



FY 2016-17 Proposed Budget Budget Committee | August 3, 2016



Department Overview

Mission Statement: The mission of Austin Water is to provide safe, reliable, high quality, sustainable, and affordable water services to our customers so that all community needs for water are met.

Major Accomplishments

- Texas Living Waters' Inaugural Water Conservation Scorecard: Highest score amongst 300 utilities in the state for Water Conservation
- Improved bond ratings by bond rating agencies for Austin Water's financial outlook, from Negative to Stable
- Ullrich Water Treatment Plant was one of only a few water treatment plants to be presented the *Partnership for Safe Water's President Award* for superior water quality.

Service Areas	Key Performance Data	FY 15 Actual	FY 16 Estimate	FY 17 Projected
Treatment	Drinking Water Quality: Turbidity	0.08	0.1	0.1
Pipeline Operations	Wastewater Quality: Carbonaceous Biochemical Oxygen Demand (CBOD)	2.19	3	3
Support Services	Percent Invested in Capital Improvements Program (CIP) Projects compared to Planned Spending via the CIP Budget	65.74	90	80
Environmental Affairs & Conservation	Total pumpage per capita per day	122	123	123
Engineering Services	Number of reportable wastewater overflows per 100 miles of wastewater lines per year	3.04	3	3
Water Resources Management	Percent of priority 1 leaks responded to within 3 hours	88.8	90	90
One Stop Shop	Credit rating for separate-lien water utility revenue bonds	AA	AA	AA
Reclaimed Water Services				

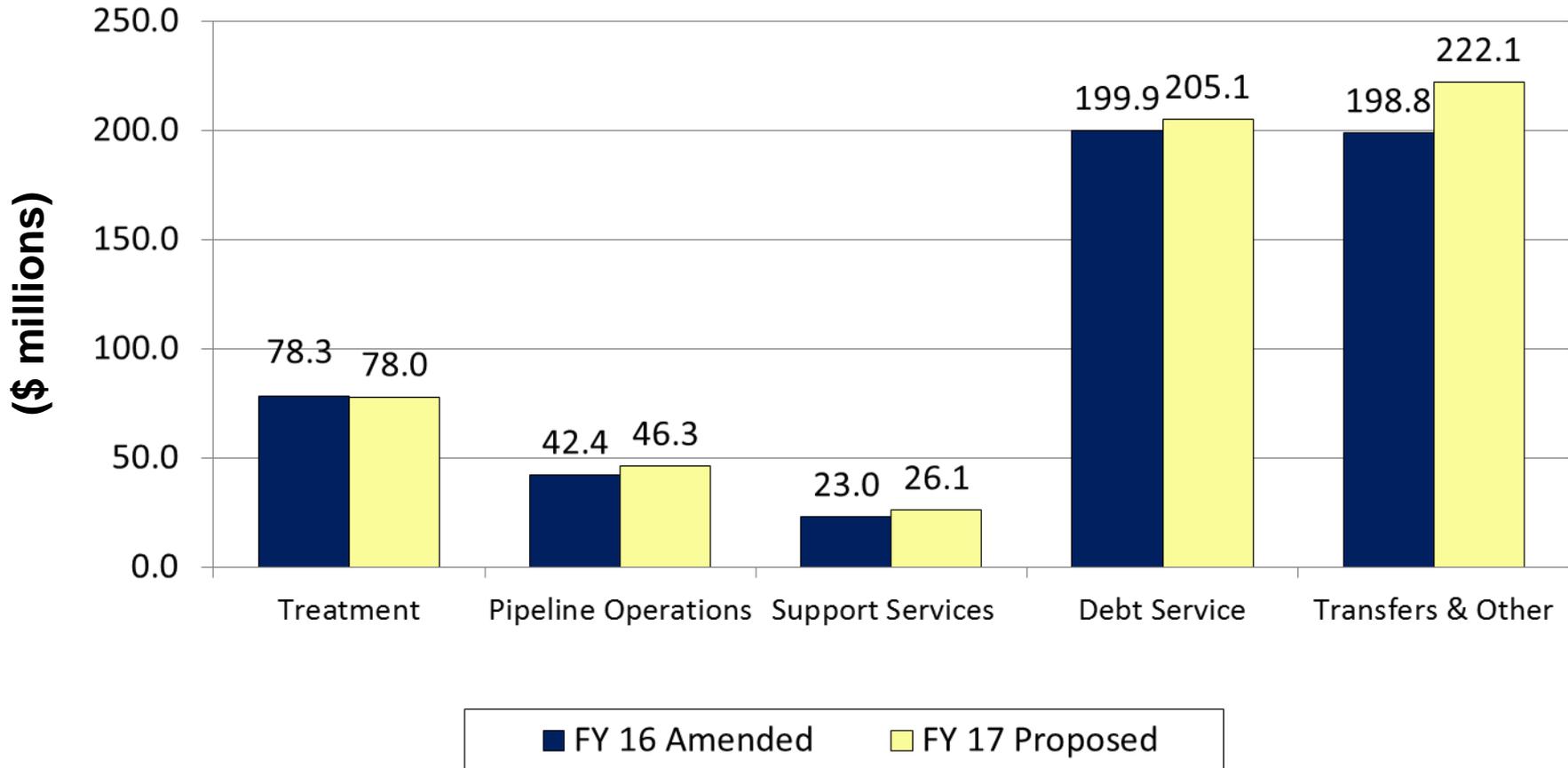
Department Expenditures:

FY 16 Amended: \$542.4 million

FY 17 Proposed: \$577.7 million

FY 2017
positions:
1,170.00

21.50



Description	Amount
20.5 new positions for a growing service area and customer base that has resulted in increasing workloads for operational and maintenance staff and requires the addition to adequately manage increased demands, improve response times, and meet efficiency goals	\$2.0 million
2.0 new positions for the Expedited Plan Review Program	\$0
Increased operating fund cash transfer to CIP	\$10.7 million
Increased General Fund transfer	\$2.1 million
Increased Water Revenue Stability Reserve Fund transfer	\$0.1 million
Increased debt service requirements	\$5.2 million

- **Vacancy Rate (through July 23, 2016)**
 - FY 14 Vacancy Rate: 4.6%
 - FY 15 Vacancy Rate: 8.6%
 - Current Vacancy Rate: 5.8%, 67 positions vacant and 27 vacant longer than 6 months
 - Well below citywide average of 8.7% over same period

Capital Highlights

FY 2017 Appropriation – \$545.2 million

FY 2017 Spending Plan – \$164.9 million

Category	Appropriation
Vehicles and equipment	\$4.1 million
Water Infrastructure Improvements	\$252.1 million
Reclaimed Infrastructure Improvements	\$62.1 million
Wastewater Infrastructure Improvements	\$226.9 million

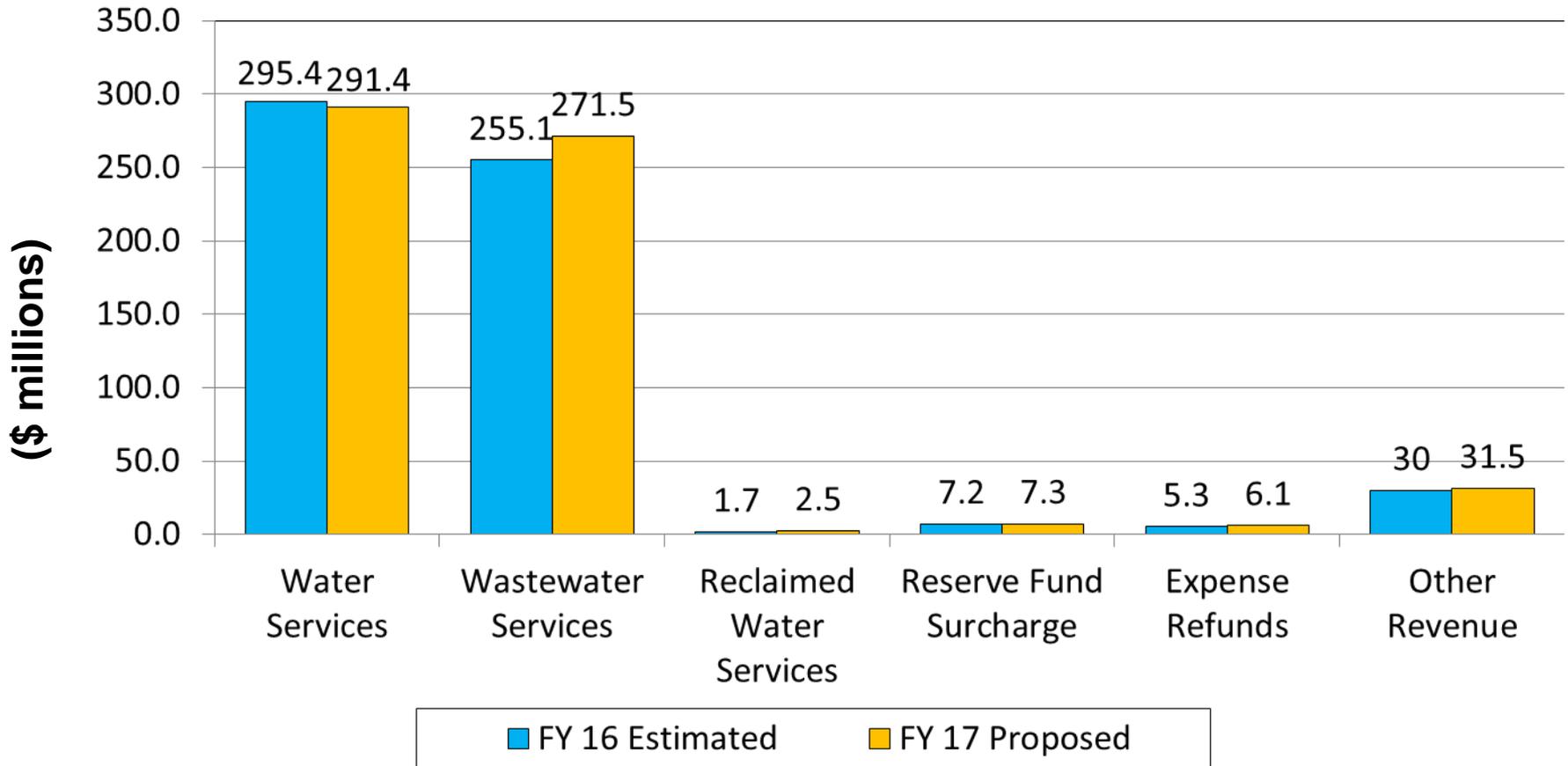


Sources of Funds

Department Revenue:

FY 16 Estimated: \$594.7 million

FY 17 Proposed: \$610.3 million



- Total Revenue is increasing by \$31.3 million over FY 2016 Amended Budget:
 - Water Services 2.9% rate revenue increase
 - Wastewater Services 3.0% rate revenue increase
 - Reclaimed Water Services 10.0% rate revenue increase

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate	Monthly Change
Water Service	\$40.26	\$41.59	\$1.33
Wastewater Service	\$39.98	\$41.60	\$1.62
Total Revenue	\$80.24	\$83.19	\$2.95

Total service rate revenue increase of \$16.4 million over FY 2016 Amended Budget:

- **Water Services - \$8.2 million**
 - 2.9% rate revenue increase
 - New Conservation Stage water restrictions

- **Wastewater Services - \$7.8 million**
 - 3.0% rate revenue increase
 - Revised wastewater averages

- **Reclaimed Water Services - \$0.4 million**
 - 10.0% system-wide rate increase

Residential Water Rate Changes:

➤ Fixed Revenue

- No change in fixed revenue until completion of cost of service rate study

➤ Volumetric Rates

- Increase Tier 2 from \$4.84 to \$5.05
- \$0.21 increase in Tier 2 as transition to cost of service level
- Spread between blocks 1 and 5 increased from \$11.00 to \$11.25

Residential Water Rates

	Non-CAP		CAP Customers	
	Approved FY 2016	Proposed FY 2017	Approved FY 2016	Proposed FY 2017
Meter Charge:	\$ 7.10	\$ 7.10	\$ -	\$ -
Tiered Fee Block 1	\$ 1.20	\$ 1.25	\$ -	\$ -
Tiered Fee Block 2	3.45	3.55	-	-
Tiered Fee Block 3	8.75	9.25	-	-
Tiered Fee Block 4	27.35	29.75	-	-
Tiered Fee Block 5	27.35	29.75	-	-
Volumetric Block 1	\$ 3.16	\$ 3.18	\$ 2.47	\$ 2.50
Volumetric Block 2	4.84	5.05	3.89	4.13
Volumetric Block 3	7.88	8.56	5.76	6.74
Volumetric Block 4	11.90	12.92	9.90	11.58
Volumetric Block 5	14.16	14.43	14.16	14.43

Approved 2016 vs. Proposed 2017

Non-CAP Customers

Monthly Usage Gallons 5/8" Meter	Approved FY 2016	Proposed FY 2017	Variance 2016 vs 2017	
			\$ Var	% Var
0	\$ 8.30	\$ 8.35	\$ 0.05	0.6%
1,000	11.65	11.72	0.07	0.6%
2,000	15.00	15.09	0.09	0.6%
5,000	32.34	33.11	0.77	2.4%
5,800 Annual Avg	40.26	41.59	1.33	3.3%
6,000	37.37	38.35	0.98	2.6%
9,000	66.88	70.30	3.42	5.1%
15,000	149.98	160.74	10.76	7.2%
25,000	282.18	299.39	17.21	6.1%
30,000	353.93	372.49	18.56	5.2%
60,000	784.43	811.09	26.66	3.4%

Approved 2016 vs. Proposed 2017

CAP Customers

Monthly Usage Gallons 5/8" Meter	Approved FY 2016	Proposed FY 2017	Variance 2016 vs 2017	
			\$ Var	% Var
0	\$ -	\$ -	\$ -	0.0%
1,000	2.66	2.69	0.03	1.1%
2,000	5.32	5.38	0.06	1.1%
5,000	17.56	18.34	0.78	4.4%
5,800 Annual Avg	21.54	22.86	1.32	6.1%
6,000	21.64	22.66	1.02	4.7%
9,000	39.49	43.45	3.96	10.0%
15,000	91.75	104.39	12.64	13.8%
25,000	213.95	236.34	22.39	10.5%
30,000	285.70	309.44	23.74	8.3%
60,000	716.20	748.04	31.84	4.4%

Residential Wastewater Rates

	Approved FY 2016	Non-CAP Proposed FY 2017	CAP Proposed FY 2017
Customer Charge:	\$ 10.30	\$ 10.30	\$ -
Volumetric Block 1	\$ 4.90	\$ 5.30	\$ 5.30
Volumetric Block 2	9.94	10.35	10.35

Approved 2016 vs. Proposed 2017

Non-CAP Customers

Monthly Usage Gallons 5/8" Meter	Approved FY 2016	Proposed FY 2017	Variance 2016 vs 2017	
			\$ Var	% Var
0	\$ 10.30	\$ 10.30	\$ -	0.0%
1,000	15.20	15.60	0.40	2.6%
2,000	20.10	20.90	0.80	4.0%
4,000 Annual Avg	39.98	41.60	1.62	4.1%
5,000	49.92	51.95	2.03	4.1%
6,000	59.86	62.30	2.44	4.1%
9,000	89.68	93.35	3.67	4.1%
15,000	149.32	155.45	6.13	4.1%

Approved 2016 vs. Proposed 2017

CAP Customers

Monthly Usage Gallons 5/8" Meter	Approved FY 2016	Proposed FY 2017	Variance 2016 vs 2017	
			\$ Var	% Var
0	\$ -	\$ -	\$ -	0.0%
1,000	4.90	5.30	0.40	8.2%
2,000	9.80	10.60	0.80	8.2%
4,000 Annual Avg	29.68	31.30	1.62	5.5%
5,000	39.62	41.65	2.03	5.1%
6,000	49.56	52.00	2.44	4.9%
9,000	79.38	83.05	3.67	4.6%
15,000	139.02	145.15	6.13	4.4%

5,800 Gals. Water and 4,000 Gals Wastewater

Non-CAP Customers

	Approved 2016	Forecast 2017	Proposed 2017
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Water	\$ 40.26	\$ 41.93	\$ 41.59
Wastewater	39.98	41.06	41.60
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Total	\$ 80.24	\$ 82.99	\$ 83.19
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\$ Variance	-	\$ 2.75	\$ 2.95
% Variance	-	3.4%	3.7%

5,800 Gals. and 4,000 Gals. Wastewater

CAP Customers

	Approved 2016	Forecast 2017	Proposed 2017
Water	\$ 21.54	\$ 23.11	\$ 22.86
Wastewater	29.68	30.56	31.30
Total	\$ 51.22	\$ 53.67	\$ 54.16
\$ Variance	-	\$ 2.45	\$ 2.94
% Variance	-	4.8%	5.7%

Multifamily Rates

- 1.6% class water rate revenue increase
- 2.8% class wastewater rate revenue increase

	Off Peak Rates (Nov-Jun)		Peak Rates (Jul-Oct)	
	Approved FY 2016	Proposed FY 2017	Approved FY 2016	Proposed FY 2017
Water Rates				
Meter Charge: (1 1/2")	\$ 118.00	\$ 112.00	\$ 118.00	\$ 112.00
Volume Rate	\$ 4.90	\$ 5.11	\$ 5.39	\$ 5.62
Wastewater Rates				
Minimum Charge	\$ 10.30	\$ 10.30		
Volume Rate	\$ 9.20	\$ 9.48		
Average Bill Impact:				
(129,000 gals. / mth W) (108,000 gals. / mth WW)	Annual Average Bill		Variance 2016 vs 2017	
	Approved FY 2016	Proposed FY 2017	\$ Var	% Var
Water	\$ 797.68	\$ 819.71	\$ 22.03	2.8%
Wastewater	1,003.90	1,034.14	30.24	3.0%
Combined	\$ 1,801.58	\$ 1,853.85	\$ 52.27	2.9%

Commercial Rates

- 1.8% class water rate revenue increase
- 2.1% class wastewater rate revenue increase

	Off Peak Rates (Nov-Jun)		Peak Rates (Jul-Oct)	
	Approved FY 2016	Proposed FY 2017	Approved FY 2016	Proposed FY 2017
Water Rates				
Meter Charge: (1 1/2")	\$ 79.00	\$ 80.00	\$ 79.00	\$ 80.00
Volume Rate	\$ 5.82	\$ 5.97	\$ 6.40	\$ 6.57
Wastewater Rates				
Minimum Charge	\$ 10.30	\$ 10.30		
Volume Rate	\$ 9.26	\$ 9.48		
Average Bill Impact: (67,000 gals. / mth W) (44,000 gals. / mth WW)	Annual Average Bill		Variance 2016 vs 2017	
	Approved FY 2016	Proposed FY 2017	\$ Var	% Var
Water	\$ 499.67	\$ 509.27	\$ 9.60	1.9%
Wastewater	417.74	427.42	9.68	2.3%
Combined	\$ 917.41	\$ 936.69	\$ 19.28	2.1%

Large Volume Rates

- 4.1% class water rate revenue increase
- 4.5% class wastewater rate revenue increase

	Off Peak Rates (Nov-Jun)		Peak Rates (Jul-Oct)	
	Approved	Proposed	Approved	Proposed
	FY 2016	FY 2017	FY 2016	FY 2017
Water Volume Rates				
NXP - Ed Bluestein	\$ 5.17	\$ 5.04	\$ 5.69	\$ 5.55
NXP - Wm Cannon	5.17	5.58	5.69	6.13
Samsung	5.30	5.62	5.83	6.18
Novati	5.48	5.48	6.03	6.03
Spansion	5.22	5.44	5.75	5.98
University of Texas	5.82	5.97	6.40	6.57
	Approved	Proposed		
Wastewater Rates	FY 2016	FY 2017		
NXP - Ed Bluestein	\$ 8.52	\$ 8.95		
NXP - Wm Cannon	8.52	8.94		
Samsung	7.89	8.30		
Novati	7.63	8.18		
Spansion	7.95	8.38		
University of Texas	9.08	9.42		

