

RESOLUTION NO.

WHEREAS, the Austin City Council passed a resolution on September 22, 2011, directing the City Manager to work with a Joint Subcommittee of the Resource Management Commission, the Water and Wastewater Commission, and the Impact Fee Advisory Committee; and

WHEREAS, the goal of the Joint Subcommittee is to develop recommendations for short-term and long-term financial plans to strengthen the financial stability of the Austin Water Utility; and

WHEREAS, the City Manager was to present recommendations to the Audit and Finance Committee by April 15, 2012, and the City Council by May 1, 2012; and

WHEREAS, the Joint Subcommittee held their first meeting on November 7, 2011, and are meeting regularly to develop their recommendations; and

WHEREAS, in order to develop recommendations based on a comprehensive view of the Austin Water Utility's Financial Policies more time may be required; and

WHEREAS, the Utility's operating budget will not impact the development of the financial plan recommendations and financial stability framework, but the recommendations will be included in the Utility's budget submittals; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the deadline for the City Manager to present the recommendations to the Audit and Finance Committee and the Austin City Council be extended to May 22, 2012 and June 7, 2012 respectively. The final recommendations should be included and implemented as part of the FY 2012-13 Budget process.

BE IT FURTHER RESOLVED:

That in order for the City Manager to meet the deadline to develop recommendations and include them as part of the proposed FY 2012-13 Budget the Joint Subcommittee should first focus on crafting the recommended financial stability framework, those policies that are more structural in nature, including

- A graduated revenue stability fee;
- The overall fixed revenue goals and a phased approach to achieving the goals;
- The creation of a Revenue Stability Reserve Fund;
- Recommendations for addressing volatility through volumetric rates;
- Adjustments, as needed, of debt ratio goals and other financial metrics;
- Discount policies for water and wastewater impact fees, and service extension request reimbursement policies;
- A water conservation and marketing program targeted to high-volume, low income household that do not qualify for a revenue stability fee exemption;

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- Drought emergency rate policies.

BE IT FURTHER RESOLVED:

That the Joint Subcommittee of the Resource Management Commission, the Water and Wastewater Commission and the Impact Fee Advisory Committee will continue to meet as needed throughout the FY 2012-13 Budget process until its passage to review and advise on the Utility's proposed budget and implementation of the recommended financial stability framework.