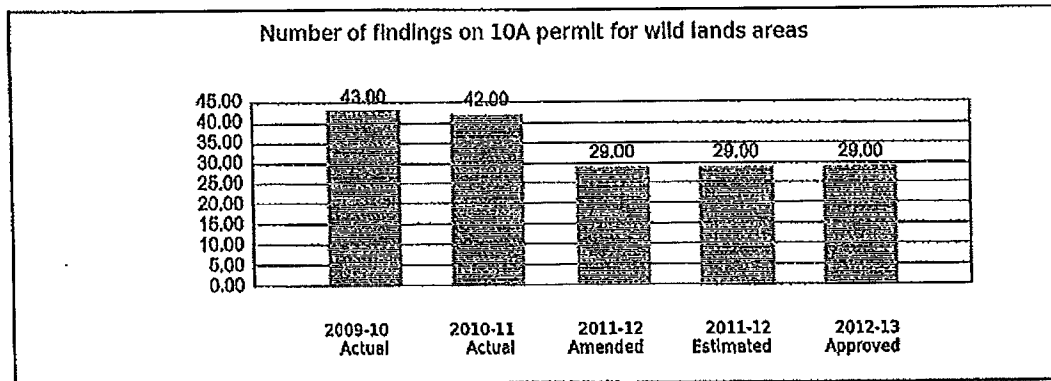


Austin Water Utility Budget Detail by Activity

Program: Environmental Affairs and Conservation

Activity: Wildland Conservation

To provide conservation and land management services to land purchased to preserve endangered species and sensitive watersheds in order to protect drinking water supplies.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	2,263,197	2,128,028	2,499,008	2,461,340	2,870,710
Total Requirements	\$2,263,197	\$2,128,028	\$2,499,008	\$2,461,340	\$2,870,710
Full-Time Equivalents					
Austin Water Utility Fund	19.00	20.00	20.00	20.00	21.00
Total FTEs	19.00	20.00	20.00	20.00	21.00
Performance Measures					
Average cost per acre of land management for the Wildland Conservation Division	New Meas	40.42	60	60	60
<i>Number of findings on 10A permit for wild lands areas</i>	<i>43</i>	<i>42</i>	<i>29</i>	<i>29</i>	<i>29</i>
Number of public education and outreach events/programs conducted by the division	New Meas	40	35	35	35
Services					
Land management; Natural Resources Conservation; Endangered Species Protection					

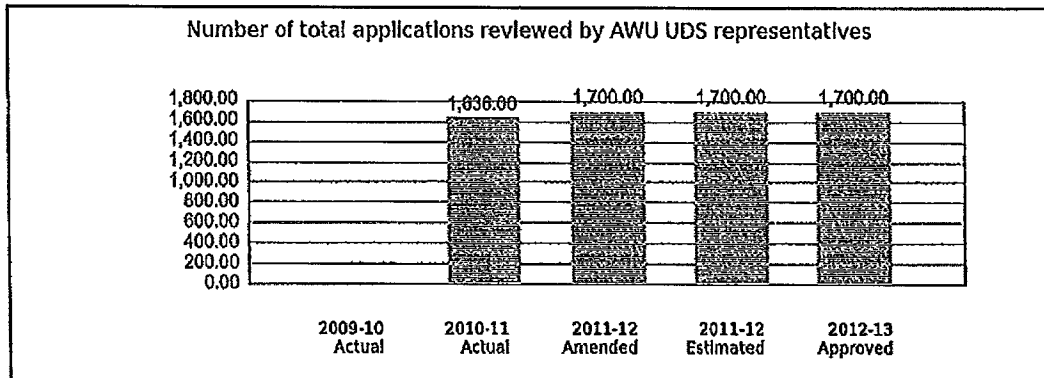
Bold/Italicized Measure = Key Indicator

Austin Water Utility Budget Detail by Activity

Program: One Stop Shop

Activity: Inspection, Review, and Support

The purpose of Inspection, Review, and Support is to provide development services and assistance to the city-wide, consolidated One Stop Shop so that the community can have an efficient and effective development process.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	476,114	496,730	523,962	523,962	598,884
Total Requirements	\$476,114	\$496,730	\$523,962	\$523,962	\$598,884
Full-Time Equivalents					
Austin Water Utility Fund	6.30	6.00	6.30	6.30	6.30
Total FTEs	6.30	6.00	6.30	6.30	6.30
Performance Measures					
Number of customers served by AWU Pipeline Engineering representatives	New Meas	1,291	3,000	3,000	1,700
Number of total applications reviewed by AWU UDS representatives	New Meas	1,636	1,700	1,700	1,700

Services

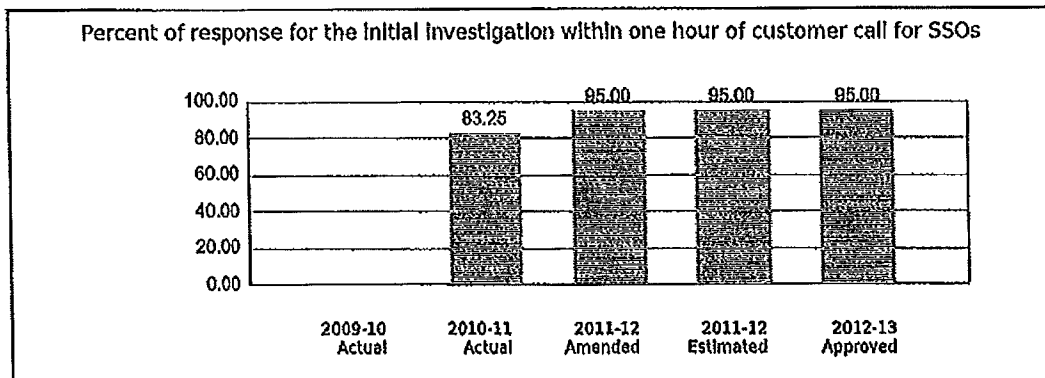
Commercial building plan review, Land use review, Decentralized collection system inspections, Taps permits, Industrial waste discharge permits, On-site sewage facility permits, Taps inspection, Site & Drop-ins inspection

Bold/italicized Measure = Key Indicator

Austin Water Utility Budget Detail by Activity

Program: Pipeline Operations
Activity: Collection System Services

To provide comprehensive operation, maintenance and repair of the Collection System Infrastructure in order to reduce overflows and to provide flow meter and maintenance services.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	11,515,402	10,344,397	11,078,811	11,040,066	12,234,066
Total Requirements	\$11,515,402	\$10,344,397	\$11,078,811	\$11,040,066	\$12,234,066
Full-Time Equivalents					
Austin Water Utility Fund	120.00	116.00	116.00	116.00	115.00
Total FTEs	120.00	116.00	116.00	116.00	115.00
Performance Measures					
Number of linear feet of wastewater main TV'd	New Meas	1,534,539	2,078,000	2,078,000	2,078,000
Number of linear feet of wastewater main cleaned	New Meas	1,776,267	2,256,000	2,256,000	2,256,000
Number of collection infrastructure work orders completed	New Meas	1,469	1,800	1,800	1,800
Percent of response for the Initial investigation within one hour of customer call for SSOs	No Data	83.25	95	95	95
Percent of follow on work orders completed within 4 days of initiation for SSO/SBSSO related work	No Data	82.50	90	90	90

Services

TV Inspection of Collection System; Overflow abatement; Line cleaning; Smoke Testing; Operation and Maintenance of Collection System Flow Meters; Perform Inflow and Infiltration studies of Collection System; Emergency Response Services; Manhole Inspection; New and Warranty Inspections, Emergency repairs of Sanitary Sewer Overflows (SSO), Special Billed SSO (SBSSOs are caused by contractors and AWU special bills contractors for related costs.

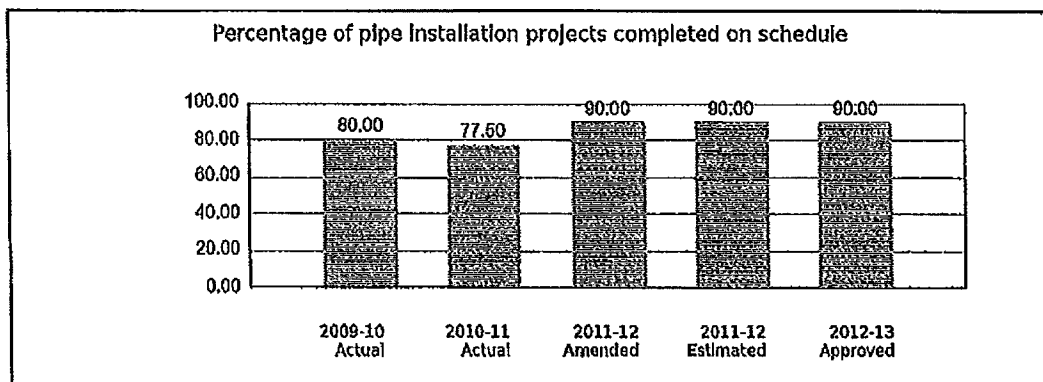
Bold/italicized Measure = Key Indicator

Austin Water Utility Budget Detail by Activity

Program: Pipeline Operations

Activity: Construction and Rehabilitation Services

To provide construction/replacement and rehabilitation services of aging and failing wastewater infrastructure in order to prevent wastewater spills and to transport wastewater to the treatment facility. Also, to provide construction/replacement and rehabilitation of aging and failing water distribution mains, services, and appurtenances to assure safe and reliable drinking water, fire protection, and minimize water loss of treated drinking water.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	3,858,115	3,705,015	4,223,599	4,261,935	4,753,072
Expense Refunds	0	0	100	100	100
Total Requirements	\$3,858,115	\$3,705,015	\$4,223,699	\$4,262,035	\$4,753,172
Full-Time Equivalents					
Austin Water Utility Fund	51.00	50.00	51.00	51.00	52.00
Total FTEs	51.00	50.00	51.00	51.00	52.00
Performance Measures					
Feet of pipe installed	22,815	15,712	18,000	18,000	18,000
Labor costs per foot of pipe installed	13.24	17.67	22	22	22
Percentage of pipe installation projects completed on schedule	80	77.50	90	90	90
Services					
Wastewater collection construction, rehabilitation, water distribution construction and rehabilitation; initial response investigation of internal and external customer calls for service					

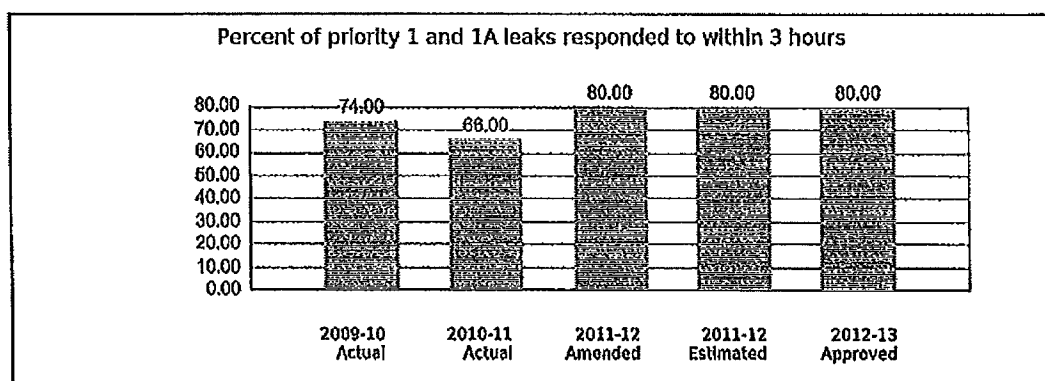
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Austin Water Utility Budget Detail by Activity

Program: Pipeline Operations

Activity: Distribution System Maintenance

To provide maintenance and repair services to the distribution pipeline infrastructure systems in order to continuously deliver water from the treatment facilities to the end user. To install, operate, repair and replace valves and fire hydrants within the distribution system in order to supply water for fire hydrants and customers.



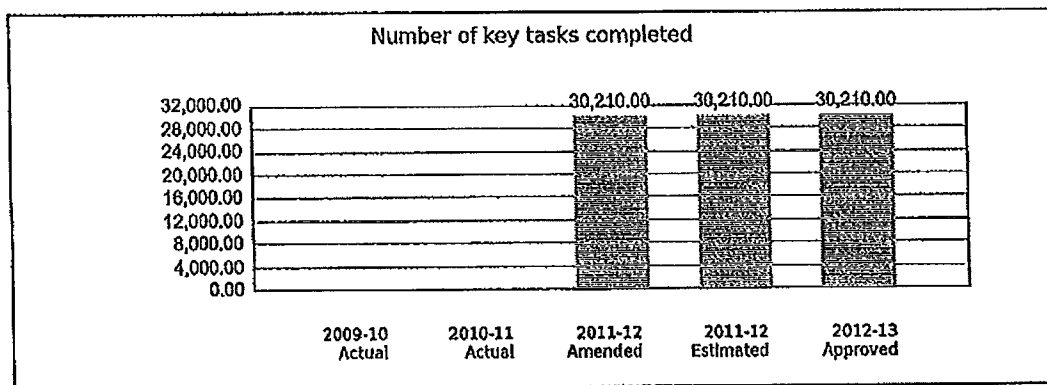
	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	12,610,097	13,502,226	12,344,518	12,749,980	14,414,311
Expense Refunds	0	0	500	500	500
Total Requirements	\$12,610,097	\$13,502,227	\$12,345,018	\$12,750,480	\$14,414,811
Full-Time Equivalents					
Austin Water Utility Fund	131.30	100.30	100.63	100.63	100.63
Total FTEs	131.30	100.30	100.63	100.63	100.63
Performance Measures					
Number of water leaks repaired	New Meas	6,221	3,600	3,600	3,600
Number of water main leaks per 100 miles of water main	New Meas	19.46	14.80	14.80	14.80
<i>Percent of priority 1 and 1A leaks responded to within 3 hours</i>	<i>74</i>	<i>66</i>	<i>80</i>	<i>80</i>	<i>80</i>
Percent of fire hydrants with an inspection performed within last 12 months	No Data	76	98	98	98
Percent of out of service hydrants back in service within 14 days	New Meas	52.75	90	90	90
Percent of out of service valves back in service within 14 days	New Meas	32.25	90	90	90
Services					
To provide water distribution pipeline system operation, maintenance, and repairs; install, operate, repair, and replace water valves and fire hydrants; meter repair, testing, exchanges, accuracy tests. Leak detection surveys, related tasks and repairs.					

Bold/italicized Measure = Key Indicator

Austin Water Utility Budget Detail by Activity

Program: Pipeline Operations
Activity: Management Services

To provide administrative support to the Pipeline Operations program area's internal and external customers in order to allow program areas to operate, maintain and repair pipeline infrastructure in delivery and transport of water and wastewater products.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	1,228,713	1,168,417	1,508,114	1,756,988	1,630,071
Total Requirements	\$1,228,713	\$1,168,417	\$1,508,114	\$1,756,988	\$1,630,071
Full-Time Equivalents					
Austin Water Utility Fund	17.00	20.00	20.00	20.00	19.00
Total FTEs	17.00	20.00	20.00	20.00	19.00
Performance Measures					
Labor cost per completed key task	New Meas	New Meas	13.47	13.47	13.47
Number of key tasks completed	New Meas	New Meas	30,210	30,210	30,210
Percentage of key tasks completed meeting individual division goals	New Meas	New Meas	86	86	86

Services

CAF correspondence, personnel actions, investigations, special billings, general administration of policies and procedures, and division personnel files maintenance

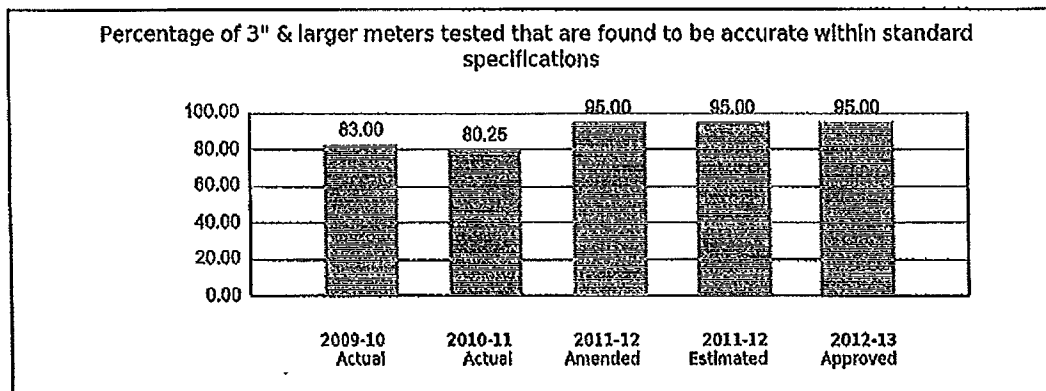
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Austin Water Utility Budget Detail by Activity

Program: Pipeline Operations

Activity: Water Meter Operations

To provide meter accuracy to metered customers in order to ensure accurate registration of water usage.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	4,535,276	4,728,138	4,635,146	4,713,375	5,314,538
Expense Refunds	5,397	0	0	0	0
Total Requirements	\$4,540,673	\$4,728,138	\$4,635,146	\$4,713,375	\$5,314,538
Full-Time Equivalents					
Austin Water Utility Fund	22.70	54.70	53.37	53.37	56.37
Total FTEs	22.70	54.70	53.37	53.37	56.37
Performance Measures					
Number of meters 3" or larger that were tested for accuracy	1,678	1,738	2,000	2,000	2,000
Percentage of 3" & larger meters tested that are found to be accurate within standard specifications	83	80.25	95	95	95
Services					
Meter repair and testing; Meter exchange; meter accuracy					

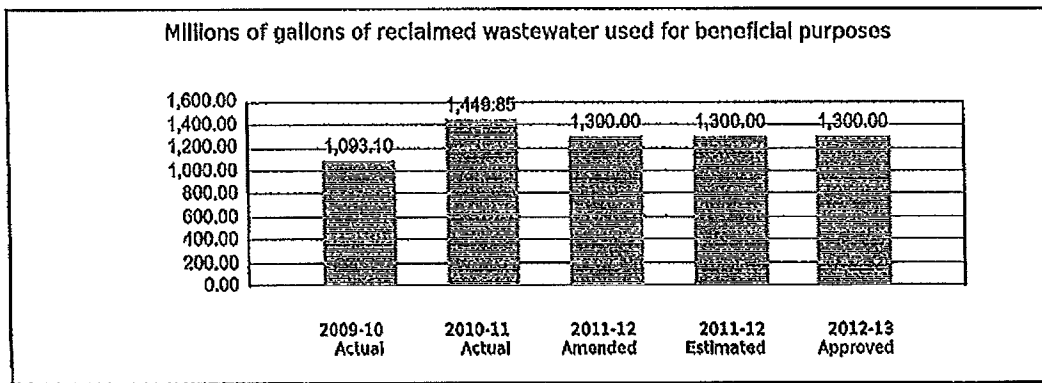
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Austin Water Utility Budget Detail by Activity

Program: Reclaimed Water Services

Activity: Reclaimed Water Services Support

The purpose of the Reclaimed Water Services Support Activity is to provide engineering, management, administrative, regulatory and technical support in order to increase reclaimed water use so that the Utility can more effectively manage water resources for the community in order to protect public health and the environment.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	0	0	255,585	251,328	275,651
Total Requirements	\$0	\$0	\$255,585	\$251,328	\$275,651
Full-Time Equivalents					
Austin Water Utility Fund	0.00	2.00	2.00	2.00	2.00
Total FTEs	0.00	2.00	2.00	2.00	2.00
Performance Measures					
<i>Millions of gallons of reclaimed wastewater used for beneficial purposes</i>	1,093.10	1,449.85	1,300	1,300	1,300
Reclaimed Water Revenue	New Meas	587,920	711,383	711,383	879,424

Services

Respond to inquiries from existing - potential customers, City Departments, and Boards and Commissions; report spills; oversee the implementation of the master plan; hire design engineers and consultants using RFQs and rotation lists; supervise and interact with design engineers and consultants on the preparation of construction documents; supervise and interact with design engineers, contractors, inspectors, and property owners on project construction; develop and monitor project budgets and schedules; provide engineering information and technical advice to support the water conservation division.

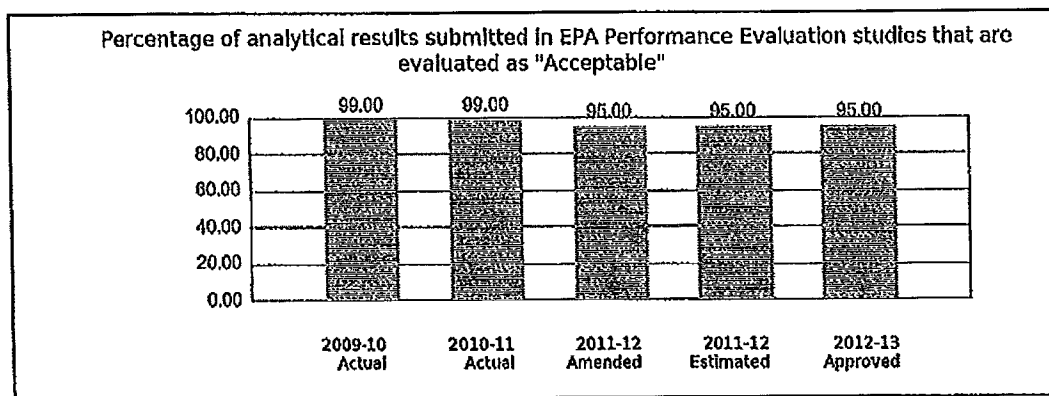
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Austin Water Utility Budget Detail by Activity

Program: Treatment

Activity: Laboratory Services

To produce water quality test results for Utility Laboratory Services customers in order to provide them with timely and accurate information to determine regulatory compliance and to help them make informed decisions about the processes used in the water, wastewater, pipeline infrastructure, and conservation and reuse treatment and operation systems.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	3,907,842	3,686,194	4,025,396	4,006,713	4,924,653
Total Requirements	\$3,907,842	\$3,686,194	\$4,025,396	\$4,006,713	\$4,924,653
Full-Time Equivalents					
Austin Water Utility Fund	40.00	40.00	40.00	40.00	40.00
Total FTEs	40.00	40.00	40.00	40.00	40.00
Performance Measures					
Percentage of analytical results submitted in EPA Performance Evaluation studies that are evaluated as "Acceptable"	99	99	95	95	95
Percentage of total tests completed within requested timeframe	96.90	98.70	95	95	95
Services					
Sample collection; Test results reporting; Complaint research and resolution					

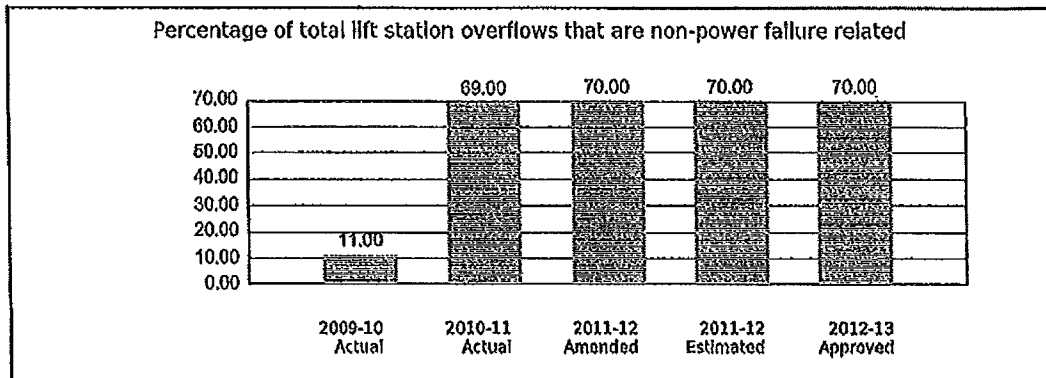
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Austin Water Utility Budget Detail by Activity

Program: Treatment

Activity: Lift Stations and Remote Facilities

To operate and maintain lift stations in the collection system in order to transport sewage to processing sites safely.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	4,774,627	4,766,858	5,020,673	5,059,343	5,233,797
Total Requirements	\$4,774,627	\$4,766,858	\$5,020,673	\$5,059,343	\$5,233,797
Full-Time Equivalents					
Austin Water Utility Fund	24.00	24.00	24.00	24.00	30.00
Total FTEs	24.00	24.00	24.00	24.00	30.00
Performance Measures					
Percentage of total lift station overflows that are non-power failure related	11	69	70	70	70
Volume in gallons of lift station overflows	New Meas	24,970	12,000	12,000	12,000
Services					
Wastewater transport; Lift station monitoring, maintenance, and repair; Lift stations electrical maintenance.					

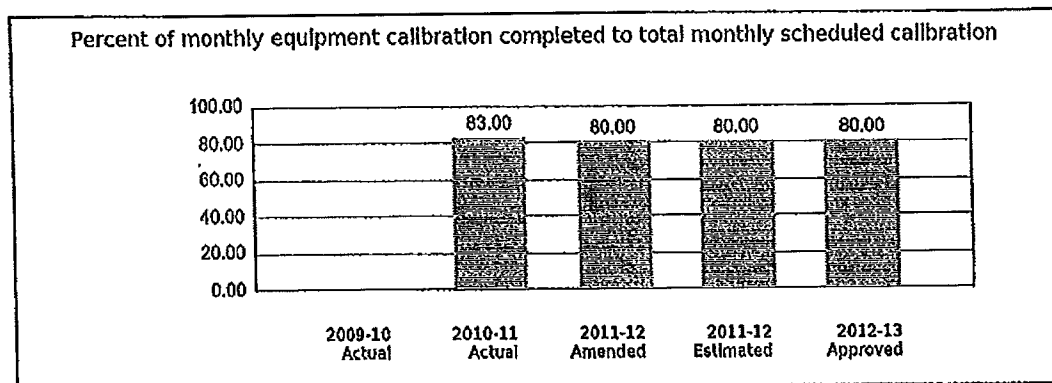
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Austin Water Utility Budget Detail by Activity

Program: Treatment

Activity: Maintenance Services

To operate and maintain the treatment plants instrumentation and electrical systems, pump stations, lift stations in order to continuously deliver water and transport wastewater to treatment plants.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	4,106,764	4,322,845	4,188,438	4,319,850	4,920,392
Expense Refunds	12,920	9,274	12,338	12,338	12,338
Total Requirements	\$4,119,684	\$4,332,119	\$4,200,776	\$4,332,188	\$4,932,730
Full-Time Equivalents					
Austin Water Utility Fund	50.00	48.00	48.00	48.00	50.00
Total FTEs	50.00	48.00	48.00	48.00	50.00
Performance Measures					
Number of work orders that are in open, scheduled, waiting scheduling status at start of each month	New Meas	477	430	430	430
Percent of monthly equipment calibration completed to total monthly scheduled calibration	No Data	83	80	80	80
Services					
Wastewater pumping; Lift station monitoring, maintenance, and repair; Lift station and treatment systems electrical and instrumentation maintenance and treatment plant maintenance					

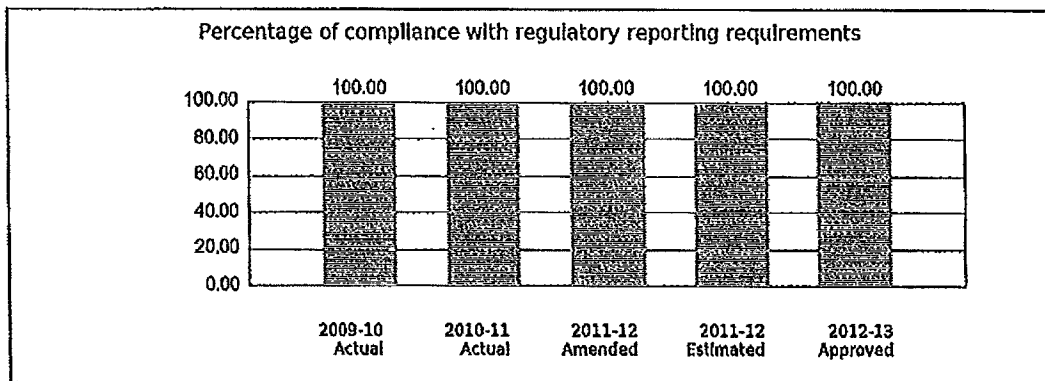
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Austin Water Utility Budget Detail by Activity

Program: Treatment

Activity: Process Engineering

To provide process engineering support to the two water treatment plants, two wastewater treatment plants, and the biosolids treatment facility so that they can be continuously operated and maintained to produce the Utility's products and services.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	805,682	659,940	736,568	745,628	1,017,940
Expense Refunds	6,844	12,559	13,952	13,952	13,952
Total Requirements	\$812,526	\$672,499	\$750,520	\$759,580	\$1,031,892
Full-Time Equivalents					
Austin Water Utility Fund	6.00	6.00	6.00	6.00	7.00
Total FTEs	6.00	6.00	6.00	6.00	7.00
Performance Measures					
Percent digester effluent biosolids reused as compost, land applied or given as Class A biosolid	New Meas	52.40	76	76	76
Percentage of compliance with regulatory reporting requirements	100	100	100	100	100
Services					
Beneficial reuse of the wastewater biosolids management, Utility efforts to identify and secure future water resources, the treatment's energy management program and treatment processes consulting for water and wastewater					

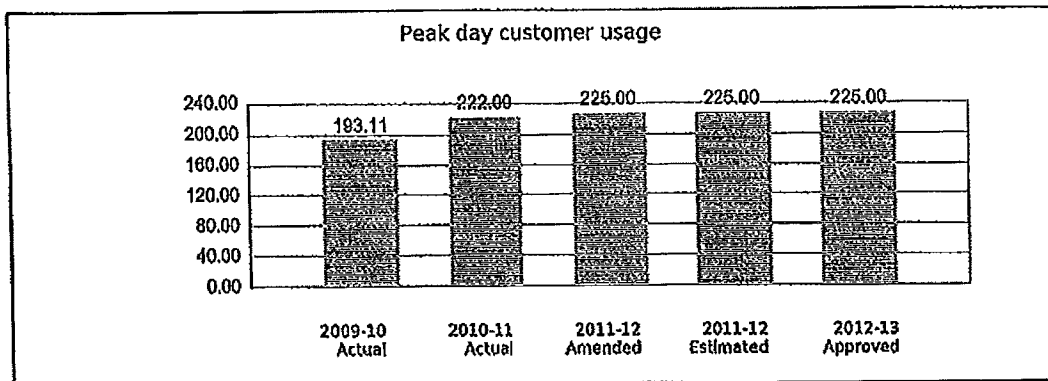
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Austin Water Utility Budget Detail by Activity

Program: Treatment

Activity: Pump Stations and Reservoir Maintenance

To operate and maintain the 32 water pumping stations and storage reservoirs sites for the distribution system in order to continually deliver drinking water for domestic and commercial uses and for fire suppression.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	5,145,036	5,809,019	6,627,966	6,668,796	7,027,131
Total Requirements	\$5,145,036	\$5,809,019	\$6,627,966	\$6,668,796	\$7,027,131
Full-Time Equivalents					
Austin Water Utility Fund	30.00	30.00	30.00	30.00	31.00
Total FTEs	30.00	30.00	30.00	30.00	31.00
Performance Measures					
Electrical usage (kWh) per million gallons of water distributed	New Meas	746	725	725	725
Peak day customer usage	193.11	222	225	225	225

Services

Pump stations and reservoir operation and maintenance; SCADA

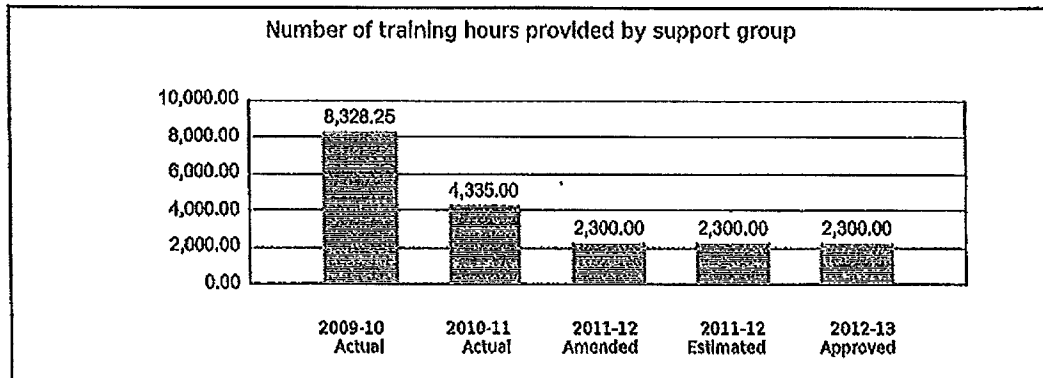
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Austin Water Utility Budget Detail by Activity

Program: Treatment

Activity: Treatment Support

To provide the administrative and management network to assist the water, wastewater and biosolids treatment plants in order to provide safe, quality drinking water, treated effluent.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	1,506,209	2,318,641	2,795,503	3,111,324	3,199,650
Expense Refunds	37,993	114,224	75,984	118,730	118,730
Total Requirements	\$1,544,202	\$2,432,865	\$2,871,487	\$3,230,054	\$3,318,380
Full-Time Equivalents					
Austin Water Utility Fund	17.00	16.00	16.00	16.00	11.00
Total FTEs	17.00	16.00	16.00	16.00	11.00
Performance Measures					
Number of training hours provided at Govalle	New Meas	19,378	14,000	14,000	14,000
Number of training hours provided by support group	8,328.25	4,335	2,300	2,300	2,300

Services

Coordinate the preparation of regulatory and internal management reports to ensure Federal, State, and local laws are met

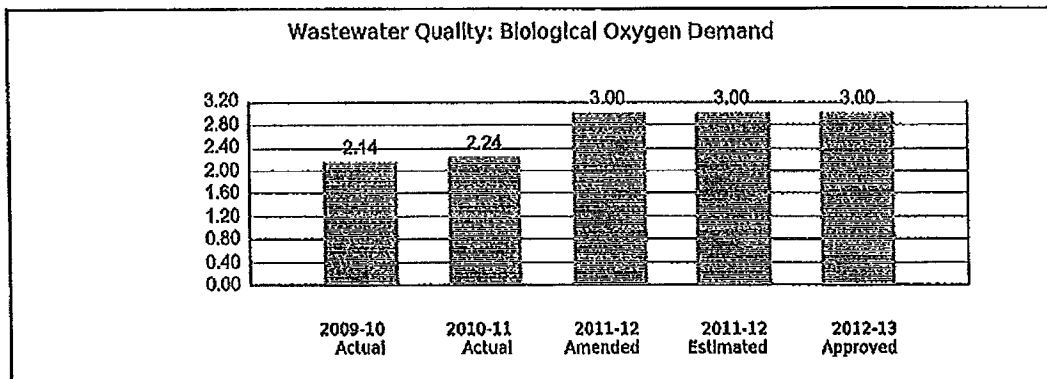
Bold/italicized Measure = Key Indicator

Austin Water Utility Budget Detail by Activity

Program: Treatment

Activity: Wastewater Treatment

Treats wastewater to produce effluent that protects the public's health, safety and the environment.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	17,997,228	18,213,225	21,082,199	21,755,991	23,022,391
Total Requirements	\$17,997,228	\$18,213,225	\$21,082,199	\$21,755,991	\$23,022,391
Full-Time Equivalents					
Austin Water Utility Fund	111.00	112.00	112.00	112.00	112.50
Total FTEs	111.00	112.00	112.00	112.00	112.50
Performance Measures					
Number of Notice of Violations and Notice of Enforcement Actions	New Meas	0	0	0	0
Wastewater Quality: Biological Oxygen Demand	2.14	2.24	3	3	3
Wastewater Quality: Ammonia	0.32	0.67	0.50	0.50	0.50
kWh per million gallons of wastewater treated	New Meas	1,909	1,700	1,700	1,700
Services					
Wastewater treatment and release; Regulatory documentation					

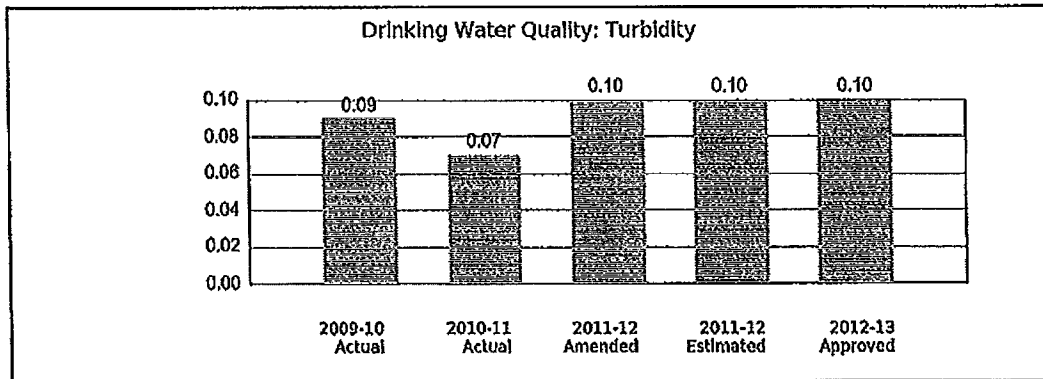
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Austin Water Utility Budget Detail by Activity

Program: Treatment

Activity: Water Treatment

To provide an adequate and safe supply of drinking water to Utility customers in order to meet demand, fire suppression, and other community needs.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	20,169,770	21,057,674	22,976,563	23,047,367	24,067,921
Expense Refunds	15,934	17,784	17,639	17,639	17,639
Total Requirements	\$20,185,704	\$21,075,458	\$22,994,202	\$23,065,006	\$24,085,560
Full-Time Equivalents					
Austin Water Utility Fund	81.00	81.00	81.00	81.00	93.00
Total FTEs	81.00	81.00	81.00	81.00	93.00
Performance Measures					
Actual water distributed in millions of gallons	New Meas	52,823	55,000	55,000	55,000
Actual water pumpage in millions of gallons	43,827	54,923	55,000	55,000	55,000
Dosage of ferric per MG of water treated	New Meas	52	60	60	60
Dosage of chlorine per MG of water treated	New Meas	34	35	35	35
Dosage of lime per MG of water treated	New Meas	976	950	950	950
Drinking Water Quality: Turbidity	0.09	0.07	0.10	0.10	0.10
kWh per million gallons of water treated	New Meas	1,804	1,800	1,800	1,800

Services

Water treatment; Sludge disposal; Process control; Regulatory documentation

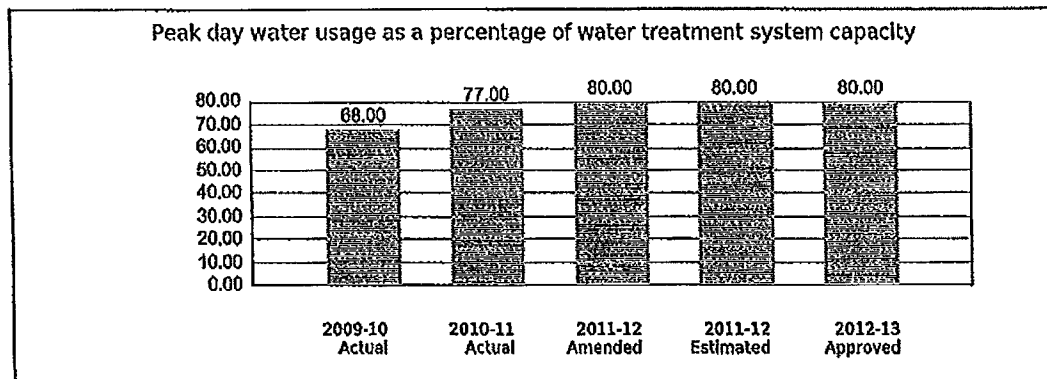
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Austin Water Utility Budget Detail by Activity

Program: Water Resources Management

Activity: Systems Planning

To provide analysis of the wastewater collection and water distribution systems for Utility management in order to insure adequate infrastructure capacities are available and to identify areas for system improvement.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	2,134,595	2,238,684	2,377,759	2,434,903	2,924,021
Total Requirements	\$2,134,595	\$2,238,684	\$2,377,759	\$2,434,903	\$2,924,021
Full-Time Equivalents					
Austin Water Utility Fund	21.00	23.00	23.00	23.00	25.00
Total FTEs	21.00	23.00	23.00	23.00	25.00
Performance Measures					
Number of hydraulic studies completed	168	193	100	100	100
<i>Peak day water usage as a percentage of water treatment system capacity</i>	<i>68</i>	<i>77</i>	<i>80</i>	<i>80</i>	<i>80</i>

Services

Management of Asset Management Program and CIP Management Program; Water supply planning; Hydraulic analysis and system modeling, identification of system deficiencies; Proposals for new facilities; Long range facility plans and area studies; Strategies for water and wastewater system operation; Land use assumptions and CIP for state impact fee requirements; Forecasts of demand by small areas and system-wide.

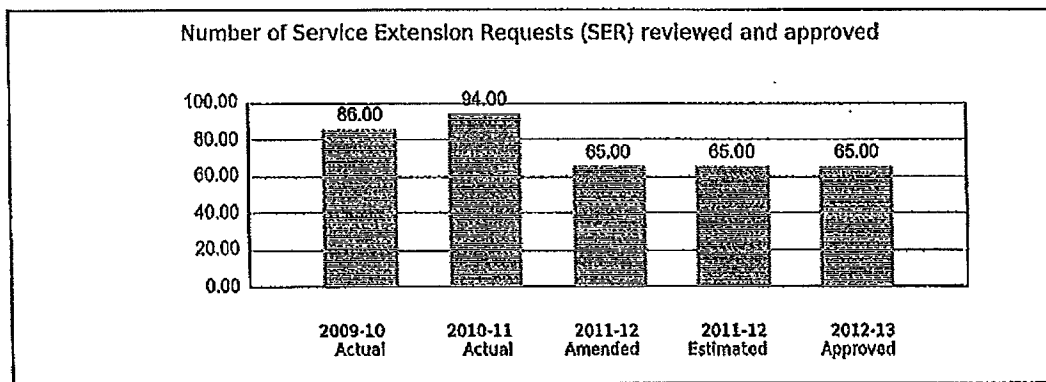
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Austin Water Utility Budget Detail by Activity

Program: Water Resources Management

Activity: Utility Development Services

To review centralized, decentralized, and alternative water and wastewater development proposals; process service extension requests; review subdivision plats, preliminary plans, site plans, and zoning cases; enforce the private lateral program; and manage the on-site wastewater service program for developers and individuals in order to ensure adequate levels of service and compliance with the regulatory requirements of a public utility.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	1,004,555	1,097,523	1,163,575	1,176,852	1,289,389
Total Requirements	\$1,004,555	\$1,097,523	\$1,163,575	\$1,176,852	\$1,289,389
Full-Time Equivalents					
Austin Water Utility Fund	11.00	12.00	12.00	12.00	12.00
Total FTEs	11.00	12.00	12.00	12.00	12.00
Performance Measures					
Number of on-site sewage facilities (OSSF) for wastewater services reviewed and approved	New Meas	44	60	60	60
Number of Service Extension Requests (SER) reviewed and approved	86	94	65	65	65

Services

Engineering review for subdivision plats, preliminary plans, zoning and site plans, service extension requests, and on-site facilities applications for service; engineering review for centralized, decentralized, and alternative wastewater collection systems; enforcement of the private lateral program; service extension request process administration through Water and Wastewater Commission and Council; plan review, inspections and complaint follow up for on-site sewage facilities

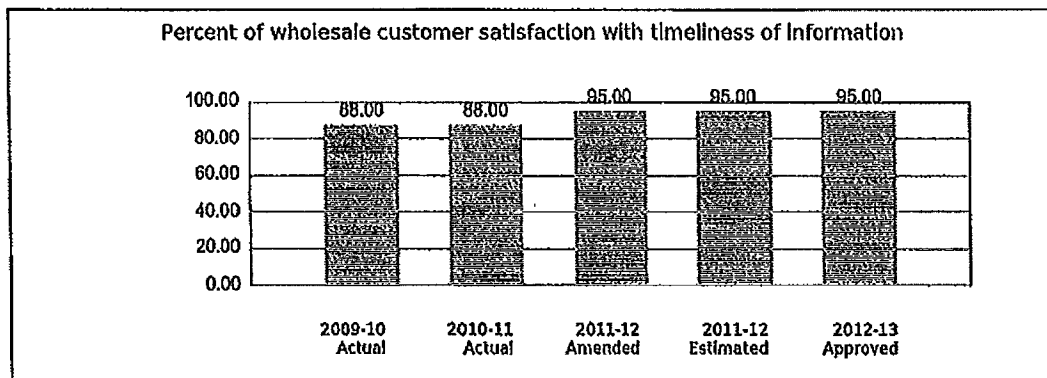
Bold/italicized Measure = Key Indicator

Austin Water Utility Budget Detail by Activity

Program: Water Resources Management

Activity: Utility Strategic Resources

To provide effective customer management to wholesale and industrial customers; effectuate wholesale, developer, and settlement agreements in the best interests of the City and the AWU; and assist AWU management in the implementation of business process improvements.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	658,861	536,016	499,731	495,139	573,305
Total Requirements	\$658,861	\$536,016	\$499,731	\$495,139	\$573,305
Full-Time Equivalents					
Austin Water Utility Fund	5.00	5.00	5.00	5.00	5.00
Total FTEs	5.00	5.00	5.00	5.00	5.00
Performance Measures					
Percent of wholesale customer satisfaction with timeliness of information	88	88	95	95	95
Percentage of major industrial customers satisfied with quality of services	New Meas	New Meas	New Meas	New Meas	95
Services					
Customer relationship management; contract negotiation; contract development; contract monitoring; facilitation of business improvement projects; Wholesale capital recovery fee management; review of proposed legislation; industrial billing invoice verification; coordination of municipal utility district bond issuance reviews in AWU					

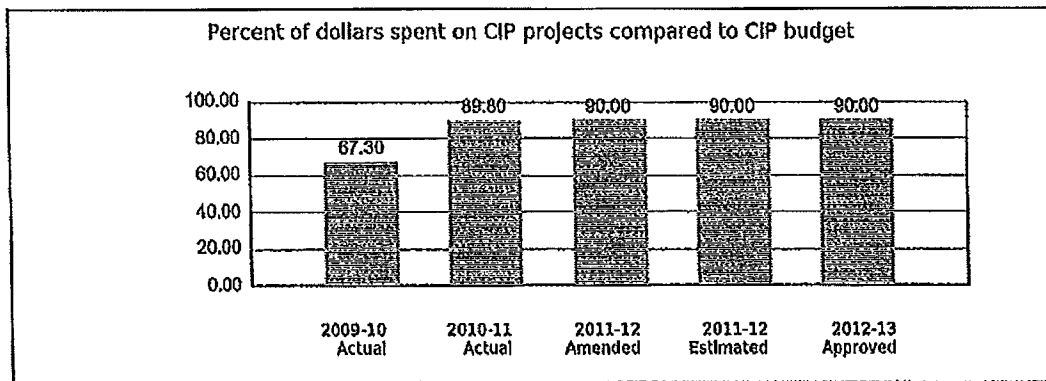
Bold/italicized Measure = Key Indicator

Austin Water Utility Budget Detail by Activity

Program: Support Services

Activity: Departmental Support Services

The purpose of the Departmental Support Services activity is to provide administrative and managerial support to the department in order to produce more effective services.



	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	16,283,017	15,997,079	16,725,781	17,547,895	19,255,490
Expense Refunds	199,994	252,598	220,000	220,000	235,600
Total Requirements	\$16,483,011	\$16,249,677	\$16,945,781	\$17,767,895	\$19,491,090
Full-Time Equivalents					
Austin Water Utility Fund	156.80	158.10	159.80	159.80	162.30
Total FTEs	156.80	158.10	159.80	159.80	162.30
Performance Measures					
Average Annual Carbon Footprint	New Meas	7,722	8,358	8,369	6,347
Customer service complaint rate	New Meas	0.08	0.20	0.20	0.20
<i>Dollar amount of revenues recovered</i>	<i>2,297,640</i>	<i>2,616,091</i>	<i>3,000,000</i>	<i>3,000,000</i>	<i>3,000,000</i>
Employee Turnover Rate	7.56	4.07	7	7	7
Lost Time Injury Rate Per the Equivalent of 100 Employees	3.01	2.19	1.70	1.70	1.70
<i>Percent of dollars spent on CIP projects compared to CIP budget</i>	<i>67.30</i>	<i>89.80</i>	<i>90</i>	<i>90</i>	<i>90</i>
Sick leave hours used per 1,000 hours	35.67	34.31	35	35	35

Services

Office of the Director, Financial Monitoring, Budgeting, Accounting, Purchasing, Human Resources, Facility Expenses, Information Technology Support, Public Information, Vehicle and Equipment Maintenance, Grant Administration, Safety, Customer Service, Inventory Control, Audit/Internal Review, Contract Management

Bold/italicized Measure = Key Indicator

Austin Water Utility Budget Detail by Activity

Program: Transfers and Other Requirements

Activity: All Activities

The purpose of the Transfers and Other Requirements program is to account for transfers and other departmental requirements at the fund or agency level.

Graph Not Applicable

	2009-10 Actual	2010-11 Actual	2011-12 Amended	2011-12 Estimated	2012-13 Approved
Requirements					
Austin Water Utility Fund	251,949,232	297,489,262	318,780,361	316,578,074	355,065,450
Expense Refunds	32,559	64,447	15,000	15,000	15,000
Total Requirements	\$251,981,791	\$297,553,709	\$318,795,361	\$316,593,074	\$355,080,450

Bold/Italicized Measure = Key Indicator

Austin Water Utility - 2012-13

Austin Water Utility Fund

	2009-10 Actual	2009-10 FTE	2010-11 Actual	2010-11 FTE	2011-12 Amended	2011-12 FTE	2011-12 Estimated	2011-12 FTE	2012-13 Approved	2012-13 FTE
ENGINEERING SERVICES										
Collection Engineering	\$4,059,458	20.00	\$4,432,584	20.00	\$4,943,048	20.00	\$4,565,185	20.00	\$5,183,301	25.00
Distribution Engineering	\$923,278	14.00	\$1,122,708	14.00	\$1,870,744	14.00	\$1,564,061	14.00	\$2,309,229	9.00
Facility Engineering	\$2,652,683	29.00	\$2,583,554	28.00	\$2,989,570	28.00	\$3,008,318	28.00	\$3,279,502	27.00
Pipeline Engineering	\$2,362,362	26.00	\$2,187,863	27.00	\$2,254,517	26.00	\$2,223,262	26.00	\$2,556,619	26.00
Subtotal	\$9,997,781	89.00	\$10,326,709	89.00	\$12,057,879	88.00	\$11,360,826	88.00	\$13,328,651	87.00
ENVIRONMENTAL AFFAIRS & CONSERVATION										
Regulatory Support	\$1,238,087	10.00	\$1,162,030	10.00	\$1,035,122	10.00	\$1,071,493	10.00	\$1,302,132	11.00
Special Services	\$2,027,443	26.00	\$2,072,769	27.00	\$2,092,232	26.00	\$2,043,796	26.00	\$2,382,534	26.00
Water Conservation	\$6,247,886	25.00	\$4,604,386	20.00	\$6,644,349	19.00	\$4,359,163	19.00	\$6,526,427	19.00
Wildland Conservation	\$2,263,197	19.00	\$2,128,028	20.00	\$2,499,008	20.00	\$2,461,340	20.00	\$2,870,710	21.00
Subtotal	\$11,776,613	80.00	\$9,967,213	77.00	\$12,270,711	75.00	\$9,935,792	75.00	\$13,081,803	77.00
ONE STOP SHOP										
Inspection, Review, and Support	\$476,113	6.30	\$496,730	6.00	\$523,962	6.30	\$523,962	6.30	\$598,884	6.30
Subtotal	\$476,113	6.30	\$496,730	6.00	\$523,962	6.30	\$523,962	6.30	\$598,884	6.30
PIPELINE OPERATIONS										
Collection System Services	\$11,515,402	120.00	\$10,344,397	116.00	\$11,078,811	116.00	\$11,040,066	116.00	\$12,234,066	115.00
Construction and Rehabilitation Services	\$3,858,116	51.00	\$3,705,015	50.00	\$4,223,599	51.00	\$4,261,935	51.00	\$4,753,072	52.00
Distribution System Maintenance	\$12,610,097	131.30	\$13,502,226	100.30	\$12,344,518	100.63	\$12,749,980	100.63	\$14,414,311	100.63
Management Services	\$1,228,713	17.00	\$1,168,417	20.00	\$1,508,114	20.00	\$1,756,988	20.00	\$1,630,071	19.00
Water Meter Operations	\$4,535,276	22.70	\$4,728,138	54.70	\$4,635,146	53.37	\$4,713,375	53.37	\$5,314,538	56.37
Subtotal	\$33,747,604	342.00	\$33,448,193	341.00	\$33,790,188	341.00	\$34,522,344	341.00	\$38,346,058	343.00
RECLAIMED WATER SERVICES										
Reclaimed Water Services Support	\$0	0.00	\$0	2.00	\$255,585	2.00	\$251,328	2.00	\$275,651	2.00
Subtotal	\$0	0.00	\$0	2.00	\$255,585	2.00	\$251,328	2.00	\$275,651	2.00

Austin Water Utility - 2012-13

Austin Water Utility Fund

	2009-10 Actual	2009-10 FTE	2010-11 Actual	2010-11 FTE	2011-12 Amended	2011-12 FTE	2011-12 Estimated	2011-12 FTE	2012-13 Approved	2012-13 FTE
TREATMENT										
Laboratory Services	\$3,907,842	40.00	\$3,686,194	40.00	\$4,025,396	40.00	\$4,006,713	40.00	\$4,924,653	40.00
Lift Stations and Remote Facilities	\$4,774,627	24.00	\$4,766,858	24.00	\$5,020,673	24.00	\$5,059,343	24.00	\$5,233,797	30.00
Maintenance Services	\$4,106,764	50.00	\$4,322,845	48.00	\$4,188,438	48.00	\$4,319,850	48.00	\$4,920,392	50.00
Process Engineering	\$805,682	6.00	\$659,940	6.00	\$736,568	6.00	\$745,628	6.00	\$1,017,940	7.00
Pump Station and Reservoir Maintenance	\$5,145,036	30.00	\$5,809,019	30.00	\$6,627,966	30.00	\$6,668,796	30.00	\$7,027,131	31.00
Treatment Support	\$1,506,209	17.00	\$2,318,641	16.00	\$2,795,503	16.00	\$3,111,324	16.00	\$3,199,650	11.00
Wastewater Treatment	\$17,997,228	111.00	\$18,213,225	112.00	\$21,082,199	112.00	\$21,755,991	112.00	\$23,022,391	112.50
Water Treatment	\$20,169,770	81.00	\$21,057,674	81.00	\$22,976,563	81.00	\$23,047,367	81.00	\$24,067,921	93.00
Subtotal	\$58,413,158	359.00	\$60,834,396	357.00	\$67,453,306	357.00	\$68,715,012	357.00	\$73,413,875	374.50
WATER RESOURCES MANAGEMENT										
Strategic and Business Improvement Services	\$658,860	5.00	\$536,016	5.00	\$499,731	5.00	\$495,139	5.00	\$573,305	5.00
Systems Planning	\$2,134,595	21.00	\$2,238,684	23.00	\$2,377,759	23.00	\$2,434,903	23.00	\$2,924,021	25.00
Utility Development Services	\$1,004,555	11.00	\$1,097,523	12.00	\$1,163,575	12.00	\$1,176,852	12.00	\$1,289,389	12.00
Subtotal	\$3,798,010	37.00	\$3,872,223	40.00	\$4,041,065	40.00	\$4,106,894	40.00	\$4,786,715	42.00
SUPPORT SERVICES										
Departmental Support Services	\$16,283,017	156.80	\$15,997,079	158.10	\$16,725,781	159.80	\$17,547,895	159.80	\$19,255,490	162.30
Subtotal	\$16,283,017	156.80	\$15,997,079	158.10	\$16,725,781	159.80	\$17,547,895	159.80	\$19,255,490	162.30
TRANSFERS & OTHER REQUIREMENTS										
Debt Interest and Commission	\$407,348	0.00	\$43,383	0.00	\$60,597	0.00	\$60,597	0.00	\$60,597	0.00
Debt Transfers	\$159,205,342	0.00	\$173,335,658	0.00	\$189,077,126	0.00	\$187,758,092	0.00	\$204,265,787	0.00
Interfund Transfers	\$62,111,690	0.00	\$88,118,312	0.00	\$89,897,059	0.00	\$89,303,478	0.00	\$108,351,402	0.00
Other Requirements	\$30,224,853	0.00	\$35,991,908	0.00	\$39,745,579	0.00	\$39,455,907	0.00	\$42,387,664	0.00
Subtotal	\$251,949,233	0.00	\$297,489,261	0.00	\$318,780,361	0.00	\$316,578,074	0.00	\$355,065,450	0.00
Total	\$386,441,529	1,070.10	\$432,431,804	1,070.10	\$465,898,838	1,069.10	\$463,542,127	1,069.10	\$518,152,577	1,094.10

Austin Water Utility - 2012-13

Expense Refunds

	2009-10 Actual	2009-10 FTE	2010-11 Actual	2010-11 FTE	2011-12 Amended	2011-12 FTE	2011-12 Estimated	2011-12 FTE	2012-13 Approved	2012-13 FTE
ENVIRONMENTAL AFFAIRS AND CONSERVATION										
Special Services	\$0	0.00	\$70	0.00	\$0	0.00	\$0	0.00	\$0	0.00
Subtotal	\$0	0.00	\$70	0.00	\$0	0.00	\$0	0.00	\$0	0.00
PIPELINE OPERATIONS										
Construction and Rehabilitation Services	\$0	0.00	\$0	0.00	\$100	0.00	\$100	0.00	\$100	0.00
Distribution System Maintenance	\$0	0.00	\$0	0.00	\$500	0.00	\$500	0.00	\$500	0.00
Water Meter Operations	\$5,397	0.00	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
Subtotal	\$5,397	0.00	\$0	0.00	\$600	0.00	\$600	0.00	\$600	0.00
TREATMENT										
Maintenance Services	\$12,920	0.00	\$9,274	0.00	\$12,338	0.00	\$12,338	0.00	\$12,338	0.00
Process Engineering	\$6,844	0.00	\$12,559	0.00	\$13,952	0.00	\$13,952	0.00	\$13,952	0.00
Treatment Support	\$37,993	0.00	\$114,224	0.00	\$75,984	0.00	\$118,730	0.00	\$118,730	0.00
Water Treatment	\$15,934	0.00	\$17,784	0.00	\$17,639	0.00	\$17,639	0.00	\$17,639	0.00
Subtotal	\$73,691	0.00	\$153,841	0.00	\$119,913	0.00	\$162,659	0.00	\$162,659	0.00
SUPPORT SERVICES										
Departmental Support Services	\$199,994	0.00	\$252,598	0.00	\$220,000	0.00	\$220,000	0.00	\$235,600	0.00
Subtotal	\$199,994	0.00	\$252,598	0.00	\$220,000	0.00	\$220,000	0.00	\$235,600	0.00
TRANSFERS AND OTHER REQUIREMENTS										
Other Requirements	\$32,559	0.00	\$64,447	0.00	\$15,000	0.00	\$15,000	0.00	\$15,000	0.00
Subtotal	\$32,559	0.00	\$64,447	0.00	\$15,000	0.00	\$15,000	0.00	\$15,000	0.00
Total	\$311,041	0.00	\$470,956	0.00	\$355,513	0.00	\$398,259	0.00	\$413,859	0.00

Austin Water Utility

Fund Summary Line Item Description

1. Fund Summary General Description:

Each of our water, wastewater and reclaimed water utilities' finances are accounted for in separate funds. The fund summary for each of these utilities provide historical actual and projected revenue and expenses. These fund summaries show 2 years of actual, the current fiscal year budget and estimate, and 5 years of projected revenue and expenses. The summaries include fund balances, system-wide rate increases and debt coverage ratios. The combined fund summary provides a roll-up total of all of the three utilities of water, wastewater and reclaimed funds.

2. Fund Summary Line Item Description:

Descriptions of the fund summary line items of revenue and expenses are detailed below.

2.1. Beginning Balance:

The beginning fund balance is the working capital balance of each fund. This balance is the ending balance from the prior year. The beginning balance of the current year estimate is the audited ending balance from the prior fiscal year. For enterprise funds, this includes current assets (cash and accounts receivable) less current liabilities (accounts payable) and reserve for encumbrances.

2.2. Revenue:

These line items detail the revenue received by AWU.

2.2.1. Water Services

Includes revenue from the sale of water to AWU water customers based on historical, current, and projected water rates.

2.2.2. Wastewater Services

Includes revenue from the sale of wastewater services to AWU wastewater customers based on historical, current, and projected wastewater rates.

2.2.3. Reclaimed Water Services

Includes revenue from the sale of reclaimed water to AWU reclaimed water customers based on historical, current, and projected reclaimed water rates.

2.2.4. Revenue Stability Fee

Includes revenue from the revenue stability fee approved by Council in 2012. Subsequent to the approval of this fee, Council authorized the Joint Committee on AWU's Financial Plan to replace this fee. The fee was replaced in February 2013 with the implementation of the new water rate structures and tiered fixed fee recommended by the Joint Committee. This revenue source would only show revenue through fiscal year 2013.



2.2.5. Reserve Fund Surcharge

Includes revenue from the newly implemented reserve fund surcharge to build the Water Revenue Stability Reserve Fund approved by the Joint Committee. Each customer pays a surcharge based on their water consumption and the current rate. This was implemented in February 2013. Revenue collected from the surcharge is transferred into a separate reserve fund that is restricted by Council approved financial policies.

2.2.6. Miscellaneous Revenue

Includes revenue from miscellaneous fees and charges for various services provided by AWU. These revenue sources include late payment penalties, interest subsidies from the US Treasury for Build America Bond issuances, Dillo Dirt sales, Backflow Prevention Permit Fees, Industrial Waste Permits, Septic Tank Haulers Fee, After Hours Turn On Fees, and numerous other small revenue sources.

2.2.7. Interest Income

Includes income earned from interest paid by financial institutions on AWU cash balances held in City's investment pool. Projections of interest income include assumptions for the cash balances and interest rates paid by financial institutions.

2.3. Total Revenue:

The total revenue line item represents the total of all revenue line items above.

2.4. Transfers – In:

These line items detail the transfers in to the AWU of other revenue sources or departments.

2.4.1. Public Works

This transfer in to AWU is from Public Works related to the allocated portion of their costs of debt service related to the past partial construction of the joint use Braker Lane Service Center. The construction of this facility was being fully paid by AWU during the early construction phases of the project when explosive material was found on the site that exploded and stopped construction. This transfer in to the AWU will continue until the bond funding for those construction costs are retired.

2.4.2. Capital Recovery Fees

This transfer in is for capital recovery fees or impact fees which are collected from developers, businesses, or homeowners that want to connect to our water and wastewater system. These fees are collected and accounted for in a separate fund which must be transferred to the appropriate water or wastewater fund and are therefore shown as a transfer in. No fees are currently collected for the reclaimed water system.

2.4.3. Reclaimed Utility Fund

The water and wastewater utilities must transfer funds to the reclaimed water utility to offset costs not covered by the reclaimed water revenue. This line item is shown in the transfer in section of the reclaimed water utility and the combined summary only. A corresponding transfer out is shown in the water and wastewater utilities.

2.5. Total Transfers In:

The total transfers in line item represents the total of all transfer in line items above.

2.6. Total Available Funds:

The total available funds line item represents the total of total revenue and total transfers in.

2.7. Operations and Maintenance:

These line items detail the operations and maintenance costs of AWU programs.

2.7.1. Treatment

Includes all operations and maintenance costs associated with producing and distributing water and collecting and treating wastewater. Costs include personnel, contractual services, commodities, and non-CIP capitals for the Treatment Program which is comprised of water treatment plants, wastewater treatment plants, pump stations and reservoirs, lift stations, process engineering, laboratory services, administrative support, and maintenance services.

2.7.2. Pipeline Operations

Includes all operations and maintenance costs associated with the maintenance and repair of water and wastewater pipeline infrastructure. These costs include water distribution system maintenance, collection system maintenance, valve and hydrant maintenance, construction services, and meter shop operations. Costs include personnel, contracts and services, commodities, and Non-CIP Capitals.

2.7.3. Engineering Services

Includes all operations and maintenance costs associated with engineering, project management, and technical support for the Utility's facilities and infrastructure systems. These costs include collection engineering, distribution engineering, pipeline engineering, and facility engineering. Costs include personnel, contracts and services, commodities, and Non-CIP Capitals.

2.7.4. Water Resources Management

Includes all operations and maintenance costs associated with engineering, technical, management, and administrative services to infrastructure field operations, maintenance, and support programs and wholesale customers. These costs include systems planning, utility development services, and utility strategic resources. Costs include personnel, contracts and services, commodities, and Non-CIP Capitals.

- 2.7.5. Environmental Affairs & Conservation**
Includes all operations and maintenance costs associated with engineering, management, administrative, regulatory, and technical support services for water conservation, Wildland preservation, biosolids management. These costs include regulatory support, water conservation, Wildland conservation, and special services. Costs include personnel, contracts and services, commodities, and Non-CIP Capitals.
- 2.7.6. Support Services – Utility**
Includes all operations and maintenance costs associated with operational support to AWU. These costs include human resources services, public involvement, internal audit, office of director, financial management, facility management, budget and accounting, information technology, security management, safety and technical training, and consumer services. Costs include personnel, contracts and services, commodities, and Non-CIP Capitals.
- 2.7.7. Reclaimed Water Services**
Includes all operations and maintenance costs associated with the reclaimed water program. These costs include reclaimed water program management, meter shop reclaimed water support, reclaimed water distribution operations, reclaimed water distribution maintenance, and reclaimed water service miscellaneous. Costs include personnel, contracts and services, commodities, and Non-CIP Capitals.
- 2.7.8. One Stop Shop**
Includes operations and maintenance costs in several divisions related to the City-wide One Stop Shop which provides development assistance for water, wastewater, and reclaimed water utility services.
- 2.7.9. Other Operating Expenses**
Includes Utility-wide expenses for legal services, bad debt, general liability insurance, contingency funds, Austin Fire Department hazardous material removal services, and other miscellaneous contractual services.
- 2.8. Total Operations and Maintenance:**
The total operations and maintenance line item represents the total of operations and maintenance line items above.
- 2.9. Other Requirements:**
These line items detail the other operating costs not within specific AWU programs.
- 2.9.1. Accrued Payroll**
This requirement is to allocate funds every year to accrue funds to pay for when the City's incurs a 27th pay period which occurs every six years. These funds are accrued and reserved in a separate fund over the years, until the next 27th pay period occurs.

- 2.9.2. 27th Pay Period Expense**
For FY 2010-11, the Utility incurred a 27th pay period. This line item represents the cost of the additional 27th pay period.
- 2.9.3. 27th Pay Period Expense Refund**
For FY 2010-11, the Utility incurred a 27th pay period. This line item represents the cost reimbursement from the accrued funds held in reserve for the additional 27th pay period. The net cost for the 27th pay period in FY 2010-11 is zero since the accrued funds from prior years are used to fund this expense.
- 2.9.4. Workers' Compensation Fund**
This requirement is AWU's allocation to fund the Worker's Compensation Fund which provides payments mandated by State law for City employees' medical expenses associated with job-related injuries and illnesses.
- 2.9.5. Liability Reserve Fund**
This requirement is AWU's allocation to fund the Liability Reserve Fund which is responsible for paying claims and losses related to third party –liability for bodily injury and property damage, including contractual and professional liability.
- 2.9.6. Administrative Support – City**
This requirement is AWU's allocation to fund the General Fund Administrative Support Departments and Offices (City Clerk, Mayor & Council, Management Services, Communication & Public Information, Law, Human Resources, City Auditor, Financial Services, Building Services, Small & Minority Business, Contract Management, Office of Real Estate, and Government Relations) for the various support services they provide the Utility.
- 2.9.7. AE Billing & Customer Care**
This requirement is AWU's allocation to fund the AE Billing & Customer Care centers which provide billing and revenue collection services for all City of Austin utilities.
- 2.9.8. 311 System Support**
This requirement is AWU's allocation to fund the 311 System Support which provides a single point of contact for Austin's citizens and visitors offering information to callers regarding all City departments including Austin Police Department non-emergency requests.
- 2.9.9. CTM Support**
This requirement is AWU's allocation to fund the Communications Technology Management Department for the various support services they provide the Utility.
- 2.9.10. CTECC Emergency Operation Center**
This requirement is AWU's allocation to fund the Combined Transportation and Emergency Communications (CTECC) Emergency Operation Center.

2.9.11. Compensation Adjustment

This requirement is to fund projected salary increases associated with City-wide wage adjustments

2.9.12. Additional Contribution to Retirement

This requirement is for an equivalent of 2% of payroll costs to help improve the funded status of the City's pension system. The City increased the contribution to the retirement fund by 8% over 4 years. This line was eliminated in the 2013 budget as these costs were included in the operations and maintenance personnel costs.

2.10. Total Other Requirements:

This line item represents the total of all other operating line items above.

2.11. Total Operating Requirements:

This line item represents the total of operations and maintenance and other operating requirements.

2.12. Debt Service:

These line items detail AWU's debt service costs from existing and projected debt issuances.

2.12.1. Revenue Bond Debt Service

This line item represents existing and projected revenue bond principal and interest paid historically projected to be paid by AWU. Revenue bonds are payable from identified sources of revenue.

2.12.2. Commercial Paper Debt Service

This line item represents existing and projected interest and fees associated with the commercial paper program paid historically and projected to be paid by AWU. AWU finances capital needs through commercial paper programs because it allows a project to be financed on an ongoing "just-in-time" basis at a lower initial rate. Commercial paper is generally refunded into long-term revenue bonds on an annual basis.

2.12.3. Contract Bond Debt Service

AWU does not currently have contract bonds which were obligations related to previous Municipal Utility Districts that have since been annexed or the debt retired. This line item will be removed from future fund summaries.

2.12.4. General Obligation Debt Service

This line item represents existing and projected general obligation bond principal and interest payments paid historically and projected to be paid by AWU. AWU's General obligation debt includes Public Improvement Bonds (PIBs) and Contractual Obligation Bonds (KOs). PIBs are issued for voter-approved capital projects, usually with a 20-year final maturity. KOs are issued for personal property that does not require voter approval; they usually have a five

to seven year final maturity, depending on the useful life of the personal property purchased. These have been used primarily for the purchase of fleet vehicles and equipment.

2.12.5. Water District Bonds

This line item represents existing and projected tax and revenue bond principal and interest payments paid historically and projected to be paid by AWU. AWU assumed these bonds when various Municipal Utility Districts were annexed by the City of Austin.

2.13. Total Debt Service:

This line item represents the total of all debt service line items above.

2.14. Transfers Out:

These line items detail the transfers out of AWU's operating funds to other City funds.

2.14.1. Capital Improvement Program Funds

The goal of AWU is to cash-fund a minimum of 20% of capital projects with cash, so AWU budgets annual transfers of cash from the operating fund to the CIP funds accordingly.

2.14.2. General Fund

Per City Council policy, The General Fund receives annual transfers of funds from Austin Water Utility at 8.2% of a 3-year average total revenue. These transfers serve as payments in lieu of property taxes, dividends, or return-on-equity-type payments commonly paid to municipal governments by investor-owned utilities. The transfers are calculated based on a rolling average of actual revenue from the last two years and estimated revenue in the current year.

2.14.3. Revenue Stability Reserve Fund

A revenue fund surcharge, approved by the Joint Committee and implemented in February 2013, requires each customer to pay a surcharge based on their water consumption and the current rate. Revenue collected from the surcharge is transferred into this separate reserve fund, restricted by Council, which will be used to offset future revenue shortfalls according to a new AWU financial policy.

2.14.4. Radio Communications Fund

The purpose of the Wireless Communications Services program is to provide cost effective maintenance services in support of customer two-way radio communication and other vehicular equipment needs. This line item represents AWU's allocation of these city-wide costs.

2.14.5. Sustainability Fund

The Sustainability Fund provides resources that help the City of Austin build a more sustainable economy, environment, and equitable infrastructure. The fund is entirely funded by transfers in from several City enterprise funds. This line item represents AWU's allocation of those city-wide costs. AWU's

participation in paying for these costs is proposed to be phased out over 4 years.

2.14.6. Reclaimed Utility Fund

The water and wastewater utilities must transfer funds to the reclaimed water utility to offset costs not covered by the reclaimed water revenue. This line item is shown in the transfer in section of the reclaimed water utility and the combined summary only. A corresponding transfer out is shown in the water and wastewater utilities.

2.14.7. Economic Incentives Reserve Fund

The Economic Incentives Reserve Fund provides incentive grants and other economic incentive agreements established on the grounds that they provide higher levels of employment, economic activity, and stability. The fund is funded by transfers from the General Fund, Austin Energy, and Austin Water. The transfers are completed in anticipation of future payouts as specified in the agreements. This line item represents AWU's allocation of these city-wide costs.

2.14.8. Public Improvement District

On April 15, 1993, Austin City Council created a Public Improvement District (PID) to provide constant and permanent funding to implement downtown initiatives. The PID is a means for the Downtown Austin community to provide adequate and constant funds for quality of life improvements and planning and marketing of Downtown Austin. On October 11, 2012, the Austin City Council reauthorized the Austin Downtown Public Improvement District for ten years. Austin Water Utility transfers \$75,000 per year to the PID due to the Waller Creek Center being within the PID.

2.14.9. PARD CIP-Swimming Pools

Austin Water Utility has budgeted \$100,000/year to transfer to a PARD CIP fund for contribution to a water conservation program of converting fill and drain pools to filtered pools not requiring daily draining.

2.14.10. Environmental Remediation Fund

The purpose of the Environmental Remediation Fund is to provide remediation of sites which could affect ground and surface water quality or public health and safety. Use of these funds is limited to those sites for which the City has either partial or total liability. Transfers to this fund from Austin Water are based on the number of sites scheduled for remediation and their associated costs. This line item represents AWU's allocation of these city-wide costs.

2.15. Total Transfers Out:

This line item represents the total of all transfers out line items above.

2.16. Total Requirements:

This line item represents the total of all operating and other requirements, debt service, and transfers out.

- 2.17. Excess / Deficiency of Total Available Funds Over Total Requirements:**
This line item represents the net of the increase/decrease of funds received over funds expensed.
- 2.18. Adjustment to GAAP:**
This represents the differences of line items included in the General Accepted Accounting Principles (GAAP) basis ending balance calculation and not included in the current budget fiscal year (budget basis).
- 2.19. Ending Balance:**
The ending fund balance is the unrestricted working capital balance of each fund and must reconcile to the audited ending balance on a GAAP basis. For enterprise funds, this includes current assets (cash and accounts receivable) less current liabilities (accounts payable) and reserve for encumbrances.
- 2.20. Combined Rate Increase:**
This line item provides the combined, water, wastewater, and reclaimed historical and projected rate increases for these funds. These rate increases are system-wide rate increases and do not specifically identify customer class rate changes. Customer class rate changes are calculated separately through AWU's cost of service rate methodologies and models.
- 2.21. Debt Service Coverage Ratio:**
The debt service coverage ratio is a financial metric designed to be a measurement of a utility's ability to produce enough revenue to cover its debt service payments. For AWU, the calculation is defined as the total revenue (Available Funds) less total operating costs divided by revenue bond debt service. AWU's financial policy requires a debt service coverage ratio of at least 1.50x. AWU's current financial plan over the next 5 years targets a debt service coverage of above 1.60x.

SOAH DOCKET NO. 473-14-5138
PUC DOCKET NO. 42857

PETITION OF NORTH AUSTIN § BEFORE THE STATE OFFICE
MUNICIPAL UTILITY DISTRICT NO. 1, §
NORTHTOWN MUNICIPAL UTILITY §
DISTRICT, TRAVIS COUNTY WATER §
CONTROL AND IMPROVEMENT §
DISTRICT NO. 10 AND WELLS §
BRANCH MUNICIPAL UTILITY § OF
DISTRICT ("PETITIONERS"), FROM §
THE RATEMAKING ACTIONS OF THE §
CITY OF AUSTIN AND §
REQUEST FOR INTERIM RATES IN §
WILLIAMSON AND TRAVIS §
COUNTIES § ADMINISTRATIVE HEARINGS

SOAH DOCKET NO. 473-14-5138
PUC DOCKET NO. 42867

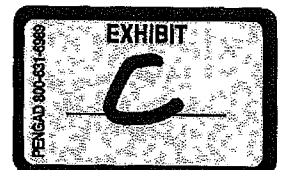
PETITION OF NORTH AUSTIN § BEFORE THE STATE OFFICE
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THE RATEMAKING ACTIONS OF THE §
CITY OF AUSTIN AND §
REQUEST FOR INTERIM RATES IN §
WILLIAMSON AND TRAVIS §
COUNTIES § ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY

OF

JAY JOYCE

ON BEHALF OF PETITIONERS
OCTOBER 17, 2014



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OF JAY JOYCE, WITNESS FOR
PETITIONERS**

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EXHIBITS

- Exhibit JJJ-1 Resume of Jay Joyce
- Exhibit JJJ-2 Joyce List of Utility Proceedings
- Exhibit JJJ-3 Petitioners' Water Cost of Service Model
- Exhibit JJJ-4 Petitioners' Wastewater Cost of Service Model
- Exhibit JJJ-5 Joyce Testimony Work Papers
- Exhibit JJJ-6 Joyce Water Model Work Papers
- Exhibit JJJ-7 Joyce Wastewater Model Work Papers

**DIRECT TESTIMONY
OF JAY JOYCE, WITNESS FOR
PETITIONERS**

1 **I. INTRODUCTION, POSITION, AND QUALIFICATIONS**

2
3 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT**
4 **EMPLOYMENT POSITION.**

5 A. My name is Jay Joyce. My business address is Expergy®, 325 N. St. Paul Street,
6 Suite 2100, Dallas, Texas 75201. I am president of Expergy, which provides expert
7 consulting services to the energy and utility industries.

8
9 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
10 **PROFESSIONAL EXPERIENCE.**

11 A. Exhibit JJJ-1 is a true and correct copy of my professional resume. I graduated from
12 the University of Texas in 1986 with a Bachelor of Business Administration degree
13 in Finance. In 1989, I earned a Master of Business Administration degree from
14 Southern Methodist University. While at Southern Methodist University, I was
15 employed by Reed-Stowe & Co. as a Senior Consultant. In 1995, I joined the
16 Management Consulting division of Deloitte & Touche LLP (now Deloitte
17 Consulting) as a Manager. In 1997, I was promoted to Senior Manager. My
18 responsibilities included project management for a wide range of utility-related
19 projects including valuations, merger and acquisition analyses, merger synergy
20 analyses, cost of service studies, management audits, cash working capital studies,
21 and preparation of expert testimony before various commissions, courts, and other
22 governmental authorities.

23
24 In January 2003, I resigned from Deloitte to join Management Applications
25 Consulting ("MAC"), a small professional services firm specializing in utility rate
26 matters. In 2004, several MAC partners and I formed Alliance Consulting Group, a
27 professional services firm headquartered in Dallas and focused on the utility

1 industry. In 2008, I sold my interest in the Alliance partnership, and I launched my
2 own consulting firm, Expergy.

3
4 **Q. WHAT ARE YOUR RESPONSIBILITIES IN YOUR CURRENT POSITION?**

5 A. Expergy provides expert consulting services to the energy and utility industries.
6 These services include utility cost of service studies, cost allocation, cash working
7 capital studies, valuation studies, rate case assistance, expert testimony, and other
8 related consulting services.

9
10 As President of Expergy, my responsibilities include preparing and presenting
11 analyses relating to utility pricing and rate matters; cost of service and revenue
12 requirement issues; cash working capital studies; customer and weather
13 normalization; and other gas, electric, water, and wastewater related matters.

14
15 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE**
16 **PUBLIC UTILITY COMMISSION OF TEXAS ("PUCT" OR**
17 **"COMMISSION")?**

18 A. Yes. I have previously testified and submitted written testimony to the Commission
19 in numerous proceedings. Additionally, I have previously testified or submitted
20 written testimony before other regulatory agencies and courts, both in Texas and in
21 other states. Exhibit JJJ-2 provides a list of the utility proceedings in which I have
22 appeared as an expert witness, participated as an expert, or made formal
23 presentations regarding utility matters.

24
25 **Q. WHAT EXHIBITS HAVE YOU PREPARED IN SUPPORT OF YOUR**
26 **TESTIMONY?**

27 A. My direct testimony and testimony exhibits JJJ-1 through JJJ-4, JJJ-6, JJJ-7 and
28 portions of JJJ-5 were prepared by me or under my direction, supervision, or control
29 and are true and correct to the best of my knowledge.

30

1 **Q. HAVE YOU PREPARED ANY OTHER DOCUMENTS TO SUPPORT YOUR**
2 **TESTIMONY?**

3 A. I have gathered or summarized various documents from the City's direct prefiled
4 testimony, the City's responses to Petitioners' discovery requests or the City's
5 website as my testimony work papers, which are attached as Exhibit JJJ-5. Except
6 for the summaries prepared by me, the documents in JJJ-5 were prepared by others,
7 and I have no personal knowledge of whether the documents are either true or
8 correct. I assumed the documents were true and correct for purposes of rendering
9 my opinions. The copies of the documents in JJJ-5 also include some hand written
10 notations that I made while I was reviewing them.

11

12 **Q. WHAT HAVE YOU REVIEWED IN ORDER TO PREPARE YOUR**
13 **TESTIMONY AND RENDER YOUR OPINIONS?**

14 A. I reviewed all of the City's prefiled direct testimony and exhibits, which I assumed to
15 be true and correct for purposes of my testimony and opinions. I reviewed the City's
16 responses to the Petitioners' discovery requests that were provided to me by counsel
17 for the Petitioners. I reviewed the pleadings that have been filed in this matter. I
18 reviewed data and reports that are available on the City's website.

19

20 The data and documents that I reviewed are the type of data and documents that rate
21 consultants generally rely upon when determining the reasonableness of the cost of
22 service prepared for a utility.

23

24 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

25 A. I am testifying on behalf of North Austin Municipal Utility District No. 1, Northtown
26 Municipal Utility District, Travis County Water Control and Improvement District
27 No. 10, and Wells Branch Municipal Utility District ("Petitioners").

1 **II. PURPOSE OF DIRECT TESTIMONY**

2
3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
4 **PROCEEDING?**

5 A. The purpose of my testimony is to discuss the errors in the City of Austin's cost of
6 service determinations for the Petitioners, which are all wholesale customers of the
7 City of Austin. I will identify certain adjustments that are required to the City of
8 Austin's requested water and wastewater costs of service filed before the
9 Commission.
10

11 **III. INTRODUCTION**

12
13 **Q. WHAT DID YOU DO TO DETERMINE WHETHER THE CITY'S COST OF**
14 **SERVICE PROPOSALS WERE REASONABLE?**

15 A. I began with a general review of information that is publicly available regarding the
16 City's costs of providing water and wastewater service and then reviewed the
17 information provided by the City in response to the Petitioners informal requests for
18 information. I was reviewing the City's information in order to determine whether
19 the City's cost of service contained any costs that should not have been included.
20 The City's cost of service is the basis for the City's calculation of rates for its various
21 customer classes. I became concerned when, after my initial review, it appeared to
22 me that the City was, in fact, including costs that were unrelated to providing water
23 or wastewater service in its cost of service used for the Petitioners' wholesale water
24 and wastewater rates. While the City may choose to include many costs unrelated to
25 the cost of utility service in the retail rates it charges to the City's own residents and
26 businesses, general ratemaking principles and the rules and regulations in Texas
27 prohibit the City from including costs that are unrelated to providing utility service to
28 the wholesale customers in the City's cost of service for those wholesale customers.
29 My initial findings concerned me, and I concluded that a more detailed analysis of
30 the City's data should be undertaken.
31

D. Summary of Austin's Position Regarding Prefiled Testimony of Heidi Graham

Clearly, PUC staff needs more time to develop a qualified expert opinion on the City of Austin cost of service for water and wastewater, because the testimony provided by Heidi Graham on December 12, 2014 is simply a statement of lack of understanding and information regarding the City of Austin position. Because the parties have been unable to resolve the matters in dispute to date, the parties have continued their hearing preparations. ~~The hearing schedule should be amended to allow PUC staff additional time to prepare a qualified expert opinion.~~ And, PUC staff should be willing to meet with Austin staff to obtain additional information as needed to do so, in the same manner as it might have, were this contested case hearing still at TCEQ where it began.

IV. RELIEF REQUESTED

THEREFORE, CONSIDERING THE FORGOING, AUSTIN RESPECTFULLY REQUESTS THE HONORABLE ADMINISTRATIVE LAW JUDGES sustain these objections and strike the testimony to which theses objections have been made as set forth herein above, and grant Austin such other and further relief, including the right to rebut disputed items of its water and wastewater cost of service to which it may show itself justly entitled.

Respectfully submitted,

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D. CLARK CORNWELL
Assistant City Attorney

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By: _____

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ATTORNEYS FOR CITY OF AUSTIN

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served via hand delivery, facsimile, electronic mail, overnight mail, US mail and/or Certified Mail Return Receipt Requested on all parties whose names appear on the mailing list below on this _____ day of _____, 2014.

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Via Electronic Upload

FOR THE ADMINISTRATIVE LAW JUDGES:

Honorable Pratibha J. Shenoy
Administrative Law Judge

Honorable Beth Bierman
Administrative Law Judge

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GWENDOLYN HILL WEBB

1 Q. HOW DID YOU APPROACH YOUR DETAILED REVIEW OF THE CITY'S
2 DATA?

3 A. Before proceeding with my review, ~~although the City has not provided any~~
4 ~~evidence of the reasonableness or necessity of the costs that are included in its cost~~
5 ~~of service study~~, I assumed that all of the data and information provided by the City
6 was true and correct. The City's water and wastewater rates are based on a water
7 allocation model and a wastewater allocation model. The City refused to provide
8 Excel versions of the models, so I was forced to use the PDF versions to rebuild the
9 models for analysis. I was able to rebuild the cost allocation models to tie to the
10 City's versions. In order to try to understand the costs of service, the Petitioners
11 asked numerous discovery questions of the City. ~~Although the City objected to~~
12 ~~virtually every request~~, I did review the ~~limited~~ data that the City was willing to
13 provide.

14
15 Q. WHY DID YOU MAKE THE ASSUMPTION THAT THE DATA PROVIDED
16 BY THE CITY WAS TRUE AND CORRECT?

17 A. In my work, I rely upon many documents that I do not prepare or have personal
18 knowledge of. Consequently, I have to assume that the information and data that I
19 review is true and correct, but I do not review the document or data to determine its
20 truthfulness or correctness.

21
22 Q. WHAT ARE YOUR IMPRESSIONS OF THE CITY'S PROPOSED WATER
23 AND WASTEWATER COSTS OF SERVICE?

24 A. ~~Based upon the information provided in the City's profiled testimony and exhibits,~~
25 ~~the City does not seem to grasp the fact that it has the burden of proof. Its general~~
26 ~~premise is that inclusion of costs in the models means those costs should~~
27 ~~automatically be considered reasonable. The allocation models have many pages of~~
28 ~~input data, but nowhere in the City's testimony or in discovery responses does the~~
29 ~~City attempt to justify the reasonableness and necessity of these costs to provide~~
30 ~~service to Petitioners. The City has intentionally made the process of rate~~
31 ~~development so unnecessarily complicated that it is almost impossible to follow~~

1 ~~costs through the allocation process. We absolutely cannot start with the assumption~~
2 ~~that the City's general approach is acceptable.~~ In my testimony, I address numerous
3 examples of costs that the City has tried to "sneak" into its cost of service, and these
4 are only the ones I was able to discover ~~given the City's unwillingness to cooperate~~
5 ~~with discovery.~~ This undoubtedly represents just an initial scratch in the surface of
6 the City's ~~current~~ approach to ratemaking.
7

8 **Q. HAVE YOU ADDRESSED EVERY AREA IN THE CITY'S TESTIMONY**
9 **WHERE YOU MAY HAVE DISAGREEMENT?**

10 A. No. I did not address every point where I may disagree. The fact that I have not
11 addressed some portion of the application or testimony does not imply that I am in
12 agreement.

- 1 Q. WHAT IS THE CITY REQUESTING IN THIS PROCEEDING? *
- 2 A. The City is requesting a total revenue requirement of \$264,922,766 for its water
- 3 utility and \$231,626,292 for its wastewater utility. The City is requesting the
- 4 following from the individual Petitioners:¹ *

Petitioner	AWU Requested Petitioners' Cost of Service		
	Water	Wastewater	Total
North Austin MUD	\$ 1,605,767	\$ 1,543,918	\$ 3,149,685
Northtown MUD	1,204,825	1,243,777	2,448,602
Water District 10 *	3,635,338	-	3,635,338
Wells Branch MUD	2,001,230	2,106,357	4,107,587
Total	\$ 8,447,160	\$ 4,894,052	\$13,341,212

* Water only

¹ See Jay Joyce Testimony Work Papers, Exhibit JJJ-5, Healy Exhibits 3,5,7,9,11,13,and 15, and Meszaros Direct, Exhibit 19, Table 296 and Meszaros Direct, Exhibit 21, Table 274

1 IV. ORGANIZATION OF TESTIMONY

2
3 Q. HOW HAVE YOU ORGANIZED THE REMAINDER OF THIS
4 TESTIMONY?

5 A. In the next section I discuss my recommended adjustments that affect both water and
6 wastewater costs of service. The following section addresses issues that only affect
7 water, and the next section after that addresses wastewater-only issues. Finally, I
8 discuss the water and wastewater cost of service models that I developed to
9 incorporate Petitioners' recommendations.
10

11 V. ISSUES AFFECTING BOTH WATER AND WASTEWATER

12
13 A. AWU Concessions

14
15 Q. PLEASE EXPLAIN YOUR FIRST ADJUSTMENT.

16 A. ~~In the profiled testimony of David Anders, he admits the AWU water and wastewater~~
17 ~~rates are not based on the cost of service.~~² He conceded that the wholesale AWU
18 water and wastewater rates contained costs that should not have been allocated to
19 wholesale customers. In the testimony of Greg Meszaros, he proposes adjustments
20 to remove the following Water system costs, to which I concur:

- 21 a. Sustainability Fund (Transfer from Water Utility Fund)
22 b. Economics Incentives Reserve Fund (Transfer from Water Utility Fund)
23 c. PARD-CIP – Swimming Pools (Transfer from Water Utility Fund)
24 d. Environmental Remediation Fund (Transfer from Water Utility Fund)
25 e. Land Management Division (O&M in Water Utility Fund)
26 f. Balcones Canyonland Preserve(O&M in Water Utility Fund)
27 g. Reicher Ranch(O&M in Water Utility Fund)
28 h. Bad Debt Expense(O&M in Water Utility Fund)
29 i. Accounts receivable leak adjustment (O&M in Water Utility Fund).³

² See Jay Joyce Testimony Work Papers, Exhibit JJJ-5, Meszaros Direct, pp.34 and Anders Direct, pp-51-62

³ See Jay Joyce Testimony Work Papers, Exhibit JJJ-5, Meszaros Direct, Exhibit 24, Bates 6665

1 He also proposes removing the following wastewater system related costs, to which I
2 also concur:

- 3 a. Sustainability Fund (Transfer from Wastewater Utility Fund)
- 4 b. Economics Incentives Reserve Fund (Transfer from Wastewater Utility
- 5 Fund)
- 6 c. Environmental Remediation Fund (Transfer from Wastewater Utility Fund)
- 7 d. Bad Debt Expense(O&M in Wastewater Utility Fund)
- 8 e. Accounts receivable leak adjustment (O&M in Wastewater Utility Fund).⁴

9
10 **B. Reclaimed Water System - Capital Adjustments**

11
12 **Q. PLEASE EXPLAIN YOUR NEXT ADJUSTMENT.**

13 **A.** This adjustment removes capital costs related to Reclaimed Water System assets in
14 both the Water and Wastewater rates.

15
16 **Q. What are those assets?**

17 **A.** The City's water cost of service includes capital attributed to the following reclaimed
18 water system components:⁵

Asset Description	Net Asset Value Included in Water Rate Calculations
Central/Northeast Reclaimed Water System	\$4,968,980
South Reclaimed Water Plan	155,364
Central/Northeast Reclaimed Water System	3,502
Walnut Creek Reuse Pump Station	6,715,617
Walnut Creek Reuse Pump Station	797,062
Water Reclamation Control Phase 1	7,001,964
Water Reclamation North Water Pressure Zone Phase 3	5,432,860
Reclamation Extension East of IH35	809,106
10,000 Ft 24-in Reclaimed Water Main	666,898
Total In Water System	<u>\$26,551,353</u>

⁴ See Jay Joyce Testimony Work Papers, Exhibit JJJ-5, Meszaros Direct, Exhibit 24, Bates 6666

⁵ See Jay Joyce Testimony Work Papers, Exhibit JJJ-5, Generated by Mr. Joyce From City's Response to RFP 2-113