



## Water & Wastewater Commission Review and Recommendation

<b>Commission Meeting Date:</b>	February 14, 2018
<b>Council Meeting Date:</b>	March 8, 2018
<b>Department:</b>	Austin Water
<b>Client:</b>	Joseph Gonzales and David Anders
<b>Agenda Item</b>	
Amend Ordinance No. 20170913-002, the Fiscal Year 2018 Fees, Fines, and Other Charges to be set or charged by the City, to revise Austin Water's Retail Water and Wastewater Service Rates.	
<b>Amount and Source of Funding</b>	
This item has no fiscal impact.	
<b>Purchasing Language:</b>	N/A
<b>Prior Council Action:</b>	N/A
<b>Boards and Commission Action:</b>	February 14, 2018- To be reviewed by the Water and Wastewater Commission.
<b>MBE/WBE:</b>	N/A

During the FY2018 Budget adoption process, City Council approved Austin Water's 2018 rates and fees. Austin Water conducted a Cost of Service Study which included members of the community known as a Public Involvement Committee (PIC). As a result of this study, Austin Water and the PIC members reached an agreement to reduce the retail water and wastewater rates effective in FY2018.

As part of the recommendations, the following charges will be impacted:

- Retail monthly meter equivalent minimum charge;
- Non-CAP and CAP residential volumetric charges;
- Multifamily monthly minimum charge and volumetric rates;
- Commercial monthly minimum charge and volumetric rates;
- Large Volume monthly minimum and volumetric rates;
- Water Revenue Stability Reserve Fund Surcharge (Residential and Wholesale);
- Waive water drought rates for CAP customers.

This Council action will amend the Fees, Fines, and Other Changes ordinance approved for Fiscal Year 2017-2018.

**CITY OF AUSTIN, TEXAS  
AUSTIN WATER**

**PROPOSED WATER RATES  
FY 2017-18**

**PROPOSED RATES EFFECTIVE MAY 1, 2018**

**All Retail Customers:**

<b><u>Monthly Meter Equivalent Minimum Charge:</u></b>	<b><u>Current Rates</u></b>	<b><u>Proposed Rates</u></b>
Meter Size:		
5/8"	\$ 7.10	\$ 7.25
3/4"	13.00	10.60
1"	15.00	13.60
1 1/2"	26.00	15.50
2"	42.00	25.40
3"	71.00	75.10
4"	136.00	124.80
6"	275.00	253.80
8"	916.00	482.20
10"	1,106.00	760.20
12"	1,336.00	998.40

*\*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**

<b><u>Residential Class Volume Charges:</u></b>	<b><u>Current Rates \$ / 1,000 Gallons</u></b>	<b><u>Proposed Rates \$ / 1,000 Gallons</u></b>
0 – 2,000 Gallons	\$ 3.03	\$ 2.93
2,001 – 6,000 Gallons	4.90	4.81
6,001 – 11,000 Gallons	8.41	8.34
11,001 – 20,000 Gallons	12.77	12.70
20,001 – over Gallons	14.28	14.21

*All retail customer non-CAP volumetric rates include the Community Benefit Charge implemented on January 1, 2018*

<b><u>CAP Residential Class Volumetric Charge:</u></b>	<b><u>Current Rates \$ / 1,000 Gallons</u></b>	<b><u>Proposed Rates \$ / 1,000 Gallons</u></b>
0 – 2,000 Gallons	\$ 2.50	\$ 2.41
2,001 – 6,000 Gallons	4.13	4.05
6,001 – 11,000 Gallons	6.74	6.67
11,001 – 20,000 Gallons	11.58	11.51
20,001 – over Gallons	14.28	14.21

**CITY OF AUSTIN, TEXAS  
AUSTIN WATER**

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

**PROPOSED RATES EFFECTIVE MAY 1, 2018**

<b><u>Multifamily Monthly Minimum Charge:</u></b>	<b><u>Current Rates</u></b>	<b><u>Proposed Rates</u></b>
Meter Size:		
5/8"	\$ 17.25	\$ 12.50
3/4"	26.00	21.00
1"	43.00	33.00
1 1/2"	86.00	42.00
2"	138.00	83.00
3"	276.00	292.00
4"	431.00	500.00
6"	863.00	1,042.00
8"	1,380.00	2,000.00
10"	1,984.00	3,167.00
12"	2,933.00	4,167.00

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

**PROPOSED RATES EFFECTIVE MAY 1, 2018**

<b><u>Multifamily Class Volumetric Rates:</u></b>	<b><u>Current Rates</u> <b><u>\$ / 1,000 Gallons</u></b></b>	<b><u>Proposed Rates</u> <b><u>\$ / 1,000 Gallons</u></b></b>
Off Peak/Peak	\$4.96 / \$5.47	\$4.57 / \$5.02

*All retail customer non-CAP volumetric rates include 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 MAY 1, 2018**

<b><u>Commercial Monthly Minimum Charge:</u></b>	<b><u>Current Rates</u></b>	<b><u>Proposed Rates</u></b>
Meter Size:		
5/8"	\$ 10.80	\$ 8.75
3/4"	16.00	15.00
1"	27.00	23.00
1 1/2"	54.00	29.00
2"	86.00	58.00
3"	173.00	204.00
4"	270.00	350.00
6"	540.00	729.00
8"	864.00	1,400.00
10"	1,242.00	2,217.00
12"	1,836.00	2,917.00

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

**PROPOSED RATES EFFECTIVE MAY 1, 2018**

<b><u>Commercial Class Volumetric Rates:</u></b>	<b><u>Proposed Rates</u></b>	<b><u>\$ / 1,000 Gallons</u></b>	<b><u>\$ / 1,000 Gallons</u></b>
Off Peak/Peak	\$5.82 / \$6.42	\$5.31 / \$5.69	

All retail customer non-CAP volumetric rates include 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 MAY 1, 2018

<b><u>Large Volume Monthly Minimum Charge:</u></b>	<b><u>Current Rates</u></b>	<b><u>Proposed Rates</u></b>
NXP – Ed Bluestein Blvd	\$29,500.00	\$29,250.00
NXP – W William Cannon	22,000.00	21,400.00
Samsung	127,000.00	121,100.00
Novati	3,900.00	4,250.00
Cypress (Spansion)	20,100.00	22,800.00
University of Texas	17,250.00	16,350.00

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

### PROPOSED RATES EFFECTIVE MAY 1, 2018

<b><u>Large Volume Volumetric Rates:</u></b>	<b><u>Current Rates \$ / 1,000 Gallons</u></b>	<b><u>Proposed Rates \$ / 1,000 Gallons</u></b>
NXP – Ed Bluestein Blvd: Off Peak/Peak	\$4.89 / \$5.40	\$4.70 / \$5.17
NXP – W William Cannon: Off Peak/Peak	5.43 / 5.98	4.77 / 5.24
Samsung: Off Peak/Peak	5.47 / 6.03	4.75 / 5.23
Novati: Off Peak/Peak	5.33 / 5.88	5.00 / 5.49
Spansion: Off Peak/Peak	5.29 / 5.83	5.03 / 5.54
University of Texas: Off Peak/Peak	5.82 / 6.42	5.31 / 5.69

*All retail customer non-CAP volumetric rates include 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 May 1, 2018**

**All Retail and Wholesale Water Customers:**

	<b>Current Rates \$ / 1,000 Gallons</b>	<b>Proposed Rates \$ / 1,000 Gallons</b>
<b><u>Revenue Stability Reserve Fund Surcharge – Retail</u></b>	\$ 0.19	\$ 0.09
<b><u>Revenue Stability Reserve Fund Surcharge – Wholesale</u></b>	\$ 0.10	\$ 0.05

*\*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.*

	<b>Current Rates \$ / 1,000 Gallons</b>	<b>Proposed Rates \$ / 1,000 Gallons</b>
<b><u>Water Drought Rate Surcharge</u></b>		
Stage 3 Volume Rate per 1,000 gallon	\$ 1.00	\$ 1.00
Stage 4 Volume Rate per 1,000 gallon	\$ 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 monthly billing cycle following the declaration of stage 3 or stage 4 water restrictions, and will continue until directed by the City Manager.

*\*Effective May 1, 2018, Customer Assistance Program (CAP) customers will be exempt from the Water Drought Rate Surcharge.*



**CITY OF AUSTIN, TEXAS**  
**AUSTIN WATER**  
**PROPOSED WASTEWATER RATES**  
**FY 2017-18**  
**PROPOSED RATES EFFECTIVE May 1, 2018**

	<b>Current Rates \$ / 1,000 Gallons</b>	<b>Proposed Rates \$ / 1,000 Gallons</b>
<b><u>Retail Volumetric Rates:</u></b>		
Single Family:		
0 – 2,000 Gallons	\$ 5.15	\$ 4.86
2,001 – over Gallons	10.20	9.94
<i>All retail customer non-CAP volumetric rates are reduced by the amount of the Community Benefit Charge implemented on January 1, 2018</i>		
Customer Assistance Program:		
0 – 2,000 Gallons	\$ 4.50	\$ 4.47
2,001 – over Gallons	8.80	8.78
Multifamily	9.33	8.94
Commercial	9.33	8.96
Large Volume		
NXP (Freescale) Ed Bluestein	8.78	8.53
NXP (Freescale) William Cannon	8.80	8.67
Samsung	8.13	7.76
Novati	8.01	7.75
Spansion	8.24	7.91
University of Texas	9.27	8.96

## AVERAGE CUSTOMER BILL IMPACTS

Customer Class	2018 Existing Rates	2018 Proposed Rates	\$ Variance	% Variance
Residential	\$83.19	\$ 81.12	(\$2.07)	-2.5%
Residential - CAP	\$54.16	\$ 48.30	(\$5.86)	-10.8%
Multifamily	\$1,991.91	\$ 1,862.73	(\$129.18)	-6.5%
Commercial	\$822.87	\$ 772.62	(\$50.25)	-6.1%
Large Volume:				
Novati	\$66,480.78	\$ 63,685.55	(\$2,795.23)	-4.2%
NXP – Ed Bluestein	\$395,557.27	\$ 384,645.03	(\$10,912.24)	-2.8%
NXP – Wm Cannon	\$348,985.64	\$ 328,705.64	(\$20,280.00)	-5.8%
Samsung	\$2,563,362.92	\$ 2,381,492.37	(\$181,870.55)	-7.1%
Spansion	\$303,887.88	\$ 292,959.42	(\$10,928.46)	-3.6%
Univ. of Texas	\$389,254.74	\$ 363,659.19	(\$25,595.55)	-6.6%