



**City of Austin  
Austin Water Utility**



**Commission Joint Subcommittee  
Project Overview**

*November 2011*

In the fiscal year (FY) 2012 budget adoption process, the Austin Water Utility (AWU) proposed and Council approved water and wastewater rate increases that included a new fixed Revenue Stability Fee of \$4.40 per month for a 5/8" water meter. This new fee will be charged to all retail customers effective November 1, 2011. Subsequent to the FY 2012 budget being approved, the City Council passed Resolution No. 20110922-052 which directed the City Manager to work with a Joint Subcommittee of the Water and Wastewater Commission, Resource Management Commission, and the Impact Fee Advisory Committee, with input from the public, to develop recommendations for short-term and long-term financial plans to strengthen the financial stability of the Austin Water Utility.

The financial plan development would include the following:

- implementation of a separate Revenue Stability Reserve Fund and appropriate target levels;
- policies to adjust the revenue stability fee when target funding levels are met and for replacing any reserves used;
- consideration of the revenue stability fee for all classes;
- water conservation program and marketing targeted to high-volume, low-income households;
- consideration of options for addressing volatility through volumetric rates and structures based on practices of other utilities;
- overall fixed goals as a percentage of total revenue and a phased approach to achieving those goals; and
- a reassessment and adjustment, as needed, of financial policies related to debt ratios and other appropriate financial metrics, impact fees, and a plan to meet targets.

Over the next several months, the joint subcommittee will be meeting to discuss these topics. Meeting schedules will be provided on the City's website.