Approved July 12, 2017

Annual Internal Review

This report covers the time period of 7/1/2016 to 6/30/2017

Water and Wastewater Commission

1. The Board/Commission mission statement is set forth in 2-1-186 of the Code of the City of Austin, Texas which states:

(A) The Water and Wastewater Commission members should reside inside the utility's service area. Not more than two members should be involved in development or development-related activities.

(B) The purpose of the Water and Wastewater Commission is to:

(1) review, analyze, and advise the City Council on the policies and resources relating to the city water and wastewater utility and water quality; and

(2) assist the City Council in ensuring that the City's residents are provided with an adequate, economical, and potable supply of water and a stable, economical and environmentally safe system of wastewater disposal.

(C) The Commission shall act as an advisory body to the City Council and shall review programs and make recommendations regarding:

(1) the protection and integrity of the water resources for the City;

(2) minimization of water quality impacts to downstream areas;

(3) implementation of programs that achieve goals and objectives relating to water supply management, water demand management, and land water quality control;

(4) the fiscal solvency of said programs; and

(5) the fiscal health of the utility.

(D) The Commission may conduct an annual review of the commission's goals and objectives, and the activities needed to achieve these goals and objectives in the following areas, for the year covered by the program:

(1) water supply distribution;

(2) water demand and conservation management;

(3) wastewater treatment and collection;

(4) water quality;

(5) service area master planning and capital improvement project development;

(6) utility operating budget;

(7) rates and fees; and

(8) citizen education.

(E) The Commission may review and make reports and recommendations to the City Council, or other appropriate Boards and Commissions, concerning the following matters:

(1) water and wastewater capital improvement program proposals;

(2) water and wastewater bond programs;

(3) monitoring of capital recovery fee revenues on a quarterly basis, and review of capital recovery fee dollar amount on an annual basis from the effective date of capital recovery fee ordinance;

(4) review of the City's annual budget proposal for the water and wastewater utility;

(5) quarterly review of water and wastewater ending balances;

(6) cost effectiveness and financial impact on water supply and water conservation programs;

(7) water and wastewater tap and connection fees;

(8) quarterly review of the utility's total bonded indebtedness, including:

(a) contracts bonds approval, issuance, and expenditure: proposed and approved by Council action, and issued;

(b) revenue bonds approval, issuance and expenditure: proposed and approved by Council action, and issued; and

(c) municipal utility district bonds;

(9) water and wastewater service extension requests and policy;

(10) water treatment water supply, capacity, and demand projections;

(11) water and wastewater treatment capacity, loadings, and effluent quality and quantity by the City on a monthly basis;

(12) proposed and existing wastewater package treatment plants within the City's extraterritorial jurisdiction;

(13) desired service areas that the City should serve and the timing of the service;

(14) creation of area package treatment plant and alternative wastewater system conservation proposals;

(15) creation or modification of municipal utility districts, water control and improvement districts, and all other entities authorized by the Texas Water Code;

(16) water and wastewater treatment processes;

(17) review and recommendation to the City Council regarding all water and wastewater rates and fees;

(18) annual review of the effectiveness of erosion and sedimentation controls and drainage criteria in protecting water quality; and

(19) monthly review of water and wastewater discharge by the City.

(F) The commission may obtain information from the Water Utility and communicate to the City Council as follows:

(1) coordination with staff to develop programs to implement Commission duties and responsibilities;

(2) evaluation of the economic feasibility and impacts of Commission goals and objectives programs;

(3) coordination with the staff time and resource requirements for liaison activities with the Commission;

(4) policy and budgetary recommendations to the City Council relating to program implementation;

(5) periodic review of staff progress toward successful completion of utility programs;

(6) review of staff reports and studies relating to Commission programs, including economic and rate impacts and environmental effects;

(7) review of development of program implementation strategies; and

(8) review of monitoring and enforcement of programs.

(G) The Commission shall promote close cooperation and open communication between the City Council, other City Boards, Commissions and committees, City departments and individuals, and institutions and agencies concerned with the policies and procedures and operation, maintenance and construction of the Water and Wastewater Utility so that all similar activities in the City may be coordinated to secure the greatest public welfare.

2. For the duration of July 1, 2016 - June 30, 2017, the Water and Wastewater Commission successfully completed the following activities and achievements:

a. Reviewed and recommended annual Operations and Maintenance Budget, Capital Budget, Capital Spending Plan, Financial Forecast, water and wastewater service rates, fees and charges.

b. Convened the Budget Committee; Including Chair Mickey Fishbeck Maia, Vice Chair, Susan Turrieta, Melissa Blanding, Travis Michel and Christianne Castleberry who stepped down 5/10/17 allowing Mia Parton as the newest member to review various matters of the Austin Water Utility proposed budget, including review of the following items and topics:

i. financial forecast for FY 2018-22 and FY 2018 proposed budget;
ii. fund summary line item review, including revenues, operations and maintenance, and transfers out;
iii. Capital Improvement Program (CIP), including debt service and cash transfers related to CIP spending and the proposed CIP spending plan;
iv. Capital Recovery Fee waiver projections;
v. customer assistance programs, Community Benefit Charge implementation;
vi. financial benchmarks and goals and debt management strategies;
vii. operations and maintenance detail;
viii. proposed FY 2017 water and wastewater rates and bill impacts;
ix. reclaimed water system, fund structure, inclusion in water CRF update, and rates;
x. Austin Energy customer care costs and allocation study;
xi. WTP4 background.

c. Reviewed and provided input on

i. Austin Water Financial Status Monthly Report
ii. AW FY2017 Proposed Budget
iii. MUD/PID Quarterly Update
iv. Meter Technology Briefing
v. Water Loss Report
vi. Hill Country Alliance/Regional Planning Efforts
vii. Legislative Update
viii. Hornsby Bend Biosolids Management Policy
ix. Cost of Service Update
x. CIP Budget Drinking Water Protection Zone Growth Projects

d. The Commission reviewed and provided its recommendations on 111 items considered by the City Council regarding Austin Water Utility's operations and business activities within the scope of its missions and annual goals and objectives.

e. Water and Wastewater Commissioner William Moriarty participates in and continues to participate in the Austin Integrated Water Resource Planning Community Task Force and provides updates to the Commission on the activities of the Austin Integrated Water Resource Planning Community Task Force.

f. Water and Wastewater Commissioner Annie Kellough served as and continues to serve as the Commission's appointee to the Balcones Canyonlands Conservation Plan Citizen Advisory Committee. Commissioner Kellough provides updates to the Commission.

g. Water and Wastewater Commissioner Nhat Ho served as and continues to serve as the Commission's appointee to the Joint Sustainability Committee. Commissioner Ho provides updates to the Commission.

h. Water and Wastewater Commissioner Susan Turrieta served as and continues to serve as the Commission's appointee to the City Council Waste Management Policy Working Group.

i. Convened a special committee in conjunction with the Zero Waste Advisory Commission to review a proposed Biosolids Contract with the Austin Water Utility. This special committee is chaired by Susan Turrieta and includes Melissa Blanding, Nhat Ho and Vice Chair Chien Lee.

j. Participated in an effort by Austin Water Utility to develop a new rate development process. Vice Chair, Chien Lee and Commissioner Jesse Penn participated.

3. All activities and achievements of the Water and Wastewater Commission during July 1, 2016 – June 30, 2017 were in compliance with the mission statement of the Commission as outlined in the Ordinance.

4. The Water and Wastewater Commission as an advisory (non-sovereign) body to the City Council establishes the following goals and objectives for the year:

    a. Continue to review programs and make recommendations regarding items brought to the Commission in an effort to accomplish the goals set forth in Paragraph (C) of the mission statement.

    b. Continue to carry out various activities during the year to achieve the goals and objectives set forth in the mission statement. Those activities may include reviewing, reporting, or making recommendations to Council or other Boards on matter outlined in Paragraph (E) & Paragraph (D) of the mission statement.

    c. Specific goals and objectives for July 1, 2017 – June 30, 2018 include:

        i. Continue to evaluate the affordability of the services provided by the Austin Water.

        ii. Continue to monitor the financial status of the Utility on a monthly basis (through monthly briefing and status reports).

        iii. Reclaimed Water System: Evaluate the expansion of the reclaimed water system and rate structure, including any potential impacts on water and wastewater rates and water supplies. The reclaimed utility fund and rate structure should be vetted through the public and other boards and commissions.

        iv. Review the overall capital improvement plan and how the plan meshes with the goals of the Imagine Austin Comprehensive Plan, including areas within the CCN, Service Area, and annexation areas.

        v. Monitor issues and service conditions related to municipal utility districts (MUDs), public improvement districts (PIDs), and other special districts and wholesale customers through quarterly reports from Austin Water Staff.

        vi. Monitor and encourage transparency and timely provision of information to the Commission and the public.

        vii. Continue to evaluate proposed contracts to ensure compliant with MBE/WBE goals and to ensure competitiveness in bidding.