



Annual Internal Review

This report covers the time period of 1/1/2011 to 12/31/2011

Water and Wastewater Commission

1. The Board/Commission mission statement is set forth in [2-1-186 of the City Ordinance](#) which states:
 - (A) 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.
 - (B) 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.

- (C) 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.
- (D) 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:
 - (i) contracts bonds approval, issuance, and expenditure: proposed and approved by Council action, and issued;
 - (ii) revenue bonds approval, issuance and expenditure: proposed and approved by Council action, and issued; and

- (iii) 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.
- (E) 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.

(F) 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. By Resolution adopted by the City Council on September 22, 2011 and amended on January 12, 2012, the Water and Wastewater Commission is charged with appointing three (3) of its members to participate in the Joint Committee on Austin Water Utility's Financial Plan (Joint Committee) along with three members each of the Resource Management Commission and the Impact Fee Advisory Committee. The mission of the Joint Committee is set forth in the referenced resolutions, which state:

- The goal of the Joint Committee is to work with the City Manager to develop recommendations for short-term and long-term financial plans to strengthen the financial stability of the Austin Water Utility while continuing the city's goals of ensuring affordability of water rates and increasing water conservation; and
- A graduated revenue stability fee or other mechanism which charges fixed fees to residential customers in a graduated fashion according to the volume of water used;
- Consideration of the inclusion of a stability-related fee or other stability-related mechanism for all classes of water customers;
- The overall fixed revenue goals and a phased approach to achieving the goals;
- The creation of a Revenue Stability Reserve Fund and policies to adjust stability-related fees or rates when target funding levels are met and to replace any reserves that are used;
- Recommendations for addressing volatility through volumetric rates;
- Consideration of options for addressing volatility through review of practices by other utilities, where known;
- Adjustments, as needed, of debt ratio goals and other financial metrics;
- Discount policies for water and wastewater impact fees;
- Service extension request reimbursement policies;

- A water conservation and marketing program targeted to high-volume, low income households that do not qualify for a revenue stability fee exemption;
 - Drought emergency rate policies; and
 - Capital improvement project investment strategies.
 - The Joint Committee will provide the City Council with a review of the staff recommendation by June 7, 2012. The City Manager will provide bimonthly progress reports to the City Council.
 - The Joint Committee will continue to meet as needed throughout the FY 2012-13 Budget process until the Budget's passage, to review and advise on the Utility's proposed budget and implementation of the recommended financial stability framework.
3. During the calendar year ended December 31, 2011, 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. Reviewed and provided input on
 - i. City of Austin Care and Billing System
 - ii. Water Treatment Plant 4 (Quarterly Update and Monthly Report)
 - iii. Austin Water 140 Gallons Per Capital Per Day Conservation Plan
 - iv. State Legislative Update
 - v. Solid Waste Services Master Plan
 - vi. FY 2012-2016 Forecast
 - vii. Billing Adjustment Policy
 - viii. Invasive Species Management
 - ix. AW Operating and Capital Budget
 - x. Stage II Water Restriction and Drought Response
 - xi. Small Minority Business Review Briefing
 - xii. Purchasing Process
 - xiii. Contract & Procurement Briefing
 - xiv. Water Use Code Revisions
 - xv. Imagine Austin Comprehensive Plan
 - c. Had three members participate in the Joint Committee on Austin Water Utility's Financial Plan and heard a status report from the Joint Committee Chair, Water and Wastewater Commissioner Mickey Fishbeck, at the December regular monthly meeting, and discussed and commented on the Joint Committee's ongoing review.

- d. The Commission reviewed and provided its recommendations on 155 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.
4. All activities and achievements of the Water and Wastewater Commission during 2011 were in compliance with the mission statement of the Commission as outlined in the Ordinance and in the City Council Resolution requiring Water and Wastewater Commission participation in the Joint Committee on Austin Water Utility's Financial Plan.
5. 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. Review programs and make recommendations regarding:
 - i. the protection and integrity of the water resources for the City;
 - ii. minimization of water quality impacts to downstream areas;
 - iii. implementation of programs that achieve goals and objectives relating to water supply management, water demand management, and land water quality control;
 - iv. the fiscal solvency of said programs and
 - v. the fiscal health of the utility.
 - b. Carry out planned activities during the year to achieve goals and objectives in the following areas:
 - i. water supply distribution;
 - ii. water demand and conservation management;
 - iii. wastewater treatment and collection;
 - iv. water quality;
 - v. service area master planning and capital improvement project development;
 - vi. utility operating budget;
 - vii. rates and fees; and
 - viii. citizen education.
 - c. Continue its participation in the Joint Committee.