



Water and Wastewater Commission

Austin Water

Proposed FY 2022 Budget

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Briefing Agenda

- 💧 **Proposed FY 2022 Budget Overview**
- 💧 **5-Year Capital Improvement Plan FY2022 – 2026**
- 💧 **Debt Management Efforts**
- 💧 **Financial Policy Updates**



Budget Considerations

- 💧 **Increase operational and infrastructure resiliency**
- 💧 **Maintain financial strength and stability**
- 💧 **Ensure affordable rates**



Proposed FY 2022 Budget Highlights

💧 **Resiliency Efforts**

- 💧 \$12.0 million in O&M
- 💧 \$350.3 million in the 5-Year CIP (FY22-FY26)

💧 **Continued debt management strategies**

- 💧 \$64.8 million debt defeasance proposed in FY 2022
- 💧 Potential debt refunding opportunity in fall FY 2022
- 💧 Texas Water Development Board Loans anticipated closing in fall FY 2022
 - 💧 Clean Water SRF loan \$23.1 million
 - 💧 Drinking Water SRF loan \$30.0 million
 - 💧 SWIFT loan \$18.0 million

💧 **0% Rate Increase for FY 2022**

- 💧 Improvements in affordability



Proposed FY 2022 Budget Overview

FTEs

62 New Full-time Positions

Category	FTE
EUM - Enterprise Resiliency	18
EUM - Infrastructure Strategy & Performance	14
Reducing Contracted Services	10
My ATX Water	8
Water Forward	5
EUM - Customer Satisfaction	3
EUM - Employee Development & Leadership	2
Affordability	1
Facility Improvements	1



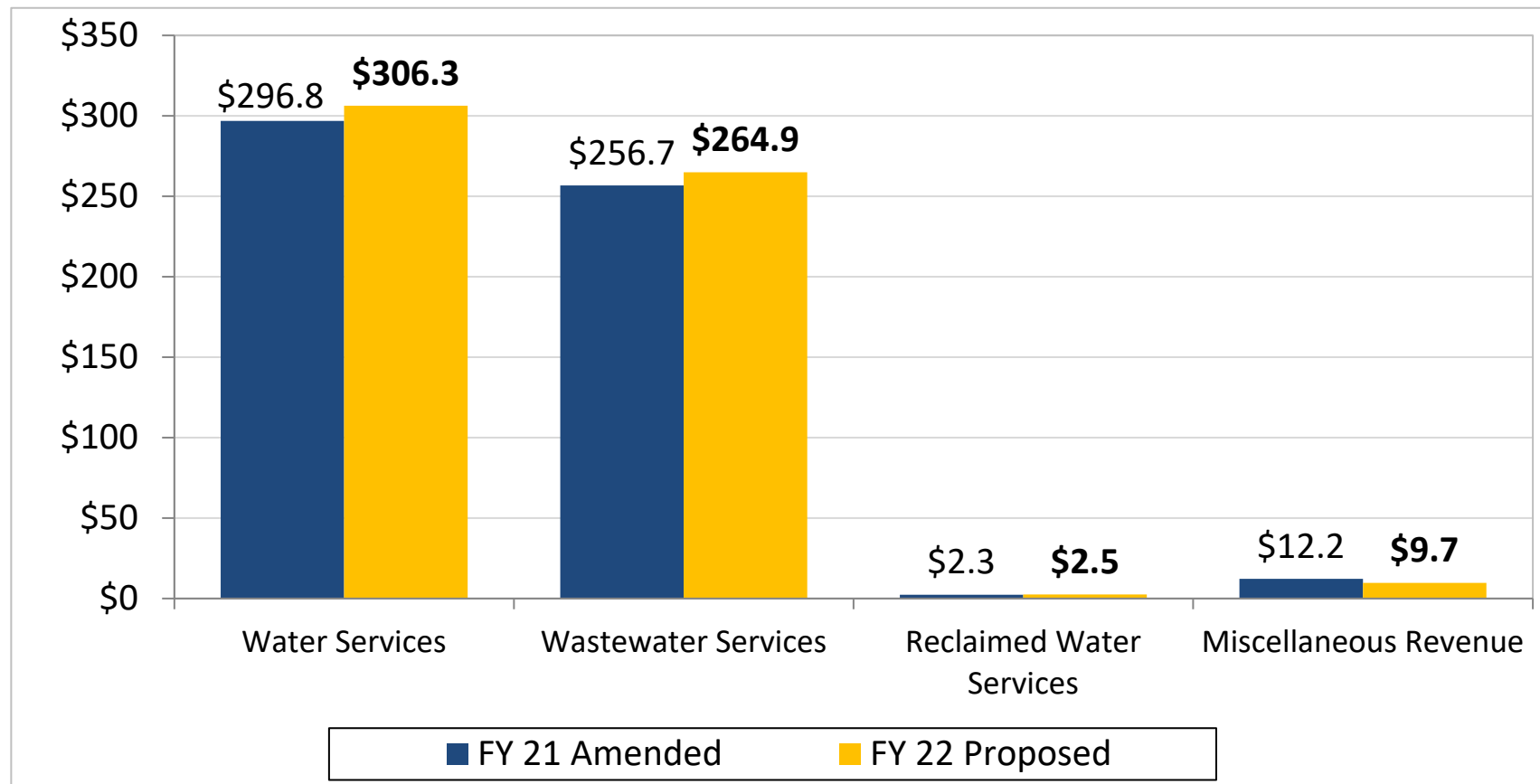
Proposed FY 2022 Budget Overview

Sources of Funds

Department Service Revenue:

FY 2021 Amended: \$568.0 million

FY 2022 Proposed: \$583.4 million





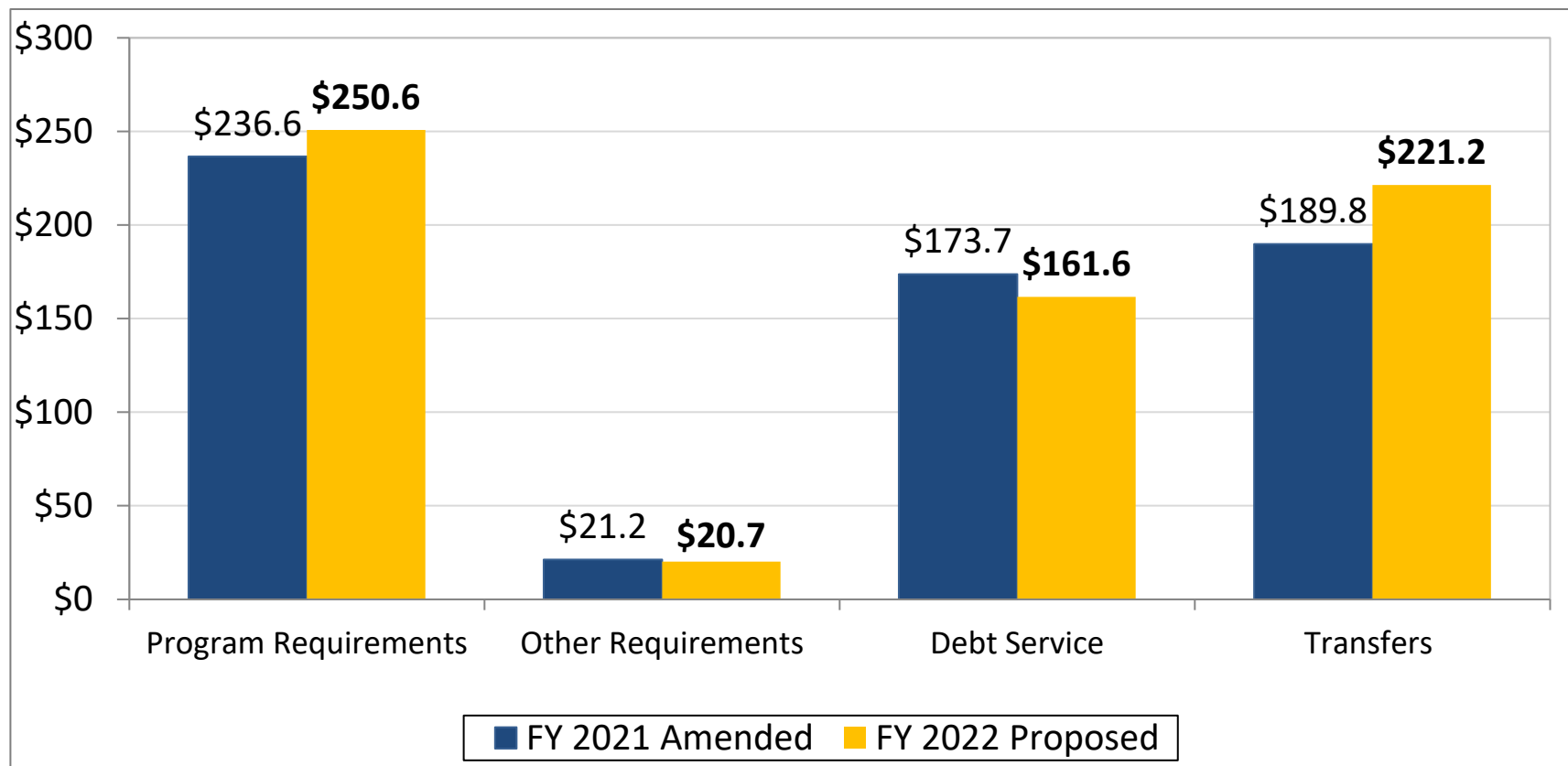
Proposed FY 2022 Budget Overview

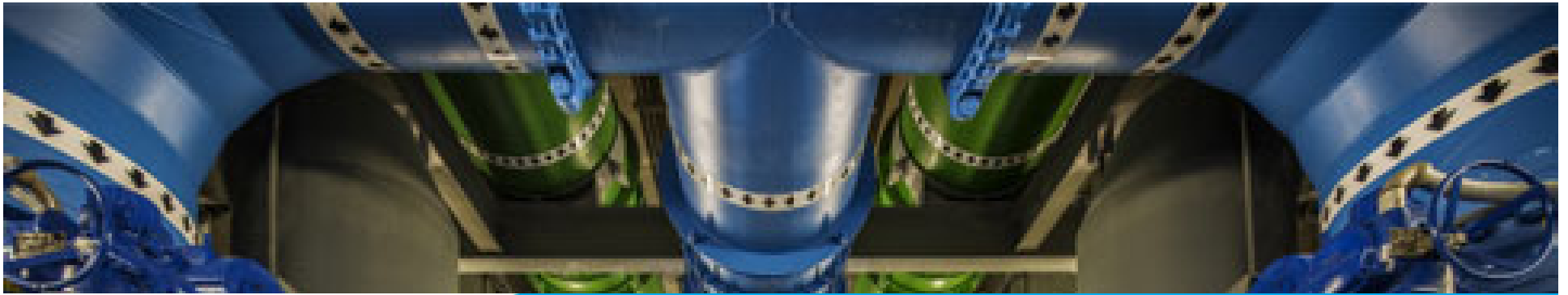
Uses of Funds

Department Expenditures:

FY 2021 Amended: \$621.3 million

FY 2022 Proposed: \$654.2 million





Increasing Resilience and Enhancing Infrastructure





Proposed FY 2022 Budget Overview

Capital Improvement Spending Plan

\$1.087 Billion 5-year Capital Spending Plan

\$ in millions	5-Year Plan FY 2022-2026					
	2022	2023	2024	2025	2026	Total
Water	\$ 105.1	\$ 85.2	\$ 74.2	\$ 54.6	\$ 52.4	\$ 371.5
Wastewater	110.1	123.6	129.1	134.1	185.0	681.9
Reclaimed	6.9	13.3	9.6	3.7	1.0	34.5
Combined	\$ 222.1	\$ 222.1	\$ 212.9	\$ 192.4	\$ 238.4	\$ 1,087.9



Proposed FY 2022 Budget Overview

5-Year CIP Spending Plan

CIP Category (Alphabetical Order)	\$ in Millions
Buildings and Improvements	\$28.9
Information Technology	\$17.9
Lift Stations	\$18.5
Other	\$3.2
Pump Stations	\$30.5
Reclaimed Water Network	\$34.5
Reservoirs	\$51.6
Vehicles and Equipment	\$20.7
Wastewater Pipe Network	\$204.7
Wastewater Treatment Plants	\$425.0
Water Pipe Network	\$178.8
Water Treatment Plants	\$73.5



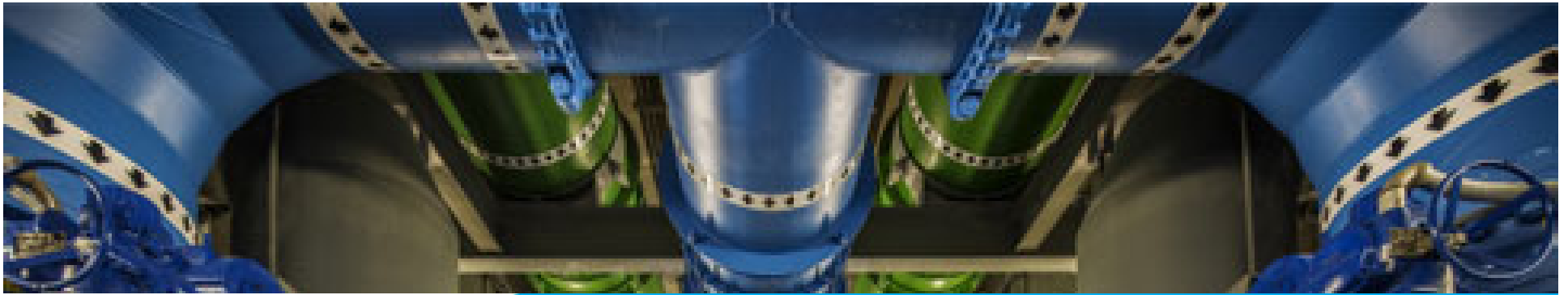
Ongoing Resiliency Projects for FY2022

- 💧 Renewing Austin pipeline renewal & replacement projects
(\$80.6M)
- 💧 Advanced Metering Infrastructure for Potable & Reclaimed Water
(\$63.2M)
- 💧 South Austin Regional WWTP Electrical Substation No.1 Replacement
(\$28.9M)
- 💧 Various reservoir and storage projects
(\$28.9M)
- 💧 Various Supervisory Control & Data Acquisition (SCADA) Improvements
(\$23.4M)
- 💧 Ullrich WTP Low Service Pump Station Electrical Feed Renewal
(\$17.1M)
- 💧 Center Street Pump Station Replacement and Electrical Improvements
(\$11.9M)
- 💧 Davis Pump Station Area Improvements
(\$8.6M)



New Resiliency Projects for FY2022

- 💧 Center Street Pump Station Replacement and Electrical Improvements (**\$11.9M**)
- 💧 Southwest Parkway Transmission Main (**\$3.0M**)
- 💧 Systems Operations at South 1st Street Service Center (**\$200,000**)
- 💧 Southwest Parkway Southwest B Elevated Reservoir (**\$3.4M**)
- 💧 Two Potable Water Tanker Trucks to distribute bulk water (**\$325,000**)

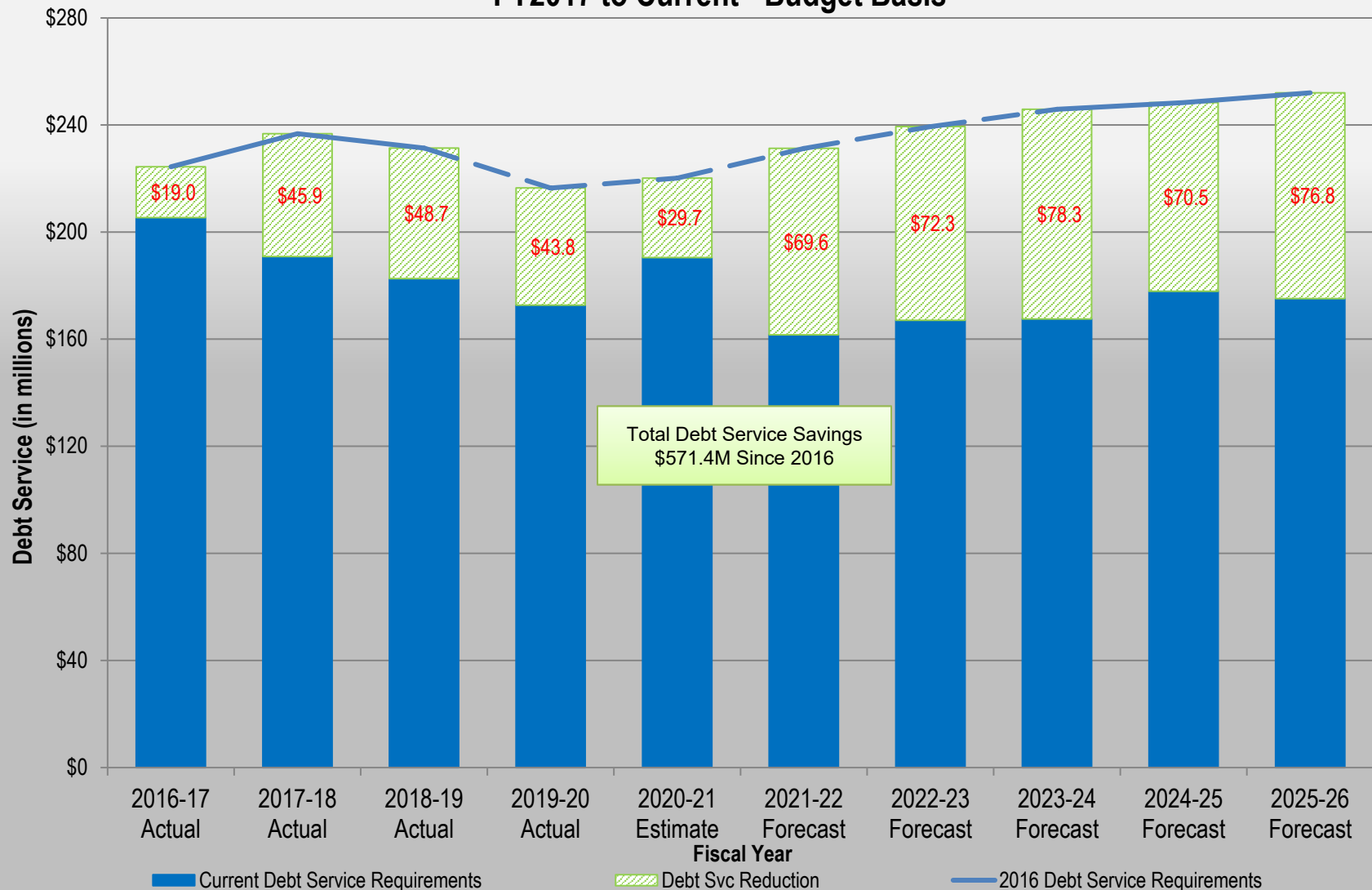


Maintain Financial Strength



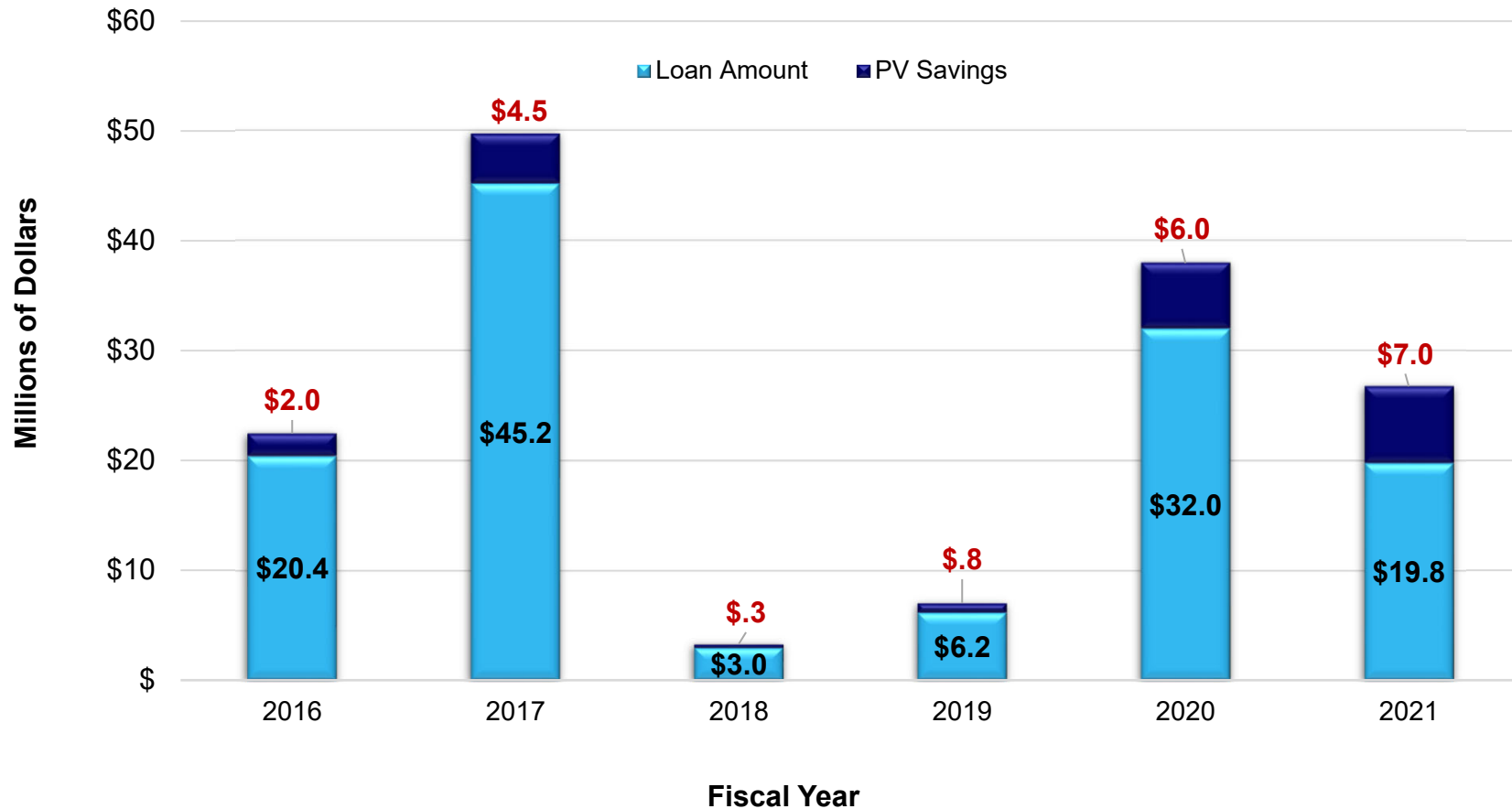
Debt Management Efforts Impacts

**Total Debt Service Requirements Comparison
FY2017 to Current - Budget Basis**



Debt Management Efforts TWDB Loan Savings

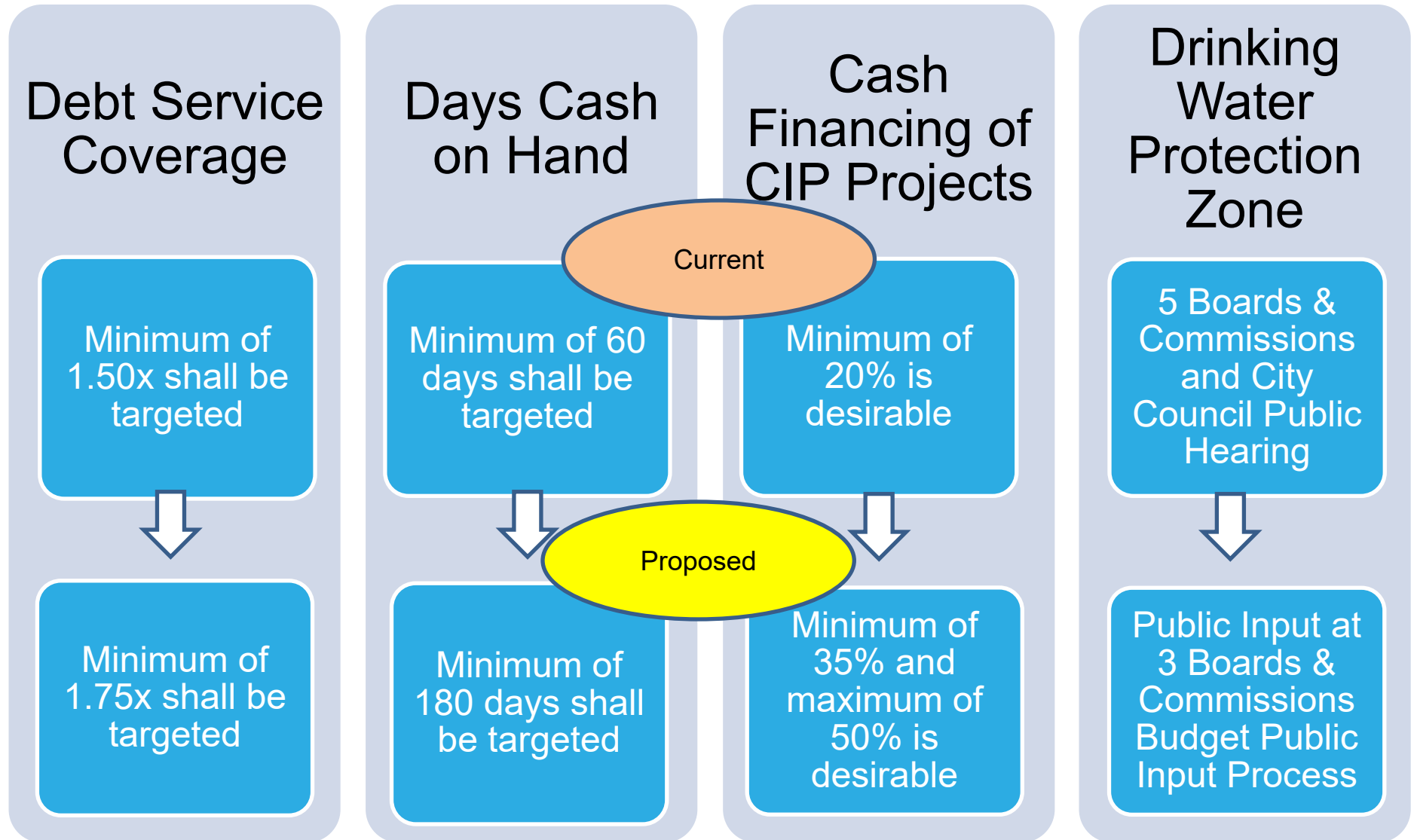
TWDB Debt Service Loan Savings

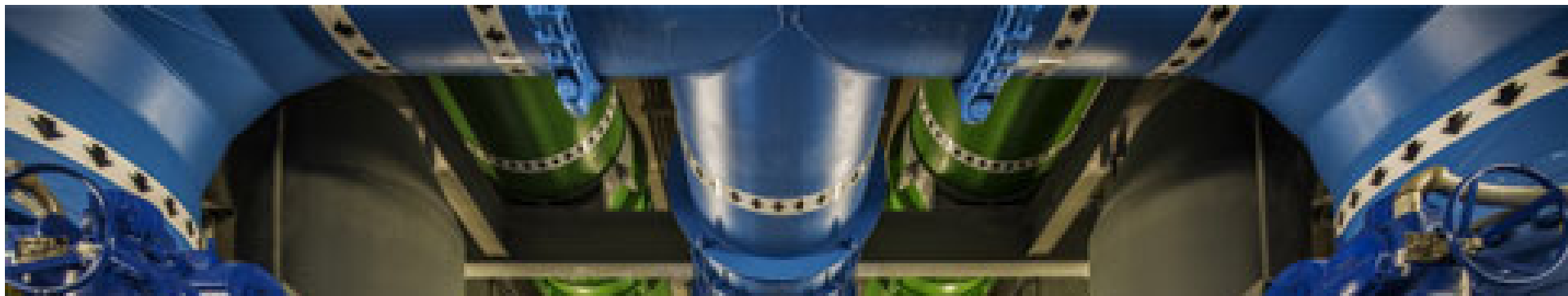


\$126.6 Million in Loan Closings To-Date
\$20.6 Million in Present Value Savings To-Date

Proposed FY 2022 Budget Overview

Financial Policy Updates





Ensure Affordability





Proposed FY 2022 Budget Overview

Average Residential Customer Proposed Bill Impacts

	Current 2021 Rates ¹	Proposed 2022 Rates ¹	\$ Variance	% Variance
Water Service ²	\$ 40.31	\$ 40.31	\$ -	0.0%
Wastewater Service	40.48	40.48	-	0.0%
Total Revenue	<u>\$ 80.79</u>	<u>\$ 80.79</u>	<u>\$ -</u>	<u>0.0%</u>

Notes:

1. Bills based on 5,800 gallons of water and 4,000 gallons of wastewater discharge
2. Water bills include the Reserve Fund Surcharge



Proposed FY 2022 Budget Overview

Customer Assistance Program

Customer Assistance Program Overview

- Over 14,000 Residential CAP participants
- Over 15,000 Multifamily CAP participants
- Waived residential monthly water and wastewater fixed fees
- Discounted residential volumetric water and wastewater rates
- Multifamily CAP monthly credit \$17 (\$11 Water & \$6 Wastewater)

	2021 Average Monthly Residential Bill Comparison: Non-CAP vs. CAP			
	Non-CAP	CAP	\$ Discount	% Discount
Water	\$ 40.31	\$ 17.58	\$ 22.73	56.4%
Wastewater	40.48	22.01	18.47	45.6%
Combined	<u>\$ 80.79</u>	<u>\$ 39.59</u>	<u>\$ 41.20</u>	<u>51.0%</u>

Note: Bills based on 5,800 Gals water and 4,000 Gals. wastewater

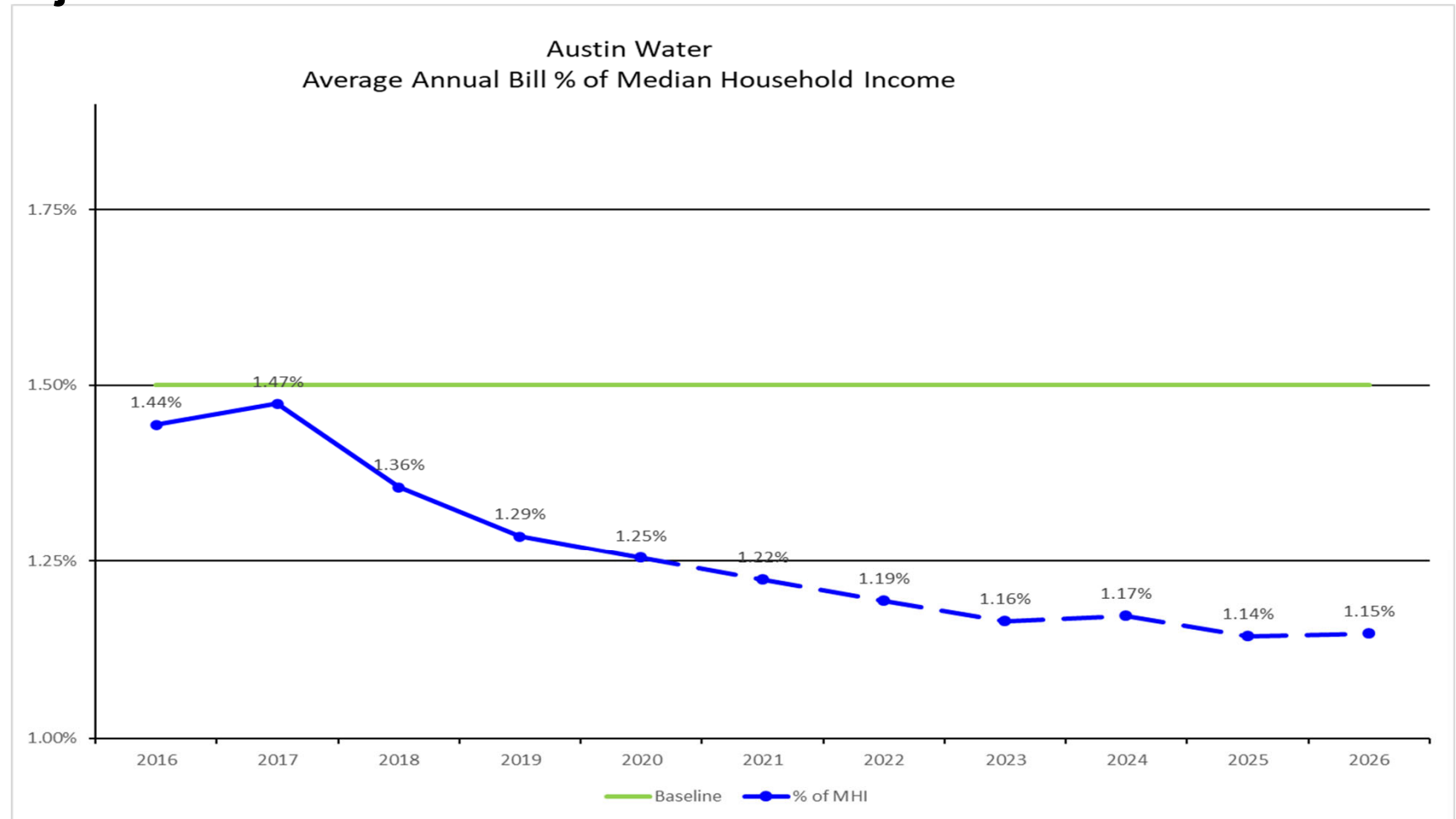


Proposed FY 2022 Budget Overview

Affordability Benchmark

Actual FY 2019: 1.29%

Projected FY 2022: 1.19%



AW Goal: 1.5% or less



Proposed FY 2022 Budget Fund Summary

(In Millions)	Amended 2021	Estimated 2021	Proposed 2022
Beginning Balance	\$ 206.4	\$ 231.1	\$ 224.3
Revenue	568.0	590.0	583.4
Transfers In	46.2	11.2	74.8
Available Funds*	\$ 614.2	\$ 601.2	\$ 658.2
Operating Requirements	257.8	262.7	271.4
Debt Service	173.7	190.5	161.6
Transfers Out	189.8	154.8	221.2
Total Requirements*	\$ 621.3	\$ 608.0	\$ 654.2
Excess (Deficiency)	(7.1)	(6.8)	4.0
Ending Balance	\$ 199.3	\$ 224.3	\$ 228.3

Proposed complies with all Council approved financial policies.

Questions?

