

RESOLUTION NO. 201805010-0XX

WHEREAS, Austin Water provides water and wastewater service on a wholesale basis to customers outside the City that include water districts, water supply corporations, and other surrounding municipalities; and

WHEREAS, four of Austin Water's water district wholesale customers (North Austin MUD, Northtown MUD, Wells Branch MUD, and Travis County WCID No. 10) successfully petitioned the Public Utility Commission of Texas ("PUCT") under Texas Water Code Section 13.044 and, by its final order in Docket No. 42857, the PUCT ordered a rate reduction for those customers to 2012 rate levels; and

WHEREAS, in conformance to Texas Water Code Section 13.044, the PUCT final order also requires Austin Water to seek PUCT approval before increasing the PUCT-ordered wholesale rates of the four districts that appealed; and

WHEREAS, Austin Water completed an updated cost of service study in November of 2017 indicating an overall 2017 test year utility system revenue requirement (water and wastewater) of approximately \$570 million, of which the revenue requirement attributable to wholesale services consisted of approximately \$19.5 million; and

WHEREAS, using the 2017 cost of service study and model to determine rates, Austin Water set new rates for its retail customers on March 8, 2018, effective with billing cycles in June of 2018; and

WHEREAS, to establish corresponding wholesale rates using the 2017 cost of service study, Austin Water is prepared to file a request with the PUCT for approval to increase rates to the four districts that are subject to the PUCT final order; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is authorized to file a request for approval with the Public Utilities Commission of Texas for increasing wholesale water and wastewater rates charged to the petitioners in PUCT Docket No. 42857 in amounts that are reasonable and necessary to meet their portion of the overall wholesale (water and wastewater) revenue requirement.

BE IT FURTHER RESOLVED THAT:

The City Manager is authorized to negotiate and execute agency filings, contracts, and agreements necessary to effectuate this resolution.

ADOPTED: May 10, 2018

ATTEST: _____
Jannette S. Goodall
City Clerk