

## Fiscal Note

**DATE OF COUNCIL CONSIDERATION:**

5/6/16

**CONTACT DEPARTMENT(S):**

Austin Water/ Neighborhood Housing

**SUBJECT:** Approve an Ordinance amending City Code Chapter 15-9 relating to single-family residential customer water bill adjustments.

### ANALYSIS / ADDITIONAL INFORMATION:

Austin Water performed an analysis of historical water bills to determine the extent of qualifying customers and the potential fiscal impact of the proposed code amendment policies. Over the most recent two years, the number of qualifying customers varied significantly based on differences in weather and watering demands.

The tables below describe the maximum financial impact of the proposed adjustment program where customers have high water bills during the months of June through September, for 2015 and for 2014. The primary qualifier is that up to two months during this period reflect greater than three

#### June to September 2015

Water Usage 3x Normal Usage	Qualifying Customers	Total Credit	Average Credit
<2,000 gallons	105	\$100	\$1
2,001-6,000 gallons	2,053	\$12,500	\$6
6,001-11,000 gallons	2,940	\$74,200	\$25
11,001-20,000 gallons	3,728	\$297,900	\$80
>20,000 gallons	5,042	\$1,955,300	\$388
Totals	13,868	\$2,340,000	\$169

#### June to September 2014

Water Usage 3x Normal Usage	Qualifying Customers	Total Credit	Average Credit
<2,000 gallons	76	\$200	\$3
2,001-6,000 gallons	1,506	\$9,000	\$6
6,001-11,000 gallons	2,033	\$52,500	\$26
11,001-20,000 gallons	2,340	\$193,400	\$83
>20,000 gallons	2,980	\$1,212,800	\$407
Totals	8,935	\$1,467,900	\$164

Austin Water would not expect a fiscal impact in any one year to be the full worst case scenario of \$2.3 million or \$1.5 million calculated in the fiscal year comparison tables above. We anticipate many of the lower volume customers who qualify would not apply for a credit for such a small amount. We would also anticipate that many of the higher volume block users would have expected higher usage due to irrigation demands and would not apply.

Along with the excess water volume usage requirements, the code provision may further limit the number of customers that qualify or request an adjustment. The code stipulates that customers will be required to complete an affidavit requesting an adjustment within 90 days of the high bill. In addition, customers are limited to receiving a high bill adjustment once every 24 months. Upon acceptance of an adjustment, customers will not be allowed to contest the credit through the administrative hearing process. Each of these constraints may control the number of customers that request and are awarded an adjustment.