

Austin Water Revenue Stability Reserve Fund

Purpose and Nature of Fund

The Austin Water Revenue Stability Reserve Fund (Water Reserve Fund) was created for the purpose of offsetting current year water service revenue shortfalls below budgeted revenue levels.

The target funding level for the Water Reserve Fund is 120 days of the budgeted water operating requirements of Austin Water, which includes operations and maintenance and other operating transfers. In the event that any portion of the Water Reserve Fund is used, the balance will be replenished to the target levels within 5 years.

The goal is to reach the target funding level of 120 days of budgeted water operating requirements within 5 years. If the fund is drawn down prior to reaching the 120 day target during the first 5-year development period, the Water Reserve Fund surcharge shall not be lower than it was during the year in which the draw down occurred until such time as the fund reaches its 120 days of operating costs. If the fund is drawn down after reaching the 120 day target, the fund will be replenished within a 5-year period.

The Water Reserve Fund shall only be used to offset a current year water service revenue shortfall where actual water service revenue is less than the budgeted level by 10% or greater. The maximum use of the Water Reserve Fund in any fiscal year is 50% of the existing balance at the time of request for Council action.

When the target levels of the Water Reserve Fund are reached, any Water Reserve Fund surcharge shall be reduced to levels sufficient to only maintain the goal of 120 days of operating requirements as may be necessitated by changes in budgeted operating costs over time.

All interest earned by the Water Reserve Fund account shall remain in the Water Reserve Fund in order to offset funding and replenishment requirements and to minimize rate impacts for water customers.

Factors Affecting Revenue

Sources of funding for the Water Reserve Fund includes a Water Reserve Fund volumetric surcharge charged to all customer classes, operating reserves in excess of 60 days of operating requirements and any available net water service revenue after meeting all obligations of Austin Water. The FY 2016-17 Budget includes projected revenue from the Water Reserve Fund volumetric surcharge.

Factors Affecting Requirements

Requirements are costs related to offsetting a current year water service revenue shortfall where actual water service revenue is less than the budgeted level by 10% or greater. The maximum use of the Water Reserve Fund in any fiscal year is 50% of the existing balance at the time of request for Council action.

The FY 2016-17 Budget does not include a transfer out from the Austin Water Revenue Stability Reserve Fund.

	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Approved
Revenue	\$5,844,234	\$7,331,573	\$9,461,401	\$9,229,421	\$9,339,127
Requirements	\$0	\$0	\$0	\$0	\$0

Wildland Conservation Fund

Purpose and Nature of Fund

The Wildland Conservation Fund is responsible for the management of the Balcones Canyonlands Preserve (BCP) which preserves over 13,000 acres of City-owned property. The preserve is where the land and ecosystem can function in its natural condition and is not disturbed for purposes of agriculture, urban, or industrial use.

Program activities for BCP are covered under a federal Endangered Species Act section 10(a) permit, issued in May 1996. An interlocal Agreement between Austin and Travis County specifies that funding for implementation of the Balcones Canyonlands Conservation Plan (BCCP) Shared Vision and the permit is shared between the City of Austin and Travis County while each entity is independently responsible for operations and maintenance of preserve lands that they own or acquire. Additionally, revenue generated through sales of BCCP Participation Certificates (mitigation credits) are split evenly between the City and County.

The BCP provides management and administration for a regional preserve system for endangered species. The preserve protects eight endangered species, two neotropical migratory songbirds (the golden-cheeked warbler and black-capped vireo), six karst-dwelling invertebrates, and twenty-seven species of concern living in western Travis County. Management of BCP also allows these areas to act as a sponge and filter, absorbing rainfall, filtering it through plants communities, layers of soil and roots, and releasing it into watershed areas.

Benefits of wildlands:

- Absorb rainfall and reduce flooding
- Protect habitat for a wide variety of wildlife
- Conserve native plants as a genetic seed bank for the future
- Enhance air quality through presence of vegetation
- Filter pollution and dilute impacts of development
- Preserve aspects of cultural history
- Serve as locations for research
- Provide access on some tracts for recreation and education
- Store and slowly release water into creeks, prolonging their flow
- Provide mitigation of public service infrastructure activities that disturb Endangered Species habitat
- Provide an alternative process for private property owners to mitigate their activities that disturb habitat
- Offer beautiful views adding to Austin's quality of life and reputation as a community that values its environment

Factors Affecting Revenue

The Wildland Conservation Fund is funded by payments of permit fees. Fees are collected when private property owners or non-signatory public entities elect to mitigate their projects through BCCP. The fees are based on a schedule established by the BCCP Coordinating Committee, City Council, Travis County Commissioners Court, and U. S. Fish and Wildlife Service.

Factors Affecting Requirements

Requirements for the maintenance of the Balcones Canyonlands Preserves are \$428,455. This year's expenditures will include \$53,455 for hiring two seasonal temporary employees to complete the United States Forest Service Research study, \$25,000 for planning and researching to develop a long-range ecosystem management plan for the Balcones Canyonlands Preserves and \$350,000 to purchase fencing.

	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Approved
Revenue	\$291,674	\$225,850	\$621,792	\$253,000	\$253,000
Requirements	\$328,431	\$599,443	\$181,105	\$428,455	\$428,455