



**Recommendation for
Water & Wastewater Commission**

Commission Meeting Date:	August 9, 2017
Council Meeting Date:	August 17, 2017
Department:	Austin Water
SUBJECT	
Authorize approval of Austin Water's FY 2018 proposed \$614.8M Operating Budget, \$498.5M Capital Budget new appropriations, \$890.4M 5-Year CIP spending plan and 0% system-wide rate revenue increase (0 % water, 0 % wastewater and 13.5 % reclaimed).	
AMOUNT AND SOURCE OF FUNDING	
N/A	
Purchasing Language:	N/A
Prior Council Action:	N/A
For More Information:	David Anders, 512-972-0323; Denise Avery, 512-972-0104
Boards and Commission Action:	August 9, 2017- To be reviewed by the Water and Wastewater Commission.
MBE/WBE:	N/A

This action requests City Council to conduct a public hearing to hear public comments on the water, wastewater, and reclaimed rate changes proposed in the Fiscal Year 2017-2018 Operating Budget. Council is scheduled to adopt the budget on September 11, 12, and 13, 2017. The City Code in Section 2-5-45 specifically requires a public hearing prior to the City Council approving any changes in electric, water, wastewater, and garbage collection rates.

Austin Water's Proposed Fiscal Year 2017-18 Budget includes the following changes to the current water and wastewater rates:

	Water Rates (Revenue Impact) (1)	Wastewater Rates (Revenue Impact)
<u>Retail Customers:</u>		
Single Family (Non-CAP)	0.0% Increase	0.0% Increase
Single Family (CAP)	0.0% Increase	0.0% Increase
Multifamily	0.0% Increase	0.0% Increase
Commercial	0.0% Increase	0.0% Increase
Large Volume (2)	0.0% Increase	0.0% Increase
<u>Wholesale Customers:</u> (2)	0.0% Increase	0.0% Increase
Systemwide without		
Water Revenue Reserve Fund:	0.0% Increase	0.0% Increase
Systemwide Including		
Water Revenue Reserve Fund:	0.0% Increase	0.0% Increase

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

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

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

**CITY OF AUSTIN, TEXAS
AUSTIN WATER**

**PROPOSED WATER RATES
FY 2017-18**

PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017

All Retail Customers:

<u>Monthly Meter Equivalent Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Meter Size:		
5/8"	\$ 7.10	\$ 7.10
3/4"	13.00	13.00
1"	15.00	15.00
1 1/2"	26.00	26.00
2"	42.00	42.00
3"	71.00	71.00
4"	136.00	136.00
6"	275.00	275.00
8"	916.00	916.00
10"	1,106.00	1,106.00
12"	1,336.00	1,336.00

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

**CITY OF AUSTIN, TEXAS
AUSTIN WATER**

**PROPOSED WATER RATES (Continued)
FY 2017-18**

PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017

<u>Residential Class Monthly Tiered Minimum Charge:</u>	<u>Current Charge</u>	<u>Proposed Rates</u>
0 – 2,000 Gallons	\$ 1.25	\$ 1.25
2,001 – 6,000 Gallons	3.55	3.55
6,001 – 11,000 Gallons	9.25	9.25
11,001 – 20,000 Gallons	29.75	29.75
20,001 – over Gallons	29.75	29.75

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

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

PROPOSED RATES EFFECTIVE January 1, 2018

<u>Residential Class Volume Charges:</u>	<u>Current Rates \$ / 1,000 Gallons</u>	<u>Proposed Rates \$ / 1,000 Gallons</u>
0 – 2,000 Gallons	\$ 3.18	\$ 3.03
2,001 – 6,000 Gallons	5.05	4.90
6,001 – 11,000 Gallons	8.56	8.41
11,001 – 20,000 Gallons	12.92	12.77
20,001 – over Gallons	14.43	14.28

All retail customer non-CAP volumetric rates will be reduced by the amount of the Community Benefit Charge implemented on January 1, 2018

<u>CAP Residential Class Volumetric Charge:</u>	<u>Current Rates \$ / 1,000 Gallons</u>	<u>Proposed Rates \$ / 1,000 Gallons</u>
0 – 2,000 Gallons	\$ 2.50	\$ 2.50
2,001 – 6,000 Gallons	4.13	4.13
6,001 – 11,000 Gallons	6.74	6.74
11,001 – 20,000 Gallons	11.58	11.58
20,001 – over Gallons	14.43	14.28

**CITY OF AUSTIN, TEXAS
AUSTIN WATER**

**PROPOSED WATER RATES (Continued)
FY 2017-18**

PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017

<u>Multifamily Monthly Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Meter Size:		
5/8"	\$ 17.25	\$ 17.25
3/4"	26.00	26.00
1"	43.00	43.00
1 1/2"	86.00	86.00
2"	138.00	138.00
3"	276.00	276.00
4"	431.00	431.00
6"	863.00	863.00
8"	1,380.00	1,380.00
10"	1,984.00	1,984.00
12"	2,933.00	2,933.00

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

PROPOSED RATES EFFECTIVE January 1, 2018

<u>Multifamily Class Volumetric Rates:</u>	<u>Current Rates</u> <u>\$ / 1,000 Gallons</u>	<u>Proposed Rates</u> <u>\$ / 1,000 Gallons</u>
Off Peak/Peak	\$5.11 / \$5.62	\$4.96 / \$5.47
<i>All retail customer non-CAP volumetric rates will be reduced by the amount of the Community Benefit Charge implemented on January 1, 2018</i>		

**CITY OF AUSTIN, TEXAS
AUSTIN WATER**

**PROPOSED WATER RATES (Continued)
FY 2017-18**

PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017

<u>Commercial Monthly Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Meter Size:		
5/8"	\$ 10.80	\$ 10.80
3/4"	16.00	16.00
1"	27.00	27.00
1 1/2"	54.00	54.00
2"	86.00	86.00
3"	173.00	173.00
4"	270.00	270.00
6"	540.00	540.00
8"	864.00	864.00
10"	1,242.00	1,242.00
12"	1,836.00	1,836.00

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

PROPOSED RATES EFFECTIVE January 1, 2018

<u>Commercial Class Volumetric Rates:</u>	<u>Proposed Rates</u> <u>\$ / 1,000 Gallons</u>	<u>\$ / 1,000 Gallons</u>
Off Peak/Peak	\$5.97 / \$6.57	\$5.82 / \$6.42

All retail customer non-CAP volumetric rates will be reduced by the amount of the Community Benefit Charge implemented on January 1, 2018

**CITY OF AUSTIN, TEXAS
AUSTIN WATER**

**PROPOSED WATER RATES (Continued)
FY 2017-18**

PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017

<u>Large Volume Monthly Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
NXP – Ed Bluestein Blvd	\$29,500.00	\$29,500.00
NXP – W William Cannon	22,000.00	22,000.00
Samsung	127,000.00	127,000.00
Novati	3,900.00	3,900.00
Spansion	20,100.00	20,100.00
University of Texas	17,250.00	17,250.00

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

PROPOSED RATES EFFECTIVE January 1, 2018

<u>Large Volume Volumetric Rates:</u>	<u>Current Rates</u> <u>\$/ 1,000 Gallons</u>	<u>Proposed Rates</u> <u>\$/ 1,000 Gallons</u>
NXP – Ed Bluestein Blvd: Off Peak/Peak	\$5.04 / \$5.55	\$4.89 / \$5.40
NXP – W William Cannon: Off Peak/Peak	5.58 / 6.13	5.43 / 5.98
Samsung: Off Peak/Peak	5.62 / 6.18	5.47 / 6.03
Novati: Off Peak/Peak	5.48 / 6.03	5.33 / 5.88
Spansion: Off Peak/Peak	5.44 / 5.98	5.29 / 5.83
University of Texas: Off Peak/Peak	5.97 / 6.57	5.82 / 6.42

All retail customer non-CAP volumetric rates will be reduced by the amount of the Community Benefit Charge implemented on January 1, 2018

**CITY OF AUSTIN, TEXAS
AUSTIN WATER**

**PROPOSED WATER RATES
FY 2017-18**

PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017

All Wholesale Customers:

<u>Monthly Meter Equivalent Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Meter Size:		
5/8"	\$ 8.00	\$ 8.00
3/4"	9.00	9.00
1"	10.00	10.00
1 1/2"	14.00	14.00
2"	19.00	19.00
3"	31.00	31.00
4"	45.00	45.00
6"	84.00	84.00
8"	131.00	131.00
10"	186.00	186.00
12"	271.00	271.00
<u>Wholesale Monthly Minimum Charge:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Creedmoor-Maha WSC	\$ 2,800.00	\$ 2,800.00
High Valley WSC	250.00	250.00
Manor, City of	0.00	0.00
Marsha WSC	450.00	450.00
Mid-Tex Utilities	0.00	0.00
Morningside Subdivision	75.00	75.00
Night Hawk Water Supply Corp.	450.00	450.00
North Austin MUD #1	16,652.00	16,652.00
Northtown MUD	12,304.00	12,304.00
Rivercrest Water Supply Corp.	4,500.00	4,500.00
Rollingwood, City of	5,000.00	5,000.00
Shady Hollow MUD	10,950.00	10,950.00
Southwest Water Company	0.00	0.00
Sunset Valley, City of	4,000.00	4,000.00
Travis Co. WCID #10	38,611.00	38,611.00
Village of San Leanna	200.00	200.00
Wells Branch MUD	21,133.00	21,133.00

**CITY OF AUSTIN, TEXAS
AUSTIN WATER**

**PROPOSED WATER RATES (Continued)
FY 2017-18**

PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017

<u>Wholesale Volumetric Rates:</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
	<u>\$/ 1,000 Gallons</u>	<u>\$/ 1,000 Gallons</u>
Creedmoor-Maha WSC	3.89	\$ 3.89
High Valley WSC	3.87	3.87
Manor, City of	5.09	5.09
Marsha WSC	3.92	3.92
Mid-Tex Utilities	4.10	4.10
Morningside Subdivision	5.09	5.09
Night Hawk Water Supply Corp.	3.90	3.90
North Austin MUD #1	2.75	2.75
Northtown MUD	2.59	2.59
Rivercrest Water Supply Corp.	4.35	4.35
Rollingwood, City of	4.65	4.65
Shady Hollow MUD	2.97	2.97
Southwest Water Company	4.10	4.10
Sunset Valley, City of	4.24	4.24
Travis Co. WCID #10	2.75	2.75
Village of San Leanna	4.06	4.06
Wells Branch MUD	2.60	2.60
Average Wholesale Water Rate	4.10	4.10

**CITY OF AUSTIN, TEXAS
AUSTIN WATER**

**PROPOSED WATER RATES (Continued)
FY 2017-18**

PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017

All Retail Water Customers:

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

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

All Wholesale Water Customers:

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

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

All Retail & Wholesale Water Customers:

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

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

PROPOSED RATES EFFECTIVE January 1, 2018

All Retail Water Customers:

	Current Rates	Proposed Rates
<u>Community Benefit Charge – Retail</u>	<u>\$/ 1,000 Gallons</u>	<u>\$/ 1,000 Gallons</u>
	\$ 0.00	\$ 0.15

**This fee is charged to all Retail water/wastewater non-CAP customers per 1,000 gallons of water billed for the billing period to fund the Customer Assistance Program (CAP). All retail customer non-CAP volumetric rates will be reduced by the same amount.*

**CITY OF AUSTIN, TEXAS
AUSTIN WATER
PROPOSED WASTEWATER RATES
FY 2017-18
PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017**

	<u>Current</u>	<u>Proposed</u>
<u>Monthly Customer Charge:</u>	\$ 10.30	\$ 10.30
<i>* Customer Assistance Program (CAP) customers qualify for a waiver of the monthly customer charge.</i>		
<u>Monthly Minimum Charge:</u>		
Shady Hollow MUD	\$ 11.00	\$ 11.00
North Austin MUD #1	\$ 51.00	\$ 51.00
Northtown MUD	\$ 60.00	\$ 60.00
Wells Branch MUD	\$ 51.00	\$ 51.00

PROPOSED RATES EFFECTIVE JANUARY 1, 2018

<u>Retail Volumetric Rates:</u>	<u>\$ / 1,000 Gallons</u>	<u>\$ / 1,000 Gallons</u>
Single Family:		
0 – 2,000 Gallons	\$ 5.30	\$ 5.15
2,001 – over Gallons	10.35	10.20
<i>All retail customer non-CAP volumetric rates will be reduced by the amount of the Community Benefit Charge implemented on January 1, 2018</i>		
Customer Assistance Program:		
0 – 2,000 Gallons	\$ 5.30	\$ 4.50
2,001 – over Gallons	10.35	8.80
Multifamily	9.48	9.33
Commercial	9.48	9.33
Large Volume		
NXP (Freescale) Ed Bluestein	8.93	8.78
NXP (Freescale) William Cannon	8.95	8.80
Samsung	8.28	8.13
Novati	8.16	8.01
Spansion	8.39	8.24
University of Texas	9.42	9.27

All retail customer non-CAP volumetric rates will be reduced by the amount of the Community Benefit Charge implemented on January 1, 2018

**CITY OF AUSTIN, TEXAS
AUSTIN WATER
PROPOSED WASTEWATER RATES
FY 2017-18
PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017**

Manor, City of	\$ 5.64	\$ 5.64
Mid-Tex Utilities	5.66	5.66
North Austin MUD #1	4.23	4.23
Northtown MUD	4.15	4.15
Rollingwood	5.67	5.67
Shady Hollow MUD	4.17	4.17
Sunset Valley	5.71	5.71
Travis Co. WCID #17 Com. Canyon	3.98	3.98
Travis Co. WCID #17 Steiner Ranch	3.80	3.80
Wells Branch MUD	4.14	4.14
Westlake Hills, City of	5.68	5.68
Avg. Wholesale Wastewater Rate	5.66	5.66

PROPOSED RATES EFFECTIVE January 1, 2018

All Retail Water Customers:

<u>Community Benefit Charge – Retail</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
	<u>\$ / 1,000 Gallons</u>	<u>\$ / 1,000 Gallons</u>
	\$ 0.00	\$ 0.15

**This fee is charged to all Retail water/wastewater non-CAP customers per 1,000 gallons of water billed for the billing period to fund the Customer Assistance Program (CAP). All retail customer non-CAP volumetric rates will be reduced by the same amount.*

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

**PROPOSED RECLAIMED WATER RATES
FY 2017-18**

PROPOSED RATES EFFECTIVE NOVEMBER 1, 2017

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

<u>Reclaimed System-wide Volume Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
All volumes (Unit Cost Per 1,000 Gallons)		
Non-Mandatory Connections	\$ 2.41	\$ 2.59
<i>Potable water conversions with reclaimed main extensions greater than 250 feet; customers with a site plan submitted prior to May 1, 2015.</i>		

<u>Reclaimed System-wide Volume Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
All volumes (Unit Cost Per 1,000 Gallons)		
Mandatory Connections	\$ 4.20	\$ 4.20
<i>New commercial developments or redevelopments within 250 feet of an existing reclaimed main.</i>		

<u>Parkland Reclaimed Water Rates</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
All volumes (Unit Cost Per 1,000 Gallons)	\$ 1.15	\$ 1.24
<i>* Parkland Reclaimed Water rates are for reclaimed water use at City-owned parkland and golf courses.</i>		

<u>Austin Energy Sandhill Power Plant</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
All volumes (Unit Cost Per 1,000 Gallons)	\$ 1.15	\$ 1.31
<i>* AE Sandhill reclaimed water volumetric rate is low because of a high monthly fixed charge of \$10,690.00 that will remain unchanged during the debt service period,</i>		