

Water and Wastewater Commission

Multifamily CAP Program



November 17, 2020

Customer Assistance Program (CAP) Background

- 13,900 current Residential CAP customers
 - Waivers of all fixed fees and CBC surcharge, discounted volume rates
 - Average customer receives \$41.20 bill credit or 51% discount from Non-CAP
- 23,000 estimated Multifamily (MF) CAP customers in AE service area
- Community Benefit Charge Fund provides funding for AW CAP programs
 - \$0.15 per thousand gallon surcharge on all retail customers

FY2021 Approved Budget Rider

- Councilmember Alter FY21 Budget Rider – Approved August 2020
- Direction to Austin Water to develop a more accessible multi-family discount program. Austin Water should return to Council in the first quarter of Fiscal Year 21 to describe the fiscal impacts of the program and seek approval of implementation including any necessary budget amendments.

Challenges

- AW master meters multifamily accounts
- Difficult for AW to provide individual multifamily unit a CAP discount
- AE individually meters multifamily units
- AW has multifamily accounts outside of AE's service area
- Legal requirement to treat all multifamily accounts equitably

Process

- AW, AE and Law Department team
- Analysis of data on AW multifamily accounts, AE CAP customers at these same addresses, and multifamily accounts outside of AE service area
- Determination of how to identify multifamily CAP customers outside AE service area
- Analysis of appropriate multifamily CAP discount
- Implementation recommendations

Multifamily CAP Credit Calculation

- Start with average Residential CAP discount
 - \$41.20 average residential CAP discount on fixed fees and volume charges
- Multifamily CAP credit calculation
 - Adjustments for Multifamily fixed fees and consumption/flows as compared to residential CAP
- Resulting Multifamily CAP discount of \$17.00 per month
 - Approximate 50% discount on average Multifamily unit water bill

AW Recommendations

Phase I

- \$17.00 Multifamily CAP monthly credit - \$11 Water and \$6 Wastewater
- Apply AW monthly credit to AE CAP account at same address
- AW will reimburse AE for CAP discounts using funds in the Community Benefit Charge Fund

Phase II

- Provide multifamily CAP credit to customers outside of AE service area

Financial Impacts

Phase I

- \$4.7 million annual impact of 23,000 MF CAP customers at \$17 / month credit
- CBC Fund balances have sufficient balances to cover MF CAP costs for FY21 and FY22
- Possible CBC Surcharge rate increase of \$0.02 in FY23 – from \$0.15 to \$0.17

Phase II

- Unknown number of MF CAP customers and impact

Commission / Council Action Items

- Item 8: FY21 Budget Amendment – AW Fee Schedule
 - Add Multifamily CAP credit amount of \$11 for water and \$6 for wastewater
- Item 9: FY21 Budget Amendment – Community Benefit Charge Fund
 - Add \$4.0 million Transfer to AE for reimbursement of MF credits

Next Steps

- December - Memo to Mayor and Council providing information on Multifamily CAP program recommendations
- December 10th – Council actions on budget amendments
- January-March – implementation of Phase I MF CAP discounts to customers with AE CAP accounts
- March-September – implementation of Phase II MF CAP discounts to customers outside of AE service area

Questions?