

Information for Resource Management Commission August 20, 2013

Late Backup

From Water/Wastewater Commission Budget Committee recommendations:

"AWU is currently making efforts to itemize Reclaimed Utility costs and develop a full fund summary for the Reclaimed Utility.

Efforts should also be made

Late Backup

-- to evaluate the benefits and burdens of the Reclaimed Utility, and

-- to create a strategic plan regarding

-- adding customers to the existing system,

-- potential for expansion of the current system and

-- the effects to existing customers, and

-- whether there is potential for aggressive reclaimed utility expansion

in order to ultimately offset loss of water sales during drought."

Sarah Faust, chair of the Budget Committee, said in her remarks at the Water/Wastewater Commission on August 14, that the Budget Committee recommendation "goes along with what the Golf Advisory group were asking", but that the Budget Committee did not recommend anyone in particular to be part of the group, but that "someone should look at it." She said that it "sounds like there is some interest in the commission to do that".

From Memo to Water/Wastewater Commission 8/8/2013 from Mary Arnold:

In its letter to City Council on May 28, 2013 about the impact of Reclaimed Water Rates on the city's Golf program, the Golf Advisory made the following recommendations, which are repeated below, with additional comments in italic:

"We strongly urge the City Council to the instruct the city's Resource Management Commission to appoint a subcommittee to meet with one or more representatives from the Water/Wastewater Commission, the Environmental Board, and interested stakeholders from those that use or plan to use the city's reclaimed water.

Such a group should:

- 1) **re-examine the purpose of the city's Water Reclamation Initiative, the various "beneficial uses" of Reclaimed Water;** *(If the WRI is an integral part of the city's Water Conservation program, why isn't it integrated into Water Conservation financially and administratively as well?)* and,
- 2) **review the Reclaimed Water Master Plan, including analysis of the costs of the system expansion, plans for marketing reclaimed water to large volume water users, and the relationship of the Reclaimed Water rates to increasing the gallons per year of reclaimed water beneficially reused;**
- 3) **examine the impact of increased Reclaimed Water rates on city departments and discuss whether there should be a difference between rates charged to city departments and system-wide rates;** *(Recognize that the largest volumes of Reclaimed Water being re-used beneficially now are by city and state entities, and that Reclaimed Water master planning documents have further identified new city, state and other public entities as having the most opportunities for increased use of Reclaimed Water.)*
- 4) **identify any regulatory or other stumbling blocks to increasing the reclaimed water customer base and suggest a plan for making changes;** *(i.e., review and analyze the recommendations and findings from the regulatory survey currently being developed)* and
- 5) **report back to City Council on all the above by December 31, 2013. (At this point in time, a more realistic date would be June 1, 2014.)"**

Because of the Austin Water Utility's plans to continue increasing Reclaimed Water Rates, even though, with the \$1 per 1000 gallon parkland rate proposed in the FY 14 budget, the impact on the Golf Fund is only about 26% of AWU's original proposal, the Golf Advisory is still greatly concerned about the continuing Reclaimed Water rate increases, together with the significant impact on the budget of the increase in city Electric Rates for PARD, including golf. Therefore we still urge a broader look at the Reclaimed Water program and its finances by a group of citizens such as the group recommended in our May 28, 2013 letter.

We urge the Water/Wastewater Commission to endorse this proposal as part of your recommendation to City Council about the FY 14 budget.