

Below are highlights of the results and conclusions of the analysis by Austin Water Utility staff based upon the information provided by PK-RE:

- PK-RE's revenues are currently not adequate to recover operations and maintenance and capital infrastructure costs while maintaining a sufficient rate of return.
- PK-RE is proposing a rate of return of 12.0%. This proposed rate of return is in a range comparable to what has been requested in prior rate filings of other utilities with the Texas Commission on Environmental Quality (TCEQ).

Austin Water recommends that City Council approves the tariff and rate schedule as proposed by PK-RE. The charges and rates proposed by PK-RE are shown below. Customers within PK-RE's service area use an average of approximately 30,000 gallons per month of water and return 23,000 gallons per month of wastewater for treatment.

Water System	Greenshores Current Charge	Greenshores Proposed Charge	Dollar Increase	Percentage Increase
Monthly Base Fee				
3/4" Meter	\$47.75	\$60.00	\$12.25	26%
Volumetric Rates / 1,000 gals				
0 - 10,000 Gallons	\$3.75	\$5.00	\$1.25	33%
10,001 - 25,000 Gallons	6.25	8.00	1.75	28%
25,001 - 50,000 Gallons	8.00	12.00	4.00	50%
50,001 - OVER Gallons	11.00	14.00	3.00	27%
Water Bill Impacts Comparison	Greenshores Current	Greenshores Proposed	Dollar Increase	Percentage Increase
@ 5,000 gallons	\$66.50	\$85.00	\$18.50	28%
@ 10,000 gallons	85.25	110.00	24.75	29%
@ 25,000 gallons	179.00	230.00	51.00	28%
@ 50,000 gallons	379.00	530.00	151.00	40%
@ 70,000 gallons	599.00	810.00	211.00	35%
Total Monthly Water Bill Comparison Based on 3/4" Meter	AWU Current Charge Effective 2/1/13	Greenshores Proposed Charge	Dollar Increase	Percentage Increase
@ 5,000 gallons	\$26.00	\$85.00	\$59.00	227%
@ 10,000 gallons	54.75	110.00	55.25	101%
@ 25,000 gallons	213.10	230.00	16.90	8%
@ 50,000 gallons	522.35	530.00	7.65	1%
@ 70,000 gallons	769.75	810.00	40.25	5%

Wastewater System	Greenshores	Greenshores	Dollar	Percentage
	Current	Proposed		
Monthly Base Fee	Charge	Charge	Increase	Increase
3/4" Meter	\$64.50	\$105.00	\$40.50	63%
Volumetric Rates / 1,000 gals				
All Volumes	\$6.00	\$12.00	\$6.00	100%
Wastewater Bill Impacts Comparison	Greenshores	Greenshores	Dollar	Percentage
	Charge	Proposed		
@ 5,000 gallons	\$84.50	\$165.00	\$80.50	95%
@ 10,000 gallons	114.50	225.00	110.50	97%
@ 25,000 gallons	204.50	405.00	200.50	98%
@ 50,000 gallons	354.50	705.00	350.50	99%
@ 70,000 gallons	474.50	945.00	470.50	99%
Total Monthly Wastewater Bill Comparison	AWU Current	Greenshores	Dollar	Percentage
	Charge	Proposed		
Based on 3/4" Meter	Effective 11/1/12	Charge	Increase	Increase
@ 5,000 gallons	\$45.38	\$165.00	\$119.62	264%
@ 10,000 gallons	89.98	225.00	135.02	150%
@ 25,000 gallons	223.78	405.00	181.22	81%
@ 50,000 gallons	446.78	705.00	258.22	58%
@ 70,000 gallons	625.18	945.00	319.82	51%

If lower rates are approved by the TCEQ for PK-RE's customers (TCEQ has jurisdiction over PK-RE's rates outside municipal limits), the lower rate will be applied, through subsequent City Council action, to the customers within the corporate limits of the City.