

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: March 8, 2018

Item Number: **035**

Public Hearing and Possible Action

Conduct a public hearing and consider an ordinance amending the rates charged to Austin Water's retail customers for water and wastewater services (Exhibit A to Ordinance No. 20170913-002) and amending Austin Water's 2017-2018 Operating Budget (Ordinance No. 20170913-001) to account for the corresponding reduction in revenue.

Lead Department	Austin Water
Fiscal Note	This item will result in unrealized revenue in the amount of \$12,143,355 for Austin Water. Funding is available in the ending balances of the FY 2017-18 Austin Water operating funds. Reduction of these ending balances will maintain Austin Water's compliance with relevant City financial policies. A fiscal note is attached.
For More Information	David Anders, 512-972-0323; Denise Avery, 512-974-0104
Council Committee, Boards and Commission Action	February 14, 2018- Recommended by the Water and Wastewater Commission on a 9-0 vote with Commissioners Kellough and Turrieta absent.

Additional Backup Information:

This action requests City Council to conduct a public hearing to hear public comments to amend the retail water and wastewater rates approved in the Fiscal Year 2017-2018 Operating Budget. Section 15-9-3 of the City Code requires the City Council to conduct a public hearing before

approving an ordinance changing an electric, water, wastewater, or solid waste service rate.

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);
- 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.

This item will amend the Austin Water Budget by decreasing water and wastewater revenue, reducing debt service, and a net increase in Transfers Out which includes a reduction in the transfer to the Water Revenue Stability Reserve Fund and an increased transfer to the Capital Recovery Fee (CRF) Debt Defeasance. This action will draw down the ending balance by \$18,731,101. Sufficient funding is available in the ending balance to absorb this action.

The attached schedules provide detailed current and proposed water and wastewater rates for all retail customer classes.