

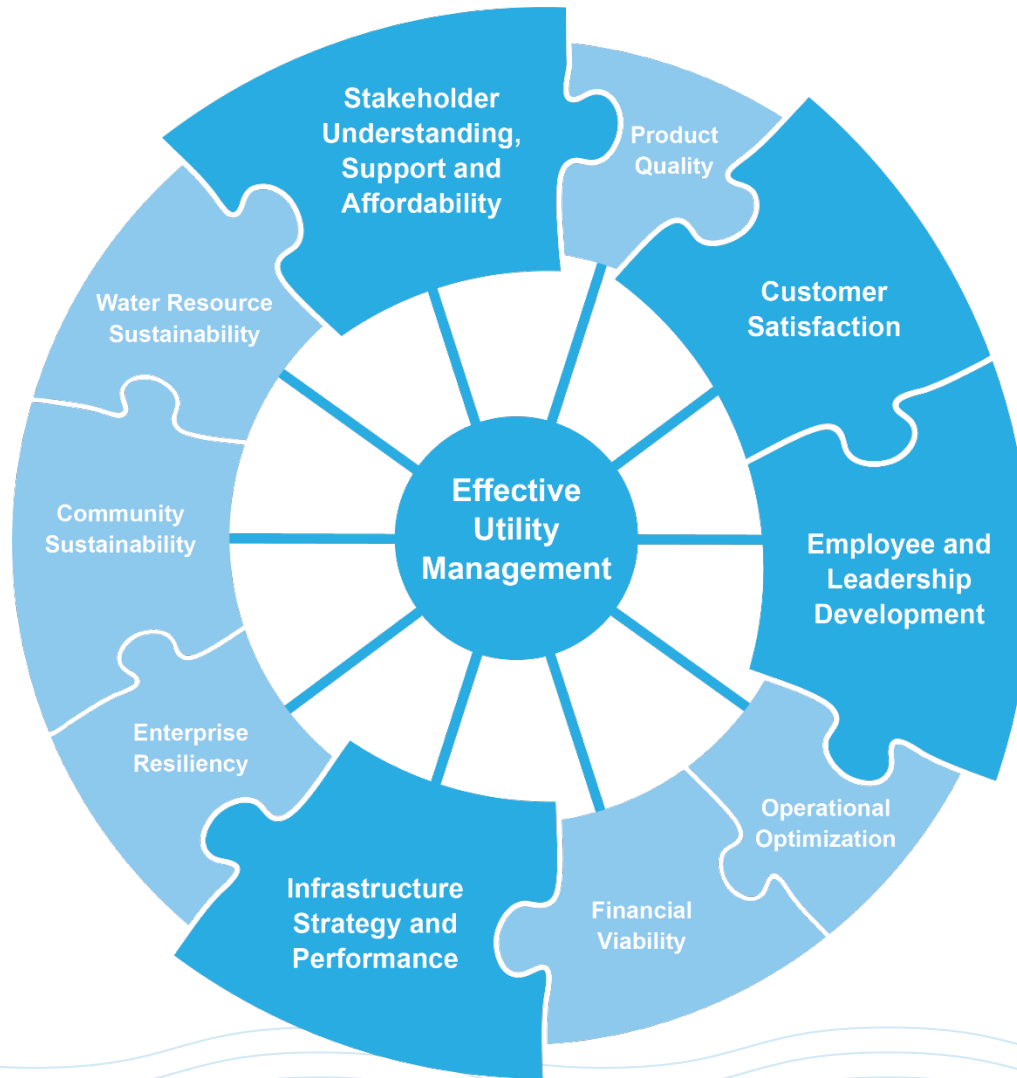


Austin Water Affordability Plan & Metrics

David Anders
Assistant Director

November 7, 2019

Stakeholder Understanding, Support and Affordability



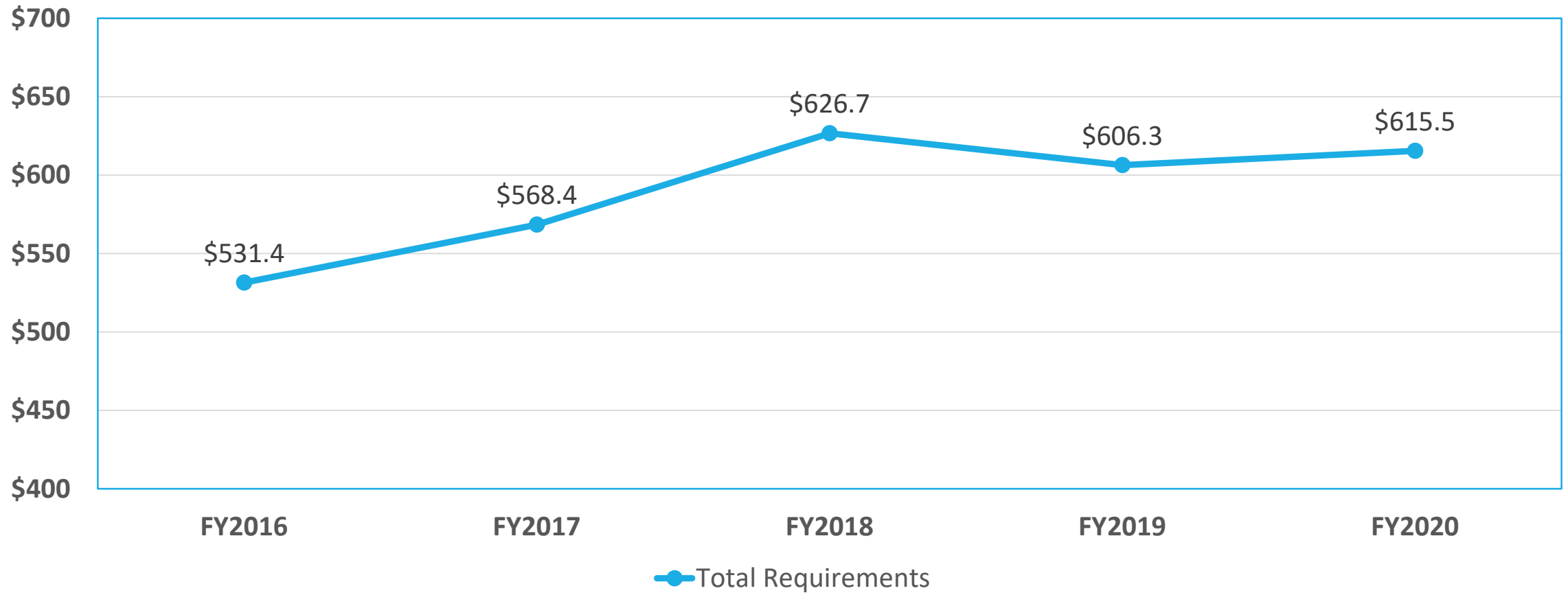
Austin Water Affordability Plan

- 💧 Business model adaptation
- 💧 Cost containment and efficiency
- 💧 Capital Recovery Fee revenue enhancement
- 💧 Debt management
 - Defeasances
 - TWDB low interest loans
 - Cash funding of capital projects
- 💧 Rate stabilization
- 💧 Affordability Study and Metrics Report

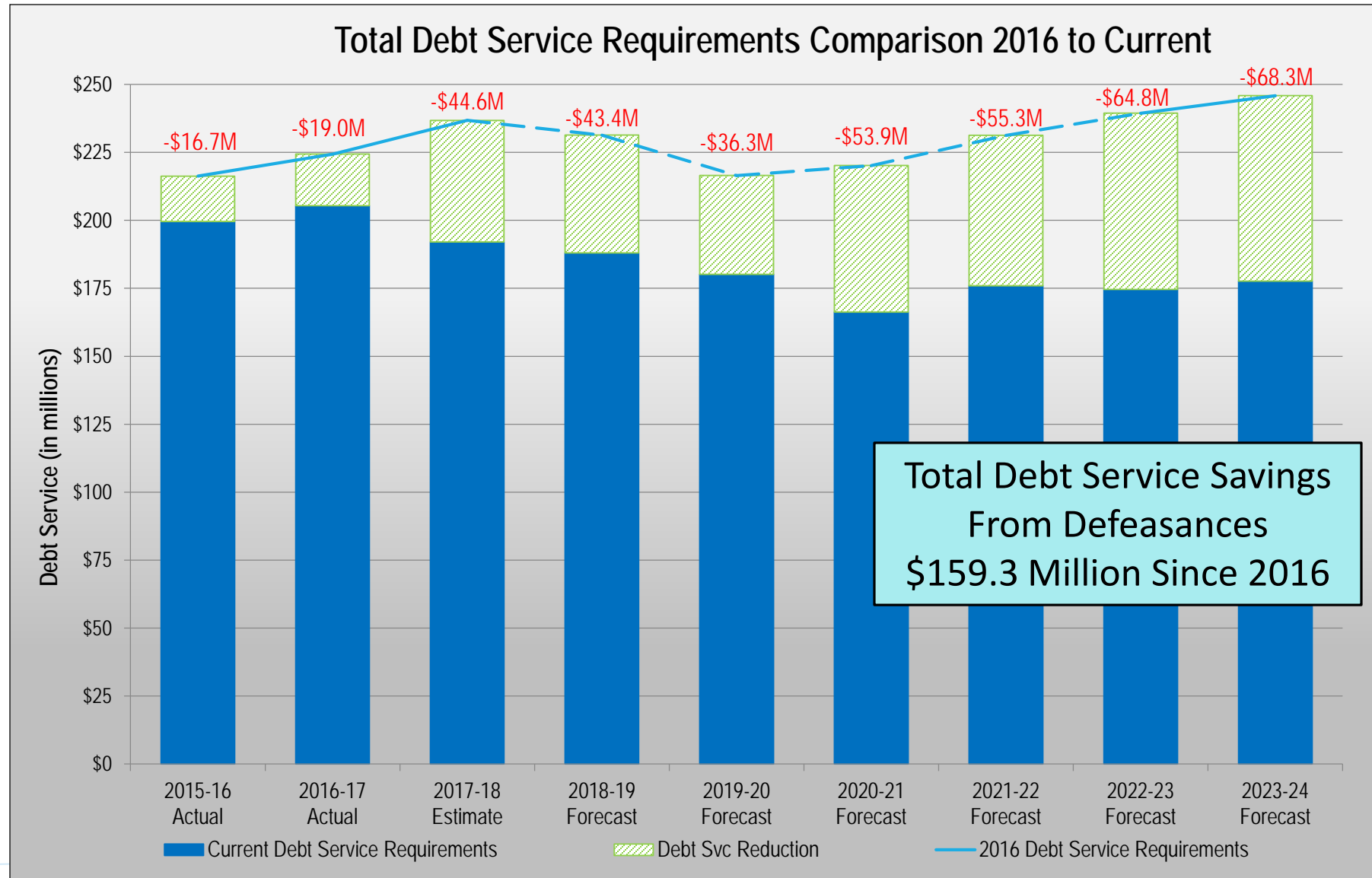


Cost Containment

Total Requirements



Debt Management



Rate Stabilization

- Recent Rate Changes

 - 2018 – Initial 0% rate increase

 - 2018 – Mid-year 4.8% rate reduction for all retail

 - 2019 – 0% rate increase

 - 2020 – 0% rate increase, 8.3% reduction for CAP customers bills

 - 2021 – Forecasting for another 0% rate increase



Affordability Benchmark Study & Metrics Report



Austin Water Affordability Benchmarking Study

December 4, 2018



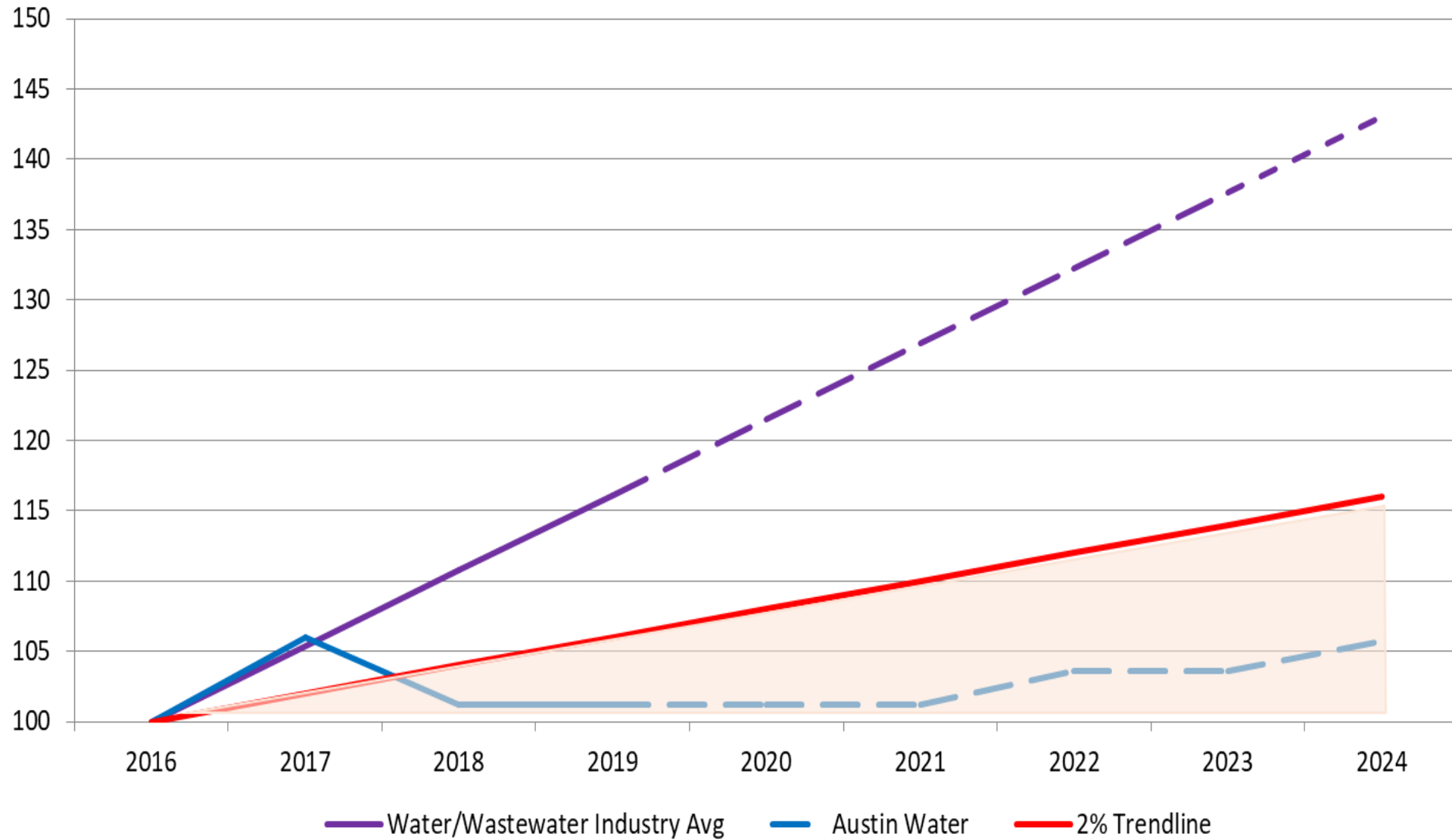
Austin Water Affordability Metrics Report

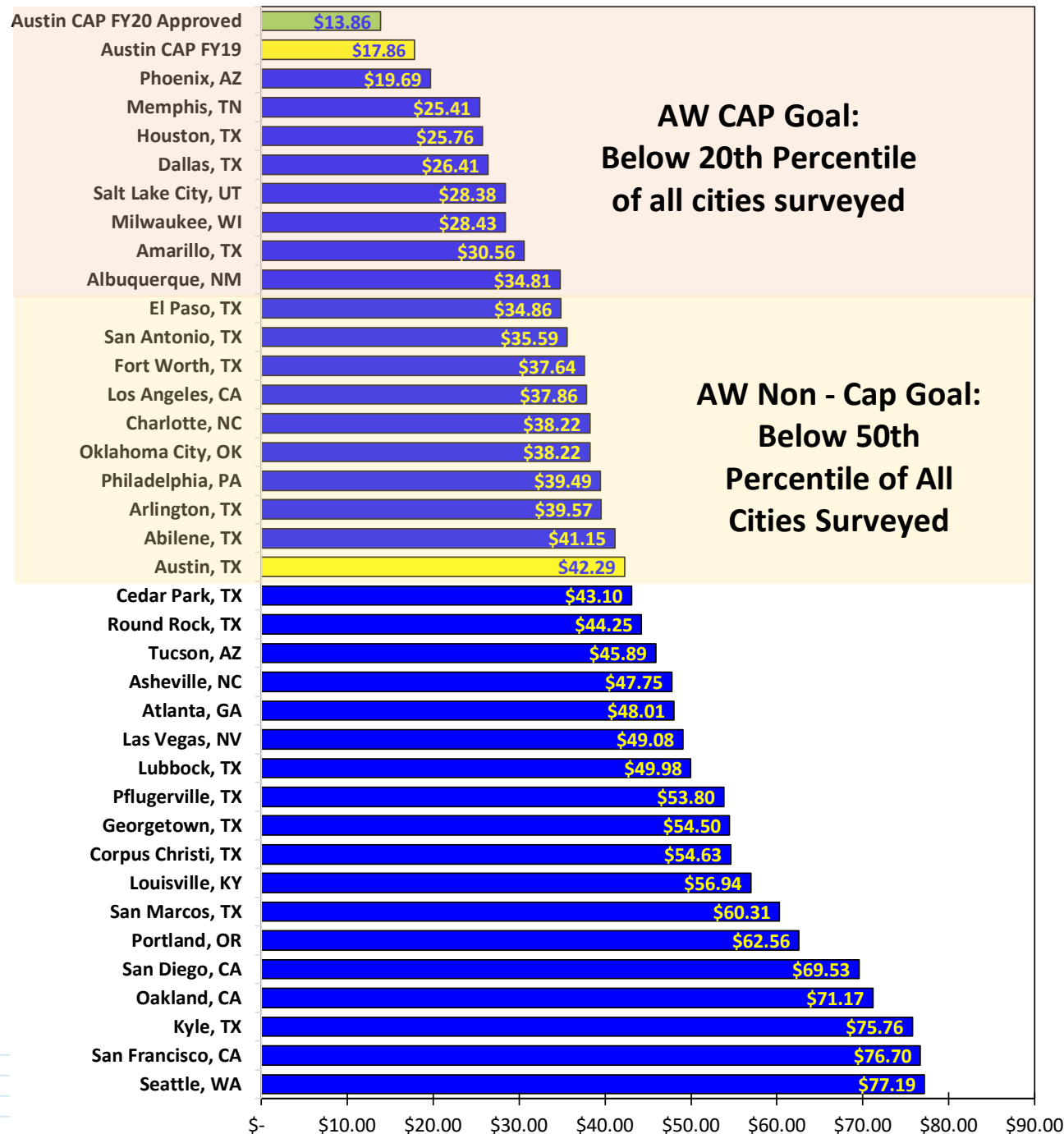


June 2019



CPI Trends/Projections (2016=100) Austin Water vs Water/Wastewater Industry



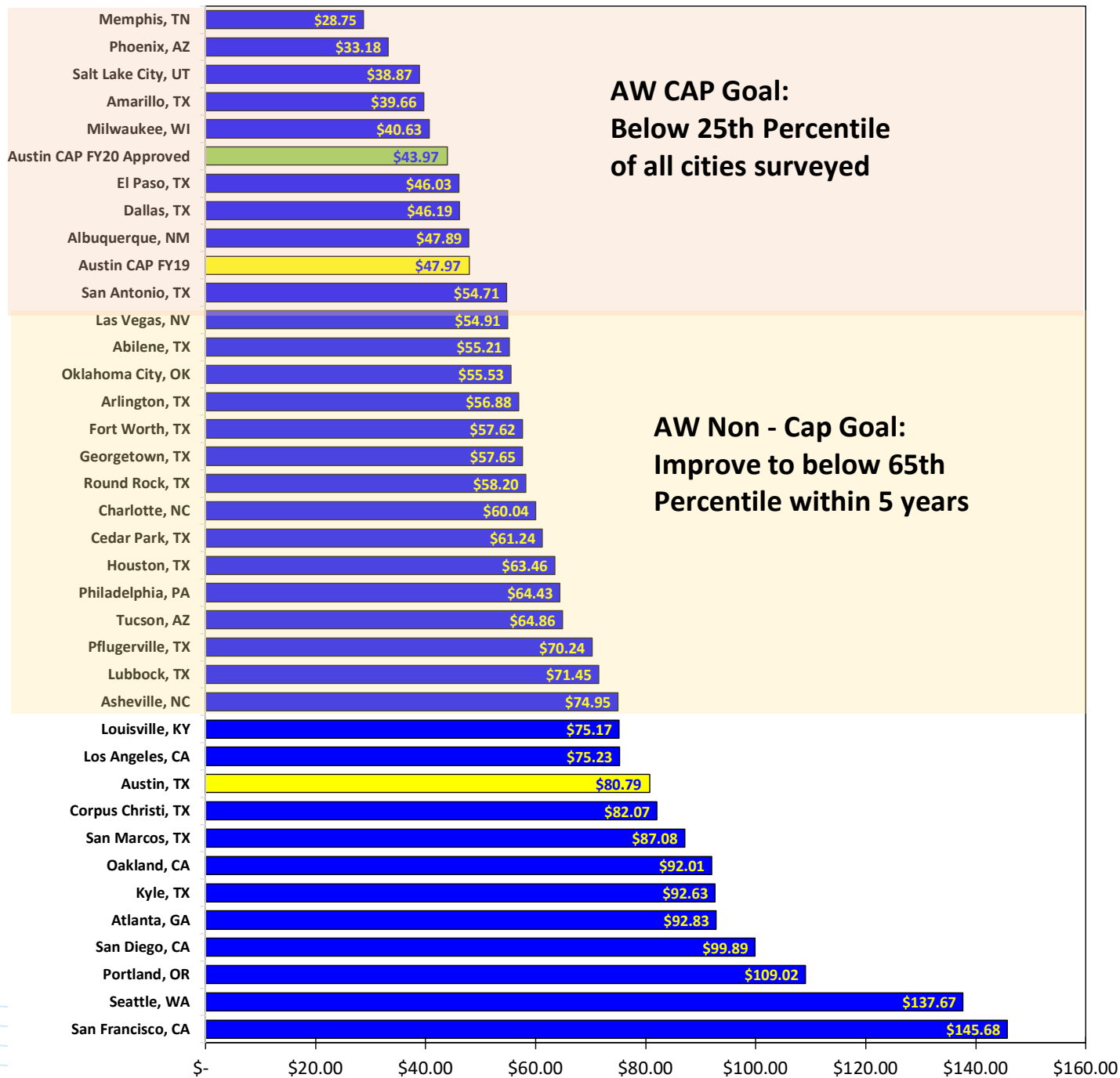


Average Monthly Bill Comparison

Combined Bill Residential Low Volume

3,000 gallons water
and 2,000 gallons
wastewater



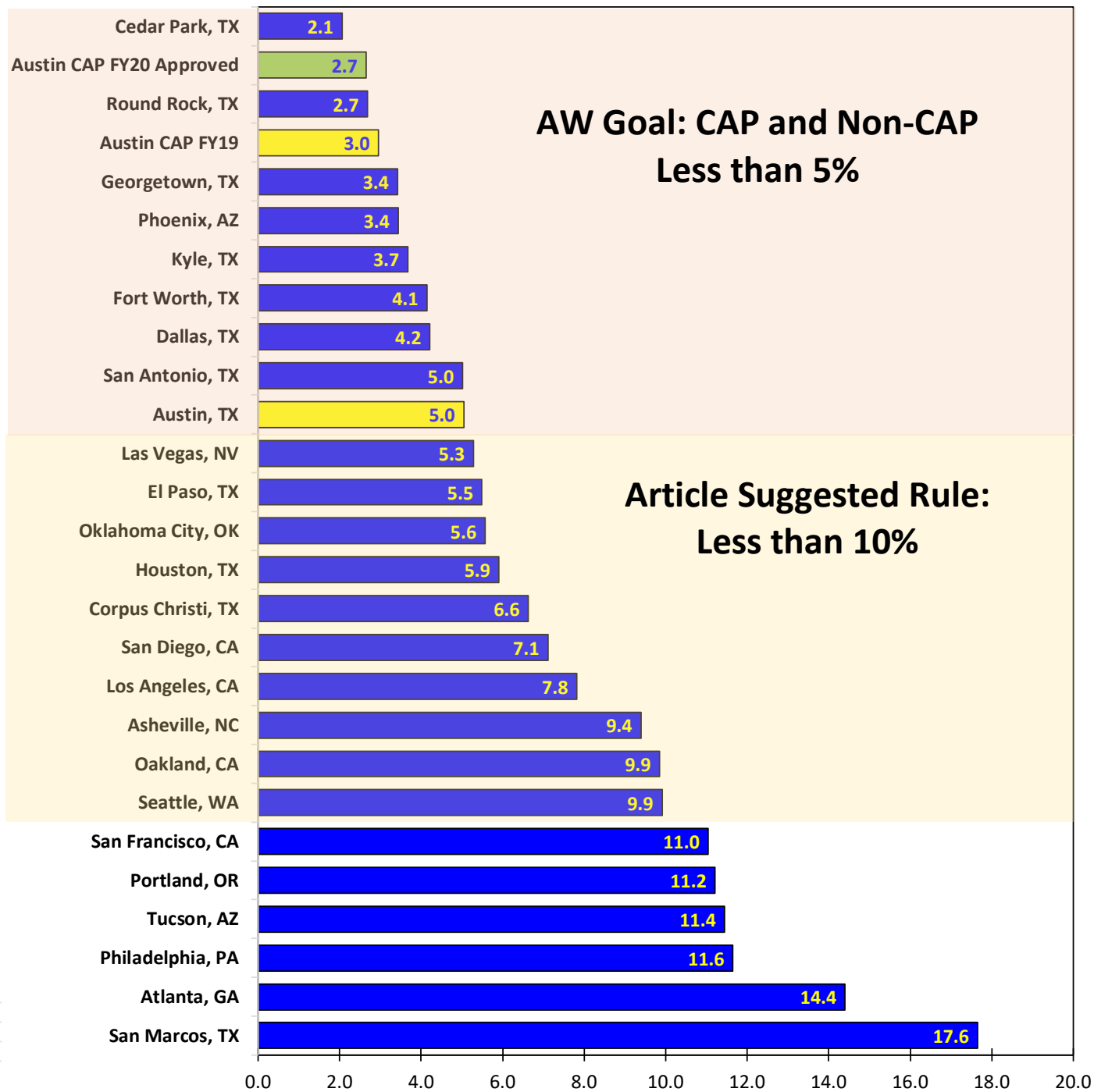


Average Monthly Bill Comparison

Combined Bill Residential Average Volume

5,800 gallons water
and 4,000 gallons
wastewater





Affordability Ratio (AR₂₀)

**Combined Bill
Residential**

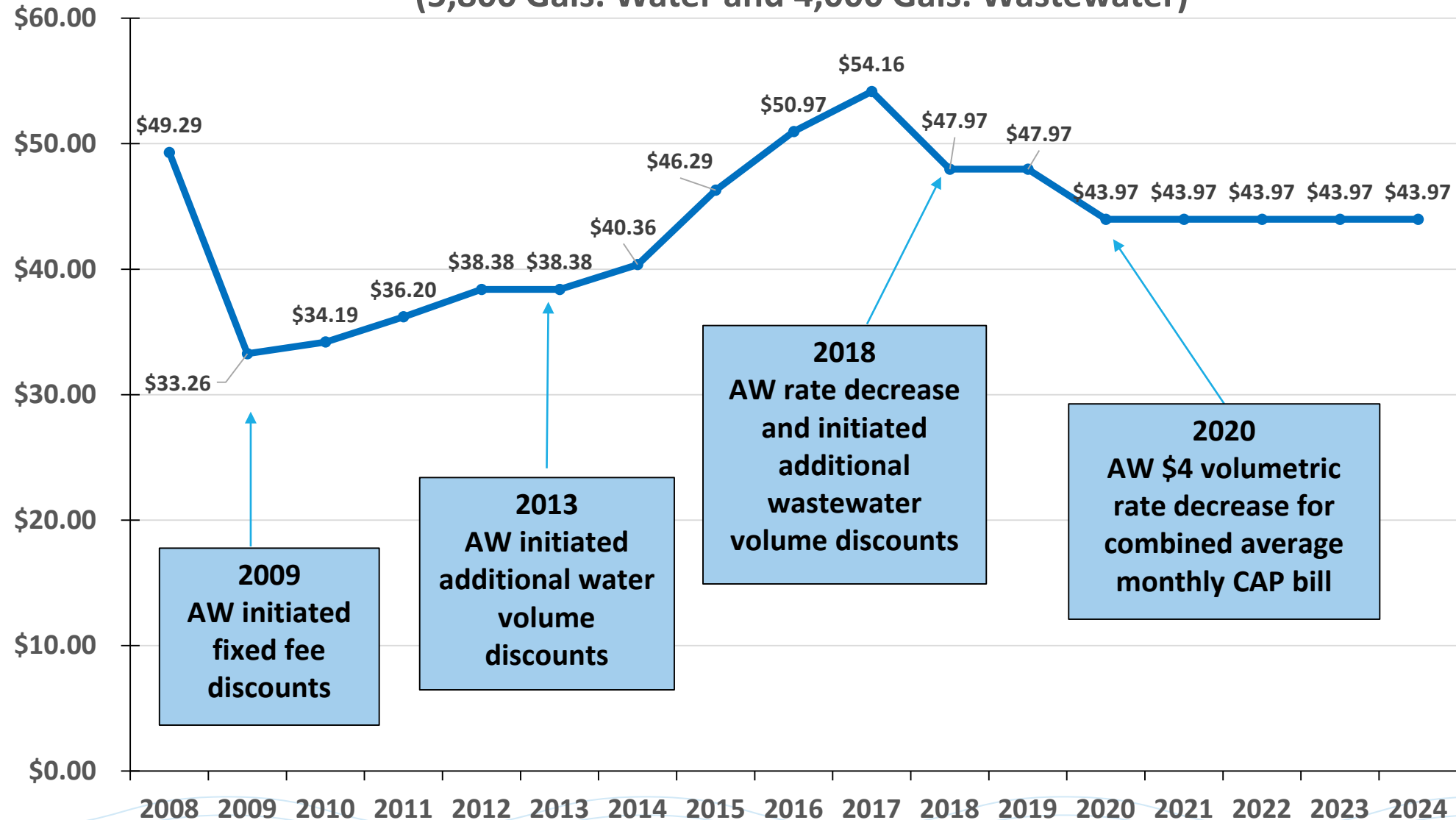
**20th Percentile Household
Income**

**% Income after paying for
essential needs**

**4,000 gallons water and
4,000 gallons wastewater**



CAP Customer Historical Water and Wastewater Bills (5,800 Gals. Water and 4,000 Gals. Wastewater)



Continuing Affordability Strategies

- Annual updates to affordability metrics
- Continue cost containment and debt management
- Manage budget development to stabilize rates
- Rating Agency affordability criteria review
- Consider additional CAP customer discounts or programs
 - University of Texas working with AW on CAP program analysis



