

A G E N D A



Recommendation for Council Action

Austin City Council		Item ID	12988	Agenda Number	3.
Meeting Date:	3/1/2012			Department:	Austin Water Utility
Subject					
Approve an ordinance suspending an increase in water rates proposed by Aqua Texas, Inc. for its customers in the corporate limits of the City of Austin located in the two areas known as Rivercrest and Morningside.					
Amount and Source of Funding					
There is no unanticipated fiscal impact.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:					
Prior Council Action:	September 30, 2004, Council approved prior rate increase.				
For More Information:	Bart Jennings, 972-0118; Denise Avery, 972-0104				
Boards and Commission Action:					
MBE / WBE:					
Related Items:					

Additional Backup Information

Under Chapter 13 of the Texas Water Code, the Austin City Council is the local regulatory authority with exclusive original jurisdiction over rates for water and sewer utility services provided by non-City utilities serving areas within the City limits. As the local regulatory authority, the City has approval authority over rates to determine that they are just and reasonable, and that in all other respects, the rates meet state and local law. In addition to the Texas Water Code, the City's ordinance governing non-municipal utility rate filings are included in Chapter 15-4 of the City Code.

Aqua Texas, Inc. ("Aqua") is a water utility with customers in two areas within the City known as Rivercrest and Morningside. Aqua filed a Statement of Intent to Change Rates that will affect those in-City customers setting an effective date of February 21, 2012. As the local regulatory authority, the City Council is authorized by Section 13.187 of the Texas Water Code to suspend Aqua's proposed rate increase for 90 days in order to consider the factors necessary for making its final determination to approve, modify, or deny the rate change. Aqua confirmed that other affected local regulatory authorities within their service area have also suspended the rate change's effective date for 90 days.

Of the 270 customers residing in Aqua's certified water utility service area, approximately 250 are within the Austin City limits depending upon the water meter location on each property. These customers receive only water service from Aqua. As required by law, Aqua provided each affected customer 60-days prior written notice of the proposed rate changes and has advertised public notice concerning this matter.

Although the Austin Water Utility staff that reviewed the rate filing have not found any reason to recommend modification, denial, or a hearing on the rate increase, staff recommends the 90-day suspension to assure a complete and thorough review of the rate increase and consideration by the Water and Wastewater Commission before final action is taken by the Council.