

Option 03 Final

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: Reserve Fund	48,000,000
Other Transfers	5,516,300
Watershed Land Purchase	819,366
LCRA Water Rights	(5,455,088)
Transfer to City General Fund	(5,049,156)
Transfer to Sustainability Fund	(17,722,306)
Reserve Fund	(2,695,442)
	(5,516,300)
Total	\$137,060,752

= 507

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	1	Administrative	48,093	100%	48,093
Building Plan Review	1	Administrative	96,507	100%	96,507
Building Plan Review - IW	1	Administrative	41,777	100%	41,777
Land Use Review	1	Administrative	43,698	100%	43,698
One-Time Inspection	1	Administrative			
Permit Center	1	Administrative	114,016	100%	114,016
Permit and License Center	1	Administrative	43,698	100%	43,698
Permit and License Center OSSF	1	Administrative	0	100%	0
Site Inspections					
SUPPORT SERVICES					
Administration & Management	1	Administrative	260,875	100%	260,875
Internal Audit	1	Administrative	505,411	100%	505,411
Business Support	1	Administrative	169,224	100%	169,224
Strategic Resources Services - Wholesale	1	Administrative	118,454	100%	118,454
Business Improvement Services	1	Administrative	434,070	100%	434,070
CIP Budget/Acct & Fin Reporting-MBN	1	Administrative	549,583	100%	549,583
Security Management	1	Administrative	331,559	100%	331,559
Rates, Analysis & Asset Mngt	1	Administrative	138,014	100%	138,014
Stores	1	Administrative	615,578	100%	615,578
Budget & Accounting	1	Administrative	2,029,684	100%	2,029,684
Information Technology Support					
Facility Expenses	1	Administrative	1,279,314	100%	1,279,314
Facility Management - GBSC, Webberville	1	Administrative	445,520	100%	445,520
Facility Management - WCC, NSC					
Purchasing / MBE / WBE	1	Administrative	218,843	100%	218,843
Purchasing	1	Administrative	306,053	100%	306,053
Accounts Payable	1	Administrative	504,638	100%	504,638
Public Involvement - Community Involvement					
Personnel / Training	1	Administrative	194,973	100%	194,973
Organizational Development	1	Administrative	232,388	100%	232,388
Employment - Compensation	1	Administrative	189,893	100%	189,893
Employee Relations & Wkrs Comp	1	Administrative	540,737	100%	540,737
Safety & Training	1	Administrative	187,995	100%	187,995
Equipment Repairs					
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 \$0			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 \$			0	100%	0
Total O&M Costs			\$92,055,095	100%	\$92,055,095
			Check 91,285,729	Matches Fund Summary Option 28	

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

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Business Support	1	Administrative	505,411	100%	505,411
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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

← = 507

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

Footnote #27

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austintexas.gov
the official website of the City of Austin

Public
Improv.
Dist

Department » Economic Development » Programs » Downtown Public Improvement Districts



DOWNTOWN PUBLIC IMPROVEMENT DISTRICTS

The Austin Downtown Public Improvement District (PID) and the E. 6th Street PID were created by the Austin City Council at the request of property owners within the districts, to provide services that supplement services provided by the City of Austin.

Austin Downtown Public Improvement District (PID)

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. Properties in the District are assessed an additional \$.10 per \$100 in assessed value, with exemptions for:

- (a) property of the City
- (b) property of the County, and property owned by political subdivisions of the State of Texas and used for public purposes
- (c) property owned by a church or by a strictly religious society
- (d) property owned by persons or associations of persons which is used exclusively for school purposes
- (e) property owned by an association engaged in promoting the religious, educational, and physical development of boys, girls, young men, or young women, including, but not limited to, property owned by the Austin Independent School District
- (f) property owned by institutions of purely public charity
- (g) property that was used primarily for recreational, park, or scenic purposes during the immediately preceding calendar year
- (h) property owned by public or private utilities that is located in public streets or rights-of-way
- (i) property used for residential purposes and fitting the definition of a homestead
- (j) property owned by The University of Texas and the State of Texas
- (k) all hospitals
- (l) the first \$500,000 in valuation of all properties liable for assessment.

Property designated by the City as "H" Historic shall have the exemptions from assessment contained in Section 5-5-3 of the City Code and shall be assessed on the basis of the reduced value.

The City contracts with the Downtown Austin Alliance to manage the downtown initiative program and promote growth and revitalization in Downtown Austin. The DAA consists of owners of downtown property, downtown tenants, and other interested Austinites.

East Sixth Street Public Improvement District (PID)

On August 6, 2004 the Austin City Council authorized the creation of the East 6th St. Public Improvement District. Properties in the District were assessed an additional \$.10 per \$100 in assessed value, up to a maximum value of \$500,000, to pay for the District's programs. With the district's reauthorization in 2009, the assessment rate was increased to \$.15 per \$100.

The City contracts with Sixth Street Austin to manage the services of the district.

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Footnote #28

WATER

LN#	FY	Fund	Dept	Unit	Item	Object	Object Name	AMOUNT	RFR#	JUSTIFICATION
2851	2013	5020	2200	6245	Retail Customer Service	7500	Office supplies	2,000		Budge from 6245 and 6645 for FY12
2852	2013	5020	2200	6245	Retail Customer Service	7610	Minor computer hardware	292		Replace 1 computer monitors - old monitors are wearing out
2853					Retail Customer Service Total			476,386	2-101	
2854	2013	5020	2200	6801	Utility Customer Service Costs	6241	Interdept-Utility billing	12,366,897		FY 13 FYFF 5-1-2012
2855					Utility Customer Service Costs Total			12,366,897	2-102	
2856	2013	5020	2200	6802	Bad Debt	6898	Bad debt expense	925,000		4-24-2011 \$65K each fund \$130K total reduction
2857					Bad Debt Total			925,000	2-103	
2858	2013	5020	2200	6804	Commission on Debt	8312	Util rev brd commission exp	20,000		
2859	2013	5020	2200	6804	Commission on Debt	8316	Arbitrage rebate-admin exp	10,250		
2860					Commission on Debt Total			30,250	2-104	
2861	2013	5020	2200	6806	Special Support	5114	Skill based pay	75,000		Per David 5-21-2012 email
2862	2013	5020	2200	6806	Special Support	5280	Consultant-others	50,000		appraisal and closing costs
2863	2013	5020	2200	6806	Special Support	5515	Services-appraisal	7,500		5-27-2011, \$50K per deduction detail.
2864	2013	5020	2200	6806	Special Support	5525	Services-auditing	50,000		
2865	2013	5020	2200	6806	Special Support	5570	Services-court costs	1,444		TCEQ rate issue per T Lutes
2866	2013	5020	2200	6806	Special Support	5620	Services-legal fees	150,000		outside legal per B Jennings
2867	2013	5020	2200	6806	Special Support	5620	Services-legal fees	50,000		additional legal fees for water items
2868	2013	5020	2200	6806	Special Support	5620	Services-legal fees	100,000		surveys & appraisals for 1 transaction per BJ e mail
2869	2013	5020	2200	6806	Special Support	5700	Services-survey	5,000		Amount include \$15,000 closing fee to purchase other Utility.
2870	2013	5020	2200	6806	Special Support	5860	Services-other	837,280		\$40,000 settlement fee (\$400 Per connection, 100 connections) in 8806
2871	2013	5020	2200	6806	Special Support	5860	Services-other	4,820		Conflict Resolution
2872	2013	5020	2200	6806	Special Support	5860	Services-other	80,648		Lobbyists for Legislature (Pope, Johnson, Greylok)
2873	2013	5020	2200	6806	Special Support	6124	Rental-copy machines	61,458		budget for all of the Copier Rental Fees in the Waller Creek Division.
2874	2013	5020	2200	6806	Special Support	6155	Water service	16,177		Payment to City of Round Rock for use of their hydrant to supply water to a subdivision in our ETJ
2875	2013	5020	2200	6806	Special Support	6179	Water Services Interlocal	295,000		Per Glenlake Agreement, budget \$ 295,000 per year to cover the cost of purchasing wholesale water from Riverplace. SF 5-16-2012
2876	2013	5020	2200	6806	Special Support	6203	Interdept charges	24,493		5-30-2012, per Deduction Detail 6806/8806 total \$48,985. Claims Investigator TARA 1/2 to Unit 6806 and 1/2 to Unit 8806
2877	2013	5020	2200	6806	Special Support	6203	Interdept charges	17,536		Energy-Efficient Lighting Retrofit Loan Payment for Water Plants, Maps & Records, SSC, & Waller Crk Payable to AE.
2878	2013	5020	2200	6806	Special Support	6203	Interdept charges	222,515		5-30-2012 per Robert Menchaca, Hazmat for AFD to prevent hazardous materials from going into the wastewater/water systems.
2879	2013	5020	2200	6806	Special Support	6203	Interdept charges	31,583		6-6-2012 Per Deduction Detail cost of ACM position.
2880	2013	5020	2200	6806	Special Support	6203	Interdept charges	10,728		FLEXTRA charges
2881	2013	5020	2200	6806	Special Support	6203	Interdept charges	12,500		CTM easement management system gap analysis
2882	2013	5020	2200	6806	Special Support	6203	Interdept charges	70,906		5-30-2012 Per Diane Harrison Attorney on AWU legal issues
2883	2013	5020	2200	6806	Special Support	6203	Interdept charges	500,000		311 System Support FY 13 FYFF 5-1-2012
2884	2013	5020	2200	6806	Special Support	6203	Interdept charges	35,724		Support new Chief Environmental Officer Total \$142,895, AWU \$71,448, (5020-\$35,724; 5030-\$35,724)

Austin Water Utility
Request for Production 3
Table 54 - Support Detail

LN#	BY	Fund	Dept	Unit	Item	Object	Object Name	AMOUNT	RFP#	JUSTIFICATION
2748	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	222,515		5-30-2012 per Robert Menchaca, Hazmat for AFD to prevent hazardous materials from going into the wastewater/water systems.
2749	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	31,583		6-6-2012 Per Deduction Detail cost of ACM position.
2750	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	7,801		FLEXTRA charges
2751	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	12,500		CTM easement management system gap analysis
2752	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	70,905		5-30-2012 Per Diane Harrison Attorney on AWU legal issues
2753	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	500,000		311 System Support FY 13 FYFF 5-1-2012
2754	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	35,724		Support new Chief Environmental Officer Total \$142,895, AWU \$71,448, (5020-\$35,724; 5030-\$35,724)
2755	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	6,029		Wireless broadband service admin costs Per Deduction Detail \$12,058 total 50/50 W/WW. 5-1-2012
2756	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	33,524		6-6-2012 Per Budget Office deduction detail for Dana Eskew
2757	2013	5030	2200	8806	Special Support	6234	Interdeptl CTECC	3,558		FY 13 FYFF 5-1-2012
2758	2013	5030	2200	8806	Special Support	6240	Interdeptl data systems	1,723,698		FY 13 FYFF 5-1-2012, including Contract Management and Real Estate office transfer
2759	2013	5030	2200	8806	Special Support	6242	Interdeptl-Admin.Support	4,822,928		Per Fleet 5-22-2012
2760	2013	5030	2200	8806	Special Support	6250	Fleet-equip.preventative	1,741		Per Fleet 5-22-2012
2761	2013	5030	2200	8806	Special Support	6255	Transportation-city veh fuel	2,823		Per Actual FY 10 Spending, total ww & www property insurance. Insurance Utility-Wide Insurance 5-10-2010
2762	2013	5030	2200	8806	Special Support	6324	Insurance-all risk-gen lib	658,000		Theft Insurance at Waller Creek Center
2763	2013	5030	2200	8806	Special Support	6325	Insurance-bond/theft/prof	2,552		\$40 per connection for Hornsby Bend Utilities per BJ
2764	2013	5030	2200	8806	Special Support	6363	Structured settlements	40,000		eCareer Admin Fee per Deduction detail (\$5,040) plus GOTO/MP/PC Licenses
2765	2013	5030	2200	8806	Special Support	6388	Maintenance-computer software	8,290		Interoffice Mail distribution
2766	2013	5030	2200	8806	Special Support	6418	Mail distribution cost	5,500		Administrative fees for bill payers who pay their Utility bills with credit cards.
2767	2013	5030	2200	8806	Special Support	6853	Credit Card Admin Fees	1,000		Per City HRD
2768	2013	5030	2200	8806	Special Support	6870	Prior service contribution	468		Unemployment Taxes
2769	2013	5030	2200	8806	Special Support	6871	Federal unemployment tax	16,710		Participation in the Black History month celebration
2770	2013	5030	2200	8806	Special Support	7454	Educational/promotional	1,444		Participation in the Asian-American conference
2771	2013	5030	2200	8806	Special Support	7454	Educational/promotional	480		Go to MY PC Licenses
2772	2013	5030	2200	8806	Special Support	7580	Software	1,636		Microcomputer Application Software \$300K per year, 150K W/WW each.
2773	2013	5030	2200	8806	Special Support	7580	Software	150,000		
2774					Special Support Total			9,072,463		

Footnote #29

12



City of Austin - JOB DESCRIPTION



Chief Sustainability Officer

FLSA:	Executives/2	EEO Category:	(10) Official/Adm
Class Code:	18705	Salary Grade:	E00
Approved:	February 24, 2010	Last Revised:	February 24, 2010

Purpose:

Oversees the development, coordination, and administration of sustainability policies and practices for the City of Austin; responsible for establishing a city-wide sustainability program that includes assessing the impact of sustainability practices to the City and broad community at large, while balancing the City's shared objectives for a healthy environment, an excellent quality of life, and continued economic vitality.

Duties, Functions and Responsibilities:

Essential duties and functions, pursuant to the Americans with Disabilities Act, may include the following. Other related duties may be assigned.

1. Develops and implements short and long range strategies, objectives, policies, and priorities related to sustainability, determines appropriate service and staffing levels; allocates resources accordingly.
2. Develops and implements marketing and educational programs that inspires people to embrace environmental sustainability practices and changes the thinking, behavior and practice of individuals, organizations and government by focusing on sustainability development.
3. Oversees and coordinates all levels of conservation and sustainability development including green purchasing, energy conservation, solid waste recycling, green building, resource and water conservation, green house gas reduction, renewable resources, government funding, and environmental reporting metrics.
4. Provides leadership planning and development of the sustainability capital budget, oversees adherence to budget guidelines, and prepares operational budget proposals.
5. Performs highly complex forecasting and cost/benefit analysis to enable executive city leadership to make informed decisions that focus on optimizing social and environmental impacts of sustainability program initiatives.
6. Analyzes operations to evaluate performance of programs and resources in meeting objectives; identifies areas of potential duplication of services, opportunities for program improvement, and policy change.
7. Provides oversight and direction of research and analysis of city and community sustainability needs to determine program direction and goals.
8. Presides over or serves on boards and commissions, committees, or other governing boards to address sustainability policy and practice. Develops partnerships and works with community members and organizations to establish a city-wide sustainability program.
9. Acts as official departmental representative to other city departments, CMO, elected officials, outside agencies and the community; explains, justifies, and defends department programs, policies, and activities; and negotiates and resolves sensitive, significant, and controversial issues. Briefs and advises City management and the Mayor and Council regarding sustainability programs.
10. Responds to and resolves sensitive inquiries and complaints, and issues from both internal and external sources.

Responsibilities - Supervisor and/or Leadership Exercised:

Responsible for the full range of supervisory activities including selection, training, evaluation, counseling, and recommendation for dismissal.

Knowledge, Skills, and Abilities:

Must possess required knowledge, skills, abilities and experience and be able to explain and demonstrate, with or without reasonable accommodations, that the essential functions of the job can be performed.

Knowledge of current concepts of conservation and sustainable development including green purchasing, energy conservation, solid waste recycling, green building, resource and water conservation, green house gas reduction, renewable resources, government funding opportunities, and environmental reporting metrics.

Knowledge of fiscal planning and budget preparation.

Knowledge of the principals and practices of public administration.

Knowledge of supervisory and managerial techniques and principles.

Skill in oral and written communications.

Skill in handling multiple tasks and prioritizing.

Skill in using computers and related software applications.

Skill in data analysis and problem solving.

Skill in preparing and analyzing budgets, reports, and studies

Ability to maintain effective communication and working relationships with Boards and Commissions, city employees and the public

Ability to develop strategic direction and program implementation collaboratively with various stakeholder/community groups.

Minimum Qualifications:

Graduation from an accredited four year college or university with major coursework in Business Administration, Public Administration, Environmental Management, Environmental Science, Environmental Engineering, Urban Planning, Architecture, or in a field related to the job, plus seven (7) years of sustainability related experience, two (2) years of which were in a managerial capacity.

Masters degree may substitute for two (2) years of experience.

Licenses and Certifications Required:

None.

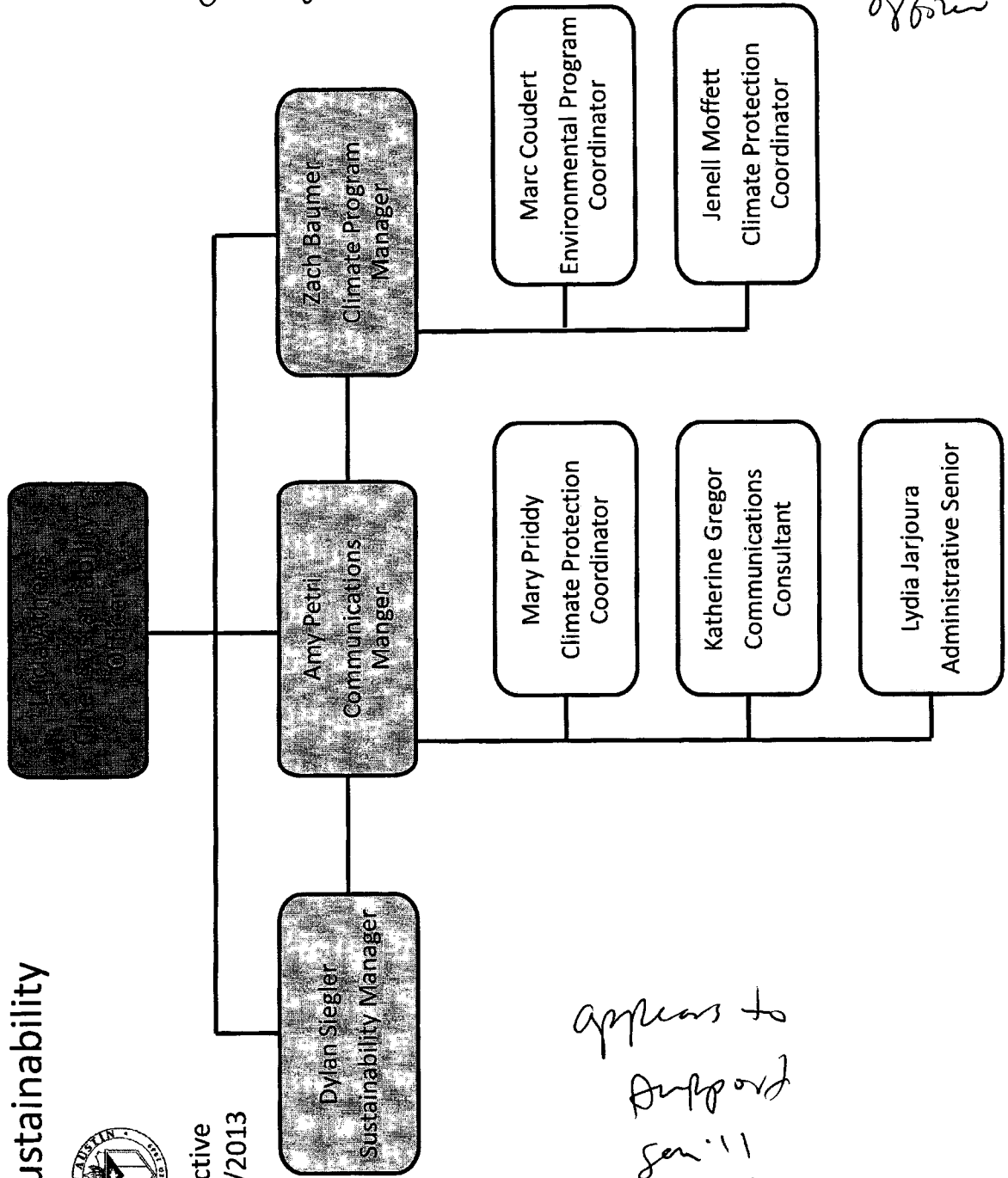
This description is intended to indicate the kinds of tasks and levels of work difficulty required of the position given this title and shall not be construed as declaring what the specific duties and responsibilities of any particular position shall be. It is not intended to limit or in any way modify the right of management to assign, direct and control the work of employees under supervision. The listing of duties and responsibilities shall not be held to exclude other duties not mentioned that are of similar kind or level of difficulty.

Footnote #30

Office of Sustainability



Effective
6/27/2013



Chief Environmental Officer/Sustainability (12)
8/8/2013

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rather than
www until

Footnote #31



Explore your city...

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Department » Sustainability



WELCOME

Our Mission

We advance local sustainability and climate action by providing leadership and coordination for initiatives across the City organization and the Austin community.

Climate Program

The Office of Sustainability's Climate Program works to make Austin the leading city in the nation in the fight against climate change. Learn more about the Climate Program.

Rethink/ Mobile App

Rethink/ is Austin's own mobile app, designed to encourage everyone to adopt greener behaviors that protect and preserve what's best about Austin. Ready to rethink your habits?

Austin Green Business Leaders

Join the Austin Green Business Leaders and get tools and resources that can help your company save money, expand market share, protect the environment, and support our local community. Join in 3 Easy Steps!

RECENT NEWS



- June 30, 2014
Austin Green Business Leaders Recognition Event
- January 23, 2014
Bright Green Future Grants Awarded to Local Schools
- December 17, 2013
City of Austin saves more than \$299,000 per year by going green with propane autogas
- July 22, 2013
City Recognizes over 100 Local Businesses for Being Green Leaders

- June 5, 2013
Request for Applications for Local Sustainability Projects

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9/26/2014 9:00 AM

Footnote #32

**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:	\$28,408,799	\$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	5,668,667
Reserve Fund Surcharge	0	0	0	0	3,809,300
Miscellaneous Revenue	1,883,856	3,503,760	2,480,785	2,822,700	4,216,600
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	19,199,976	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	7,897,429	10,297,879	7,992,824	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 (%RR)	\$75,894,171	\$79,012,589	\$84,169,227	\$82,738,363	\$93,017,117
	39.9%	36.6%	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	472,536	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 (%RR)	\$91,856,037	\$96,507,271	\$105,000,544	\$103,230,739	\$115,949,739
	48.3%	44.6%	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	2,395,848	2,449,890
Water District Bonds	1,118,860	714,322	266,158	266,158	264,703
TOTAL DEBT SERVICE (%RR)	\$76,293,641	\$85,226,011	\$92,801,194	\$92,168,065	\$98,745,631
	40.2%	39.5%	39.1%	39.3%	34.0%
TRANSFERS OUT:					
Capital Improvements Program	\$5,120,000	\$15,665,000	\$20,800,000	\$20,600,000	\$48,000,000
General Fund	14,260,165	15,485,864	15,746,956	15,746,956	17,722,305
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 (%RR)	\$21,863,488	\$33,899,123	\$39,386,446	\$39,386,446	\$75,572,779
	11.5%	15.7%	16.8%	16.8%	28.0%
TOTAL REQUIREMENTS:	\$190,013,166	\$215,632,405	\$237,188,184	\$234,785,250	\$290,268,148
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

2

(%RR) = Percentage of Total Revenue Requirements

Option 30 Water COS Austin RPI Resp-4829

**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	3,928,351	3,134,801	4,680,700
Interest Income	513,505	299,141	399,742	166,050	339,586
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	1,979,439	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	2,371,864	2,892,292	2,864,110	2,970,126
Total Operations & Maintenance	\$63,209,729	\$62,655,546	\$69,063,540	\$70,054,565	\$77,057,993
(%RR)	32.2%	28.9%	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	\$75,127,109	\$76,212,130	\$83,923,706	\$84,655,608	\$91,245,454
(%RR)	38.2%	35.2%	38.7%	37.0%	40.6%
DEBT SERVICE:					
Revenue Bond Debt Service	\$78,359,259	\$84,148,089	\$92,356,082	\$91,794,560	\$99,125,042
Commercial Paper Debt Service	237,676	208,851	322,410	236,263	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:	\$82,911,700	\$88,109,649	\$96,275,932	\$95,596,057	\$102,519,207
(%RR)	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	950,000
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:	\$38,389,555	\$52,477,620	\$48,246,559	\$48,246,559	\$30,708,954
(%RR)	19.5%	24.2%	21.1%	21.1%	13.7%
TOTAL REQUIREMENTS:	\$106,428,364	\$126,799,399	\$128,446,197	\$128,498,224	\$122,473,615
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	\$18,555,857	\$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 Operating Requirements

Option 30 Water Cost Study Austin, BPD Resp-4830

Footnote #33

311

13

Citizen Web Intake

water utility compensation NOAA PUC-42857 OB Seville SOAH TCEQ Progress Traffic

Yonlane AccuW anymeeting Cedar Ck Chase Cigna Climate Ticketmaster CO2 RBook Map

3. Complete the "Service Information" questions. Click Next Step.

4. Complete your "Contact Information". Click Next Step.

5. Complete "Comments and Attachments". Click Next Step. This will allow you to add a photo or document to your request.

6. "Review and Submit" your request.

If you don't find what you are looking for dial 3-1-1 and speak to one of your friendly and knowledgeable staff members.

Outside the City of Austin, dial (512) 974-2000.
TDD/TTY for the hearing impaired, dial (512) 972-9848.

Breaking News

City Knowledge Base Search

Customer Service

Request a City

Service Type

Keywords

Please Select

AFD - Wildfire Assessment

Alley & Unpaved Street Maintenance

Bicycle Issues

Bridge Repair

Channels/Creeks/Drainage Easement

Code Compliance

Code Compliance - Private Waste Hauler License Violation

Code Compliance - Woodridge Apt

Community Engagement Feedback

Curb/Gutter Repair

Ditch/Driveway Pipe Services

Drainage Pond Maintenance

Erosion

Fence Repair - MOPAC

Found Animal Report - Keep

Graffiti Abatement

Guardrail - New

Guardrail Repair

Hot Power Plant Project Issues

Bicycle Issues

-OR-

Go

Go

View Details

City Knowledge Base Search

4:22 PM 9/26/2014



Footnote #34

**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	4,216,600
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	\$35,069,060	\$35,450,458	\$37,547,064
Pipeline Operations	19,199,976	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	5,348,353
Water Resources Management	1,942,333	1,892,783	1,817,011	1,810,370	2,239,267
Environmental Affairs & Conservation	9,795,276	7,897,429	10,297,879	7,992,824	10,931,930
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	\$75,894,171	\$79,012,589	\$84,169,227	\$82,738,363	\$93,017,117
(%RR)	39.9%	36.6%	35.5%	35.2%	32.0%
Other Requirements:					
Accrued Payroll	\$199,302	\$171,561	\$103,858	\$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:	\$15,981,866	\$17,494,682	\$20,831,317	\$20,492,376	\$22,932,622
TOTAL OPERATING REQUIREMENTS	\$91,856,037	\$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	2,395,848	2,449,890
Water District Bonds	1,118,960	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%	39.5%	39.1%	38.3%	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	\$39,386,446	\$39,386,446	\$75,572,779
(%RR)	11.5%	15.7%	18.6%	16.8%	28.0%
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

2

(%RR) = Percentage of Total Revenue Requirements

Option 30 Water COS Austin RPD Resp-4829

**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	3,928,351	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	\$38,020,347
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	1,979,439	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	2,371,864	2,892,292	2,864,110	2,970,126
Total Operations & Maintenance	\$63,208,729	\$62,655,546	\$69,063,540	\$70,054,565	\$77,057,993
(%RR)	32.2%	28.9%	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	2,697	2,997	3,558
Wage Adjustments Market Study	0	0	270,379	0	0
Additional Contribution to Retirement	1,028,811	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:	\$75,127,109	\$76,212,130	\$83,923,706	\$84,655,608	\$91,245,454
(%RR)	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	236,263	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:	\$82,911,700	\$88,109,649	\$96,275,932	\$95,596,057	\$102,519,207
(%RR)	42.2%	40.8%	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:	\$38,389,555	\$52,477,620	\$48,246,559	\$48,246,559	\$30,708,954
(%RR)	19.5%	24.2%	21.1%	21.1%	13.7%
TOTAL REQUIREMENTS:	\$113,516,664	\$128,689,750	\$132,170,265	\$132,902,167	\$121,954,408
EXCESS / (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS:	\$86,950,328	\$77,245,353	\$89,953,256	\$83,193,264	\$116,815,089
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

Footnote #35

ISSUE PAPER
GENERAL FUND TRANSFERS¹

THE ISSUE: How should the ratepayers of the City of Austin's water and wastewater utilities bear responsibility for general fund transfers through water and wastewater rates?

SUMMARY: The City of Austin, like many communities in the United States, transfers revenues to the City from its utilities to support the costs of municipal government. Austin transfers 8.2 percent of water/wastewater utility revenues, in addition to actual cost reimbursements for services rendered by other City departments.

Opponents of this transfer, referred to as a general fund transfer, believe that the transfer is inappropriate because it is not based on the cost of the services provided, it circumvents taxing constraints by charging tax-exempt properties, and it may amount to taxation of outside City users without representation.

Proponents point to the legality of such a transfer as determined in various courts around the country. Also, the transfer can be considered a payment in lieu of tax. If the utility were privately owned, the City could levy property taxes on assets owned by the utility, and the revenues foregone as a result of municipal ownership should be recovered through the transfer. Further justification for a transfer is that a private utility would probably be required to pay a franchise fee, and again the foregone revenues from public ownership should be recovered through a transfer. Other reasons in support of a transfer include payment for general fund services received, risk payments, incentives for annexation, and the need to recover the costs of general City government from major tax exempt properties within the City such as the state government, federal government, and universities.

Evidence indicates that there is little uniformity among other communities regarding such general fund transfers. Some make no transfer, but others make transfers that are somewhat larger in percentage terms than the City of Austin. The City's transfer percentage is well within the range of transfers being made by other communities that have chosen to make such transfers.

1.0 INTRODUCTION

The City of Austin over the years has supplemented the costs of general government, typically funded in large part by property tax receipts, by the use of revenue transfers from the City's water, wastewater, and electric utilities to the general fund. The water and wastewater utility's transfer to the general fund is currently set by ordinance at 8.2 percent of the average annual revenues from the current and prior two years. Electric,

¹ Black & Veatch has edited and updated the issue paper originally prepared on this subject for the City's 1992 rate study.

Footnote #36

1 **15. In your review of Petitioners' claims, did you find any items which, in**
2 **your opinion, should have been included in Petitioners' cost of wholesale**
3 **water utility service, contrary to the Jay Joyce Affidavit?**

4 Yes. Based on my review of the Petitioners list and the City's rate-setting process,
5 the following are reasonable inclusions in the revenue requirements for the
6 Petitioners.

- 7
- 8 b. General Fund Transfer from the Water Fund
 - 9 d. Cash funding of Water Capital Improvements
 - 10 e. Funding for the Revenue Stability Reserve Fund
 - 11 g. Public Improvement District costs
 - 12 l. Water Conservation O&M expenses
 - 13 p. Water Treatment Plant 4 capital costs
 - 14 q. Water Treatment Plant 4 O&M expenses

15

16 I will discuss each these items and the rationale for my opinion that they are
17 appropriately included in the Petitioners revenue requirements and ultimately in
18 the Petitioners rates for water utility service.

19

20 **16. Please explain why you think the FY 2013 "General Fund Transfer"**
21 **should be included in Petitioners' cost of wholesale water utility service?**

22 b. General Fund Transfer. Petitioners claim that the General Fund Transfer
23 from the Water Fund should not be included in the Petitioner's COS because it
24 "...is excessive and not related to cost of providing City services to the Water
25 Fund." My testimony that follows directly addresses this claim and goes on to
26 also address a related topic dealing with other payments to the City for a range

1 of support services (direct and indirect) provided by the City to Austin Water
2 Utility.

3

4 1. General Fund Transfer – PILOT.

5 Austin Water Utility includes in its revenue requirements an annual
6 Payment in Lieu of Taxes (“PILOT”) to the City equal to 8.2% of total
7 revenues from all water and wastewater customers, including wholesale
8 customers, based on a three-year average (actual revenues for the last two
9 years and estimated revenue for the current year). Such a payment from
10 AWU to the City (to the General Fund of the City) is not at all unusual
11 with many municipal utilities in Texas and the U.S. following such
12 general fund transfer practices. In general, a PILOT is intended to
13 provide the City with the tax revenue it would have otherwise received
14 had the City been served by a privately owned or investor owned utility.
15 The PILOT represents the tax revenue that would otherwise be due the
16 City and is a necessary revenue requirement no different than the O&M
17 expenses or debt service costs incurred by AWU in the provision of
18 service.

19

20 A PILOT is most often linked to the assessed value of the utility property
21 or assets located within the jurisdiction of the taxing authority as though
22 the utility were privately-owned and operated. In other words, the
23 amount of the transfer is determined by multiplying the tax rate per \$100
24 of assessed asset value by the total property value. In Texas, property
25 taxes are assessed on both above ground and below ground utility assets
26 (pipelines, underground transmission and distribution systems, etc.).

27

1 In summary, a PILOT is widely accepted as a cost of doing business; no
2 different than the chemicals or power cost incurred by the utility to
3 provide water service. Of the largest cities located in Texas (Arlington,
4 Dallas, El Paso, Fort Worth, Garland, Plano, and San Antonio), all have
5 utilities that make some form of a payment to the city. Most all of the
6 utilities in these cities also pay for the cost of direct and indirect services
7 provided by the city to the utility.
8

9 2. General Fund Transfer -- Direct and Indirect Services.

10 Even for utilities that pay a PILOT, there are almost always utility
11 service revenue requirement items for additional payments/transfers
12 between the utility and the municipality to compensate for various
13 services rendered. These payments are used to reimburse the
14 municipality (its general fund) for the cost of direct and indirect
15 services provided by the municipality to the utility. The level of
16 payments for services rendered typically depends on the utility, the
17 governing style, and the relationship with the municipality. For
18 example, a utility that is very integrated into the municipal government
19 and requires services from the finance department, legal department,
20 billing department, etc., would likely pay the city or general fund more
21 money than a utility that is more independent, autonomous, and/or
22 governed by a separate board. Still, it is important to remember that
23 both direct and indirect payments are costs associated with the
24 service being provided to the utility by the municipality.
25

1 The services provided by the City to AWU are a revenue requirement no
2 different than the cost of power or chemicals incurred to provide treated
3 water service; they are a necessary, required business expense.
4

5 Local government utilities pay direct costs to the general fund for
6 specific services. These costs may directly relate to personnel assigned
7 to utility functions. They may also represent a certain level of legal
8 hours billed by the municipal legal department for utility-related
9 activities. In addition to personnel costs, direct services may relate to
10 a certain amount of materials used or the use of equipment or vehicles
11 owned by the municipality and used by the utility.
12

13 Local government utilities may also pay an indirect cost allocation to the
14 general fund. These costs are not directly attributed to one specific
15 activity or program. They may include costs classified as overhead, such
16 as administrative salaries, administrative supplies, and costs
17 associated with employee fringe benefit programs. Indirect general
18 fund costs as assigned to utilities are typically determined using an
19 indirect cost allocation study.
20

21 Direct and indirect costs represent payments for specific services
22 rendered by one entity to another, such as in this case, various City
23 departments providing services to AWU. These charges for direct and
24 indirect services provided by the City are separate and apart from the
25 previously discussed PILOT which represents taxes the City would have
26 received if a private utility were operating within the City's taxing
27 jurisdiction. For example, a private utility that is within the city limits

1 might also outsource its billing, legal, maintenance and/or other services
2 and appropriately incur these service support charges, but it is still
3 obligated to also pay its taxes.
4

5 **17. Please explain why you think the FY 2013 "Cash Funding of CIP"**
6 **(Capital Improvements Program) should be included in Petitioners' cost of**
7 **wholesale water utility service?**

8 e. Cash Funding of CIP. It is a widely held financial tenant that a utility, a
9 business, and even in our own individual finances, 100% debt financing or
10 borrowing is not a sound financial practice, and neither is 100% cash
11 funding. The more highly leveraged an entity is (as measured by the amount
12 of debt it owes; by the annual amount of debt payments it is obligated to
13 make) the greater risk it faces in terms of its ability to meet its fixed debt
14 service payments. At the same, over use of cash funding creates a
15 generational issue if existing ratepayers are disproportionally funding assets
16 that benefit future generations.
17

18 Capital financing should be accomplished using an appropriate balance of
19 debt and cash or pay-as-you-go funding. An appropriate balance of cash
20 versus debt funding includes consideration of the types of assets in which
21 the utility may be investing over a near- or long-term period; the input and
22 advice of the City's Financial Advisor and national rating agencies such as
23 Fitch Ratings (and others); and consideration of the capital structure of other
24 utilities. These balancing issues are self-moderating in Austin's municipal
25 utility situation in that AWU's capital structure uniformly affects both its
26 retail and wholesale customers.
27

Footnote #37

GF Trans

14

RESPONSE: Subject to, and without waiving general and specific objections stated in Austin's original response, *See the attached 2015 COS Model Changes, shown on the attached Austin RPD Resp. 5183-5184.*

The following request numbers 3-60, 3-61, 3-62 and 3-63 pertain to the prefiled direct testimony of Richard Giardina:

REQUEST FOR PRODUCTION NO. 3-60. Please provide the Professional Services Agreement dated September 4, 2013, referenced on page 6, line 9 of Mr. Giardina's testimony.

RESPONSE: Subject to, and without waiving general and specific objections stated in Austin's original response, *See the attached 2015 COS Model Changes shown on the attached Austin RPD Resp. 5183-5184. See the attached Raftelis Financial Consultants, Inc. ("RFC") Agreement with Webb & Webb, Attorneys at Law, shown on the attached Austin RPD Resp. 5185-5193.*

REQUEST FOR PRODUCTION NO. 3-61. Provide copies of all invoices, including all source documentation, provided by Mr. Giardina's firm in connection with the Professional Services Agreement referenced in the previous request.

RESPONSE: Subject to, and without waiving general and specific objections stated in our original response, *See the attached RFC Invoices, shown on the attached Austin RPD Resp. 5194-5237.*

REQUEST FOR PRODUCTION NO. 3-62. Please provide all documents supporting the statements made on page 18, lines 3-7 of Mr. Giardina's testimony.

RESPONSE: Subject to, and without waiving general and specific objections stated in our original response, *See the attached El Paso Cost Allocation and Best Practices Review, shown on the attached Austin RPD Resp. 5238-5260.*

REQUEST FOR PRODUCTION NO. 3-63. Please provide all documents supporting the statement made on page 21, lines 22-23 of Mr. Giardina's testimony that "...this range of cash funding is fairly typical in the local government utility industry."

RESPONSE: Respondent objects to this request as overly broad, unduly burdensome and not limited to a reasonable time or scope. Respondent further objects to the request as being made for the purpose of harassment.

Subject to, and without waiving said objections, responsive documents will be produced, if any are available.

1 In summary, a PILOT is widely accepted as a cost of doing business; no
2 different than the chemicals or power cost incurred by the utility to
3 provide water service. Of the largest cities located in Texas (Arlington,
4 Dallas, El Paso, Fort Worth, Garland, Plano, and San Antonio), all have
5 utilities that make some form of a payment to the city. Most all of the
6 utilities in these cities also pay for the cost of direct and indirect services
7 provided by the city to the utility.
8

9 2. General Fund Transfer – Direct and Indirect Services.

10 Even for utilities that pay a PILOT, there are almost always utility
11 service revenue requirement items for additional payments/transfers
12 between the utility and the municipality to compensate for various
13 services rendered. These payments are used to reimburse the
14 municipality (its general fund) for the cost of direct and indirect
15 services provided by the municipality to the utility. The level of
16 payments for services rendered typically depends on the utility, the
17 governing style, and the relationship with the municipality. For
18 example, a utility that is very integrated into the municipal government
19 and requires services from the finance department, legal department,
20 billing department, etc., would likely pay the city or general fund more
21 money than a utility that is more independent, autonomous, and/or
22 governed by a separate board. Still, it is important to remember that
23 both direct and indirect payments are costs associated with the
24 service being provided to the utility by the municipality.
25

Exhibit 2.1 – Texas Benchmarking Analysis of General Fund Transfers

Texas Utilities/Cities	Transfer(s)
San Antonio	PIOT - based on Water Utility assets & property tax rate Street Rental - 2.5% of Revenue Sustainability - 1% of Revenue
Austin	Rate of Return - 8.2% of revenue (based on 3 yrs) Sustainability - 1% of Revenue
Corpus Christi	
Dallas	PIOT - based on Water Utility assets & property tax rate Street Rental - 5% of Revenue
El Paso	Rate of Return - 10% of Water & Sewer Utility
Fort Worth	PIOT - based on Utility assets & property tax rate Street Rental - 5% of Revenue
Garland	PIOT - based on Utility assets & property tax rate Street Rental - 4% of operating revenue
Houston	
Irving	
Plano	Transfer of 7% of budgeted revenue
San Antonio	Transfer of 2.5% of gross Utility revenue (portion targeted to 2.5)

Exhibit 2.2 – National Benchmarking Analysis of General Fund Transfers

National Utilities/Cities	Transfer(s)
Albuquerque	Transfer of 10% of Water Sales Revenue
El Paso	PIOT - based on usage
Little Rock, CA	Transfer value - 60% of sewer water sales of Little Rock and 60% of total sewer water sales of North Little Rock, based on bill
Memphis	Transfer of approx. \$52.0M (of approx. \$1.0M revenue)
San Diego City	Transfer amount - \$22.0M (revenue) 10% of water bill (the greater of 10% or 1% - 2% of water bill sales revenue)
Phoenix	PIOT - based on value of plants, land and building
San Antonio, TX	Utility fee - 5% of sales revenue. PIOT - based on total rate asset

*The city of Mesa, AZ uses transfer for funding city services and does not have a primary property tax.

In reviewing the benchmarking results and general industry research, there appears to be no clear trends for what type or combination of transfers are implemented nor the specific level or basis of transfers, regardless of size, organization type, governance type, or geographic region. Within certain industry accepted guidelines as discussed above in Subsection B, the type and amount appear to be unique to the utility and city in question.

Direct and Indirect Costs

Exhibit 2.3 and Exhibit 2.4 present the benchmarking results of Transfers for the Texas and National benchmarking analyses completed for this study. While benchmarking this is helpful in that it shows that other utilities pay direct and indirect costs to the General Fund and provides insight into the level that the utility relies on the municipality for service, little value is gained in comparing the dollar amount of the costs transferred since direct and indirect costs, in general, are very unique and specific to the utility and city in question, similar to the transfers previously discussed.

Exhibit 2.3 – Texas Benchmarking Analysis of Cost Transfers

Texas Utilities/Cities	Cost Transfer(s) for Services
Arlington	Direct costs - approx. \$2.2 mil and indirect costs - approx. \$2.2 mil
Austin	Direct Services - approx. \$12.9 mil Admin Support - A few additional miscellaneous transfers for services
Corpus Christi	Direct costs - linked or indirect allocation - approx. \$8.4 mil
Dallas	Indirect Costs
El Paso	Utility costs to 2 HR positions and insurance
Ft. Worth	Indirect costs - no direct cost allocation - approx. \$4 mil
Galveston	Direct and indirect costs
San Antonio	Cost allocation - direct costs - approx. \$1.4 mil and indirect costs
Houston	Direct and indirect costs based on allocation - approx. \$42 mil
Irving	Direct costs - approx. \$1.1 mil and indirect costs - approx. \$1.1 mil
San Antonio	Indirect costs - based on allocation - approx. \$2.0 mil
San Antonio	Indirect Costs - varies
San Antonio	None

Exhibit 2.4 – National Benchmarking Analysis of Cost Transfers

National Utilities/Cities	Cost Transfer(s) for Services
Atlanta	Direct costs - approx. \$1.1 mil and indirect costs - approx. \$1.1 mil
Chicago	Indirect costs - based on allocation - approx. \$9.8 mil and \$1.1 mil
El Paso	Direct costs - approx. \$1.1 mil and indirect costs - approx. \$1.1 mil
Los Angeles	None
Mesa	Direct and indirect costs based on allocation - updated annually
Orlando City	Indirect Costs - approx. \$1.1 mil and \$1.1 mil
Phoenix	Indirect costs - based on central services allocation - approx. \$23.2 mil
San Antonio	Direct costs - approx. \$1.1 mil and indirect costs - approx. \$1.1 mil
San Antonio	Direct costs - approx. \$1.1 mil and indirect costs - approx. \$1.1 mil

Exhibit 2.5 shows that the hypothetical analysis results in a slightly higher payment to the City. However, based on the extent of the assumptions made, the general level of acceptance of the existing approach, and the overall good health of the current relationship with EPWU, it may not be advantageous for the City to transition away from the existing methodology.

G. Summary of Transfers

The most important result from the transfer analysis is that there appears to be no single trend for the type or level of transfers between cities and utilities. While PILOTs and franchise fees appeared to be the most common type, several of the benchmarked utilities used other transfers or combination of transfers. The transfers, direct costs, and indirect costs are very utility/municipality specific. Even among utilities that appear similar based on governance, organization and location, several different types and combinations of transfers are used and the level of funds transferred is by no means consistent from utility to utility.

Additionally, the City may want to revisit the indirect costs allocated to EPWU. Currently, the City goes through an exhaustive indirect cost allocation evaluation every year within the city departments. EPWU is not included in this analysis. The City may want to include EPWU as a cost center in that analysis going forward to better determine the level of indirect costs that should be recovered from EPWU.

City	Contact Information / Source	Utility Organization	PILOT / Franchise Fees / ROW Fees	Indirect Costs	Costs included in the Outside City Revenue Requirement?
Houston	Sophia Chang, Assistant Director, City of Houston Public Works and Engineering Department, 832-395-2580	Water and wastewater utilities are part of the Public Works and Engineering Department of the City of Houston	No PILOT, No Franchise Fees, No ROW Fees	Utility pays for indirect overhead allocations charged by the City of Houston	YES - A portion of indirect overhead allocations made by the City are allocated to the outside City wholesale revenue requirement
Arlington	Merita Browne, Financial Administrator, City of Arlington Water Utilities, 817-459-6810	Arlington Water Utilities is a department within the City of Arlington	Arlington Water Utilities pays PILOT to the City (based on utility assets & property tax rate) and a franchise fee equal to 5.6% of revenue less impact fees and interest.	Arlington Water Utilities also pays for indirect overhead allocations charged by the City of Arlington	YES - PILOT, Franchise Fees, and indirect overhead allocations are included in the outside City wholesale revenue requirement
Fort Worth	Sliggar Shook, Sr. Utility Rate Analyst, Fort Worth Water Department, 817-393-8402	Fort Worth Water Department is a department within the City of Fort Worth	Fort Worth Water Department pays PILOT to the City (based on utility assets & property tax rate) and a street rental/ROW fee to the City equal to 5% of revenue.	Fort Worth Water Department also pays indirect overhead allocations charges by the City of Fort Worth	YES - PILOT, Street Rental/ROW fees, and indirect overhead allocations are included in the outside City wholesale revenue requirement
Dallas	Erica Robinson, Manager II, City of Dallas Water Utilities, 214-670-5245	Dallas Water is a Department within the City of Dallas	Dallas Water pays PILOT to the City (based on water utility assets & property tax rate) and a street rental/ROW fee to the City equal to 5% of revenue	Dallas Water also pays indirect overhead allocations to the City of Dallas	NO - PILOT, Street Rental/ROW fees, and indirect overhead allocations are excluded from the wholesale revenue requirement
San Antonio	RFC COS model developed for SAMS	Autonomous City water board	San Antonio Water System pays 2.7 % of gross utility revenue to the City (option to go to 5%)	SAWS does not pay indirect overhead costs to the City of San Antonio	YES - outside city wholesale revenue requirement includes a portion of the 2.7% of gross utility revenue paid to the City
El Paso	Red Oak Cost of Service (COS) model developed for El Paso	Autonomous City water board	El Paso Water Utilities pays 10% of water sales revenue and 5% of net land sales to the City of El Paso	El Paso Water Utilities does not pay indirect overhead costs to the City of El Paso	NO - 10% of water sales revenue paid to the City is excluded from the outside City wholesale revenue requirement. Inside City customers are only allocated this cost.
Phoenix	Denise Olson, Deputy Finance Director, 602-261-8343	Phoenix Water Services Department is a department within the City of Phoenix	Phoenix Water Services Department pays PILOT based on assets and a property tax rate	Phoenix Water Services Department also pays indirect overhead allocations to the City of Phoenix	YES - even though the outside city wholesale services provided by the Phoenix Water Services Department are minimal, wholesale customers do pay a portion of PILOT. Unsure about indirect overhead allocations.
Tucson	Balinda Oden, Business Services Administrator, City of Tucson, 520-837-2145	Tucson Water is a department within the City of Tucson	Tucson Water pays a PILOT based on inside City assets and a property tax rate	Tucson Water also pays indirect overhead allocations to the City of Phoenix	YES - Even though the PILOT is calculated on inside City assets, PILOT and indirect overhead allocations are included in the outside City wholesale revenue requirement
Oklahoma City (OKC)	Rick Gardina	Utilities Department is a department within the City of Oklahoma City	OKC Utilities Department pays a 2% PILOT based on inside City water and wastewater user charge revenue (excluding inside City raw water and public fire protection)	OKC Utilities Department also pays indirect overhead allocations to the City of Oklahoma City	NO - outside city customers do not pay for the 2% PILOT

14

GP Trans

Footnote #38

General Fund Transfer

The City of Austin has a long standing policy of relying on its utility enterprise departments to provide a portion of the funds needed to finance general government operations. For cost-of-service ratemaking, general fund transfers present two important questions largely because of the existence of outside-City Utility customers. These questions are whether general fund transfers are properly included at all in utility revenue requirements based on cost of service, and if so, what is an appropriate transfer level?

The Water and Wastewater Utility's principal general fund transfer is currently set at 8 percent of average annual revenues for the prior 2 years and the current year estimate—approximately \$13.6 million at FY92-93 revenue levels. It has variously been described as a payment in lieu of taxes, a payment in lieu of franchise fees, and a return on investment. These descriptions reflect the view that general fund transfers are properly included in revenue requirements in the same way that rate of return or tax and franchise fee payments are included in investor-owned utility revenue requirements.

Utility transfers are a particularly important method for general government financing in Austin because of the City's unique public financing position. Austin, which is the seat of state government and the site of a large public university, and where there is a substantial federal government presence, has a large fraction of real property exempt from property taxation. Support of general government through utility charges is, therefore, an effective mechanism to recover payments for general government services from institutions that would otherwise be exempt. A survey of similarly situated cities around the country indicates that Austin's practice is not uncommon and, among cities which employ such a transfer, Austin's transfer rate is within the range of these cities' transfer practices. The legality of such a transfer as upheld in various courts around the country, as well as the fact that such transfers are a common public financing mechanism, further support its inclusion in Austin's revenue requirements and suggest that Austin's transfer rate is reasonable.

However, in the 1989 rate case at the Texas Water Commission, the City's wholesale customers took the position that the transfer was an improper exercise of the City's taxing power and that the transfer was unrelated to the cost of providing service. They argued that because they do not live in the City and do not benefit from its municipal services, they should not be asked to share in the cost of providing those services through utility rates.

The subject of the revenue-based transfer was debated at length at a meeting of the Ad Hoc Cost-of-Service Committee. It was the Committee's view, with which CH2M HILL concurs, that the transfer is properly includible in the Utility's revenue requirements, and that all customer classes, wholesale and retail, should share proportionately in the cost.

Footnote #39

1 Third, Ms. Dively removed Austin Energy from her analysis, further skewing
2 the results towards the smaller MOUs. By removing both CPS Energy and Austin
3 Energy, Ms. Dively has removed the two largest MOUs in Texas, leaving a group of
4 utilities that are not representative of Austin Energy and, thus, should not be relied
5 upon to establish a median or an average.

6 **Q. MS. DIVELY REPEATEDLY CLAIMS THAT AUSTIN ENERGY HAS NOT**
7 **PROVIDED EVIDENCE TO SHOW THAT THE GFT IS REASONABLE.**
8 **WHAT IS YOUR RESPONSE TO THIS CLAIM?**

9 A. Austin Energy has provided ample evidence that the GFT is reasonable. Although
10 Ms. Dively characterizes Mr. Nalepa's testimony as merely data, it is that data that
11 serves as benchmarking for both Mr. Nalepa's analysis and Ms. Dively's own
12 analysis. Mr. Nalepa's comparison of Austin Energy's GFT to those of other MOUs
13 is precisely the type of analysis that must be used to determine whether the amount is
14 reasonable.

15 The GFT policy is a long-standing policy of the City Council and thoughtful
16 consideration is given before any change in that policy. In the spring of 2010 when
17 Austin Energy indicated the need for a rate increase, the City of Austin commissioned
18 a consulting study of transfers from municipal utilities to general government. The
19 resulting report, dated March 17, 2011, was titled *Austin Energy Financial and*
20 *Performance Review - Analysis of Transfers from Municipal Utilities to General*
21 *Government* and was prepared by Navigant Consulting, Inc. and Fox Smolen &
22 Associates, Inc. The report is included as Exhibit EH-R-1. The report states that the
23 City and Austin Energy have consistently maintained the transfer policy (both in
24 methodology and percentage) and, in fact, has maintained a transfer rate lower than

1 its maximum policy rate of 12%.⁴ The report further states that the percentage of
2 gross revenue is a common GFT methodology noting that AE's GFT is slightly below
3 the average of 8.2% in 2009.⁵

4 Key points in the report's summary statement indicate AE's GFT is similar in
5 methodology to utilities surveyed and that the transfer policy is determined during the
6 budget process and has been consistently applied. The City of Austin has maintained
7 its transfer policy, both in methodology and percentage, and has consistently
8 budgeted the transfer below the maximum stated in the Financial Policy No. 13
9 (12%).

10 Most important, the report concludes that AE's GFT transfer rate is within a
11 reasonable range when considering the comparable utilities in the survey. The Texas
12 utilities included AE, Georgetown Utility Services, Denton Municipal Electric,
13 College Station Utilities, CPS Energy, and Lubbock Power and Light. The non-
14 Texas utilities were Orlando Utility Commission, City Utilities of Springfield,
15 Gainesville Regional Utilities, and Seattle City Light.

16 Additional data in the following table was derived from the direct testimony
17 of COA witness William G. Newman at Exhibit WGN-8 page 12 of 21 contained in
18 the Fitch Ratings Report titled *U.S. Public Power Peer Study*, dated June 2012. This
19 further supports Austin Energy's GFT transfer rate. The table summarizes the
20 transfer payment as a percentage of operating revenue for Electric Reliability Council
21 of Texas ("ERCOT") retail systems owning generation assets in an 'AA+', 'AA' or
22 'AA-' rated senior debt category. Retail systems with generation ownership are

⁴ See Exhibit EH-R-1 at 6.

⁵ *Id.* at 7.

1 considered a higher risk profile by the rating agencies. All other ERCOT retail
2 systems in this report were smaller systems with no ownership of generation.

3 Table 1

Retail Systems - 2011	Region	Rated Senior Debt	Total Revenue (\$000)	Transfer Payment as % of Operating Revenue
San Antonio City Public Service, TX (CPS Energy)	ERCOT	'AA+'	2,068,686	13.4
Austin Energy, TX	ERCOT	'AA-'	1,249,139	8.3
Garland Electric Fund, TX	ERCOT	'AA-'	223,505	9.1
Median			1,249,139	9.1
Average			1,180,443	10.3

4 In determining reasonableness, an MOU can only be benchmarked against
5 other MOUs. While the data may be limited, what is presented here supports the
6 reasonableness of Austin Energy's GFT rate.

7 **B. EGRSO**

8 **Q. SEVERAL PARTIES IN THIS CASE RECOMMEND THAT EGRSO COSTS**
9 **SHOULD BE REMOVED FROM THE COST OF SERVICE.⁶ DO YOU**
10 **AGREE?**

11 **A.** No. I believe that removal of EGRSO from the cost of service is unreasonable. As I
12 explained in my direct testimony, EGRSO benefits Austin Energy ratepayers through
13 programs for economic development, urban regeneration, small business
14 development, cultural arts, music industry, and international and emerging
15 technology. EGRSO benefits ratepayers because AE has a defined service area and

⁶ See Direct Testimony of June M. Dively at 19-21 (Feb. 7, 2013); Direct Testimony of Marilyn J. Fox at 18-19 (Feb. 7, 2013); and Direct Testimony of Ruth Stark at 4-7 (Feb. 14, 2013).

Footnote #40