us to get final closure on that percentage so when we do bring those Numbers on the rate fee ordinance there's no surprises. And so we don't have to vote on -- go through the whole council at this time to go through the 50%.

[5:52:30 PM]

If that's the direction and we come in with those Numbers that reflect that, we just didn't want anybody to be surprised. We're just clearly stating what those Numbers will reflect.

>> Kitchen: Thank you. We appreciate that.

>> Garza: I want to be clear that you're not getting the 50% direction from us today. The committee members feel that we've already -- the council has already given that direction.

>> Correct. It's just not written into the ordinance. It just allowed the provision. And if we misunderstood the direction at that time, we'll go ahead and proceed with our rates reflecting that. We've already developed that information so that's what we'll come forward with when we have our rates approved.

>> Kitchen: Yeah. I think that's -- you know, the final decision is in front of the full council, but I think -- I think no one's going to say to you that you shouldn't have done that because I think we're just giving you our guidance that that's our understanding and so -- right?

>> Correct.

>> I wanted to add a little bit about this. Because the staff working hard, we onliest about one month to implement the procedure, but we have those decisions to make. I know we cannot just make a final decision here, but we want to final the direction from you and say we make assumptions, there was exemption to be retained for this year. Staff really needs same opinion as you all talking about it, but we just feel we ran out of time to change ordinance, so maybe consider next year for the exempt to be removed. It's really just we all agree with you. You are the one to make the decision, but we just run out of time to implement this year.

>> Garza: Okay. Thank you. We're going to move on to the next item.

[5:54:39 PM]

The last item on our agenda is consider and develop recommendations relating to an ordinance authorizing -- do I have to read this whole thing?

[Laughter] It's item number 8 on the agenda. Go ahead, staff presentation.

>> My name is Bart Jennings with the Austin water utility. We'll be speaking very briefly about the whisper valley and Indian hills public improvement districts, also known as P.I.D.S. P.I.d.s are designated geographical areas by the city. We are not as in muds, multiple utility districts, a political subdivision that has a governing board. The city has designated two areas. Indian hills you you will see is a pinkish block there of 240 acres and the purple large polygon is about 2,000 acres. These are located in the 130 corridor just east of decker lake in the city's E.T.J. And the city's desired development zone. We brought to you before a discussion about cost reimburse meant agreements and you've taken action and recommended some of those to the city council, full city council. We wanted to differentiate between the agreement that we're bringing to you today versus those other types of cost reimbursement agreements. And the standard cost reimbursement agreement for Austin water utility for water and wastewater, the developer will obtain a construction loan to build infrastructure. They then build the infrastructure. That infrastructure is inspected by the city to make sure it meets all our rules and regulations, standards and specifications. And after such for final acceptance then the city will reimburse the developer. That's for our regular standard cost reimbursement agreement. That does not include any oversizing that the city has requested.

[5:56:39 PM]

It's just reimbursing the dollars that the developer has used to build the construction. I in this particular case as we talk about the public improvement districts, we now move to a different model, but very similar. The city for a public improvement district issues bonds. Those bond proceeds are used by the developer in lieu of a construction loan. A developer will do the same thing in terms of constructing the infrastructure. They will still have to comply with city bidding standards, city design standards, rules and criteria. The city then after final acceptance and inspection of the infrastructure will accept that infrastructure and then in this case Austin water will take the cost reimbursement dollars and repay the bondholders. So that the funding goes back to the bondholders that purchased the bonds. In any of these cases, whether it's a standard cost reimbursement or this particular P.I.D. Cost reimbursement, the same is true. If the developer does not construct the infrastructure, then the developer doesn't get paid, the bondholders don't get paid, either side. So the infrastructure has to be completed, has to be inspected before payment is then released. And that's important as we bring this particular issue to you because we are asking for you to recommend to bring to the council modifying a water cost

reimbursement agreement that's related to the two P.I.D.S, Indian hills and whisper valley. And the reason for that is we want to allow a timely payment for the bid payments to the boundary, essentially the bond holders. In the agreement and in subsequent agreements, the developer owes \$7.4 million back to the bond trustees, bondholders by December 1st, 2015.

[5:58:49 PM]

That money needed to first come to the city on July 1st, 2015. That didn't happen. There are two particular -- since this is a water agreement there's two particular water lines that are in play here, water line 1, which is a 48-inch water line that cuts through Indian hills and a 24-inch water line that comes down to the top of whisper valley. That infrastructure, water line 2, just last week got accepted, conditional acceptance, and we'll explain that in just a little bit. Water line 1 has not been completed yet, has a series of things that has to happen before the infrastructure is accepted. So what we are asking to do is specifically go back into the agreement and change two things. One is our standard cost reimbursement language and language that's currently in the agreement says that the city upon final acceptance will then issue payment. Final acceptance to the city means that the infrastructure has been constructed, that it can be used as intended that it can provide fire protection and fire flow, potable water and people can drink it. That you have finished all your paperwork, you've put grass on top, you've repaved the road. Everything is totally done. There is nothing more to do. That is final acceptance. We wish to move that language to conditional acceptance. Conditional acceptance is the water line is in, it's been inspected, we know it can be used and protect public health and safety issues, what is missing would be like the vegetation over the ground that is covering or minor kind of issues that does not substantially effect or does not affect the use, the proper use of that water line. The reason why we're wanting to move from final acceptance in this case to conditional acceptance, particularly in these dry times and droughts, it can take up to a year or more to get the grass to grow enough to where the city says you've met the standards, therefore it's now finally accepted.

[6:01:05 PM]

So we want to move from final to conditional. The second change that we're recommending is to move from a multi-year split payment to a 90 day one-time payment. Let me explain that. In the agreement that was done back in 2010, we indicated to the developer when we accept the infrastructure, we will pay you 50% of that first year and then the following year we'll pay you another 50% of that. We -- the reason why we did that, because at the time we were more worried about -- about cash flow and making sure that this particular item in our C.I.P. Didn't generate additional rate increase, which it doesn't. Moving to a 91 day period, payment, is exactly what are in standard cost reimbursement

agreements. So if this particular case, whether it's 90 days, 60 days, 30 days, whatever, as soon as the infrastructure is conditionally accepted, we're going to automatically issue payment to the bond -- to bond trustee so that the bond holders have that money and is paid prior to December 1st, 2015. So then the next steps in terms of -- of this particular issue, the contract and these provisions have been brought to the water and wastewater commission, they recommended action on August the 12th. We're bringing it here, obviously. And it's scheduled for September 17th's council session. If council decides to approve us moving forward with the contract amendments that we wish to do, then we will execute the amendment to the contract, the developer has already completed water line 2, so all that's left is one water line, those water lines will be completed and then as soon as possible, we will -- reimburse the bond trustee and the bond holders prior to December 1st, 2015.

[6:03:14 PM]

And just as a note, we will be coming back to you at a later date, probably in October or November, that there are going to be some changes to the tid wastewater cost reimbursement related to both of these p.l.d.es, Indian hills and whisper valley. Wanted to let you know these will be coming back again but there will be different forms, different terms that we'll be bringing back to you. That concludes the presentation.

>> Garza: Ahead, councilmember Zimmerman.

>> Zimmerman: Yes. Let me -- I'm looking at the water and wastewater commission, it says there was a 6-2-1 vote.

>> Yes, sir.

>> Zimmerman: Can you tell me what happened with the commission on this question?

>> The one vote that an obtained was commission member turetta who works for the contract for the design -- that are designing some of the infrastructure for the developer, so she recused herself. Councilmember -- commissioner Fishbeck voted no and what she has expressed in the past is pretty consistently with any type of municipal utility districts or any districts of any kind, she doesn't believe that the city should approve those type of entities to be used. And then commissioner -- I'm sorry I forgot her name -- she -- she voted no --

>> Zimmerman: Is it kelogh and may ah, commissioner keloff.

>> I think you're correct, sir, it's commissioner keloff, I reached out to her to find out a particular reason why she was against this and I didn't receive a call back, so I'm not sure of the reasoning for why she had concerns about the item.

>> Zimmerman: Okay.

>> Garza: I have -- I was a little confused about this item when the read the backup. I appreciate this flow chart because I'm a visual person.

[6:05:17 PM]

I see that this is being brought to us by Austin water. But after I read the backup notes, it seemed like it was more of a financial matter than Austin water. Is -- like -- does our finance department have a recommendation on this.

>> If the lane -- Elaine hart is here, I will let her speak to that, but the answer is yes.

>> Good afternoon, Elaine hart, chief financial officer. We do support this amendment because it will provide the funding to the developer that they need to use to make the special assessment payment that was due in July. That payment, in addition to the 1.9 million that is already in the trustee account will be sufficient to pay the December 1st bond payment. So we do support this amendment.

>> I'm just -- this diagram, it's, you know, it's -- if we can go to slide 3 -- so it says that the developer uses the bond money and then constructs the water lines and then after that, I guess, basically the bond holders are paid back. But there -- the backup talks about a payment that the developer is in default. Where does that come into this diagram?

>> Zimmerman: I had exactly the same question.

>> This is a shorter version of a longer flow chart. So what actually happens is the cost -- there are two sets of bonds on the whisper valley and the Indian hills transaction. This -- this is a piece of it. And it's the subordinated bonds. The subordinate bonds were all backed from reimbursement agreements from the water department. How they would work is the bond was sold, the proceeds from the bonds are held in a trust account on behalf of the P.I.D.

[6:07:29 PM]

Our treasury department and finance actually instruct, provides instructions to the trustee to release the funds. As the construction is worked on. So the P.I.D. Construction account provides the funding, just like Bart said, as a conventional loan, to pay for the construction as it goes along, so the money pays for the vendors building the water line. Once the water line is built, the reimbursement is made from water. What is supposed to be happening here is there are especial assessments and those special assessments are the collateral, if you will, on those special assessment bonds, so the construction schedule on this particular work has been delayed so that they didn't have sufficient -- the construction

should have been really completed before the July special assessment. There's been -- so they would have had the money to make the payment, so that's why the amendment is needed because they can't sell the lots without water and the intention all along was to have the water line constructed and the reimbursement made so they would have sufficient money to pay the essential satellite. The -- the special assessment, the special assessment is what's used to pay the bond back --

>> Troxclair: Let me ask real quick. Is there any precedent for changing a structure like this?

>> Well, my understanding is there have been four amendments to this reimbursement agreement that are in backup.

>> Troxclair: I know, but is it -- the gentleman before you said that usually we don't do these reimbursements until the work has been done.

[Garza]. That's when the final payment is done. Sounds like we're changing the wording to kind of get around the fact that the work hasn't been done.

[6:09:32 PM]

So does this -- is this something that happens or is this good new, changing the wording to get past --

>> In terms of cost reimbursement agreements, this is very rare.

>> Okay.

>> Councilmember kitchen.

>> Kitchen: I'm trying to sum it up in my mind. Basically what's going on they're late in terms of completing the construction and because all of these -- all of this financing is built off of a certain timelines and built off of them finishing because they are late on finishing, there's all of these problems with the bond. Okay. Why are they late? I guess that's a good question.

>> There was -- there were particular design issues and then bidding issues and then issues between the developer and the contractor. So kind of the perfect storm of things happened that delayed the project. The water lines were expected to -- to be completed in 2014, and then it got delayed and we expected early 2015. And as I indicated one of the water lines, water line 2 was just completed last week.

>> Councilmember troxclair?

>> Okay, they want -- they are asking us to release the bond money so that they can then pay us.

>> They are -- they are completing an asset that they will turn over to the city for its ownership, the water line, that was the intention all along, they -- they were asking that the payment schedule for the

reimbursement be accelerated so that they can be paid for the work for the asset that they have constructed on our behalf that the city will own and operate and those moneys will then be used by the developer to make his special assessment payment that was due on July 1st.

[6:11:41 PM]

That then will be used to pay the debt service payment that's due on December 1st to the bond holders.

>> Okay. So the July 1st payment was to the city.

>> So the reason why there's two different dates is that the city has -- think of it as an internal date. You want to make sure that the money is there so that we make the payment is December. If the payment is not there, we want to be able to have time to take whatever corrective action that we need to, to make sure that on December 1st, the money is there, and the bond holders are reimbursed, the trustee, the money has gone. So that history why there's actually two dates. There it is -- there's one hard date that definitely the trustee and bond holders are expected to be repaid and then the city has an internal date with essentially a safety cushion in between to make sure if there's anything weird that happens, which is exactly it has, that we can take other actions to make sure that the payment is made.

>> Troxclair: Maybe that's a better question to ask. What happens if this is not approved?

>> What I would recommend in that case is that the water department have a budget amendment to its budget and that we would use the moneys that are remaining in the construction account held by the trustee plus whatever we need from the water department to make that first payment and we make the bond holders whole on the first payment. Because we are going to own the assets and operate them at - - at some point when they're finished. And in this -- by doing that, we would prevent default on the bonds on the first -- on the December 1st payment.

>> So -- but I guess the struggle, I mean the reason that it's set up in this way to begin with is to protect the city, right? From -- from the liability of losing out on, you know, to protect the city.

[6:13:46 PM]

So meaning that we don't make the payment until the asset is complete or until the project is turned over or whatever. So it still seems like the bottom line is that we're being asked to -- to turn over the money before we have the assurance that the -- that the assets are complete.

>> I can answer that. Sure. The answer to that is not really. Essentially what we're saying by changing, making the recommendations that we are, changing the language of the contract, we still have the

asset, it still has been tested, we know it works, essentially what the developer has to do is get a bond, a different bond, not a P.I.D. Bond, a bond, performance bond, to make sure like vegetation, it's a vegetation bond that the owe to see to make sure that the grass grows, if he walks away, to be able to plant whatever grass is needed to restore the area. So it's a vegetation bond that's -- that's moves it from -- from final completion to conditional acceptance or final acceptance to conditional acceptance. There's a bond covering -- by changing the language, we don't increase the risk to the city, we will still have an asset that is operational, built to our standard, has been accepted and the developer, the city has a bond to make sure that the developer finishes out the project that needs to happen.

>> Okay. I guess -- I mean, we're in the situation that we're in now and so this -- this is kind of a moot point. But we've talked about -- there's a new P.I.D. That is seeking our approval that we've talked about somewhat extensively in the audit and finance committee and so seeing previous pids kind of come back and having these complications and being amended four times and early kind of furthers my hesitation or concerns about the -- about this kind of funding structure in the first place.

[6:15:58 PM]

But that's neither here nor there.

>> I --

>> Garza: My concerns, and I went to law school because I'm not good with Numbers, so this is all hard to wrap my brain around all of this bond talk. But it seems like if we're rearranging things now to avoid default, is -- does that mean that we're -- that it's good, the project is good? Or there a possibility -- does the developer owe -- if we fix this default, next year will the developer owe more money to pay off some of these bonds?

>> Next year there's a whole series of payments for the bonds, next year \$16 million is owed by the developer to pay bonds, but that's a separate -- separate issue. But the answer is yes. In our expect -- and our expectation is clearly contractually, verbally, everything else that the developer will make that payment in time, in a timely fashion. This is kind of a unique thing that's happened, that's why we're asking for a unique solution.

>> And I guess I'm concerned if they're not able to pay this one, which is a smaller payment, what happens if they can't make the \$16 million payment next year?

>> The city -- the city's -- the special assessment bonds are backed not only by the special assessments, but by the land underlying the development. So the city would step in and foreclose on the land and the proceeds from the foreclosure would be used to satisfy the bond holders for the existing bonds.

>> Garza: And I had a meeting with the developer yesterday and there was talk about they're going to start building homes there.

>> Uh-huh.

>> Garza: Are we creating a situation where we could possibly have a half built development and the city forecloses then these families are left out there without, you know, the project being finished, is that possible?

[6:18:12 PM]

>> That's not the intent, but I do believe there is a possibility. I don't know, you know, a probability of it. But how this should work is we resolve this problem, they continue to build their wastewater treatment plant, they sell their lots and the lot proceeds will be used by the developer to make his special assessment payments next summer. The payment that was due on the senior bonds was paid in their January 1st, 2015 special assessment, so they are, there's no problem on those yet. But we do expect a large payment next summer. The developer has indicated that he's got lot sales in escrow. So I think that --

>> Just real quick suggestion, I'm not ready to take any action on this. I'm wondering why they didn't go to the audit and finance committee as I'm not sure what -- I feel like it has more --

[indiscernible] -- Okay. My preference would be that the audit and finance committee hears this and then after getting some more information, maybe we could hear it again from before -- this committee could hear it before the September 17th council meeting. Does anybody want to -- to discuss that.

>> Zimmerman: I would. It's a great idea. I was a M.U.D. President. I was in the middle of these kinds of negotiations, issuing bonds, you know, selling them, inspecting, reimbursing, transferring assets. Reimbursing developers. I kind of know this stuff inside and out. The more you talked about it the less sense it made. I'm sorry. You were trying to explain it, the more you talked the less sense it made. Is the flow chart, according to the flow chart this information, the developer receives money from the P.I.D. And pays the developers who build the infrastructure, the water infrastructure.

[6:20:16 PM]

And it's the city's responsibility to repay the bond holders, to repay the debt. That's what this little flow chart shows. So here in the written language it says a P.I.D. Assessment payment of approximately 5.5

million was due to the city from the developer. That's not this. That's something else. Right? If the city-- if the developer owes the city, that's not this flow chart. At all.

>> Does the city make special assessment, the invoices, there's a service and assessment plan annually that's adopted by the council for the P.I.D. And it outlines the special assessments that are going to be billed to the developer or a homeowner who may own a lot --

>> Zimmerman: Now you're talking something that has nothing to do with this flow chart and nothing to do with building water infrastructure and reimbursing a contractor and the Austin water utility repaying the bond. It has nothing to do with that, right, what you just said, it has nothing to do with this.

>> I'm talking about the special assessment, where the developer in this case on the subordinate bonds gets the money is from the reimbursement from the water department. That's not shown on here, but the reimbursement payment is critical to that.

>> No action, just move on.

>> Garza: Okay. I would prefer that we send this to audit and finance and see what their recommendation is.

>> Zimmerman: I will second that motion.

>> Garza: Bring it back after audit and finance. Is that okay with everyone?

>> I don't know if it's okay with mayor pro tem tovo, but we have an audit and finance committee meeting on the 26th. So that's next Wednesday. So if we could fit it in there. We have talked about the other P.I.D. A couple of times, so it may be a better place to discuss this, yeah.

>> Councilmember Zimmerman, that's a simplified version.

[6:22:18 PM]

I understand what you are saying, so what we can provide to you is a much more detailed one that will - I think, link everything up for you.

>> Zimmerman: Thank you. I like dots connected, you know, when people show me stuff that doesn't connect the dots, you know --

>> I think what happened was as you simplify you lose some of those connections, but we will give you a detailed one to be able to show you that.

>> Zimmerman: It's not that I'm nit-picking on details. The whole point, 5.5 million that I see here, this is real money, I can't connect the dot to the information that I was given, that's why I'm frustrated with that.

>> Yes, sir, I understand.

>> I guess we should probably take a vote. All of those in favor of sending this to audit and finance?

>> If we can do that.

>> Garza: We can. So we're going to send this to the audit and finance committee, and wait for their recommendation and -- and that's our last item, so thank you for coming and talking to us about that and we're adjourned at 6:23.