



2015 Revenue Requirements

Water rates are designed to recover the costs of providing water service — including maintenance of distribution pipes, reservoirs, pump stations and treatment plants — and also encourage efficiency by charging higher prices for increased water use. Most of Austin Water’s annual costs are fixed and do not vary with the amount of water sold.

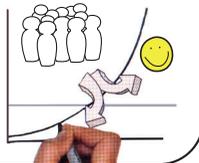
Joint Committee

In 2012 and 2014 a committee of community stakeholders convened to study Austin Water’s financial sustainability and revenues to support the a safe and reliable water treatment and distribution to the citizens of Austin.

**2014 Joint Committee
AWU Financial Plan**

Business Model Challenge

Simple video illustrating the need for a new business model.



For further explanation of how your water rates work please see the video on our website titled Business Model Challenge.

Visit www.AustinWater.org

For over 100 years Austin Water ensures our residents receive high-quality water and reliable service year round, 24 hours a day, 7 days a week.



Austin Water is committed to providing for Austin’s current and future water needs in a reliable and sustainable way.

What Austin needs to know about water rates

Exceptional Value and Reliability

These are challenging times for water utilities nationwide and particularly in Austin where we are in the sixth year of a historic and ongoing drought. To provide effective services, utilities must address four major overlapping areas: water supply, infrastructure, conservation and rates.

Austin Water treats your drinking water to the highest standards providing exceptional value and reliability. The Colorado River, in the form of the Highland Lakes, is the source of all of Austin’s drinking water. We treat the water and then pipe it to homes and businesses through more than 3,700 miles of underground water lines. Then, Austin Water collects the wastewater from almost 2,700 miles of sewer mains and treats it to a standard higher than what is required by the state, so much so that the segment of the Colorado River downstream of Austin’s wastewater discharge is rated exceptional under Texas Commission on Environmental Quality (TCEQ) standards approved by the Environmental Protection Agency (EPA).

Austin Water delivers more than clean water to your tap every day. Whether it’s our biologists on the Wildlands, water plant technicians, pipeline repair crews, engineers or chemists in the lab, Austin Water has over 1,100 dedicated professionals who are proud to serve more than 900,000 citizens every day.

Why is this necessary?

Nationwide, water utilities are coping with aging infrastructure and Austin Water is no different. For example, our two existing water treatment plants are 45 and 60 years old. Many of our water lines date back to the 1950s and even further. However, Austin has sought to address these challenges by building the soon to open Water Treatment Plant 4 and we have completed major upgrades to our water distribution network and sewage collection system, along with a number of other initiatives in recent years. These are needed improvements which of course, increase costs.

Why are water rates going up when water use is going down?

This month new Austin Water rates go into effect. Much of the increase is driven by declining water use because customers responded resoundingly to the City’s calls for conservation, especially during the ongoing drought. This has caused some customers to believe that they are being punished for conserving, but that is not the case. Conserving water is the best way for our community to protect our water supply, especially in a time of extreme drought. No matter how much water use is reduced, however, Austin Water must still treat raw water from the Colorado River/Highland Lakes, deliver it to every customer’s faucets, and then collect wastewater for treatment before it is returned to the river. All the same infrastructure must be in place, regardless of how much water is used. That means no matter how much water use drops the cost of operating the water utility remains virtually the same. In summary, conservation protects the water supply, especially during drought, while water rates support the essential, ongoing operations of delivering high quality water and wastewater services.

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Average Residential Customer Bill Impact		
	2014 Rates	2015 Rates
Water *	\$ 38.35	\$ 46.95
Wastewater **	42.78	43.97
Total	\$ 81.13	\$ 90.92
\$ Variance	-	\$ 9.79
% Variance	-	12.1%
Notes:		
* Bills are based on 7,000 gallons of water usage and includes the Reserve Fund Surcharge		
** Bills are based on 4,700 gallons of wastewater discharge		