

DRAFT COPY

*For more than a 100 years
Austin Water has provided
our residents with
high-quality water and
reliable water services
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.**

Austin
WATER
Clearly Reliable

What Austin needs to know about water rates

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

November 1, 2014 new Austin Water rates went 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 this ongoing drought. This has caused some customers to believe that they are being punished for conserving, but that is not the case.

This phenomena is driven by the fact that water utilities have high fixed costs, not just in Austin but nationwide. Even when use is reduced everyone still uses water. No matter the level of usage all the same infrastructure must still be in place and maintained in order for Austin Water to treat raw water, deliver it to every customer's faucets, and then collect wastewater for treatment before it is returned to the river. When water use drops there are some savings in treatment and delivery, but those savings are nowhere near as much as the lost revenue. In other words Austin Water has high fixed costs, 80%.

The following chart shows what the water bill will be this year for the average customer who uses 7,000 gallons per month.

CHART comparing average use bill of 7,000 gallons in fiscal year 2014 and 2015, same usage in both years,

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

Of course if your water use has dropped between last year and now then your rate increase will not be as much.

Please remember that conservation remains critical. Conserving water is still the best way for us to protect our water supply. Our water supply reservoirs, Lakes Travis and Buchanan, remain at very low levels around 35%.

Conservation protects the water supply, especially during drought, while water rates support the essential, ongoing operations of delivering high quality water and wastewater services.

And Austin Water thanks Austin residents for your response to calls for conservation.

Other cost drivers

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. Austin has sought to address these challenges by building t 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 that of course also increase costs.

Exceptional Value and Reliability

Austin Water will continue to treat 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

Continued on back

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 required by our state permit before releasing it back into the Colorado – 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.

2014 Joint Committee AWU Financial Plan



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.

Business Model Challenge

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

Simple video illustrating the need for a new business model.



Visit www.AustinWater.org

