

1 **104. Did you reconsider the cash funding of Water and Wastewater Capital**
2 **Improvements in light of Petitioners' claims in the Jay Joyce Affidavit?**

3 Yes, Austin Water did reconsider the cash transfers to the Water and Wastewater
4 Capital Improvement projects. Austin Water has determined that the cash transfers to
5 the capital improvement projects is a cost related to the provision of water and
6 wastewater services to the Petitioners. The cash transfers to the capital improvement
7 projects are used to pay cash for construction of capital projects instead of bond
8 funding all costs. Cash funding of capital projects is an accepted industry practice.
9 The cash funding allows for reduced overall costs of infrastructure due to the
10 reduction of financing costs associated with bond funding. Most utilities will cash
11 fund between 20 and 50 percent of their capital spending using cash. Austin Water
12 has a Council approved financial policy to fund at least 20% of our capital spending in
13 cash, with a goal of increasing the cash funding to between 30 and 40 percent. For
14 Fiscal Year 2013, the cash funding of water and wastewater capital improvements was
15 \$50,417,738. This represents 19.4 percent of the \$259,398,000 in planned capital
16 spending. The Petitioners' cost of service allocated share of the cash funding of water
17 and wastewater capital improvements was \$1,632,650. The cash transfers for Fiscal
18 Year 2013 were not excessive, and the Petitioners should pay their proportionate share
19 of these utility costs.

20

21 **105. Did you reconsider the annual revenue requirement associated with the**
22 **Water Revenue Stability Reserve Fund and Surcharge to determine whether it**
23 **should have been included in Petitioners' cost of service in Fiscal Year 2012 and**
24 **Fiscal Year 2013?**

25 Yes, Austin Water did reconsider the annual revenue requirement associated with the
26 Water Revenue Stability Reserve Fund and Surcharge. Austin Water has determined
27 that the Water Revenue Stability Reserve Fund and Surcharge are costs related to the

1 provision of water services to the Petitioners. The Water Revenue Stability Reserve
2 Fund was created in Fiscal Year 2013 to provide additional cash liquidity to the water
3 utility and provide reserves for future water revenue volatility and water revenue
4 budget shortfalls. If the Water Revenue Stability Reserve Fund was not approved,
5 Austin Water would have had to increase its ending fund balance to have sufficient
6 reserves to operate. The Water Revenue Stability Reserve Fund target balance is 120
7 days of operating costs and is a restricted fund for use only when water revenue has a
8 budget shortfall of at least 10%. The City Council must approve the use of the fund
9 and only 50% can be used in any one year. After use of the fund, the balances will be
10 replenished on a 5-year schedule. The Water Revenue Stability Reserve Fund
11 Surcharge is a rate per 1,000 gallons charged to all customer classes. While Austin
12 Water charges the Water Revenue Reserve Fund Surcharge to all customer classes, we
13 have also reconsidered how we charge this surcharge to our wholesale customers,
14 including the Petitioners. Austin Water has decided for Fiscal Year 2015 to charge
15 the wholesale customers a Water Revenue Reserve Fund Surcharge that is lower than
16 the retail surcharge. The wholesale customers, including the Petitioners, would be
17 charged a surcharge that is a percentage of the retail surcharge that is consistent with
18 the percentage of the wholesale rate to retail rate. This decision recognizes that the
19 wholesale customer's contribution to the reserve fund should be consistent with their
20 overall cost of service revenue responsibility. The Water Revenue Reserve Fund
21 Surcharge in Fiscal Year 2013 was \$5,516,300. The Petitioners' cost of service
22 allocated share of this requirement was \$244,253.

23
24 **106. Did you reconsider transfers from revenues received from Petitioners to**
25 **the Economic Incentives Reserve Fund (which provides grant funding and**
26 **economic incentives to Austin employers), based on Petitioners' claims in the Jay**
27 **Joyce Affidavit?**

1 Yes, Austin Water did reconsider the Economic Incentives Reserve Fund Transfer.
2 Austin Water has determined the Economic Incentives Reserve Fund Transfer is not
3 related to the provision of water and wastewater service to the Petitioners. The
4 Economic Incentives Reserve Fund provides funding for economic incentives to
5 employers that are expanding or moving to Austin. While these incentives generally
6 result in additional customers or water demand for Austin Water, these costs should
7 not be considered related to the provision of water and wastewater services for the
8 Petitioners. The Economic Incentive Reserve Fund for Fiscal Year 2013 was
9 \$333,333. The Petitioners' cost of service allocated share of the Economic Incentive
10 Reserve Fund for Fiscal Year 2013 was \$8,659.

11
12 **107. Did you reconsider the costs paid by Austin Water Utility for the Public**
13 **Improvement District (used for Austin Convention Center Funding through the**
14 **Downtown Austin Alliance) to determine whether those costs are related to the**
15 **cost of providing water and wastewater service?**

16 Yes, Austin Water reconsidered the Public Improvement District transfer. Austin
17 Water has determined that the Public Improvement District transfer is related to
18 provision of water and wastewater services to the Petitioners. The Public
19 Improvement District collects tax assessments from property located in the downtown
20 district. These collections are used for the Downtown Austin Alliance. City general
21 fund properties are generally exempt from these tax assessments, however Austin
22 Water's building at 625 E. 10th Street is an enterprise fund located within the District
23 and does not receive an exemption. The downtown improvements funded by the
24 Public Improvement District benefit all Austin Water customers, including wholesale
25 customers. The Public Improvement District transfer for Fiscal Year 2013 is \$75,000.
26 The Petitioners' cost of service allocated share of the Public Improvement District for
27 Fiscal Year 2013 is \$1,952.

1 **108. Did you reconsider the costs paid by Austin Water Utility related to water**
2 **conservation improvements in the Parks and Recreation Department ("PARD")**
3 **CIP-Swimming Pool program to determine if those costs were related to the cost**
4 **of providing water and wastewater services?**

5 Yes, Austin Water reconsidered the water conservation transfer to PARD for the CIP-
6 Swimming Pool program. Austin Water has determined that the PARD CIP-
7 Swimming Pool transfer is not related to the provision of water and wastewater
8 services to the Petitioners. This program funded the conversion of fill and drain
9 swimming pools to filtered pools as a water conservation initiative. While this water
10 conservation program would benefit all customers through demand reduction and
11 saving water supply, the benefit to the Petitioners is marginal. The PARD CIP-
12 Swimming Pool transfer for Fiscal Year 2013 is \$100,000. The Petitioners' cost of
13 service allocated share of the PARD CIP-Swimming Pool transfer for Fiscal Year
14 2013 was \$3,170.

15

16 **109. Did you reconsider the Austin Water Utility costs for the Environmental**
17 **Remediation Fund (used to clean-up closed landfills and abandoned storage**
18 **tanks) to determine whether those costs are related to cost of providing water**
19 **and wastewater utility service to the Petitioners?**

20 Yes, Austin Water reconsidered the Environmental Remediation Fund transfer.
21 Austin Water has determined the Environmental Remediation Fund transfer is not
22 related to the provision of water and wastewater services to the Petitioners. The
23 Environmental Remediation Fund transfer is Austin Water's allocated shared for
24 Austin Resource Recovery to clean up closed landfills. In the past, Austin Water has
25 dumped project spoils, such as asphalt, in landfills. These materials pose a hazard that
26 must be cleaned up periodically. Austin Resource Recovery is responsible for the
27 clean-up of these landfills and has identified Austin Water's share for these clean-ups.

1 The Environmental Remediation Fund transfer for Fiscal Year 2013 was \$507,691.
2 The Petitioners' cost of service allocated share of the Environmental Remediation
3 Fund transfer was \$12,354.

4
5 **110. Did you reconsider the Austin Water Utility Bad Debt Expense to**
6 **determine if those costs are related to the cost of providing water and wastewater**
7 **utility service to the Petitioners?**

8 Yes, Austin Water reconsidered the Utility Bad Debt Expense. Austin Water has
9 determined that the Bad Debt Expense is not related to the provision of water and
10 wastewater services to the Petitioners. The Utility Bad Debt Expense is the annual
11 allowance for bad debt that must be accounted for as an expense. The Bad Debt
12 Expense is related to the retail customer debt and not associated with wholesale debt.
13 The Utility Bad Debt Expense for Fiscal Year 2013 was \$1,842,500. The Petitioners'
14 cost of service allocated share of the Utility Bad Debt Expense in Fiscal Year 2013
15 was \$47,632.

16
17 **111. Did you reconsider Austin Water Utility's Accounts Receivable Leak**
18 **Adjustment costs to determine whether those costs are related to the cost of**
19 **providing water and wastewater utility service to the Petitioners?**

20 Yes, Austin Water reconsidered the Utility's Accounts Receivable Leak Adjustment
21 Costs. Austin Water determined that the Utility's Accounts Receivable Leak
22 Adjustment costs were not related to the provision of water and wastewater services to
23 the Petitioners. The Accounts Receivable Leak Adjustment costs are related to
24 adjustments to bills for qualifying residential leaks and are not available to wholesale
25 customers. The Utility's Accounts Receivable Leak Adjustment costs for Fiscal Year
26 2013 were \$882,100. The Petitioners' cost of service allocated share of the Utility's
27 Accounts Receivable Leak Adjustment costs for Fiscal Year 2013 was \$25,922.

1 **112. Did you reconsider the Austin Water Utility Water Conservation**
2 **Operations and Maintenance costs to determine whether those costs are related**
3 **to the cost of providing water and wastewater utility service to the Petitioners?**

4 Yes, Austin Water considered the Water Conservation Operations and Maintenance
5 costs. Austin Water determined the Water Conservation Operations and Maintenance
6 costs are related to the provision of water and wastewater services to the Petitioners.
7 All water utilities are mandated by the State of Texas to have water conservation
8 plans. The Water Conservation Operations and Maintenance costs are the annual
9 implementation costs associated with our water conservation plans. These costs fund
10 water conservation programs and enforcement activities which benefit all customer
11 classes. All water conservation programs offered by Austin Water are available to the
12 Petitioners. Water conservation is a critical component to managing our water supply
13 which benefits all customers now and into the future. The Water Conservation
14 Operations and Maintenance costs for Fiscal Year 2013 were \$6,534,217. The
15 Petitioners' cost of service allocated share of the Water Conservation Operations and
16 Maintenance costs was \$307,302.

17
18 **113. Did you reconsider the costs for the Austin Water Utility's Land**
19 **Management division (which provides public education and outreach for**
20 **protection of endangered species and manages purchased land) to determine**
21 **whether those costs were related to the cost of providing water and wastewater**
22 **utility service to the Petitioners?**

23 Yes, Austin Water reconsidered the Land Management division costs. Austin Water
24 has determined the Land Management division costs are not related to the provision of
25 water and wastewater services to the Petitioners. The Land Management division of
26 Austin Water manages water quality protection lands and Balcones Canyonlands
27 Preserve lands in order to protect sensitive watersheds, drinking water supplies and

1 preserve endangered species. While the Petitioners would receive benefit from
2 drinking water supply protection, these costs are also associated with benefits that are
3 not related to the provision of water and wastewater services to the Petitioners. The
4 Land Management division costs for Fiscal Year 2013 were \$1,458,750. The
5 Petitioners' cost of service allocated costs for Land Management division costs for
6 Fiscal Year 2013 were \$44,296.

7
8 **114. Did you reconsider the costs associated with Reicher Ranch to determine**
9 **whether those costs are related to the cost of providing water and wastewater**
10 **utility service to the Petitioners?**

11 Yes, Austin Water reconsidered the Reicher Ranch costs. Austin Water determined
12 that the Reicher Ranch costs were not related to the provision of water and wastewater
13 service to the Petitioners. The Reicher Ranch costs are related to the Wildlands
14 Division administrative costs associated with Land Management and Balcones
15 Canyonlands Preserve. The Reicher Ranch costs for Fiscal Year 2013 were \$105,770.
16 The Petitioners' cost of service allocated costs for Reicher Ranch for Fiscal Year 2013
17 was \$3,211.

18
19 **115. Did you reconsider the costs for Balcones Canyonlands Preserve to**
20 **determine whether those costs are related to the cost of providing water and**
21 **wastewater utility service to the Petitioners?**

22 Yes, Austin Water reconsidered the Balcones Canyonlands Preserve costs. Austin
23 Water determined that the Balcones Canyonlands Preserve costs were not related to
24 the provision of water and wastewater service to the Petitioners. The Balcones
25 Canyonlands Preserve costs are related to the management of lands within the
26 Preserve for protection of endangered species. The Balcones Canyonlands Preserve

1 costs for Fiscal Year 2013 were \$1,314,800. The Petitioners' cost of service allocated
2 costs for Balcones Canyonlands Preserve for Fiscal Year 2013 was \$39,924.

3

4 **116. Did you reconsider the capital costs for Water Treatment Plant No. 4 and**
5 **reconsider whether those costs were related to the cost of providing water utility**
6 **service to the Petitioners?**

7 Yes, Austin Water reconsidered the capital costs for Water Treatment Plant No. 4.
8 Austin Water has determined that the capital costs for Water Treatment Plant No. 4
9 are related to the provision of water services to the Petitioners. Water Treatment Plant
10 No. 4 is currently under construction and will be our third operating water treatment
11 plant when brought online in the summer of 2014. This new plant will be a system
12 asset which will provide service and reliability to an integrated water system that
13 serves both retail and wholesale customers. Water Treatment Plant No. 4 is
14 replacement capacity for the now-decommissioned Green Water Treatment Plant.
15 This new plant will provide water primarily in the North and Northwest part of our
16 system. This new water plant project will also provide a significant improvement to
17 the transmission system by moving water from the plant to the Jollyville Reservoir
18 that serves this area. The plant will provide critical redundancy to our water system,
19 allowing for management of maintenance activities at our older existing water
20 treatment plants. Without Water Treatment Plant No. 4, our ability to make needed
21 improvements and rehabilitation of our existing water treatment plants will be greatly
22 improved. This plant will be expandable in the future to handle additional growth and
23 operational needs. All of our water customers, including the Petitioners, will benefit
24 from the addition of Water Treatment Plant No. 4 to our water system. The Water
25 Treatment Plant No. 4 capital costs for Fiscal Year 2013 were \$11,325,954. The
26 Petitioners' cost of service allocated share of Water Treatment Plant No. 4 in Fiscal
27 Year 2013 was \$374,318.

1 **117. Did you reconsider the Operations and Maintenance costs for Water**
2 **Treatment Plant No. 4 and whether those costs were related to the cost of**
3 **providing water utility service to the Petitioners?**

4 Yes, Austin Water reconsidered the Operations and Maintenance costs for Water
5 Treatment Plant No. 4. Austin Water determined the Operations and Maintenance
6 costs for Water Treatment Plant No. 4 are related to the provision of water services to
7 the Petitioners. The benefits of Water Treatment Plant No. 4 are detailed in the
8 previous question. These costs are the actual operations and maintenance cost to run
9 the water plant. These include personnel, electrical cost, chemical cost, and other
10 associated plant costs. The Operations and Maintenance cost for Water Treatment
11 Plant No. 4 for Fiscal Year 2013 was \$956,455. The Petitioners' cost of service
12 allocated share of the Operations and Maintenance costs for Water Treatment Plant
13 No. 4 in Fiscal Year 2013 was \$47,986.

14

15 **118. Did you reconsider the electrical costs of Austin Water Utility for the**
16 **Green Choice program in light of claims made by Petitioners during the 2014**
17 **Joint Committee meetings?**

18 Yes, Austin Water reconsidered the electrical costs associated with participation in the
19 Green Choice program. Austin Water has determined the electrical costs associated
20 with the Green Choice program is related to the provision of water and wastewater
21 service to the Petitioners. The Green Choice program is an Austin Energy program
22 which provides carbon neutral wind generated electrical power for those program
23 participants. The City made a decision to have all department electrical use be Green
24 Choice power as part of its climate protection plan. The Green Choice electrical
25 power program cost for Fiscal Year 2013 was \$4,622,644. The Petitioners' cost of
26 service allocated Green Choice electrical power costs for Fiscal Year 2013 was
27 \$195,679.

1 **119. In light of claims made by Petitioners in public forums, including Citizens**
2 **Communications during the 2014 Joint Committee Meetings, did you reconsider**
3 **all transfers of water and wastewater revenues from Austin Water Utility to any**
4 **City of Austin General Fund Program?**

5 Yes, Austin Water reconsidered all transfers to the General Fund or other departments.
6 Austin Water has determined that these Transfers Out, except those identified in my
7 testimony above, are related to the provision of water and wastewater services to the
8 Petitioners. These transfers are Austin Water's allocated share of costs or services
9 provided by General Fund departments that are related to the provision of water or
10 wastewater services. For example, the Radio Communications Fund transfer is for
11 Austin Water's proportionate share of the operations and maintenance of the regional
12 radio system that is used by our field staff for communications.

13
14 **120. Do you agree with the summary of the impacts of these items on**
15 **Petitioners' cost of water and wastewater service as stated in Austin Meszaros**
16 **Exhibit No. 22?**

17 Yes, I do. Austin Meszaros Exhibit No. 24 contains a summary of the positions I have
18 stated in my testimony above.

19
20 **121. With these adjustments as you have described above (and shown on Austin**
21 **Meszaros Exhibit No. 24), is the information contained in Austin Anders Exhibits**
22 **No. a true and correct statement of the revenue requirements for Austin Water**
23 **which should be included in the calculation of Petitioners, cost of water and**
24 **wastewater utility service?**

25 Yes. The budget fund summaries for fiscal years 2012 and 2013 as shown on Austin
26 Anders Exhibits No. 3 and 4 are correct statements of the revenue requirements which

1 serve as inputs to determine Petitioners cost of service. The adjustments to
2 Petitioners' cost of service is described on Austin Meszaros Exhibit No. 24.

3

4 **I. FISCAL YEAR 2015 COST OF SERVICE RATE STUDY**

5

6 **122. What actions will AWU undertake with respect to the concerns raised by**
7 **Petitioners?**

8 For Fiscal Year 2015 water and wastewater rates for wholesale customers, we will
9 implement the changes as shown on Austin Meszaros Exhibit No. 22, agreed upon
10 items. The water and wastewater rates for all wholesale customers, including the
11 Petitioners, will include the cost reductions for those items Austin Water has
12 reconsidered and agreed on for future cost of service rate determination.

13

14 **123. Will Austin Water Utility initiate a Cost of Service Rate Study in Fiscal**
15 **Year 2015?**

16 Austin Water's historical practice is to complete a new Cost of Service Rate Study
17 every 5-7 years. Our last full Cost of Service Rate Study was completed in 2008.
18 Austin Water will initiate a full Cost of Service Rate Study during Fiscal Year 2015.
19 We anticipate beginning the request for proposal process to select a Rate Consultant to
20 lead the Cost of Service Rate Study later this year. Once the Rate Consultant is
21 selected, we will begin planning for and getting representatives for our Public
22 Involvement Committee ("PIC"). As we have described in Mike Castillo's testimony
23 regarding the Cost of Service Rate Study process, we will have all customer class
24 representatives on the PIC, including the wholesale customers. Given the nature of
25 this wholesale rate challenge, I would expect that this Cost of Service Rate Study will
26 provide even more significant opportunities for all customer classes to participate and
27 will include significantly more detail on revenue requirements and transfers. We

Footnote #3

Austin Water Utility
Wholesale Rate Case
Issues Summary - Water Rates FY12-13

2013 Budget		North Austin	Northtown	Water Dist. #10	Wells Branch	Total Petitioners	Other Wholesale	Total All Wholesale
AGREED ITEMS								
Item No.								
1. Sustainability Fund	\$2,695,442	\$18,298	\$12,102	\$38,436	\$20,205	\$89,141	\$48,996	\$138,137
2. Economic Incentives Reserve Fund	166,665	997	756	2,275	1,256	5,284	2,841	8,125
3. PARO CIP - Swimming Pools	100,000	598	454	1,365	753	3,170	1,704	4,874
4. Environmental Remediation Fund	182,095	1,089	826	2,486	1,372	5,773	3,104	8,877
5. Land Management Division	1,458,750	8,372	6,439	18,745	10,720	44,296	22,751	67,047
6. Balcones Canyonland Preserve	1,314,800	7,546	5,821	16,895	9,662	36,924	20,506	60,430
7. Reicher Ranch	105,770	607	468	1,359	777	3,211	1,650	4,861
8. Bad Debt Expense	925,000	5,309	4,096	11,886	6,798	28,089	14,426	42,515
9. Accounts Receivable Leak Adjustment	785,000	4,505	3,476	10,087	5,769	23,837	12,243	36,080
Total (FY 2012-13 Water)	\$7,793,522	\$47,421	\$34,458	\$103,534	\$57,312	\$242,725	\$128,221	\$370,946

ITEMS NOT AGREED								
Item No.								
10. Public Improvement District	\$37,500	\$224	\$170	\$512	\$283	\$1,189	\$639	\$1,828
11. Revenue Stability Reserve Fund	5,516,300	45,868	35,912	102,273	60,200	244,253	119,786	364,039
12. Water Conservation O&M	6,534,217	57,660	45,230	128,498	75,914	307,302	149,796	457,098
13. WTP4 Capital	11,325,954	70,505	52,649	163,720	87,444	374,318	209,442	583,760
14. WTP4 Operations and Maintenance	956,455	9,001	6,793	20,834	11,358	47,986	25,546	73,532
15. Cash Funding of CIP	48,000,000	288,803	223,131	695,856	370,593	1,586,382	887,624	2,474,006
16. General Fund Transfer	17,722,306	120,964	79,569	252,715	132,848	586,996	322,146	908,242
17. Green Choice Alternative	2,779,151	24,463	19,187	54,517	32,203	130,370	63,566	193,936
Total (FY 2012-13 Water)	\$92,871,883	\$627,488	\$462,641	\$1,416,925	\$770,842	\$3,277,896	\$1,778,545	\$5,056,441

Footnote #4

Austin Water Utility
Wholesale Rate Case
Issues Summary - Wastewater Rates FY12-13

	2013 Budget	North Austin	Northtown	Water Dist. #10	Wells Branch	Total Petitioners	Other Wholesale	Total All Wholesale
AGREED ITEMS								
Item No.								
1. Sustainability Fund	\$2,366,466	\$19,621	\$12,990	\$0	\$22,552	\$55,163	\$18,227	\$73,990
2. Economic Incentives Reserve Fund	166,667	1,051	864	0	1,460	3,375	1,136	4,511
3. PARD CIP - Swimming Pools	0	0	0	0	0	0	0	0
4. Environmental Remediation Fund	325,596	2,050	1,685	0	2,847	6,581	2,218	8,799
5. Land Management Division	0	0	0	0	0	0	0	0
6. Balcones Canyonland Preserve	0	0	0	0	0	0	0	0
7. Reicher Ranch	0	0	0	0	0	0	0	0
8. Bad Debt Expense	917,500	6,086	5,003	0	8,454	19,543	6,557	26,100
9. Accounts Receivable Leak Adjustment	97,100	649	534	0	902	2,085	699	2,784
Total (FY 2012-13 Wastewater)	\$3,873,329	\$29,457	\$21,076	\$0	\$36,215	\$86,747	\$28,837	\$115,584
ITEMS NOT AGREED								
Item No.								
10. Public Improvement District	\$97,500	\$238	\$195	\$0	\$330	\$763	\$257	\$1,020
11. Revenue Stability Reserve Fund	0	0	0	0	0	0	0	0
12. Water Conservation O&M	0	0	0	0	0	0	0	0
13. WTP4 Capital	0	0	0	0	0	0	0	0
14. WTP4 Operations and Maintenance	2,417,738	14,409	11,845	0	20,014	46,268	15,662	61,930
15. Cash Funding of CIP	16,802,030	139,457	92,411	0	159,619	391,487	129,376	520,863
16. General Fund Transfer	1,843,693	20,339	16,720	0	28,250	65,309	21,769	87,078
17. Green Choice Alternative								
Total (FY 2012-13 Wastewater)	\$21,100,761	\$174,443	\$121,171	\$0	\$208,213	\$503,827	\$167,064	\$670,891

Footnote #5

Co Asset No	Acq Date	Description	Acq Value	Accum Deprec	YTD Deprec	Code	Useful Life	Standard Acq Date
2002CO000051470	10/1/2002	CEN/NE RECLAIM WATER SYSTEM	5,914,230.05	945250.35	118301.34	23	50	10/1/2002
2002UP000035870	10/1/2002	SOUTH RECLAIM WATER PLAN	194,193.00	38829.12	4854.74	23	40	10/1/2002
2002CO000051470	10/1/2003	CEN/NE RECLAIM WATER SYSTEM	4,077.68	575.48	81.45	23	50	10/1/2003
2003UP000010280	10/1/2003	WRI/WALNUT CRK REUSE PMP STA	7,807,855.00	1092238.27	156167.16	8	50	10/1/2003
2003UP000010280	10/1/2004	WRI/WALNUT CRK REUSE PMP STA	904,670.06	107607.93	18113.64	8	50	10/1/2004
201010000035651	7/1/2010	WTR RECLAMATION CNTRL PH 1	7,150,525.49	148561.15	148561.15	21	12	7/1/2010
201010000035665	6/1/2010	WTR RECLAMATION N WPZ PH 3	5,505,869.20	73009.33	73009.33	21	25	6/1/2010
201010000035652	5/1/2010	RECLAMATION EXT E OF IH35	822,811.85	13706.02	13706.02	21	25	5/1/2010
200810000015155	30/9/2007	10000 FT 24 IN RECLAIM WATER MAIN	683,576.89	16679.26	7704.24	21	50	30/9/2007

Co Asset No	Acq Date	Description	Acq Year	Useful Life	Annual Depr	Code Desc	Book Value	Year	CCI
2002CO000051470	10/1/2002	CEN/NE RECLAIM WATER SYSTEM	2002	50	9857.05	Distribution Mains	4,968,980	2002	6,537.9
2002CO000035870	10/1/2002	SOUTH RECLAIM WATER PLAN	2002	40	404.57	Distribution Mains	155,364	2002	6,537.9
2002CO000051470	10/1/2003	CEN/NE RECLAIM WATER SYSTEM	2003	50	6.80	Distribution Mains	3,502	2003	6,694.6
							5,127,846		
2003UP000010280	10/1/2003	WRI/WALNUT CRK REUSE PMP STA	2003	50	13013.09	Pump Stations	6,715,617	2003	6,694.6
2003UP000010280	10/1/2004	WRI/WALNUT CRK REUSE PMP STA	2004	50	1507.78	Pump Stations	797,062	2004	7,114.9
							7,512,679		
201010000035651	7/1/2010	WTR RECLAMATION CNTRL PH 1	2010	12	49656.43	Transmission Mains	7,001,964	2010	8,752.4
201010000035665	6/1/2010	WTR RECLAMATION N WPZ PH 3	2010	25	18352.90	Transmission Mains	5,432,860	2010	8,752.4
201010000035652	5/1/2010	RECLAMATION EXT E OF IH35	2010	25	2742.71	Transmission Mains	809,106	2010	8,752.4
200810000015155	30/9/2007	10000 FT 24 IN RECLAIM WATER MAIN	2007	50	1139.29	Transmission Mains	666,898	2007	7,966.9
							13,910,828		
							26,551,353		

Co Asset No	Acq Date	Description	RCNLD
2002CO000051470	10/1/2002	CEN/NE RECLAIM WATER SYSTEM	6,893,280
2002UP000035870	10/1/2002	SOUTH RECLAIM WATER PLAN	215,531
2002CO000051470	10/1/2003	CEN/NE RECLAIM WATER SYSTEM	4,745
2003UP000010280	10/1/2003	WRI/WALNUT CRK REUSE PMP STA	9,098,252
2003UP000010280	10/1/2004	WRI/WALNUT CRK REUSE PMP STA	62,109
201010000035651	7/1/2010	WTR RECLAMATION CNTRL PH 1	7,255,899
201010000035665	6/1/2010	WTR RECLAMATION N WPZ PH 3	5,629,889
201010000035652	5/1/2010	RECLAMATION EXT E OF IH35	838,449
200810000015155	30/9/2007	10000 FT 24 IN RECLAIM WATER MAIN	759,218

Footnote #6

Co Asset No	Acq Date	Description	YTD Deprec	Code	Useful Life	Standard Acq Date
200810000019481	10/19/2005	SAR RECLAIM WTR PUMP STA	1,038,767	93	40	38644
200810000015561	9/30/2007	SAR RECLAIM WATER PUMP STA	41,160	88	40	39355
			8,398,318			
			548,800			

Co Asset No	Acq Date	Description	Acq Year	Useful Life	Annual Depr	Code Desc	Book Value	Year
200810000019481	10/19/2005	SAR RECLAIM WTR PUMP STA	2005	40	209,958	Pumping	7,359,551	2005
200810000015561	9/30/2007	SAR RECLAIM WATER PUMP STA	2007	40	13,720	Collection - Lift Stations	507,640	2007
					223,678		7,867,191	

Co Asset No	Acq Date	Description	CCI	RGND
200810000019481	10/19/2005	SAR RECLAIM WTR PUMP STA	7,446.00	8,964,559
200810000015561	9/30/2007	SAR RECLAIM WATER PUMP STA	7,966.90	577,914

Footnote #7

1 The Transfers In are the monetary transfers in from other departments, such as Public
2 Works, as well as the revenue from capital recovery fees. Additionally, there is a
3 transfer in to the reclaimed utility fund. These transfers in to the reclaimed utility
4 fund are the result of transfers out from the water and wastewater utilities to the
5 reclaimed fund. The reclaimed water system is funded in part from transfers from the
6 water and wastewater utility funds. The reclaimed water revenues benefit all
7 customers and reduce the need for water and wastewater service rate revenue.

8
9 **31. How does Austin Water Utility allocate costs between the water and**
10 **wastewater utility services it provides?**

11 Those allocations are made during the financial forecast and operating budget
12 processes. Some allocation factors are obvious. For example water treatment plants
13 and water distribution pipelines, transmission mains, are allocated 100% to the water
14 utility. Other allocations are done on the basis of estimated percentages of employee
15 time, or estimated use of services. For example, as an executive level employee of
16 Austin Water Utility, my time is assumed to be spent approximately half on water and
17 half on wastewater utility services. Because we are a combined utility, that is, one
18 utility constantly providing both water and wastewater utility services, we have to
19 make simplifying assumptions regarding the allocation of administrative or general
20 staff time, rather than requiring staff members to specifically decide and subsequently
21 bill their time to separate tasks performed for the benefit of one type of utility service
22 or the other.

23
24 **32. Then, what about the items listed under "Requirements?"**

25 Requirements are expenses needed on an annual basis to maintain the financial
26 viability of Austin Water Utility. Obviously, we have Operations and Maintenance
27 Expenses, referred to as O & M. Those expenses are all the direct and indirect costs

Footnote #8

1 The Transfers In are the monetary transfers in from other departments, such as Public
2 Works, as well as the revenue from capital recovery fees. Additionally, there is a
3 transfer in to the reclaimed utility fund. These transfers in to the reclaimed utility
4 fund are the result of transfers out from the water and wastewater utilities to the
5 reclaimed fund. The reclaimed water system is funded in part from transfers from the
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15 time, or estimated use of services. For example, as an executive level employee of
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26 viability of Austin Water Utility. Obviously, we have Operations and Maintenance
27 Expenses, referred to as O & M. Those expenses are all the direct and indirect costs

Footnote #9

[illegible]

↙ Reuse Water Service
\$7,364

Wastewater Cost of Service Model--Austin Water Utility

Footnote #10

Table B-6
Austin Water Utility
Water Cost of Service Model
Non-Rate Revenue

Item	Cost	Supported
1. General Administration	1,200,000	
2. Engineering	1,200,000	
3. Planning	1,200,000	
4. Finance	1,200,000	
5. Information Systems	1,200,000	
6. Legal	1,200,000	
7. Maintenance	1,200,000	
8. Operations	1,200,000	
9. Public Affairs	1,200,000	
10. Safety	1,200,000	
11. Training	1,200,000	
12. Utilities	1,200,000	
13. Water Treatment	1,200,000	
14. Wastewater Treatment	1,200,000	
15. Solid Waste	1,200,000	
16. Stormwater	1,200,000	
17. Water Distribution	1,200,000	
18. Wastewater Distribution	1,200,000	
19. Solid Waste Distribution	1,200,000	
20. Stormwater Distribution	1,200,000	
21. Water Treatment Plant	1,200,000	
22. Wastewater Treatment Plant	1,200,000	
23. Solid Waste Treatment Plant	1,200,000	
24. Stormwater Treatment Plant	1,200,000	
25. Water Distribution Plant	1,200,000	
26. Wastewater Distribution Plant	1,200,000	
27. Solid Waste Distribution Plant	1,200,000	
28. Stormwater Distribution Plant	1,200,000	
29. Water Treatment Plant	1,200,000	
30. Wastewater Treatment Plant	1,200,000	
31. Solid Waste Treatment Plant	1,200,000	
32. Stormwater Treatment Plant	1,200,000	
33. Water Distribution Plant	1,200,000	
34. Wastewater Distribution Plant	1,200,000	
35. Solid Waste Distribution Plant	1,200,000	
36. Stormwater Distribution Plant	1,200,000	
37. Water Treatment Plant	1,200,000	
38. Wastewater Treatment Plant	1,200,000	
39. Solid Waste Treatment Plant	1,200,000	
40. Stormwater Treatment Plant	1,200,000	
41. Water Distribution Plant	1,200,000	
42. Wastewater Distribution Plant	1,200,000	
43. Solid Waste Distribution Plant	1,200,000	
44. Stormwater Distribution Plant	1,200,000	
45. Water Treatment Plant	1,200,000	
46. Wastewater Treatment Plant	1,200,000	
47. Solid Waste Treatment Plant	1,200,000	
48. Stormwater Treatment Plant	1,200,000	
49. Water Distribution Plant	1,200,000	
50. Wastewater Distribution Plant	1,200,000	
51. Solid Waste Distribution Plant	1,200,000	
52. Stormwater Distribution Plant	1,200,000	
53. Water Treatment Plant	1,200,000	
54. Wastewater Treatment Plant	1,200,000	
55. Solid Waste Treatment Plant	1,200,000	
56. Stormwater Treatment Plant	1,200,000	
57. Water Distribution Plant	1,200,000	
58. Wastewater Distribution Plant	1,200,000	
59. Solid Waste Distribution Plant	1,200,000	
60. Stormwater Distribution Plant	1,200,000	
61. Water Treatment Plant	1,200,000	
62. Wastewater Treatment Plant	1,200,000	
63. Solid Waste Treatment Plant	1,200,000	
64. Stormwater Treatment Plant	1,200,000	
65. Water Distribution Plant	1,200,000	
66. Wastewater Distribution Plant	1,200,000	
67. Solid Waste Distribution Plant	1,200,000	
68. Stormwater Distribution Plant	1,200,000	
69. Water Treatment Plant	1,200,000	
70. Wastewater Treatment Plant	1,200,000	
71. Solid Waste Treatment Plant	1,200,000	
72. Stormwater Treatment Plant	1,200,000	
73. Water Distribution Plant	1,200,000	
74. Wastewater Distribution Plant	1,200,000	
75. Solid Waste Distribution Plant	1,200,000	
76. Stormwater Distribution Plant	1,200,000	
77. Water Treatment Plant	1,200,000	
78. Wastewater Treatment Plant	1,200,000	
79. Solid Waste Treatment Plant	1,200,000	
80. Stormwater Treatment Plant	1,200,000	
81. Water Distribution Plant	1,200,000	
82. Wastewater Distribution Plant	1,200,000	
83. Solid Waste Distribution Plant	1,200,000	
84. Stormwater Distribution Plant	1,200,000	
85. Water Treatment Plant	1,200,000	
86. Wastewater Treatment Plant	1,200,000	
87. Solid Waste Treatment Plant	1,200,000	
88. Stormwater Treatment Plant	1,200,000	
89. Water Distribution Plant	1,200,000	
90. Wastewater Distribution Plant	1,200,000	
91. Solid Waste Distribution Plant	1,200,000	
92. Stormwater Distribution Plant	1,200,000	
93. Water Treatment Plant	1,200,000	
94. Wastewater Treatment Plant	1,200,000	
95. Solid Waste Treatment Plant	1,200,000	
96. Stormwater Treatment Plant	1,200,000	
97. Water Distribution Plant	1,200,000	
98. Wastewater Distribution Plant	1,200,000	
99. Solid Waste Distribution Plant	1,200,000	
100. Stormwater Distribution Plant	1,200,000	

Reuse
Water
Service
\$348,092

Water Cost of Service Model--Austin Water Utility

PFT of Greg Meszaros-3563

Footnote #11

WW Option 01 Final

Table 62
Austin Water Utility
Wastewater Cost of Service Model - Hybrid Method
Non-Rate Revenue

Item	FY2013	Type	Non-Rate Revenues	
			O&M	Capital
Misc Telecom	\$60,000	O&M	\$60,000	\$0
Private Fire Hydrant Fee	0	O&M	0	0
Industrial Waste Permits	475,300	O&M	475,300	0
Permit-Liquid Waste Hauler	12,900	O&M	12,900	0
Backflow Prevention Compliance Fee	0	O&M	0	0
OSSF Reviews	38,500	O&M	38,500	0
Reconnection Fee	10,300	O&M	10,300	0
Rest Criminal Acts/Other Court Rev	0	O&M	0	0
Xerox Copies	100	O&M	100	0
BAB Interest Subsidy	381,100	O&M	381,100	0
Late Payment Penalties	960,000	O&M	960,000	0
Building Rental	115,000	O&M	115,000	0
Damage Charges	100	O&M	100	0
Process Assessment	0	O&M	0	0
Compost/Sludge Sales	460,000	O&M	460,000	0
Agri By-Prod	0	O&M	0	0
Special Billings	0	O&M	0	0
Special Billings Orgs 9050 & 9052	1,200	O&M	1,200	0
Land Lease Fees	0	O&M	0	0
Property Sales-Motorized Vehicles	30,600	O&M	30,600	0
After Hours Turn On	460,000	O&M	460,000	0
Meter Rev - Fire Meters	0	O&M	0	0
Septic Tank Haulers Fee	619,700	O&M	619,700	0
Commission Agenda Packets	0	O&M	0	0
Rain Barrel Sales	0	O&M	0	0
Seminar Fees	0	O&M	0	0
Creedmore Maha	0	O&M	0	0
A/R Adj Leak Adjustment	(97,100)	O&M	(97,100)	0
A/R Adj Conservation Rebate	100	O&M	100	0
Lab-Testing Fee	4,800	O&M	4,800	0
Reuse Water Service	0	O&M	0	0
Southland Oaks Surcharge	68,400	O&M	68,400	0
WW Meter Application Fee	600	O&M	600	0
Wholesale Penalties & Fees	274,000	O&M	274,000	0
NWA MUD 1 Surcharge Credit	0	O&M	0	0
Service Installation	47,200	O&M	47,200	0
Special Bill - Wtr Fin Mgt	60,700	O&M	60,700	0
A/R Adjustments	40,000	O&M	40,000	0
Miscellaneous	134,800	O&M	134,800	0
Returned Check Fee	24,000	O&M	24,000	0
Junk/Metal Sales	28,200	O&M	28,200	0
Cash Over/Short	100	O&M	100	0
Sales Tax Penalty	100	O&M	100	0
New Service Connections	470,000	O&M	470,000	0
Recs Recpt	0	O&M	0	0
Unused 3	0		0	0
Unused 4	0		0	0
Unused 5	0		0	0
Unused 6	0		0	0
Transfer In from CIP	0	Capital	0	0
Transfers In (from CRF's & Public Works)	1,950,291	Capital	0	1,950,291
Interest Income (O&M Portion)	155,070	O&M	155,070	0
Decrease (Increase) in Operating Reserves	(8,357,927)	Capital	0	(8,357,927)
Interest Income (Capital Portion)	184,526	Capital	0	184,526
Decrease (Increase) in Operating Reserves	(5,726,788)	O&M	(5,726,788)	0
Unused 13	0		0	0
Unused 14	0		0	0
Unused 15	0		0	0
Unused 16	0		0	0
Unused 17	0		0	0
Total	(\$7,114,128)		(\$891,018)	(\$6,223,110)

Wastewater Cost of Service Model - Hybrid Method--Austin Water Utility

PFT of Greg Meszaros-6098

Footnote #12

Table 111
Austin Water Utility
Water Cost of Service Model - Base/Extra-Capacity Method
Non-Rate Revenue

Item	FY2013	Type	Non-Rate Revenues	
			O&M	Capital
Misc Telecom	129,000	O&M	\$129,000	\$0
Private Fire Hydrant Fee	97,000	O&M	97,000	0
Industrial Waste Permits	0	O&M	0	0
Permit-Liquid Waste Hauler	0	O&M	0	0
Backflow Prevention Compliance Fee	568,100	O&M	568,100	0
OSSF Reviews	0	O&M	0	0
Reconnection Fee	13,300	O&M	13,300	0
Rest Criminal Acts/Other Court Rev	0	O&M	0	0
Xerox Copies	2,900	O&M	2,900	0
BAB Interest Subsidy	1,524,300	O&M	1,524,300	0
Late Payment Penalties	900,000	O&M	900,000	0
Building Rental	120,000	O&M	120,000	0
Damage Charges	80,000	O&M	80,000	0
Process Assessment	0	O&M	0	0
Compost/Sludge Sales	0	O&M	0	0
Agri By-Prod	5,000	O&M	5,000	0
Special Billings	200	O&M	200	0
Special Billings Orgs 9050 & 9052	0	O&M	0	0
Land Lease Fees	66,000	O&M	66,000	0
Property Sales-Motorized Vehicles	40,000	O&M	40,000	0
After Hours Turn On	230,000	O&M	230,000	0
Meter Rev - Fire Meters	15,300	O&M	15,300	0
Septic Tank Haulers Fee	0	O&M	0	0
Commission Agenda Packets	100	O&M	100	0
Rain Barrel Sales	0	O&M	0	0
Seminar Fees	8,000	O&M	8,000	0
Creedmore Maha	(7,200)	O&M	(7,200)	0
A/R Adj Leak Adjustment	(785,000)	O&M	(785,000)	0
A/R Adj Conservation Rebate	100	O&M	100	0
Lab-Testing Fee	100	O&M	100	0
Reuse Water Service	0	O&M	0	0
Southland Oaks Surcharge	60,600	O&M	60,600	0
WW Meter Application Fee	0	O&M	0	0
Wholesale Penalties & Fees	225,000	O&M	225,000	0
NWA MUD 1 Surcharge Credit	0	O&M	0	0
Service Installation	159,100	O&M	159,100	0
Special Bill - Wtr Fin Mgt	122,400	O&M	122,400	0
A/R Adjustments	100	O&M	100	0
Miscellaneous	100,000	O&M	100,000	0
Returned Check Fee	24,000	O&M	24,000	0
Junk/Metal Sales	47,900	O&M	47,900	0
Cash Over/Short	100	O&M	100	0
Sales Tax Penalty	100	O&M	100	0
New Service Connections	470,000	O&M	470,000	0
Recs Rcpt	100	O&M	100	0
Unused	0	O&M	0	0
Transfer in from CRFs	3,000,000	Capital	0	3,000,000
Transfer in from Public Works	150,291	Capital	0	150,291
Transfer in from CIP	0	Capital	0	0
Unused	0	O&M	0	0
Interest Income (Capital Portion)	243,144	Capital	0	243,144
Decrease (Increase) in Operating Reserves	10,553,708	Capital	0	10,553,708
Full Year Revenue Increase Adjustment	0		0	0
Interest Income (O&M Portion)	161,729	O&M	161,729	0
Decrease (Increase) in Operating Reserves	7,019,911	O&M	7,019,911	0
Unused	0		0	0
Total	25,345,383		\$11,398,240	\$13,947,143

Water Cost of Service Model - Base/Extra-Capacity Method--Austin Water Utility

PFT of Greg Meszaros-4836

Footnote #13

3

2011-2012 FINANCIAL FORECAST
RESPONSE TO REQUEST FOR INFORMATION

DEPARTMENT: Austin Water

REQUEST NO.: 12

REQUESTED BY: Morrison

DATE REQUESTED: 5/2/2011

REQUEST: What would be the dollar impact to the Water Sustainability Fee if the reclaimed water system costs not covered by reclaimed system revenue were added? What would the impact be to the projected water rate increase and the average residential monthly water bill for 2012?

RESPONSE:

Austin Water Utility's current forecast assumes \$17.0 million would be collected through the new fixed Water Sustainability Fee instead of through the rate per 1,000 gallons. The forecasted Water Sustainability Fee for 2012 was \$4.40 for a 5/8" water meter. The fixed fee includes costs related to sustainability initiatives such as water conservation, water quality lands, and water conservation revenue impacts. The current forecast assumes a water rate increase of 7.7%, including the assumed 1.0% planned transition to cost of service. The average residential customer bill impact including the Water Sustainability Fee is shown below:

Current Forecast Without Reclaimed in Water Sustainability Fee
Average Residential Customer Monthly Bill Impact * (FY 2012):

	Current 2011 Rates	Forecast 2012 Rates	\$ Variance	% Variance
Water Service	\$ 27.79	\$ 29.93	\$ 2.14	7.7%
Wastewater Service	36.55	37.94	1.39	3.8%
Water Sustainability Fee	-	4.40	4.40	-
Total Revenue	\$ 64.34	\$ 72.27	\$ 7.93	12.3%

* Based on 8,000 gallons of water and 4,500 gallons wastewater.

The reclaimed water system is another water conservation and sustainability initiative that is currently funded through revenue from reclaimed system customers and water and wastewater rates. Austin water has estimated the total annual costs and revenue of the reclaimed water system shown below:

Total Reclaimed Water System Costs (FY12)	\$7.3 million
Less: Projected Reclaimed Water Revenue	<u>\$0.9 million</u>
Net Reclaimed Water System Costs	<u>\$6.4 million</u>

If the \$6.4 million Net Reclaimed Water System Costs were added to the forecasted \$17.0 million Water Sustainability Fee, the revised fee amount would be \$23.4 million. With the increase in the fixed portion of the bill, a corresponding reduction in revenue collected from the volume rates would be required. If the Water Sustainability Fee were increased to include the \$6.4 million in Reclaimed Water costs, the forecasted systemwide water rate increase would be 4.6%, including the assumed 1.0% planned transition to cost of service. This is a reduction from the 7.7% water rate increase in the current forecast.

The average residential monthly bill impact assuming the addition of the \$6.4 million in net reclaimed system costs is an additional \$0.74 above what was forecasted without the reclaimed system costs. The total residential monthly bill impact is 13.5% instead of the forecasted 12.3%. The detail is shown below:

**Recalculated Water Sustainability Fee Including Net Reclaimed Costs
Average Residential Customer Monthly Bill Impact * (FY 2012):**

	<u>Current 2011 Rates</u>	<u>Revised 2012 Rates</u>	<u>\$ Variance</u>	<u>% Variance</u>
Water Service	\$ 27.79	\$ 29.07	\$ 1.28	4.6%
Wastewater Service	36.55	37.94	1.39	3.8%
Water Sustainability Fee	-	6.00	6.00	-
Total Revenue	<u>\$ 64.34</u>	<u>\$ 73.01</u>	<u>\$ 8.67</u>	<u>13.5%</u>

* Based on 8,000 gallons of water and 4,500 gallons wastewater.

(

Footnote #14

CITY OF AUSTIN, TEXAS
AUSTIN WATER UTILITY

Budget FY 2013-17
Option #30

*** DRAFT ***

*Reclaimed
Util Fund*

Reclaimed Operating Budget
Fund Summary

	Actual 2009-10	Actual 2010-11	Amended Budget 2011-12	Estimated 2011-12	Proposed 2012-13
BEGINNING BALANCE:	\$0	\$0	\$0	\$0	\$482,015
REVENUES:					
Water Services	\$0	\$0	0	0	0
Wastewater Services	0	0	0	0	0
Reclaimed Water Services	0	0	879,424	746,617	1,431,331
Revenue Stability Fee	0	0	0	0	0
Reserve Fund Surcharge	0	0	0	0	0
Miscellaneous Revenue	0	0	7,823	81	3,764
Interest Income	0	0	0	0	0
TOTAL REVENUES:	\$0	\$0	\$887,247	\$746,698	\$1,435,095
TRANSFERS IN:					
Public Works	\$0	\$0	\$0	\$0	\$0
Capital Recovery Fees	0	0	0	0	1,920,000
Reclaimed Utility Fund	0	0	0	0	0
TOTAL TRANSFERS IN:	\$0	\$0	\$0	\$0	\$1,920,000
TOTAL AVAILABLE FUNDS:	\$0	\$0	\$887,247	\$746,698	\$3,355,095
OPERATING REQUIREMENTS					
Operations and Maintenance					
Treatment	\$0	\$0	\$0	\$0	\$0
Pipeline Operations	0	0	0	0	0
Engineering Services	0	0	0	0	0
Water Resources Management	0	0	0	0	0
Environmental Affairs & Conservation	0	0	0	0	0
Support Services - Utility	0	0	255,585	251,328	276,471
Reclaimed Water Services	0	0	0	0	0
One Stop Shop	0	0	0	0	0
Other Operating Expenses	0	0	0	0	0
Total Operations & Maintenance	\$0	\$0	\$255,585	\$251,328	\$276,471
(%RR)			96.6%	95.0%	7.5%
Other Requirements:					
Accrued Payroll	\$0	\$0	\$0	\$4,483	\$942
Workers' Compensation Fund	0	0	0	0	0
Liability Reserve Fund	0	0	0	0	0
Administrative Support - City	0	0	0	0	0
AE Billing & Customer Care	0	0	0	0	0
311 System Support	0	0	0	0	0
CTM Support	0	0	0	0	0
CTECC Emergency Operations Center	0	0	0	0	0
Wage Adjustments Market Study	0	0	0	0	0
Additional Contribution to Retirement	0	0	0	0	0
Total Other Requirements:	\$0	\$0	\$0	\$4,483	\$942
TOTAL OPERATING REQUIREMENTS	\$0	\$0	\$255,585	\$255,811	\$277,413
(%RR)			96.6%	96.6%	7.5%
DEBT SERVICE:					
Revenue Bond Debt Service	\$0	\$0	\$0	\$0	\$2,970,645
Commercial Paper Debt Service	0	0	0	0	2,503
Contract Bond Debt Service	0	0	0	0	0
General Obligation Debt Service	0	0	0	0	0
Water District Bonds	0	0	0	0	0
TOTAL DEBT SERVICE:	\$0	\$0	\$0	\$0	\$2,973,148
(%RR)			0.0%	0.0%	80.6%
TRANSFERS OUT:					
Capital Improvements Program	\$0	\$0	\$0	\$0	\$400,000
General Fund	0	0	0	0	24,023
Revenue Stability Reserve Fund	0	0	0	0	0
Radio Communications Fund	0	0	0	0	0
Sustainability Fund	0	0	8,872	8,872	14,351
Reclaimed Utility Fund	0	0	0	0	0
Economic Incentives Reserve Fund	0	0	0	0	0
Public Improvement District	0	0	0	0	0
Transfer to PARD CIP-Swimming Pools	0	0	0	0	0
Environmental Remediation Fund	0	0	0	0	0
TOTAL TRANSFERS OUT:	\$0	\$0	\$8,872	\$8,872	\$438,374
(%RR)			3.4%	3.4%	11.9%
TOTAL REQUIREMENTS:	\$0	\$0	\$264,457	\$264,683	\$3,688,935
EXCESS / (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS:	\$0	\$0	\$622,790	\$482,015	(\$333,840)
ADJUSTMENT TO GAAP	\$0	\$0	\$0	\$0	\$0
ENDING BALANCE:	\$0	\$0	\$622,790	\$482,015	\$148,175
Water Rate Increases	0.0%	0.0%	7.7%	7.7%	10.8%
Debt Service Coverage Ratio			#DIV/0!	#DIV/0!	1.04



*Response to
2-112*

**CITY OF AUSTIN, TEXAS
AUSTIN WATER UTILITY**

Budget FY 2013-17

Option #30

*** DRAFT ***

**Water Operating Budget
Fund Summary**

	Actual 2009-10	Actual 2010-11	Amended Budget 2011-12	Estimated 2011-12	Proposed 2012-13
BEGINNING BALANCE:	\$29,408,799	\$18,702,014	\$21,874,267	\$42,322,379	\$55,130,222
REVENUES:					
Water Services	\$167,950,512	\$231,623,161	\$217,346,000	\$224,512,229	\$255,446,799
Wastewater Services	0	0	0	0	0
Reclaimed Water Services	400,831	580,368	0	0	0
Revenue Stability Fee	0	0	17,000,000	17,000,000	5,666,667
Reserve Fund Surcharge	0	0	0	0	3,809,300
Miscellaneous Revenue	1,883,856	3,503,760	2,480,785	2,822,700	4,216,800
Interest Income	177,597	120,610	397,242	107,873	404,873
TOTAL REVENUES:	\$170,412,796	\$235,827,899	\$237,224,027	\$244,442,802	\$269,544,239
TRANSFERS IN:					
Public Works	\$150,291	\$150,291	\$150,291	\$150,291	\$150,291
Capital Recovery Fees	8,921,328	3,000,000	3,000,000	3,000,000	3,000,000
Reclaimed Utility Fund	0	0	0	0	0
TOTAL TRANSFERS IN:	\$9,071,619	\$3,150,291	\$3,150,291	\$3,150,291	\$3,150,291
TOTAL AVAILABLE FUNDS:	\$179,484,415	\$238,978,190	\$240,374,318	\$247,593,093	\$272,694,530
OPERATING REQUIREMENTS					
Operations and Maintenance					
Treatment	\$29,994,227	\$31,796,064	\$35,089,080	\$35,450,458	\$37,547,064
Pipeline Operations	19,198,976	20,257,260	19,253,690	19,874,935	22,225,860
Engineering Services	4,280,478	4,491,458	5,617,676	5,347,728	6,349,353
Water Resources Management	1,942,333	1,892,783	1,817,011	1,810,370	2,239,267
Environmental Affairs & Conservation	9,795,278	7,697,429	10,297,879	7,982,824	10,831,930
Support Services - Utility	8,193,751	8,062,817	8,345,532	8,775,179	9,664,347
Reclaimed Water Services	0	0	0	0	0
One Stop Shop	179,742	161,050	170,776	170,776	213,673
Other Operating Expenses	2,308,386	4,453,728	3,577,583	3,316,093	3,845,623
Total Operations & Maintenance	\$75,694,171	\$79,012,589	\$84,169,227	\$82,738,363	\$93,017,117
(%RR)	39.9%	36.5%	35.5%	35.2%	32.0%
Other Requirements					
Accrued Payroll	\$199,302	\$171,561	\$103,658	\$78,527	\$163,498
27th Pay Period Expense	0	1,373,881	0	0	0
27th Pay Period Expense Refund	0	(1,421,970)	0	0	0
Workers' Compensation Fund	472,538	509,108	511,201	511,201	597,517
Liability Reserve Fund	310,000	310,000	275,000	275,000	250,000
Administrative Support - City	3,199,334	3,937,596	4,818,042	4,818,042	7,327,453
AE Billing & Customer Care	8,211,967	8,446,149	10,573,659	10,573,659	12,366,897
311 System Support	500,000	500,000	500,000	500,000	500,000
CTM Support	2,087,332	2,119,085	1,562,613	1,562,613	1,723,698
CTECC Emergency Operations Center	0	3,845	2,997	2,997	3,559
Wage Adjustments Market Study	0	0	313,810	0	0
Additional Contribution to Retirement	981,393	1,545,427	2,170,337	2,170,337	0
Total Other Requirements:	\$15,961,866	\$17,494,682	\$20,831,317	\$20,492,376	\$22,932,622
TOTAL OPERATING REQUIREMENTS	\$91,656,037	\$96,507,271	\$105,000,544	\$103,230,739	\$115,949,739
(%RR)	48.3%	44.8%	44.3%	44.0%	39.9%
DEBT SERVICE:					
Revenue Bond Debt Service	\$73,147,054	\$82,327,619	\$89,672,947	\$89,271,444	\$95,451,654
Commercial Paper Debt Service	265,987	239,793	457,978	234,815	579,384
Contract Bond Debt Service	0	0	0	0	0
General Obligation Debt Service	1,761,640	1,944,277	2,404,111	2,395,648	2,449,890
Water District Bonds	1,118,980	714,322	266,158	266,158	264,703
TOTAL DEBT SERVICE:	\$76,293,641	\$85,226,011	\$92,801,194	\$92,168,065	\$98,745,631
(%RR)	40.2%	38.5%	39.1%	39.3%	34.0%
TRANSFERS OUT:					
Capital Improvements Program	\$5,120,000	\$15,665,000	\$20,600,000	\$20,600,000	\$48,000,000
General Fund	14,260,165	15,485,864	15,746,956	15,746,956	17,722,306
Revenue Stability Reserve Fund	0	0	0	0	5,516,300
Radio Communications Fund	132,239	143,736	180,989	180,989	192,470
Sustainability Fund	2,092,834	2,179,607	2,372,240	2,372,240	2,695,442
Reclaimed Utility Fund	0	0	0	0	960,000
Economic Incentives Reserve Fund	0	166,666	166,666	166,666	166,666
Public Improvement District	37,500	37,500	37,500	37,500	37,500
Transfer to PARD CIP-Swimming Pools	100,000	100,000	100,000	100,000	100,000
Environmental Remediation Fund	120,750	120,750	182,095	182,095	182,095
TOTAL TRANSFERS OUT:	\$21,863,488	\$33,899,123	\$39,388,446	\$39,388,446	\$75,572,779
(%RR)	11.5%	15.7%	16.6%	16.3%	26.0%
TOTAL REQUIREMENTS:	\$190,013,166	\$215,632,405	\$237,188,184	\$234,785,250	\$290,268,149
EXCESS / (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS:	(\$10,528,751)	\$23,345,785	\$3,186,134	\$12,807,843	(\$17,573,619)
ADJUSTMENT TO GAAP	(\$178,034)	\$274,580	\$0	\$0	\$0
ENDING BALANCE:	\$18,702,014	\$42,322,379	\$25,060,401	\$55,130,222	\$37,556,603
Water Rate Increases	5.7%	5.4%	6.6%	6.6%	5.0%
Debt Service Coverage Ratio			1.51	1.62	1.60

**CITY OF AUSTIN, TEXAS
AUSTIN WATER UTILITY**

Budget FY 2013-17

Option #30

*** DRAFT ***

**Wastewater Operating Budget
Fund Summary**

	Actual 2009-10	Actual 2010-11	Amended Budget 2011-12	Estimated 2011-12	Proposed 2012-13
BEGINNING BALANCE:	\$34,459,839	\$39,535,751	\$24,878,633	\$29,419,314	\$17,026,521
REVENUES:					
Water Services	\$0	\$0	\$0	\$0	\$0
Wastewater Services	186,764,058	199,898,274	216,345,137	211,354,289	231,798,910
Reclaimed Water Services	3,667	7,552	0	0	0
Revenue Stability Fee	0	0	0	0	0
Reserve Fund Surcharge	0	0	0	0	0
Miscellaneous Revenue	4,071,126	3,779,845	3,928,361	3,134,801	4,680,700
Interest Income	513,505	299,141	399,742	166,050	339,596
TOTAL REVENUES:	\$191,352,356	\$203,984,812	\$220,673,230	\$214,655,140	\$236,819,206
TRANSFERS IN:					
Public Works	\$150,291	\$150,291	\$150,291	\$150,291	\$150,291
Capital Recovery Fees	8,964,345	1,800,000	1,300,000	1,300,000	1,800,000
Reclaimed Utility Fund	0	0	0	0	0
TOTAL TRANSFERS IN:	\$9,114,636	\$1,950,291	\$1,450,291	\$1,450,291	\$1,950,291
TOTAL AVAILABLE FUNDS:	\$200,466,992	\$205,935,103	\$222,123,521	\$216,105,431	\$238,769,497
OPERATING REQUIREMENTS					
Operations and Maintenance					
Treatment	\$28,418,932	\$29,038,331	\$32,364,226	\$33,264,554	\$36,020,347
Pipeline Operations	14,547,628	13,190,934	14,536,498	14,647,409	16,260,815
Engineering Services	5,717,303	5,835,252	6,440,203	6,013,098	7,014,952
Water Resources Management	1,855,677	1,879,439	2,224,054	2,296,524	2,564,670
Environmental Affairs & Conservation	1,881,335	1,969,785	1,872,832	1,842,968	2,181,443
Support Services - Utility	8,089,266	7,934,261	8,380,249	8,772,716	9,657,851
Reclaimed Water Services	0	0	0	0	0
One Stop Shop	296,372	335,680	353,186	353,186	387,789
Other Operating Expenses	2,402,216	2,371,854	2,892,292	2,864,110	2,970,126
Total Operations & Maintenance (%RR)	\$63,208,729	\$62,655,546	\$69,063,540	\$70,054,565	\$77,057,993
	32.2%	29.9%	30.2%	30.7%	34.3%
Other Requirements:					
Accrued Payroll	\$178,278	\$120,083	\$94,933	\$106,189	\$160,510
27th Pay Period Expense	0	1,385,569	0	0	0
27th Pay Period Expense Refund	0	(1,442,998)	0	0	0
Workers' Compensation Fund	488,529	526,336	511,201	511,201	597,516
Liability Reserve Fund	310,000	310,000	275,000	275,000	250,000
Administrative Support - City	3,277,205	3,151,132	3,454,056	3,454,056	4,822,928
AE Billing & Customer Care	4,050,225	5,339,930	5,982,441	5,982,441	6,129,251
311 System Support	500,000	500,000	500,000	500,000	500,000
CTM Support	2,087,332	2,119,085	1,562,614	1,562,614	1,723,698
CTECC Emergency Operations Center	0	3,845	2,997	2,997	3,558
Wage Adjustments Market Study	0	0	270,379	0	0
Additional Contribution to Retirement	1,026,811	1,543,602	2,206,545	2,206,545	0
Total Other Requirements:	\$11,918,380	\$13,556,584	\$14,860,166	\$14,601,043	\$14,187,461
TOTAL OPERATING REQUIREMENTS: (%RR)	\$75,127,109	\$76,212,130	\$83,923,706	\$84,655,608	\$91,245,454
	38.2%	35.2%	38.7%	37.0%	40.6%
DEBT SERVICE:					
Revenue Bond Debt Service	\$78,359,259	\$84,148,069	\$92,356,082	\$91,794,560	\$99,125,042
Commercial Paper Debt Service	237,676	208,851	322,410	236,253	72,955
Contract Bond Debt Service	606,181	0	0	0	0
General Obligation Debt Service	2,755,769	2,965,505	3,144,330	3,112,124	2,870,579
Water District Bonds	952,815	787,224	453,110	453,110	450,631
TOTAL DEBT SERVICE: (%RR)	\$82,911,700	\$88,109,649	\$96,275,932	\$95,596,057	\$102,519,207
	42.2%	40.6%	42.1%	41.8%	45.7%
TRANSFERS OUT:					
Capital Improvements Program	\$21,340,000	\$34,190,000	\$29,300,000	\$29,300,000	\$10,000,000
General Fund	14,707,299	15,777,461	16,172,575	16,172,575	16,802,030
Revenue Stability Reserve Fund	0	0	0	0	0
Radio Communications Fund	132,239	143,736	180,989	180,989	192,469
Sustainability Fund	2,051,767	2,041,506	2,206,732	2,206,732	2,368,192
Reclaimed Utility Fund	0	0	0	0	960,000
Economic Incentives Reserve Fund	0	166,667	166,667	166,667	166,667
Public Improvement District	37,500	37,500	37,500	37,500	37,500
Transfer to PARD CIP-Swimming Pools	0	0	0	0	0
Environmental Remediation Fund	120,750	120,750	182,096	182,096	182,096
TOTAL TRANSFERS OUT: (%RR)	\$38,389,555	\$52,477,620	\$48,246,559	\$48,246,559	\$30,708,954
	19.5%	24.2%	21.1%	21.1%	13.7%
TOTAL REQUIREMENTS:	\$196,428,364	\$216,799,399	\$228,446,197	\$228,498,224	\$224,473,615
EXCESS / (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS:	\$4,038,628	(\$10,864,296)	(\$6,322,676)	(\$12,392,793)	\$14,295,882
ADJUSTMENT TO GAAP	\$1,037,284	\$747,859	\$0	\$0	\$0
ENDING BALANCE:	\$39,535,751	\$29,419,314	\$18,555,957	\$17,026,521	\$31,322,403
Wastewater Rate Increases	3.3%	3.6%	3.5%	3.5%	6.0%
Debt Service Coverage Ratio			1.50	1.43	1.49
			3		

(%RR) = Percentage of Total Budget Requirements

Option 30 Water CIPs Austin RPD Res 4562

Table 103
Austin Water Utility
Water Cost of Service Model - Base/Extra-Capacity Method
Actual O&M Costs

Meszaros Exh 19

Item	Class Code	Class Code Description	FY 2013 Proposed	Percent Included	FY 2013 Included
WATER TREATMENT	1	Treatment			
Environmental & Regulatory Support	1	Treatment	\$596,188	100%	\$596,188
Water Treatment Laboratory	1	Treatment	1,680,110	100%	1,680,110
Water Treatment Engineering	1	Treatment		100%	0
Process Engineering	1	Treatment	491,453	100%	491,453
Facility Engineering - Treatment	1	Treatment	596,332	100%	596,332
WTP4 Maintenance	1	Treatment	332,685	100%	332,685
Davis WTP Maintenance	1	Treatment	1,873,546	100%	1,873,546
Ullrich WTP Maintenance	1	Treatment	1,856,772	100%	1,856,772
Electrical Maintenance	1	Treatment	1,163,546	100%	1,163,546
Instrumentation & Control Maintenance	1	Treatment	936,232	100%	936,232
Admin Support	1	Treatment	918,786	100%	918,786
Systems Support	1	Treatment	157,141	100%	157,141
WTP4 Operations	1	Treatment		100%	0
Electrical	1	Treatment	0	100%	0
Chemical	1	Treatment	0	100%	0
Other	1	Treatment	624,313	100%	624,313
Davis WTP Operations	1	Treatment		100%	0
Electrical	1	Treatment	4,425,351	100%	4,425,351
Chemical	1	Treatment	2,608,800	100%	2,608,800
Other	1	Treatment	1,895,804	100%	1,895,804
Ullrich WTP Operations	1	Treatment		100%	0
Electrical	1	Treatment	4,989,972	100%	4,989,972
Chemical	1	Treatment	3,270,981	100%	3,270,981
Other	1	Treatment	2,227,827	100%	2,227,827
PIPELINE OPERATIONS	8	Transmission & Distr		100%	0
Pump Station & Reservoir Maintenance (+SCAD)	8	Transmission & Distr		100%	0
Electrical	8	Transmission & Distr	3,743,078	100%	3,743,078
Other	8	Transmission & Distr	1,390,532	100%	1,390,532
Pump Station & Reservoir Operations	8	Transmission & Distr	1,906,231	100%	1,906,231
Pipeline Maintenance	8	Transmission & Distr		100%	0
Management Services	8	Transmission & Distr	804,044	100%	804,044
Distribution System Maintenance	8	Transmission & Distr	1,502,264	100%	1,502,264
Pipeline Operations	8	Transmission & Distr	8,679,861	100%	8,679,861
Service (House) Connection	8	Transmission & Distr	346,065	100%	346,065
Pipeline Rehabilitation & Construction	8	Transmission & Distr	1,927,456	100%	1,927,456
Metering Services	8	Transmission & Distr		100%	0
Meter Shop	8	Transmission & Distr	2,978,223	100%	2,978,223
ARV/PRV Maintenance	8	Transmission & Distr	220,194	100%	220,194
Valve & Hydrant	8	Transmission & Distr		100%	0
Valves	8	Transmission & Distr	937,599	100%	937,599
Valve Exercising	8	Transmission & Distr	592,812	100%	592,812
Hydrants	8	Transmission & Distr	1,885,472	100%	1,885,472
DISTRIBUTION SYSTEM SUPPORT	8	Transmission & Distr		100%	0
Asset Mgt - Distribution	8	Transmission & Distr	0	100%	0
Dispatch	8	Transmission & Distr	572,853	100%	572,853
Water Facility Engineering - Distribution	8	Transmission & Distr	1,299,908	100%	1,299,908
Water Pipeline Engineering	8	Transmission & Distr	1,285,132	100%	1,285,132
Infrastructure Records	8	Transmission & Distr	0	100%	0
Distribution Engineering	8	Transmission & Distr	855,062	100%	855,062
Engineering & Tech Support	8	Transmission & Distr	2,312,919	100%	2,312,919
GIS Services	8	Transmission & Distr	635,573	100%	635,573
Line Locators - Distribution	8	Transmission & Distr	341,833	100%	341,833
Water Protection / Inspection	8	Transmission & Distr	922,205	100%	922,205
Small Calls	8	Transmission & Distr	1,241,765	100%	1,241,765
Systems Planning	8	Transmission & Distr	1,594,899	100%	1,594,899
Utility Development Services	8	Transmission & Distr	356,691	100%	356,691
ONE STOP SHOP				100%	0

Table 103
Austin Water Utility
Water Cost of Service Model - Base/Extra-Capacity Method
Actual O&M Costs

Item	Class Code	Class Code Description	FY 2013 Proposed	Percent Included	FY 2013 Included
Building Plan Review	4	Services	44,028	100%	44,028
Research & Consult Water Cons	4	Services	0	100%	0
Land Use Review	4	Services	45,618	100%	45,618
Site Inspections	4	Services	0	100%	0
Permit and License Center	4	Services	124,027	100%	124,027
SUPPORT SERVICES				100%	0
Administration & Management	0	Administrative		100%	0
Internal Audit	0	Administrative	260,876	100%	260,876
Business Support	0	Administrative	505,014	100%	505,014
Strategic Resources Services (Wholesale)	0	Administrative	169,223	100%	169,223
Business Improvement Services	0	Administrative	118,454	100%	118,454
Financial Mngt / Budget & Accounting	0	Administrative		100%	0
CIP Budgeting / Acct & Fin Reporting	0	Administrative	434,047	100%	434,047
Rates, Analysis & Asset Mngt (RAAM)	0	Administrative	331,709	100%	331,709
Utility Central Stores	0	Administrative	143,179	100%	143,179
Budget & Accounting	0	Administrative	616,045	100%	616,045
Information Technology	0	Administrative	2,065,671	100%	2,065,671
Security Management	0	Administrative	1,053,904	100%	1,053,904
Facility Management - Service Centers	0	Administrative	1,269,455	100%	1,269,455
Facility Management - WCC, NSC	0	Administrative	424,936	100%	424,936
Purchasing	0	Administrative	218,853	100%	218,853
Accounts Payable	0	Administrative	308,817	100%	308,817
Public Involvement	0	Administrative	485,258	100%	485,258
Human Resources Services	0	Administrative		100%	0
Organizational Development	0	Administrative	196,017	100%	196,017
Employment - Compensation	0	Administrative	232,604	100%	232,604
Employee Relations & Workers Comp	0	Administrative	189,081	100%	189,081
Safety & Training	0	Administrative	557,425	100%	557,425
Equipment Repairs	0	Administrative	195,419	100%	195,419
CONSERVATION & REUSE	0	Administrative		100%	0
Facility Engineering - Conservation	0	Administrative	0	100%	0
Environmental Affairs & Conservation	0	Administrative		100%	0
Reicher Ranch	0	Administrative	105,770	100%	105,770
Land Management	0	Administrative	1,458,750	100%	1,458,750
Balcones Canyonland Preserve	0	Administrative	1,314,800	100%	1,314,800
Water Reuse	0	Administrative	0	100%	0
BILLING CUSTOMER SERVICES				100%	0
Tap Sales	4	Services	180,329	100%	180,329
Taps Investigation & Admin	4	Services	133,060	100%	133,060
Retail Customer Service	2	Customer Service	476,398	100%	476,398
Utility Customer Services Office - AE	2	Customer Service	12,366,897	100%	12,366,897
Bad Debt	0	Administrative	925,000	100%	925,000
TRANSFERS & OTHER REQUIREMENTS				100%	0
Commission on Debt	0	Administrative	30,250	100%	30,250
Special Support	0	Administrative	12,445,083	100%	12,445,083
WATER CONSERVATION	0	Administrative		100%	0
Water Conservation	0	Administrative	6,534,217	100%	6,534,217
Other Operating Transfers	0	Administrative		100%	0
Operating Transfers	0	Administrative	1,011,015	100%	1,011,015
Other Transfers	0	Administrative	819,366	100%	819,366
Total O&M Costs			\$116,769,105	100%	\$116,769,105
		Check	115,949,739	OK	

= 502

Table 110
Austin Water Utility
Water Cost of Service Model - Base/Extra-Capacity Method
Cash Basis Capital Costs

Item	FY2013
Debt Service Requirements	\$98,745,631
Transfer to City General Fund	17,722,306
Transfer to Sustainability Fund	2,695,442
Transfer to Water Construction Fund/Capital Outl.	48,000,000
Reserve Fund	5,516,300
Other Transfers	819,366
Watershed Land Purchase	(5,455,088)
LCRA Water Rights	(5,049,156)
Transfer to City General Fund	(17,722,306)
Transfer to Sustainability Fund	(2,695,442)
Reserve Fund	(5,516,300)
Total	\$137,060,752

= 507

WW Option 01 Final

Table 54
Austin Water Utility
Wastewater Cost of Service Model - Hybrid Method
Actual O&M Costs

Item	Class Code	Class Code Description	FY2013 Proposed	Percent Included	FY2013 Included
ONE STOP SHOP					
Commercial Building Plan Review					
Building Plan Review	1	Administrative	48,093	100%	48,093
Building Plan Review - IW	1	Administrative	96,507	100%	96,507
Land Use Review	1	Administrative	41,777	100%	41,777
One-Time Inspection	1	Administrative	43,698	100%	43,698
Permit Center					
Permit and License Center	1	Administrative	114,016	100%	114,016
Permit and License Center OSSF	1	Administrative	43,698	100%	43,698
Site Inspections	1	Administrative	0	100%	0
SUPPORT SERVICES					
Administration & Management					
Internal Audit	1	Administrative	260,875	100%	260,875
Business Support	1	Administrative	505,411	100%	505,411
Strategic Resources Services - Wholesale	1	Administrative	169,224	100%	169,224
Business Improvement Services	1	Administrative	118,454	100%	118,454
CIP Budget/Acct & Fin Reporting--MBN	1	Administrative	434,070	100%	434,070
Security Management	1	Administrative	549,583	100%	549,583
Rates, Analysis & Asset Mngt	1	Administrative	331,559	100%	331,559
Stores	1	Administrative	138,014	100%	138,014
Budget & Accounting	1	Administrative	615,578	100%	615,578
Information Technology Support	1	Administrative	2,029,684	100%	2,029,684
Facility Expenses					
Facility Management - GBSC, Webberville	1	Administrative	1,279,314	100%	1,279,314
Facility Management - WCC, NSC	1	Administrative	445,520	100%	445,520
Purchasing / MBE / WBE					
Purchasing	1	Administrative	218,843	100%	218,843
Accounts Payable	1	Administrative	306,053	100%	306,053
Public Involvement - Community Involvement	1	Administrative	504,638	100%	504,638
Personnel / Training					
Organizational Development	1	Administrative	194,973	100%	194,973
Employment - Compensation	1	Administrative	232,388	100%	232,388
Employee Relations & Wkrs Comp	1	Administrative	189,893	100%	189,893
Safety & Training	1	Administrative	540,737	100%	540,737
Equipment Repairs	1	Administrative	187,995	100%	187,995
CONSERVATION & REUSE					
Facility Engineering - Conservation	7	Treatment	0	100%	0
Environmental Lab - Conserv. & Reuse Support	7	Treatment	1,888,498	100%	1,888,498
Water Reuse / WW Reuse	7	Treatment	0	100%	0
Center for Environmental Research (CER)	1	Administrative	113,053	100%	113,053
BILLING CUSTOMER SERVICES					
Tap Sales	1	Administrative	181,214	100%	181,214
Taps Investigation & Admin	1	Administrative	114,699	100%	114,699
Retail Customer Service	1	Administrative	471,513	100%	471,513
Utility Customer Services Office - AE	1	Administrative	6,129,251	100%	6,129,251
Bad Debt	1	Administrative	917,500	100%	917,500
Unused 50			0	100%	0
TRANSFERS & OTHER REQUIREMENTS					
Commission on Debt	1	Administrative	30,347	100%	30,347
Special Support	1	Administrative	9,072,463	100%	9,072,463
TRANSFERS & OTHER REQUIREMENTS					
Operating Transfers			1,008,026	100%	1,008,026
Other Transfers			769,366	100%	769,366
Funding of low-income subsidy			0	100%	0
Unused 5			0	100%	0
Total O&M Costs			\$92,055,095	100%	\$92,055,095
Check			91,285,729	Matches Fund Summary, Option 28	

Wastewater Cost of Service Model - Hybrid Method--Austin Water Utility

PFT of Greg Meszaros-6086

Table 54
Austin Water Utility
Wastewater Cost of Service Model - Hybrid Method
Actual O&M Costs

Item	Class Code	Class Code Description	FY2013 Proposed	Percent Included	FY2013 Included
ONE STOP SHOP					
Commercial Building Plan Review					
Building Plan Review	1	Administrative	48,093	100%	48,093
Building Plan Review - IW	1	Administrative	96,507	100%	96,507
Land Use Review	1	Administrative	41,777	100%	41,777
One-Time Inspection	1	Administrative	43,698	100%	43,698
Permit Center					
Permit and License Center	1	Administrative	114,016	100%	114,016
Permit and License Center OSSF	1	Administrative	43,698	100%	43,698
Site Inspections	1	Administrative	0	100%	0
SUPPORT SERVICES					
Administration & Management					
Internal Audit	1	Administrative	260,875	100%	260,875
Business Support	1	Administrative	505,411	100%	505,411
Strategic Resources Services - Wholesale	1	Administrative	169,224	100%	169,224
Business Improvement Services	1	Administrative	118,454	100%	118,454
CIP Budget/Acct & Fin Reporting--MBN	1	Administrative	434,070	100%	434,070
Security Management	1	Administrative	549,583	100%	549,583
Rates, Analysis & Asset Mngt	1	Administrative	331,559	100%	331,559
Stores	1	Administrative	138,014	100%	138,014
Budget & Accounting	1	Administrative	615,578	100%	615,578
Information Technology Support	1	Administrative	2,029,684	100%	2,029,684
Facility Expenses					
Facility Management - GBSC, Webberville	1	Administrative	1,279,314	100%	1,279,314
Facility Management - WCC, NSC	1	Administrative	445,520	100%	445,520
Purchasing / MBE / WBE					
Purchasing	1	Administrative	218,843	100%	218,843
Accounts Payable	1	Administrative	306,053	100%	306,053
Public Involvement - Community Involvement	1	Administrative	504,638	100%	504,638
Personnel / Training					
Organizational Development	1	Administrative	194,973	100%	194,973
Employment - Compensation	1	Administrative	232,388	100%	232,388
Employee Relations & Wkrs Comp	1	Administrative	189,893	100%	189,893
Safety & Training	1	Administrative	540,737	100%	540,737
Equipment Repairs	1	Administrative	187,995	100%	187,995
CONSERVATION & REUSE					
Facility Engineering - Conservation	7	Treatment	0	100%	0
Environmental Lab - Conserv. & Reuse Support	7	Treatment	1,888,498	100%	1,888,498
Water Reuse / WW Reuse	7	Treatment	0	100%	0
Center for Environmental Research (CER)	1	Administrative	113,053	100%	113,053
BILLING CUSTOMER SERVICES					
Tap Sales	1	Administrative	181,214	100%	181,214
Taps Investigation & Admin	1	Administrative	114,699	100%	114,699
Retail Customer Service	1	Administrative	471,513	100%	471,513
Utility Customer Services Office - AE	1	Administrative	6,129,251	100%	6,129,251
Bad Debt	1	Administrative	917,500	100%	917,500
Unused 50			0	100%	0
TRANSFERS & OTHER REQUIREMENTS					
Commission on Debt	1	Administrative	30,347	100%	30,347
Special Support	1	Administrative	9,072,463	100%	9,072,463
TRANSFERS & OTHER REQUIREMENTS					
Operating Transfers			1,008,026	100%	1,008,026
Other Transfers			769,366	100%	769,366
Funding of low-income subsidy			0	100%	0
Unused 5			0	100%	0
Total O&M Costs			\$92,055,095	100%	\$92,055,095
Check			91,285,729	Matches Fund Summary Option 28	

← = 507

Table 61
Austin Water Utility
Wastewater Cost of Service Model - Hybrid Method
Cash Basis Capital Costs

Item	FY2013
Debt Service Requirements (Includes CRB)	\$102,519,207
Transfer to City General Fund	16,802,030
Transfer to Sustainability Fund	2,366,466
Transfer to Wastewater Construction Fund/Capital	10,000,000
Operating Transfers	0
Other Transfers	769,366
Full Year Revenue Increase Adjustment	0
Contract Bond Debt Service	0
Transfer to City General Fund	(16,802,030)
Transfer to Sustainability Fund	(2,366,466)
Total	\$113,288,573

← = 50%

Footnote #15

1 2013, the budgeted wastewater capital spending was reduced significantly from \$96.3
2 million in 2012 to \$60.4 million in 2013. The \$10 million cash transfer in 2013
3 represented a 24.7 percent cash funding of our capital spending.
4

5 **88. Please explain Significant Variance No. 2.** \$6.8 million increase in
6 wastewater revenue bond debt service from \$92.4 million in 2012 to \$99.1 million in
7 2013. Revenue bond debt service is the principal and interest payments on existing
8 revenue bonds outstanding as well as a projection of debt service for any revenue
9 bond issues to occur during 2013. These payments are generally fixed and based on
10 previous and projected bond issue structures.
11

12 **89. Please explain Significant Variance No. 3.** Significant Variance No. 3: \$3.6
13 million increase in Treatment operations and maintenance costs from \$32.4 million in
14 2012 to \$35.9 million in 2013. This increase in Treatment operations and
15 maintenance costs is primarily due to the increase in electrical costs associated with
16 Austin Water enrolling in Green Choice power which is wind generated power. The
17 impact of this decision on Austin Water was \$4.0 million for the water and wastewater
18 utility. The \$3.6 million increase in Treatment operations and maintenance is also due
19 to other various cost increases such as personnel, commodities, and contractual
20 services.
21

22 **90. Please explain Significant Variance No. 4.** Significant Variance No. 4: \$1.7
23 million increase in Pipeline Operations costs from \$14.5 million in 2012 to \$16.2
24 million in 2013. This increase in Pipeline Operations is primarily due to the increase
25 in costs associated with repairing streets after a wastewater line has been repaired due
26 to leaks or other issues. The Public Works Department of the City is responsible for
27 repairing all streets that were cut due to wastewater line maintenance. These budgeted