



**Joint Committee on Austin Water Utility's Financial Plan
May 21, 2014
Waller Creek Center, Room 104
625 East 10th Street
Austin, Texas**

For more information go to: <http://austintexas.gov/department/joint-subcommittee>

AGENDA

**Water & Wastewater
Commission Members**

Mickey Fishbeck
Chien Lee, P.E. (Absent)

**Resource Management
Commission Members**

Sean Kelly
Luke Metzger

**Impact Fee Advisory
Committee Members**

Kris Bailey
J.R. (Hank) Kidwell
Brian Rodgers

Staff in Attendance:

Greg Meszaros, Director, David Anders, Assistant Director, Daryl Slusher, Robert Rowan, Michael Castillo, Jane Burazer, Jason Hill, Sonia Stefaniw, Darrel Culberson, Brian Long, Amy Hunter, Rick Coronado, Chris Chen, Kristi Fenton, Songli Floyd, Henrietta Melgar, Tammie Freeman, Tony Rizk, Mark Dollins, Mercedes Garcia-Lopez, Willy Conrad, Dave Juarez, Mehrdad Morabbi, Brian Long, Teresa Lutes, Ayman Benyamin, William Robinson, and Chevonne Pullen

Additional Attendees:

Citizens: Bill Oakey, Jeff Covington, Dan Wilcox

A. CALL TO ORDER

Chair Fishbeck called the meeting to order at 6:04 p.m.

B. CITIZEN COMMUNICATION

Bill Oakey urged the Committee to recommend to the City Council to transfer the City's \$14.2 million budget surplus to the Water Utility to help the financial position of the utility. Mr. Oakey stated he brought up the subject of the transfer recently to the Council on Citizens Communication and Mayor Lee Leffingwell expressed an interest in pursuing the proposal. Mr. Oakey remarked on the memorandum from City Manager Marc Ott that identified 900 staff vacancies as of January 10th of this year and he suggested unfilled

positions had a probability of generating an additional money surplus in the City's budget and suggested this too, should be transferred to the Water Utility.

C. APPROVAL OF MINUTES

Brian Rodgers moved to approve the minutes contingent on the removal of Chair Mickey Fishbeck designated as absent. Luke Metzger 2nd the motion to approve them. Chair Fishbeck, Vice-chair Bailey, Commissioner Kelly, Committee Member Rodgers, Commissioner Metzger, and Commissioner Kidwell approved the minutes. Commissioner Lee was absent.

D. DISCUSSION ITEMS FOR COMMITTEE'S REVIEW:

David Anders provided a short description on discussion items including new Forecast Option Summaries 14, 14 CUT, 18 and 19. David reviewed the handouts provided to the Commissioners to reference during the meeting including AWU Budget Reduction Options spreadsheet for both large item reductions and utility-wide reductions by Program area.

1. Handout Summary

- a. Presentation**
- b. Forecast Option Summaries 14, 14 CUT, 18, and 19**
- c. Budget Option Summary**
- d. Five Year Forecast Options Summaries**
- e. Austin Water Utility-wide Budget Reduction Options**
- f. Large Budget Reduction Options**
- g. Questions and Responses packet**
- h. Draft Committee Recommendations**

E. REPORTS BY COMMITTEE

None

F. VOTING ITEMS FROM COMMITTEE

None

G. NON VOTING DISCUSSION ITEMS

Recommendation to Council Draft

- 1. Item #1 (Item 1.1 to 1.3): Water Revenue Forecast for 2015 and beyond:**
 - a. 6-0 vote in favor; Commissioner Lee did not participate due to his absence.**
- 2. Item #2 (Item 2.1 to 2.8): Proposed 2015 Overall Rate Design, Current Meter Equivalent Minimum Charge, Tiered Minimum Water Charge (Residential), Minimum Water Charge (Non-Residential), Fixed Revenue Goals for Water, and Volumetric Rates for Water:**
 - a. 6-0 vote in favor; Commissioner Lee did not participate due to his absence.**
- 3. Item #3 (Items 3.1 to 3.5): Fixed Revenue for Water and Volumetric Rates for Water:**
 - a. 3-3 vote for Items 3.1, 3.2; Commissioner Lee did not participate due to his absence.**

- b. **4-2 vote on New Item 3.3; Commissioner Lee did not participate due to his absence.**
- c. **4-2 vote in favor of Renumbered Items 3.4 and 3.5; Commissioner Lee did not participate due to his absence.**
- 4. **Item #4 (Items 4.1 to 4.6): Initiation of Drought Rates, Drought Rates for Stage 3 and Stage 4 Water Restrictions, Elimination of Drought Rates:**
 - a. **4-2 vote in favor; Commissioner Lee did not participate due to his absence.**

H. STAFF BRIEFINGS, PRESENTATIONS, AND OR REPORTS

1. **Presentation on Forecast Options 14, 14 CUT, 18, and 19 along with Budget Reduction Options**

David Anders from Austin Water Utilities presented new Forecast Option Summaries 14, 14 Cut, 18, and 19. Forecast 14 is the base option from previous meetings with the Joint Committee. Option 14 CUT is a revised version of 14 that includes the recent budget reduction options Austin Water has discussed proposing to Council. Greg Meszaros and David Anders reviewed the budget reduction options report provided in the handouts with the Committee Members. Both Mr. Meszaros and Mr. Anders answered several questions from the Commissioners regarding reduction option items and the impact on the Utility's debt coverage, revenue and possible water rate increase.

I. FUTURE AGENDA ITEMS

1. **Updated Forecast Options**
2. **Expense Review**
3. **Debt Coverage**
4. **Drought Rates**
5. **Recommendation Review**

J. ADJOURN

Chair Fishbeck adjourned the meeting at 9:32 p.m. without objection.