



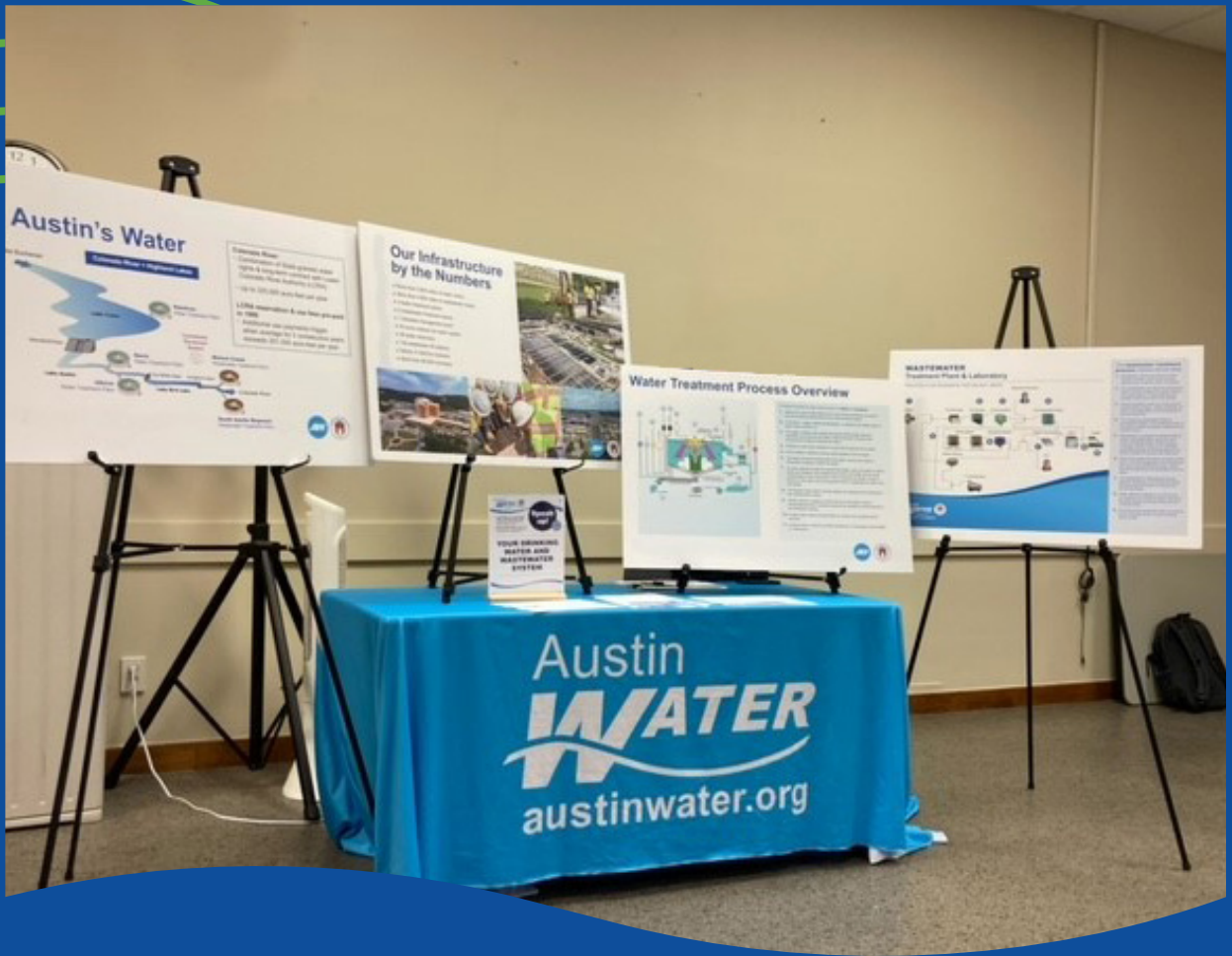
Cost-of- Service Study Community Outreach



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Purpose

In the spring and early summer of 2024, as Austin Water conducted a cost-of-service study, the agency hired Raftelis to assist with community outreach and public participation.

Specifically, the agency was interested in bolstering transparency in the rate-setting process, raising awareness about the cost-of-service study, and obtaining customer input into the pricing objectives customers felt were most important. The results of this consultation with customers are being shared so that Austin Water may consider them in its decisions about future water and wastewater rates.

Community Outreach Approach

Austinites are a highly engaged population. As such, Austin Water in collaboration with Raftelis, designed an engagement strategy with inclusion and accessibility in mind, so that all Austinites who were interested would have an opportunity to voice their feedback.



The following opportunities for engagement were provided from late May to the end of June 2024:



OPEN HOUSES

10 conducted, one in each of the 10 Districts



VIRTUAL OPEN HOUSE

via Zoom



FOCUS GROUPS

3 conducted



ONLINE SURVEY

Speak Up Austin



EMAILED SURVEY

to nearly 300 applicants for the focus groups



NEIGHBORHOOD COUNCIL MEETING

Promotion of Feedback Opportunities

Austin Water Customers were invited to provide feedback and to learn about the water and wastewater system, planned investments, and how these investments may impact rates in the coming year. They promoted the activities (which included Spanish translation) and reached 200,000 unique Austinites.

- Press release to – and coverage in – The Austin Monitor, Community Impact, KXAN, and KUT
- Email through My ATX Water Portal to 174,679 email addresses with a 69% open rate and an 12% click through rate
- Social media posts (63 total) on Facebook, Next Door, Instagram, and X reaching 39,830 unique people, displaying content 45,650 times
- Notifications to all Council Offices

Nearly 300 Austinites (261), representing 1% of the metered population, provided their input into the rate-study process by attending an in-person open house, a virtual open house, a neighborhood meeting, a focus group, or by completing a survey.

Two survey opportunities were offered, one at the Speak-Up Austin webpage and a second was emailed to anyone who expressed interest in a focus group but either wasn't selected or couldn't attend. The feedback from all engagement opportunities is summarized in this report.



MORE THAN 400 VOICES HEARD

196

responses at the Speak Up Austin website page

107

at 10 Open Houses

20

at the virtual Open House

32

at the Austin Neighborhood Council Meeting

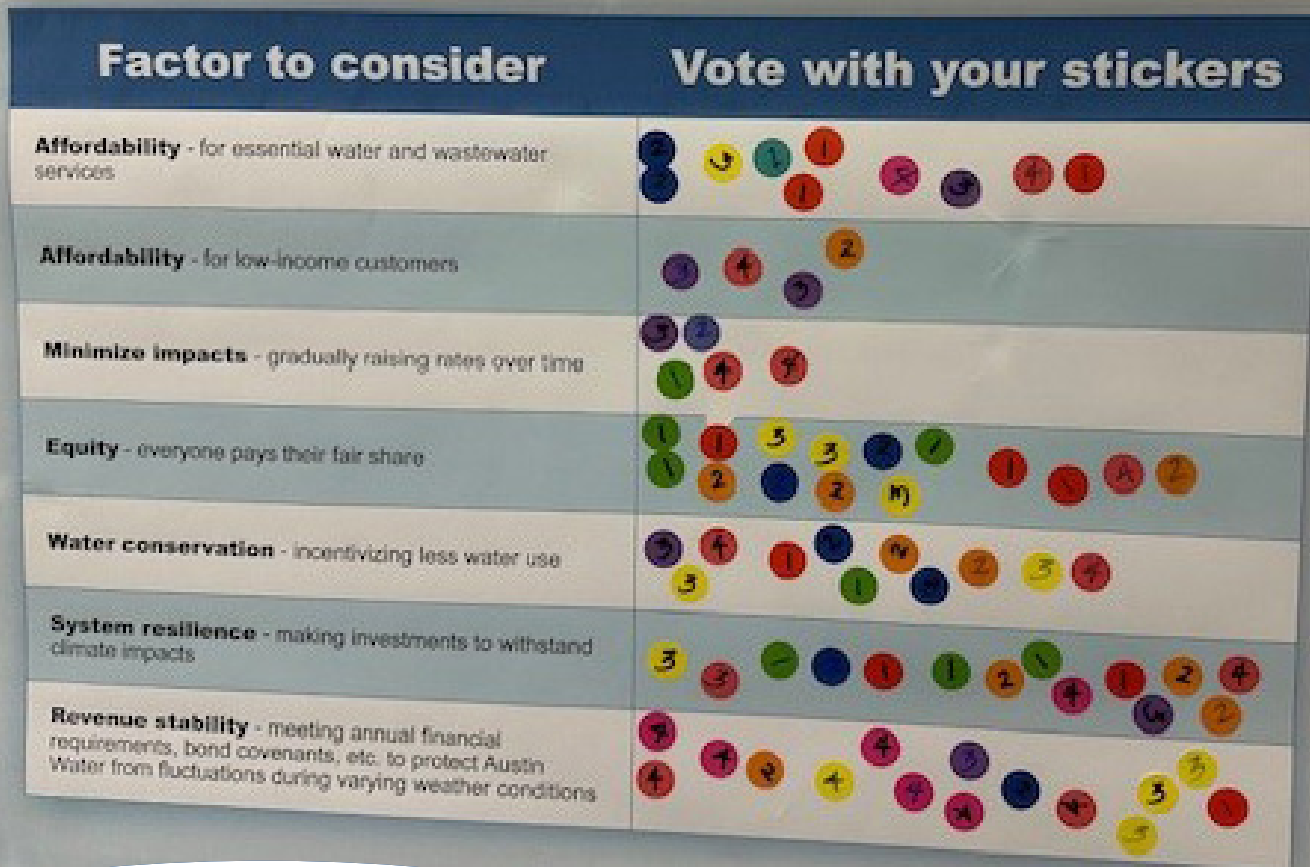
27

at 3 focus groups

56

to an emailed survey

When it comes to your rates, what's most important to you?



Feedback Received

QUALITATIVE AND QUANTITATIVE INSIGHTS UNCOVERED VIA FOCUS GROUPS AND SURVEYS

More than 300 Austinites expressed interest in attending a focus group. Two groups were scheduled with 15 confirmed RSVPs each. Four attended one focus group, three attended a second focus group and a third focus group was added with 20 participants. A survey was emailed to the remaining group to which 56 people responded and the Speak Up Austin Survey received 196 responses.

The following insights were uncovered through the focus groups and surveys.

1

Customers have a good sense of what Austin Water does, the services it provides, and the sources for drinking water. Several participants were not sure what happens to wastewater once it leaves the home.

2

Water is top of mind for Austinites, and for most, ranks above electricity, internet, gas, and trash service.

- Those with smart meters are thinking about their usage more.
- When it's hot out, they think about conserving.
- When it's cold, they worry about reliability.

3

There is no clear understanding about how Austin Water is funded. One focus group did not mention customer bills at all. They mentioned taxes and federal or state funding.

4

Customers guessed correctly why the rate study was being done, naming growth, climate change, and aging infrastructure as potential reasons.

5

In general, the number of customers who think they pay the right price for the services provided is about the same as those who think the bills are too high.

6

Customers guessed correctly what their water bill pays for, but struggled with what percentage of the bill goes to which items, such as salaries, treatment, repairs, equipment, and technology.



The tiered system mathematically hurts large families. We have large bills, which feel like penalties.”

Open House
Attendee



7

Customers are generally tolerant of outages, with most saying a few interruptions to service per year to be out of service for a day is okay. Most would not tolerate more than a day without service and understood the relationship between increased reliability and cost of service.

8

Customers do not understand the fixed versus volume charged, and they didn't connect how the tier structure contributes to equity, conservation, and affordability.

9

Customers struggle to understand how much they are paying per gallon of water used. They guessed they were paying anywhere from one cent to three dollars per gallon.

10

Customers give Austin Water an average score for the frequency in which the agency communicates with residents with specific accolades for the website and newsletter.

11

When asked about their preferences for how they want to hear from Austin Water, everyone said texting or email is best.

12


When asked what type of information they want to know more about, they mentioned wanting more information about how Austin Water works, how Austin Water ensures its operations are efficient, how climate change is impacting operations, and the drivers for rate increases.

13

Customers recommended that Austin Water apply a multi-channel approach and keep in mind their customers are multi-generational. They said Austin Water could be lighter, more humorous in their communications, too.

“
Austin's water is consistently good. Surprisingly, even in neighborhoods with (perhaps) older materials (plumbing). People need to conserve more. No more lawns. No more guzzling golf courses. Thank you.”

Open House Attendee



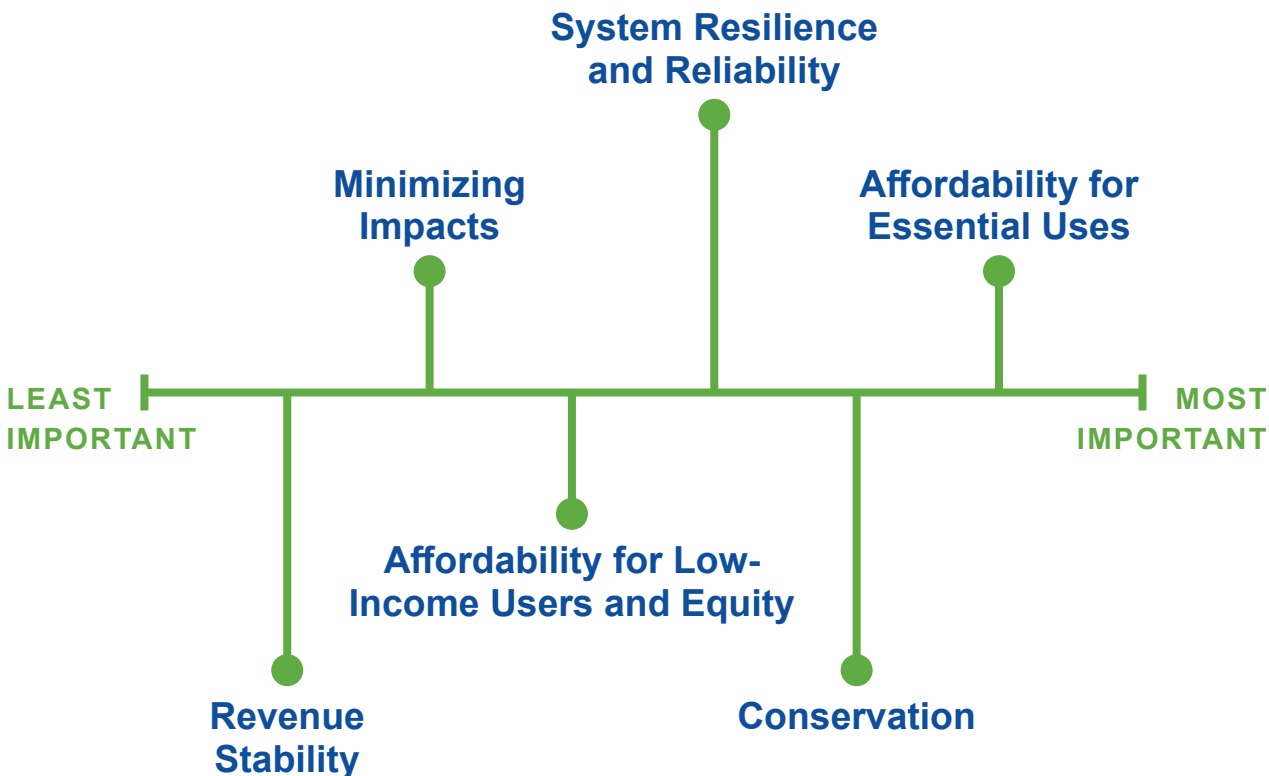
QUANTITATIVE FEEDBACK ON PRICING OBJECTIVES

In each engagement opportunity, it was explained to all participants that there is some flexibility in how a rate is designed after the cost of service is determined. Different rate models can achieve different objectives. Seven potential pricing objectives were discussed, including:

- Affordability for low-income users
- Affordability for essential uses of water
- System resilience to withstand the increasing impacts of climate change
- System reliability to minimize the number of hours or days of system outages
- Water conservation to encourage sustainable use of water
- Minimizing bill impacts by gradually increasing rates over time
- Revenue stability to assure Austin Water receives a stable level of revenue despite fluctuations in water use

Participants were asked to prioritize these objectives. Their rankings varied depending on the engagement technique. This is not surprising given the diverse groups of people that attended each opportunity. Data for each individual technique can be found in the Appendix.

This graphic ranks the data from all the techniques into one, representing everything we heard about pricing objectives:



Recommendations



Messages

BILLING AND RATES

Perhaps the biggest gap in understanding, and opportunity for greater clarity, is around how the bill is calculated. With a rate increase coming up, Austin Water may want to consider a new design to the bill explainer fact sheet that breaks the water and wastewater portion of the bill down further. It should explain the fixed and volume charges and the tiers, the rate per thousand, and how the money collected funds various aspects of operations. A little bit of time should be spent explaining that Austin Water is not tax supported as many participants thought it was. Some effective ways to explain these complex concepts are illustrated videos, fact sheets, and infographics.



CLIMATE CHANGE IMPACTS TO RELIABILITY AND RESILIENCY

A second area of messaging to focus on is climate change and the relationship or influence it has on your operations, resiliency, and reliability.



EFFICIENT OPERATIONS/FISCAL RESPONSIBILITY

A third area of messaging and potential engagement is on how you ensure efficiency and cost-control. This may come up when new rates are announced. Customers will want to be assured that Austin Water is doing everything it can to keep costs down where possible, before raising rates. These messages can be incorporated into speeches and presentations, fact sheets, the website, particularly where rates and billing are covered, and on tours.



Communications Channels

In terms of communications channels, Austin Water should continue to meet people where they are and be sure to consider issues such as access to digital media, as well as education level, comfort with English, and type size (for persons with low vision). A broad mix of channels is recommended with emphasis on text and email, along with ensuring all messages are written for an eighth-grade level. Microsoft's Flesch-Kincaid Reading Scale (in the Editor Tools) can be a useful guide.

Pricing Objectives

Though the scoring of the pricing objectives varied from group to group, there was overall agreement that affordability for essential uses should be prioritized in the final rate structure, with water conservation coming in second. When talking about the new rates and any changes to the rate structure, it should be explained how these two pricing objectives were prioritized and met.

Appendix

PROMOTION

- Social Media Posts
- Promotional Fliers

OPEN HOUSES

- Station Boards
- FAQs
- Comment Cards
- Survey Compilation

FOCUS GROUPS

- Facilitation Guide
- Emailed Survey

ONLINE SURVEY

- SpeakUp Austin Survey

Promotions

Social Media Posts


Promotional Fliers

A decorative wavy line in a lighter shade of blue curves across the bottom half of the page, separating the text from the bottom section.

Social Media Posts

10:39 📶 84%

< **AUSTIN_WATER Posts**
cobramos por el agua y las aguas... more
May 13 · See translation

 austin_water ⋮



Speak up!

Your voice is needed!

COST OF SERVICE STUDY • OPEN HOUSES

♡ 💬 🚩 🔖

11 likes
austin_water Your input is needed! We are re-examining the rates we charge for water and wastewater as part of a cost-of... more
May 13

🏠 🔍 + 📅 👤

10:39 📶 84%

< **AUSTIN_WATER Posts**
Operations Challenge at this year's... more
May 14

 austin_water ⋮



Alza la voz!

¡Necesitamos tu opinión!

ESTUDIO DE COSTO DE SERVICIO • JORNADA DE PUERTAS ABIERTAS

♡ 💬 🚩 🔖


3 likes
austin_water ¡Se necesita tu opinión! Estamos reexaminando las tarifas que cobramos por el agua y las aguas... more
May 13 · See translation


🏠 🔍 + 📅 👤

Social Media Posts


10:39 📶 84%

< AUSTIN_WATER Posts

 austin_water ⋮



EARN \$50!








Get paid for your feedback!

COST OF SERVICE STUDY • OPEN HOUSES

♡ 💬 📌 🔖

2 likes


austin_water We are seeking 30 customers to provide their feedback in two focus groups later this month. Participants will receive a \$50 gift card for attending. Apply here if you are interested: <https://www.speakupaustin.org/f0810#tab-51442>. We will notify all chosen participants by email by May 24, 2024.


10:39 📶 84%

< AUSTIN_WATER Posts

 austin_water ⋮



virtual open house




Join us June 13, 2024 | 6–7 p.m.

COST OF SERVICE STUDY • OPEN HOUSES

♡ 💬 📌 🔖

4 likes

austin_water Join us on June 13 to learn about your water system, planned investments, and how these investments may impact rates in the coming year at our Virtual Open House. Visit <https://www.speakupaustin.org/f0810#tab-51442> for more information and the link to join on Zoom.



Speak up!



- > **Austin Water is re-examining water and wastewater rates** as part of a cost-of-service study, and we need your input.
- > **Visit an open house** to learn about this study, find out how rate changes may impact you, and speak up!

OPEN HOUSES COST OF SERVICE STUDY

Thursday, May 23 | 4–7 p.m.
Twin Oaks Branch Library
1800 SOUTH FIFTH ST.

Wednesday, May 29 | 4–7 p.m.
Old Quarry Branch Library
7051 VILLAGE CENTER DRIVE, ROOM 1

Thursday, May 30 | 4–7 p.m.
Hampton Branch Library
5125 CONVICT HILL RD.

Saturday, June 1 | 10 a.m. – 1 p.m.
Little Walnut Creek Branch Library
835 W. RUNDBERG LN.

Tuesday, June 4 | 4–7 p.m.
Pleasant Hill Branch Library
211 E. WILLIAM CANNON DR.

Wednesday, June 5 | 4–7 p.m.
Spicewood Springs Branch Library
8637 SPICEWOOD SPRINGS RD.

Saturday, June 8 | 8:30 – 11:30 a.m.
Conley-Guerrero Senior Activity Center
808 NILE ST.

Tuesday, June 11 | 4–7 p.m.
North Village Branch Library
2505 STECK AVE.

Thursday, June 13 | 6–7 p.m.
Virtual Meeting on Zoom



Saturday, June 15 | 10 a.m. – 1 p.m.
Menchaca Rd. Branch Library
5500 MENCHACA RD.

Saturday, June 22 | 10 a.m. – 1 p.m.
Montopolis Recreation & Community Center
1200 MONTOPOLIS

**EARN
\$50!**

Get paid for your feedback! Apply to join our focus group and earn a \$50 gift card if selected.





Alza la voz!



- > **Austin Water está reexaminando las tarifas de agua y aguas residuales** como parte de un estudio de costo de servicio y necesitamos su opinión.
- > **Visite una jornada de puertas abiertas** para conocer este estudio, descubrir cómo los cambios de tarifas pueden afectarle y hablar.

JORNADA DE PUERTAS ABIERTAS ESTUDIO DE COSTO DE SERVICIO

Jueves, 23 de mayo | 4-7 p.m.

Twin Oaks Branch Library
1800 SOUTH FIFTH ST.

Miércoles, 29 de mayo | 4-7 p.m.

Old Quarry Branch Library
7051 VILLAGE CENTER DRIVE, ROOM 1

Jueves, 30 de mayo | 4-7 p.m.

Hampton Branch Library
5125 CONVICT HILL RD.

Sábado, 1 de junio | 10 a.m. - 1 p.m.

Little Walnut Creek Branch Library
835 W. RUNDBERG LN.

Martes, 4 de junio | 4-7 p.m.

Pleasant Hill Branch Library
211 E. WILLIAM CANNON DR.

Miércoles, 5 de junio | 4-7 p.m.

Spicewood Springs Branch Library
8637 SPICEWOOD SPRINGS RD.

Sábado, 8 de junio | 8:30 - 11:30 a.m.

Conley-Guerrero Senior Activity Center
808 NILE ST.

Martes, 11 de junio | 4-7 p.m.

North Village Branch Library
2505 STECK AVE.

Jueves, 13 de junio | 6-7 p.m.

Virtual Meeting on Zoom



Sábado, 15 de junio | 10 a.m. - 1 p.m.

Menchaca Rd. Branch Library
5500 MENCHACA RD.

Sábado, 22 de junio | 10 a.m. - 1 p.m.

Montopolis Recreation & Community Center
1200 MONTOPOLIS

¡GANA \$50!

¡Recibe dinero por tus comentarios!

Solicite unirse a nuestro grupo focal y gane una tarjeta de regalo de \$50 si es seleccionado.



Open Houses

Station Boards

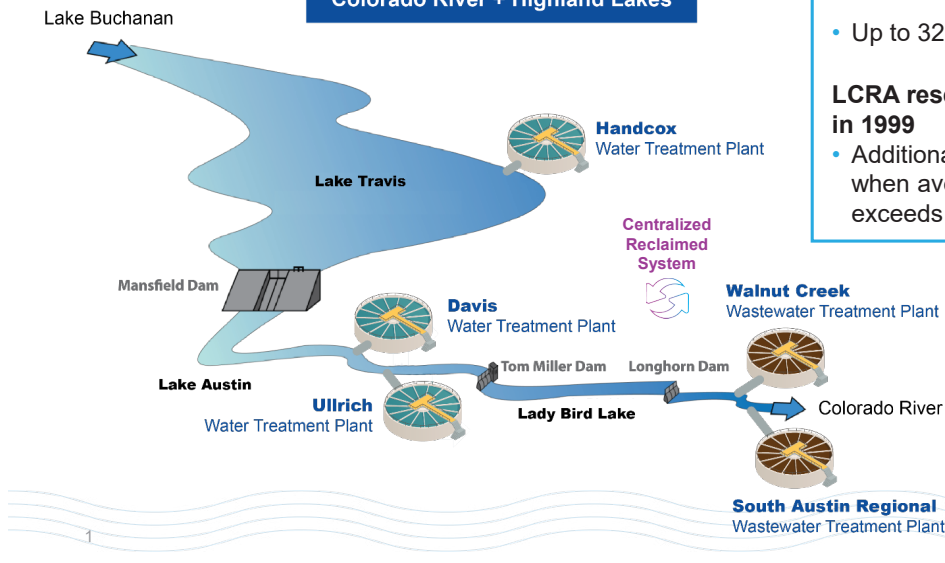
FAQs

Comment Cards

Survey Compilation

Austin's Water

Colorado River + Highland Lakes



Colorado River:

- Combination of State-granted water rights & long-term contract with Lower Colorado River Authority (LCRA)
- Up to 325,000 acre-feet per year

LCRA reservation & use fees pre-paid in 1999

- Additional use payments trigger when average for 2 consecutive years exceeds 201,000 acre-feet per year



About Aquifer Storage and Recovery

How It Works



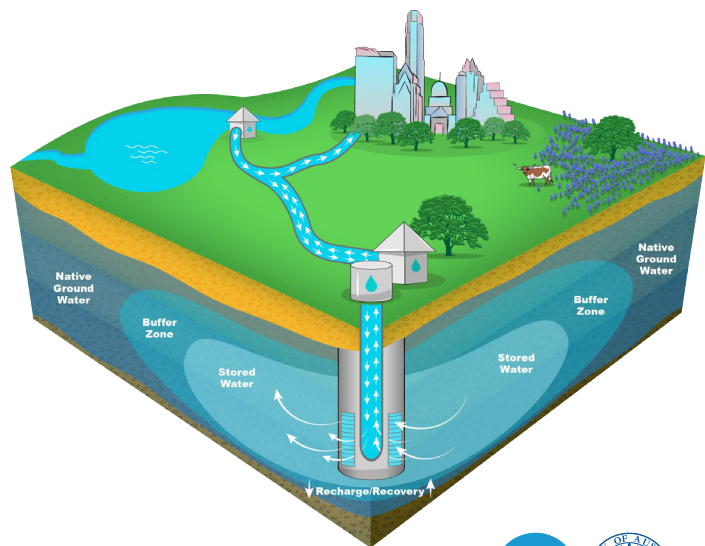
Available water from Austin's drinking water system is pumped into an aquifer underground for storage when water supplies are plentiful. Water is stored until it is needed.



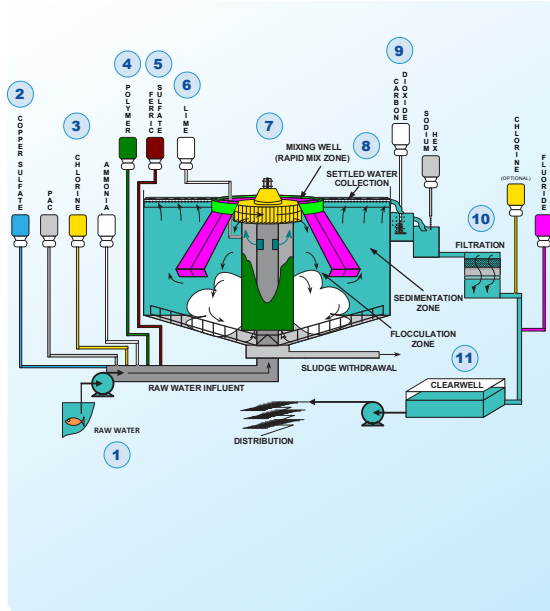
When Austin's regular water supply becomes low, the stored water is pumped out of the aquifer.



Stored water is tested and treated before it is distributed to customers in AW's system.



Water Treatment Process Overview



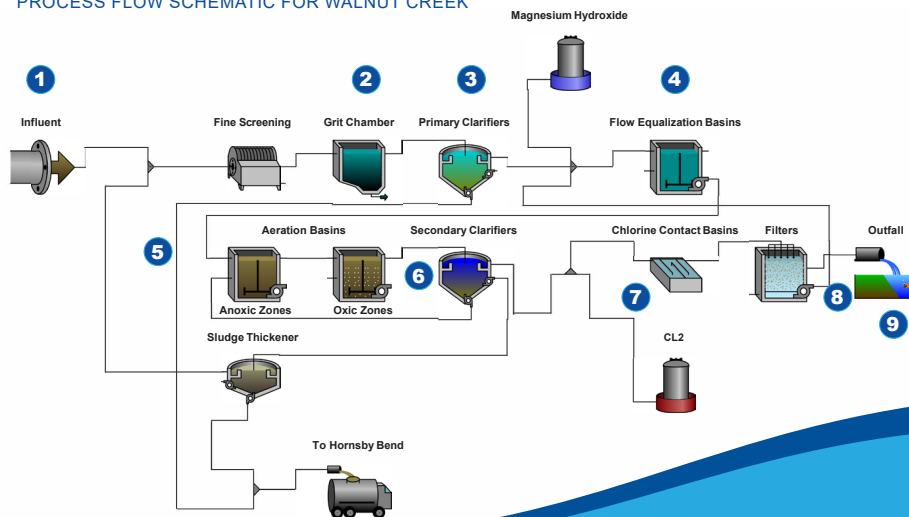
The diagram illustrates the water treatment process at **Ullrich and Handcox**:

1. Water from Lake Austin (Ullrich) and Lake Travis (Handcox) is pumped into the treatment plants from the low service pump station.
2. A chemical - copper sulfate pentahydrate - is added to the intake pipes to keep zebra mussels out.
3. The water is filtered with powder activated carbon which removes impurities and improves the water's taste and smell. Chlorine and ammonia are added to disinfect the water.
4. Polymer is used when needed to control the cloudiness of the water.
5. Ferric sulfate is added to remove small particles from the water.
6. The water enters the mixing well of the basin, where lime (calcium hydroxide) is added to soften the water.
7. As water passes through the central flocculation zone, the water is stirred, solids bind together, and particles grow heavy and settle into the lower sedimentation zone of the basin. This is removed as sludge. Sludge is stored on site until it can be processed further to separate the solids from the liquids.
8. The cleaner water rises to the top where it is collected and channeled to the recarbonation basins.
9. Carbon dioxide is added to control the pH of the water. Sodium hexametaphosphate is added to prevent the buildup of small particles in the distribution system.
10. Treated water passes through filters to remove any remaining solid particles.
11. Treated water is stored for further disinfection (if necessary) until needed for distribution.



WASTEWATER Treatment Plant & Laboratory

PROCESS FLOW SCHEMATIC FOR WALNUT CREEK



The wastewater treatment process involves several steps

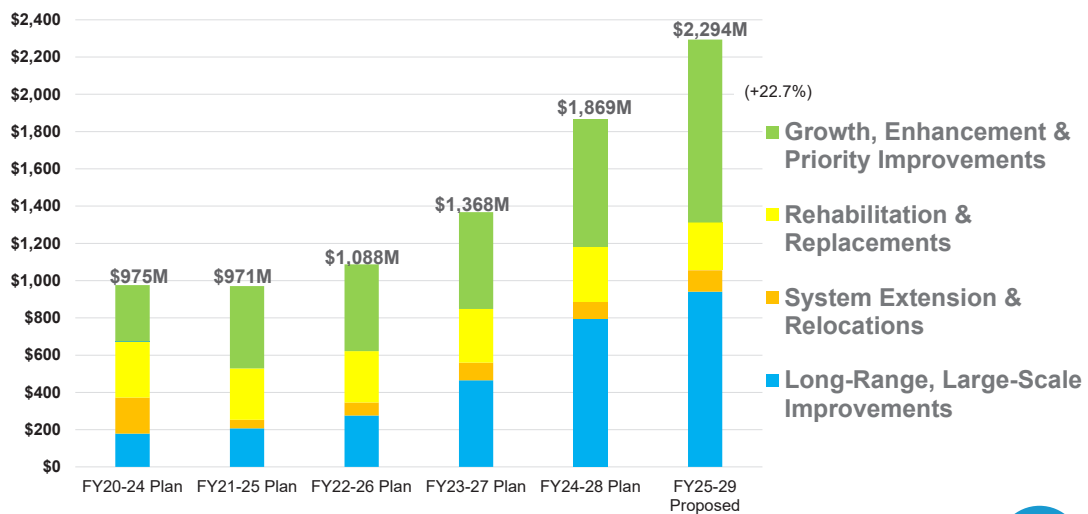
1. Wastewater enters the plant and flows through screens, which remove large objects such as sticks, trash, and paper.
2. The wastewater then flows into grit basins which remove material like sand, plastics, and small stones. These materials are washed, dried, and sent to the landfill.
3. Heavier particles settle out in the primary sedimentation basins. These materials are sent to Hornsby Bend to be processed to become Dillo Dirt.
4. The remaining wastewater flows to equalization basins. This treatment area of the plant is totally enclosed underground to contain odors.
5. Wastewater is pumped to aeration basins where microorganisms consume most of the remaining waste. What remains is sludge, which is sent to our biosolids processing facility at Hornsby Bend to be further treated and turned into Dillo Dirt.
6. 95% of the waste has been removed at this point. The microorganisms and wastewater are sent to the clarification basin, where the microorganisms are separated from the water.
7. The wastewater is disinfected through chlorine treatment. The disinfected water flows through two filters to remove the remaining waste.
8. Sulfur dioxide is applied in a small dose to neutralize the chlorine before releasing the high-quality reclaimed water into the Colorado River.
9. By the time this reclaimed water is returned to the Colorado River it is near drinking water quality.

Our Infrastructure by the Numbers

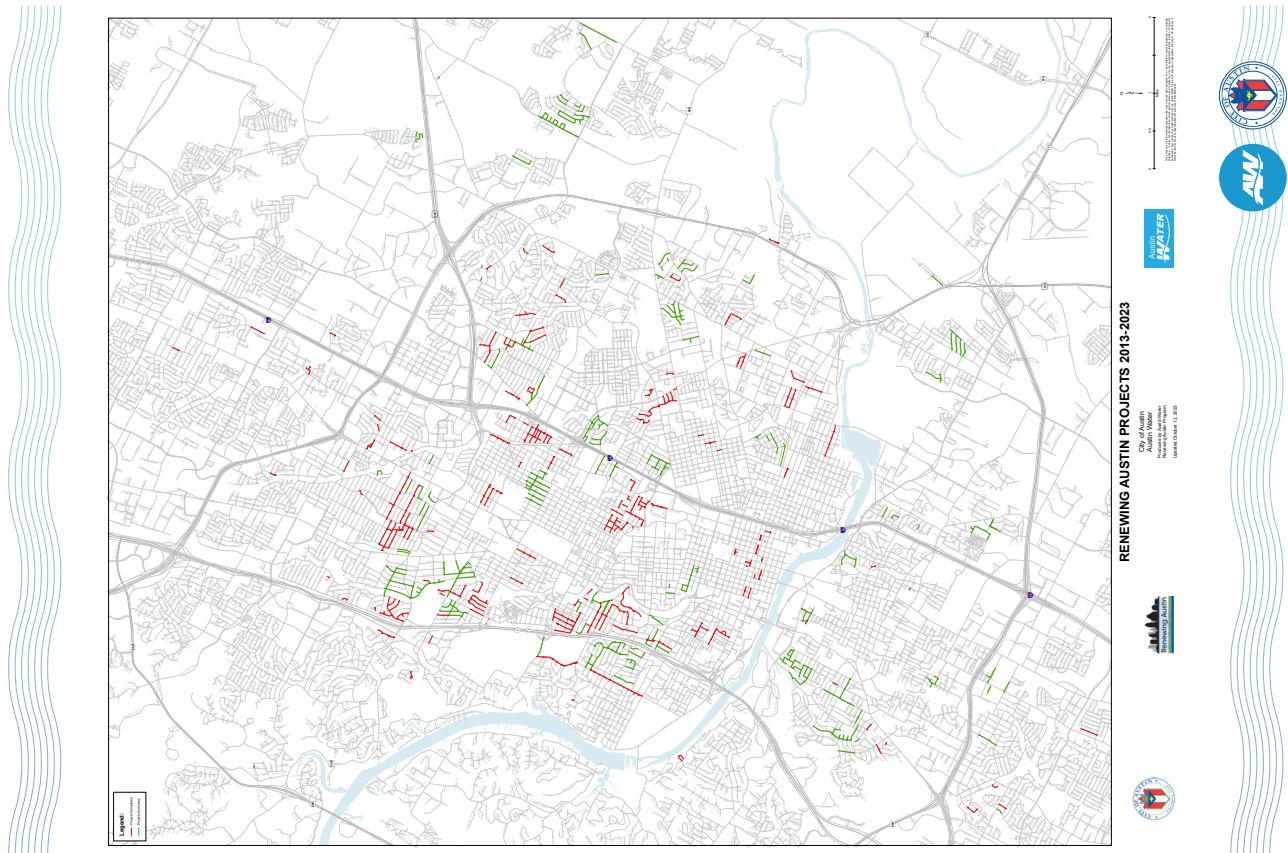
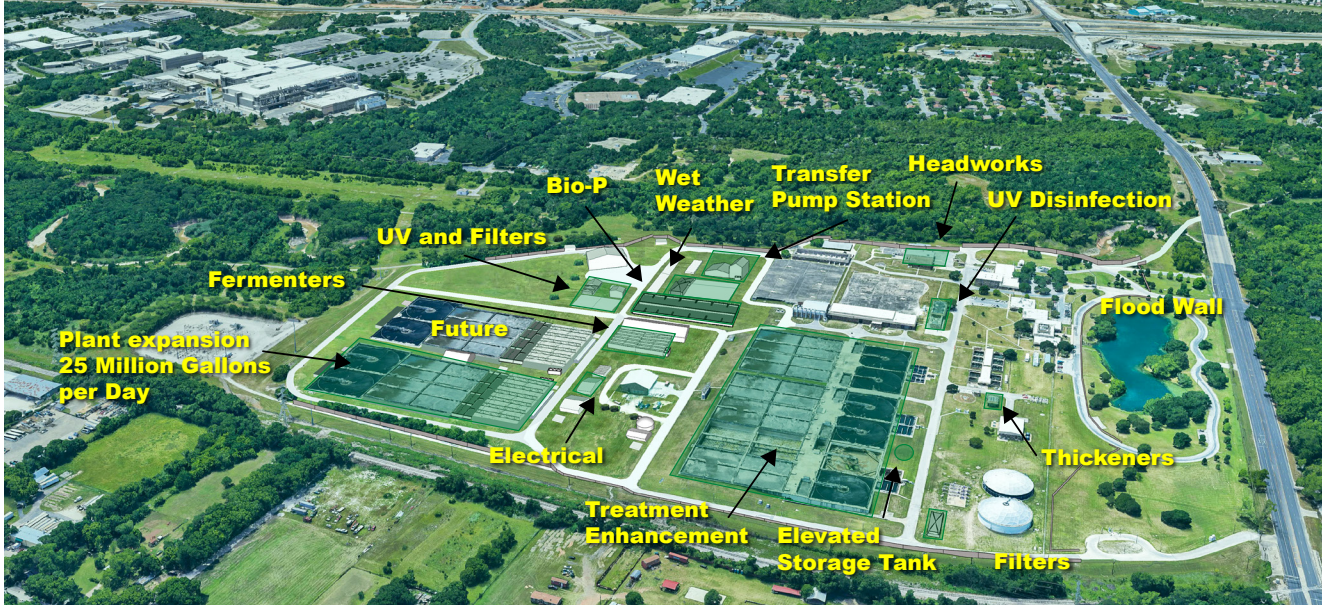
- ◆ More than 3,800 miles of water mains
- ◆ More than 2,900 miles of wastewater mains
- ◆ 3 water treatment plants
- ◆ 2 wastewater treatment plants
- ◆ 1 biosolids management plant
- ◆ 44 pump stations for water system
- ◆ 38 water reservoirs
- ◆ 142 wastewater lift stations
- ◆ Nearly 31,000 fire hydrants
- ◆ More than 59,000 manholes



Infrastructure Investments

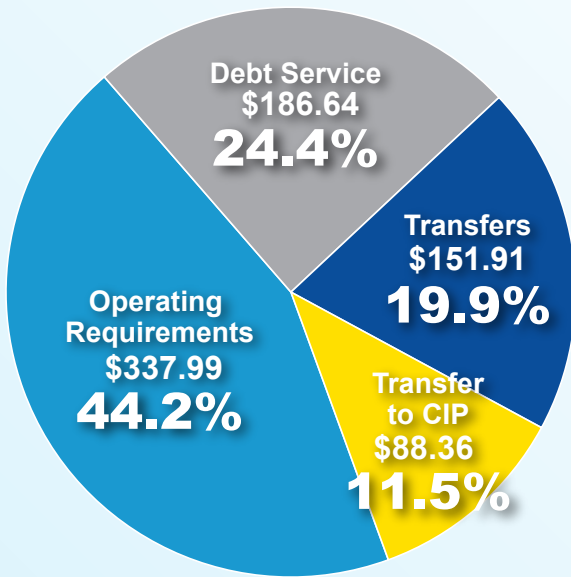


Walnut Creek Wastewater Treatment Plant Expansion and Enhancements



How Do Your Dollars Get Used?

Total Requirements by Type



Operating Requirements

Costs associated with producing and distributing water and collecting and treating wastewater.

Capital Improvements

Project delivery costs for engineering, construction, and inspections which address renewals and resiliency

Debt Service

Costs from existing and projected debt issuances.

Transfers

Allocation to fund general City-supported administrative functions.

**Total FY24 Budget:
\$765 Million**



Cost of Service Study Objectives

- ◆ Continue financial stability of Austin Water
- ◆ Adhere to financial policies set by the Austin City Council
- ◆ Enable efficient, safe and reliable water and wastewater services
- ◆ Fund the capital improvement plan as well as necessary renewals and replacements
- ◆ Develop cost of service rate model to design rates
- ◆ Engage with the Public Involvement Committee and Austin Water customers to collect feedback

LIVE

January - May 2024

Public Involvement Committee Meetings

PLANNED

May - June 2024

Public input on proposed rates for FY24-28 and implementation scenarios

PLANNED

June 2024

Cost of Service Rate Study results completed including proposed FY24-28 rates

PLANNED

July 12, 2024

FY24-25 Proposed Budget presented to Austin City Council

PLANNED

July 24, 2024

City of Austin Public input meeting on proposed FY24-25 Budget

PLANNED

August 1, 2024

City of Austin Public Hearing on proposed FY24-25 Budget

PLANNED

August 14-16, 2024

FY24-25 Budget Adoption by Austin City Council

PLANNED

November 1, 2024

New Austin Water rates go into effect for all customer classes



When it comes to your rates, what's most important to you?

Factor to consider	Vote with your stickers
Affordability - for essential water and wastewater services	
Affordability - for low-income customers	
Minimize impacts - gradually raising rates over time	
Equity - everyone pays their fair share	
Water conservation - incentivizing less water use	
System resilience - making investments to withstand climate impacts	
Revenue stability - meeting annual financial requirements, bond covenants, etc. to protect Austin Water from fluctuations during varying weather conditions	



Residential Customers | Water / Wastewater

H Water / Wastewater Charts – Illustrates your 13-month history of consumption for water / wastewater services, including the gallons used, average gallons per day, and average cost per day.

I Water / Wastewater Service Details – Detailed cost breakdown of your water / wastewater services and fees, as well as how charges are calculated.

Community Benefit Charge – A fee charged per 1,000 gallons of water billed for the billing period to Non-CAP customers to fund the Customer Assistance Program (CAP).

GoPurple Community Benefit Charge (effective June 01, 2024) – A fee charged to Non-CAP customers to fund expansion of the Reclaimed Water System.

J Water Customer Charge – Includes the costs of billing, metering, collections, customer service and the servicing and monitoring of fire hydrants throughout the city.

Five-Tier Fixed Charge – Based on total billed water consumption for the billing period.

Gallons of Water	Fixed Charge
0 - 2,000 Gallons	\$1.25
2,001 - 6,000 Gallons	\$3.55
6,001 - 11,000 Gallons	\$9.25
11,001 - 20,000 Gallons	\$29.75
20,001 - over Gallons	\$29.75

Five-Tier Volume Charge – Rate is charged per 1,000 gallons of total billed water consumption for the billing period. Customers must meet qualifications for [Community Assistance Program \(CAP\) rates](#).

Gallons of Water	Non-CAP	CAP**
0 - 2,000 Gallons	\$3.00	\$1.23
2,001 - 6,000 Gallons	\$4.99	\$3.65
6,001 - 11,000 Gallons	\$8.65	\$6.00
11,001 - 20,000 Gallons	\$13.18	\$11.51
20,001 - over Gallons	\$14.74	\$14.21

Reserve Fund Surcharge – fee goes into a restricted reserve fund to offset water service revenue shortfalls that may impact operations and services. This \$0.05 surcharge is billed per each 1,000 gallons billed.

WATER SERVICE
123 RESIDENTIAL BLVD, ZIP: 78741

Meter # 12345678 Next Read Date Approx. 06/08

Read Date	04/08/2024	05/08/2024	Consumption
Read	1328	1400	72
		Reading Difference in Hundreds	72
		Total Consumption in Gallons	7200

City of Austin Water - Residential

Customer Charge	\$7.45
Tiered Fixed Charge 6,001 - 11,000 Gallons	\$9.25
2,000 Gallons at \$3.00 per 1,000	\$6.00
4,000 Gallons at \$4.99 per 1,000	\$19.96
1,200 Gallons at \$8.65 per 1,000	\$10.38
7,200 Gallons at \$0.15 per 1,000 - Water Community Benefit Charge	\$1.08
7,200 Gallons at \$0.05 per 1,000 - Reserve Fund Surcharge	\$0.36
TOTAL CURRENT CHARGES	\$54.48

You are using 32.12 Gallons more water than the average resident in your area.

WASTEWATER SERVICE
123 RESIDENTIAL BLVD, ZIP: 78741

City of Austin Wastewater - Residential

Customer Charge	\$10.35
2,000 Gallons at \$5.10 per 1,000	\$10.20
5,200 Gallons at \$10.45 per 1,000	\$54.34
7,200 Gallons at \$0.15 per 1,000 - WW Community Benefit Charge	\$1.08
Summary of Consumption Charges	\$64.54
TOTAL CURRENT CHARGES	\$75.97

CLEAN COMMUNITY SERVICE
123 RESIDENTIAL BLVD, ZIP: 78741

Service Dates	04/11/2024	05/10/2024
City of Austin - Clean Community Fee Residential		
Austin Resource Recovery		\$5.00
Austin Code Department		\$4.70
TOTAL CURRENT CHARGES		\$9.70

K Wastewater Customer Charge – Includes the costs of billing, collections, customer service and other account management services.

Two-Tier Volume Charge – Rate is charged per 1,000 gallons of wastewater billed during the billing period. The amount of wastewater billed is based upon water usage during a three month averaging period, or monthly water consumption, whichever is lower.

Gallons of Wastewater	Volume Charge Non-CAP	Volume Charge CAP**
0 - 2,000 Gallons	\$5.10	\$3.11
2,001 - or more Gallons	\$10.45	\$7.90

**Customers must meet qualifications for Customer Assistance Program (CAP) rates.





Rate Study Open House

Welcome!

Thank you for attending Austin Water's Open House. We're here to share information and answer your questions about our rate study. On the back of this page are Frequently Asked Questions and below you'll find a guide to the stations you can visit today.

Station 1: Your Drinking Water and Wastewater System

- Find out where your drinking water comes from and how it is treated.
- Learn where wastewater from your home goes, how it's treated, and where it goes from there.
- Get a sense of the whole Austin Water system.

Station 2: The Capital Investments We're Making to Keep Systems Running

- Austin Water periodically invests in the system to keep it running in good condition.
- We're investing \$2.3 Billion over the next 5 years to replace aging infrastructure, increase our capacity to meet growth, and increase our resiliency to climate change.

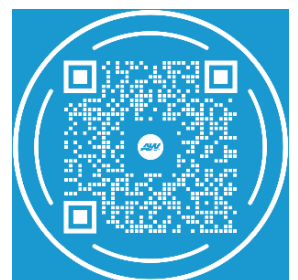
Station 3: The Rates You Pay for Water and Wastewater Service

- We will share with you what are the costs covered by your water bill.
- Learn about fixed costs, the Customer Benefit Charge, and the rate you pay for your use.
- See a sample bill and build your understanding of the different elements.
- Ask questions about your water bill.

Station 4: The Rate Study – Provide Your Input!

- We will explain the rate study purpose and how we're engaging the community in the process of setting new rates.
- You can provide input into the process by voting for the elements you think are most important in designing a rate structure.

We welcome any comments or questions you have for any of our representatives here today, and you may fill out a comment card and leave it with us. We will contact you with an answer (if requested) and consider your comments in our decision making about rates. Click the QR code to see more information.



Rate Study FAQs

What is a rate study, also known as a cost-of-service study?

A rate study is a process to determine how well the rates fund the water and wastewater systems and meet all the utility's needs. A rate study also helps determine if the rate structure is meeting the utility's goals, such as equity, affordability, or conservation. A rate study is usually completed by a rates consultant who is a municipal advisor. The study includes a robust public involvement process.

When was the last time Austin Water completed a study like this?

The last rate study we conducted was in 2017 and resulted in a 4.8% decrease, which took effect in 2018. Since the 2018 rate reduction, we have kept rates flat with only a modest rate increase that took effect on November 1, 2023 to address rising operating costs.

How will my water bill be impacted by this study?

We don't yet know specifically how bills will be impacted, but we anticipate a rate increase will be needed to recover planned investments to keep the system running reliably into the future.

What does Austin Water do to keep its costs down?

We manage expenses through our annual strategic and budget planning process. We conduct a thorough budget review that includes a detailed line-item analysis. Our Executive Team also performs a comprehensive annual review of staffing to balance the resiliency of operations while limiting costs. We use conservative assumptions to estimate all our costs.

Is there state or federal funding for any of the investments being made?

Austin Water seeks low-interest loan funding from the Texas Water Development Board to make needed improvements to infrastructure. These efforts and other award-winning debt management strategies have resulted in total debt service savings of over \$550 million since 2016.

How do the rates we pay compare to other similar cities in Texas?

In a 2023 study, Austin Water's average residential bill ranks 22 out of 36 cities surveyed. Residential customers in Houston, Corpus Christ, San Marcos, Kyle, and Pflugerville pay more for their water and wastewater services. Austin Water's Customer Assistance Program customers are the are the third lowest out of 36 cities surveyed, with only Phoenix and Memphis having lower bills.

Is bill payment assistance available from Austin Water?

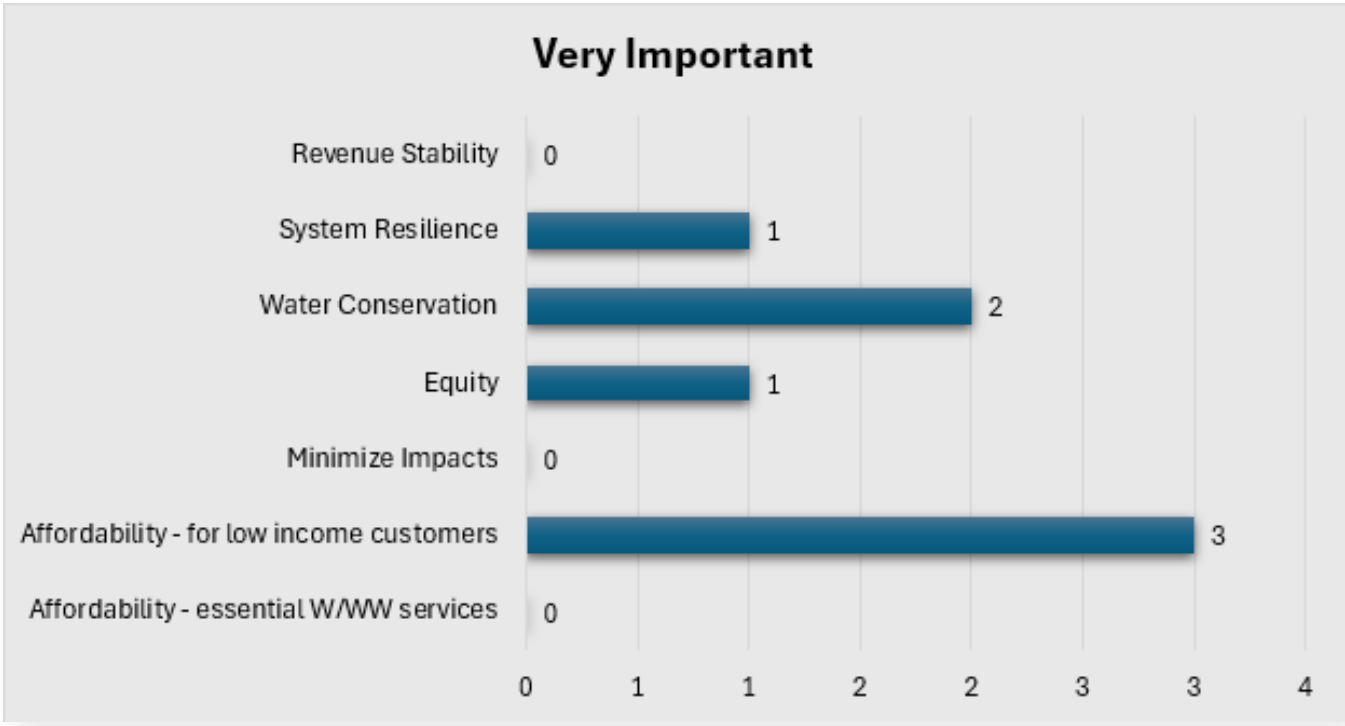
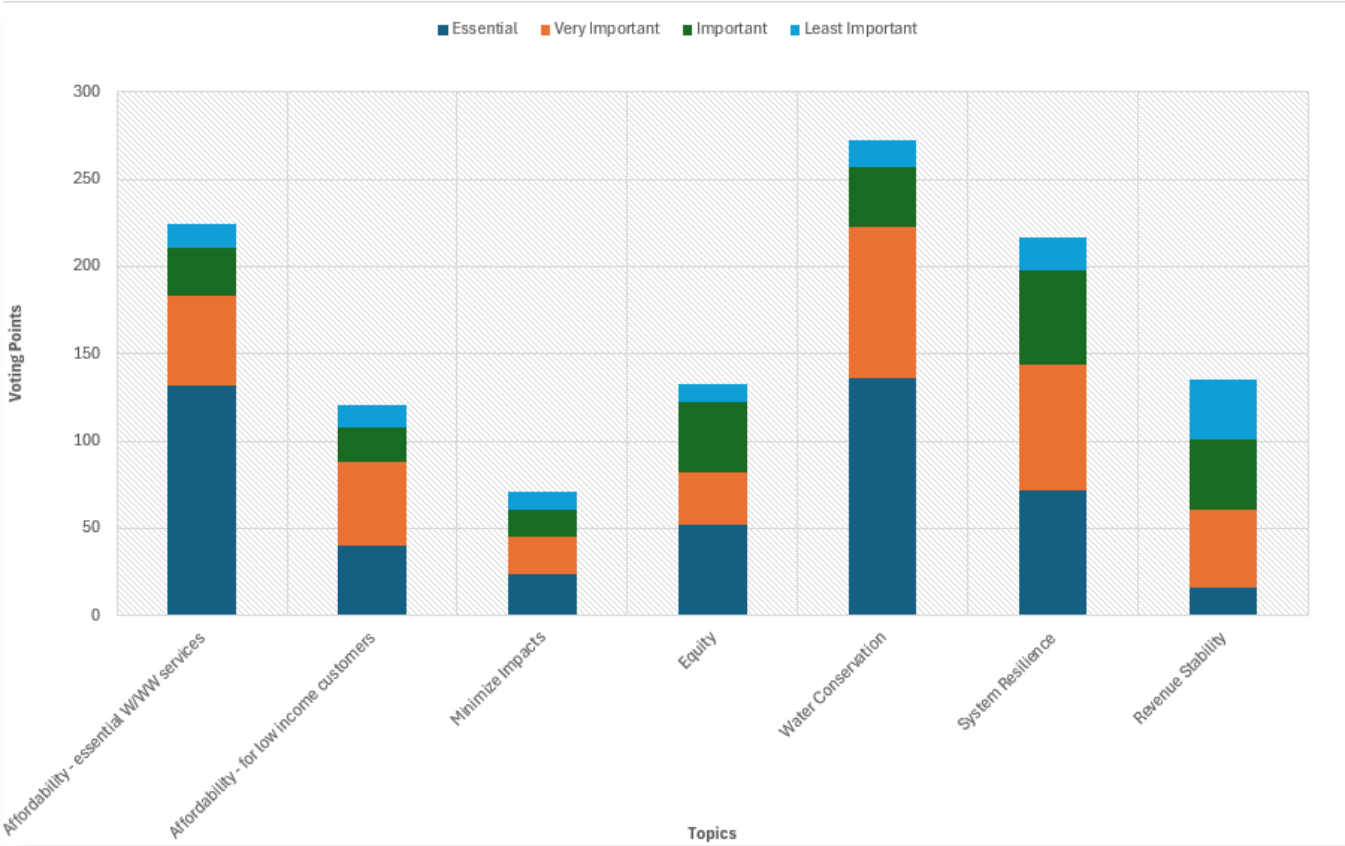
Yes, the City of Austin offers programs to help residential customers who face temporary and long-term financial difficulties as well as serious medical problems. There are eligibility requirements for each program. More info at www.austinwater.org > Customer Service > Customer Assistance Programs.

More questions and answers are at www.speakupaustin.org

Austin Water Rate Study Open House Comment Cards

- Austin's water is consistently good. Surprisingly, even in neighborhoods with (perhaps) older materials (plumbing). People need to conserve more. No more lawns. No more guzzling golf courses. Thank you.
- This week our water was shut off. In talking with my neighbors, none of us got the shut off notifications. Is this system set up?
- Private golf courses should not be exempt. They should be mandated to conserve as the rest of us customers do.
- Concerned about drugs and pharmaceuticals dumped in toilets – can we test for that?
- Concerned about micro-plastics in our water from beads in shower gels and face washes, etc.??
- Tiered system mathematically hurts large families. We have large bills which feel like penalties.
- Suggests educating customers on using old metal golf shoes and/or spikes to aerate.

Open House Survey Compilation





Focus Groups

Facilitation Guide

Emailed Survey



Austin Water Focus Group Moderator Guide

Welcome and Introductions (5 min)

Hi, my name is _____ and this is my colleague _____. We are here on behalf of Austin Water to lead a conversation about the rates they charge for service.

As you may have learned from the application you completed to be here, Austin Water is conducting a cost-of-service study of their rates – meaning, they are reviewing what they charge customers for water and wastewater service. As part of this effort, they would like to understand their customer’s perspective about water and wastewater rates. Your participation in today’s conversation will help Austin Water understand what you understand and what matters most to you when it comes to water and wastewater rates and billing. Your feedback and input will help them communicate about any changes they make in the future.

Your role today is to share your perspective. Your input will be documented without anyone’s names attached. Any quotes we use in reporting will be attributed to “a participant”. We simply want your reactions and opinions to the questions as they are presented. Although Bobbie and I are facilitating this conversation, we are not experts in Austin Water, so there may be times when we cannot answer your questions, but we’ll note that you asked them.

As your facilitator, part of my role is to keep things moving so that we end on time, and to ensure that we hear from everyone here. Sometimes that means that if we are hearing a lot from one or two people, I will call on others to provide their opinions. At the end of the session, Bobbie will provide gift cards to each of you as a thanks for your time. You “earn your card” by participating in the conversation, so if you don’t speak up, rest assured, we will call on you.

As I said, today we are going to talk about your water and wastewater system, investments needed, rate structure, and billing. You will be seeing examples of customer bills today that are representative of water usage in your area. As we go along, if you have any questions about the words that are being used, please stop me and ask.

- Are there any questions before I begin?

Basic Info (15 min)

Let’s begin with an exploration into your knowledge about Austin Water in general.

- Who can share what Austin Water does? What are the services it provides?
- How often do you think about your water or wastewater service?
- Do you every worry about it? How so? What specifically?
- How important is water and wastewater service compared to other city services?
- Does anyone know how does Austin Water funds its operations?

- Where does your drinking water come from originally?
- Where does your wastewater go, after you flush it or it goes down the drain?
- Once it's been treated, where does your treated wastewater end up?

Rates (15 min)

As we said, Austin Water is conducting a rate study. The last rate study they conducted was in 2017 and that resulted in a decrease in your bills.

- Why do you think Austin Water might need to examine its rates now?
- How would you describe the amount you pay for water and wastewater service today?
- Who can share what your water bill covers – in other words, what is Austin Water doing with the money you pay?

Hand out sample bill to everyone.

- Can anyone describe the rate structure – what are the components? What do they mean?
- How do you think the utility pays for repairs, improvements or new infrastructure that's needed?

Pricing Objectives (15 min)

Austin Water runs a lot like a nonprofit. The income it receives must cover the costs it incurs to operate. When a utility determines how to set the rates it charges, it has some flexibility in how to do it.

For example, in some very small communities, the utility simply divides the total cost of operating by the total number of customers, and each customer pays the exact same thing. In simple math, if it costs the utility \$100,000 to operate each month and it serves 1,000 customers, then each customer would pay \$100 per month for service.

In other communities, the rate structure is very complex. What you pay depends on what type of customer you are and how much water you use. For example, in many places, the utility creates categories for customers, such as residential, business, industrial or institutional. It may also divide up residential further into single family versus multi-family.

The reason the utility does this, is it recognizes that each of these customer types use water differently and have different meter sizes, which give them more or less "access" to the total water available from the utility, also known as its capacity.

Is everyone still with me?

So, the utility creates a rate structure using a combination of fixed charges and rate per water volume charges. Different categories of customers aren't paying the same for water – but they pay an amount that's fair based on the demand they put on the system. This is often referred to as an equitable or

proportional rate structure. Ensuring everyone pays their fair share is one goal a utility could have for its rate structure.

- What are some other goals for a rate structure? (open ended responses)

If you aren't hearing them, list some and ask how important:

- I am going to name more goals and I want to hear what you think is most important. (put these on a flip chart poster or white board and ask participants which one they think is most important. You put tally marks next to each one.
 - Affordability – affordable essential use and affordable rates for low-income customers
 - Minimal Customer Impact – gradually increasing rates over time to achieve revenue stability and cost of service coverage
 - Water Conservation – incentivizing using less water
 - Revenue Stability – revenues are stable and predictable to meet annual revenue requirements, bond covenants, and other financial requirements, protecting the utility from fluctuations during varying weather conditions
 - System Reliability – being able to count on the system to operate 24-7, 365
 - Resilience – investing in our system to withstand climate impacts

Investments (10 min)

We talked about system reliability – being able to always count on the system to work for you and system resilience – making sure you can count on the system to work well no matter what we might experience as extreme weather – drought, flooding, storms, freezing, etc. Let's talk about their importance more specifically.

- How often in a year would you tolerate having a service outage before you would be annoyed or start to not trust Austin Water?
- When an outage occurs, how many hours or days to be out of service is acceptable? For water? For wastewater?
- Knowing that both reliability and resiliency require Austin Water to make regular investments, would you tolerate being out of service for more days per year or more hours per occurrence, if it meant you paid less for these services?
- How much more per month would you be willing to pay for zero to one outage per year, that lasts a few hours or less?

Value (5 min)

- Think about having safe water to drink from your faucet any time of day, how much water you use in a day and all the ways you use it and being able to rely on your used water being flushed away and taken care of. As you think about all that, is the price you pay for that more, less or equal to the value of that water and those services to you? How so?
- If you had to guess, thinking about your last Austin Water bill, how much do you think you pay per gallon of water used?

Communications (5 min)

Communicating with customers is important to Austin Water.

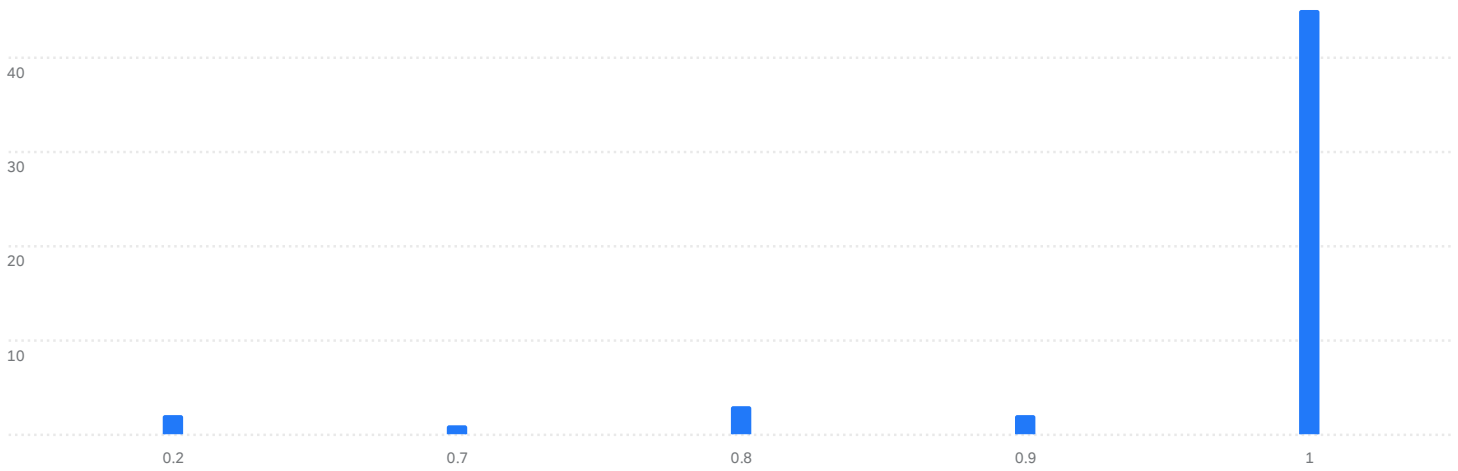
- How well does Austin Water communicate with you?
- What could they do better?
- How would you most prefer to be notified of upcoming rate structure changes? (record answers)

Wrap-up (5 min)

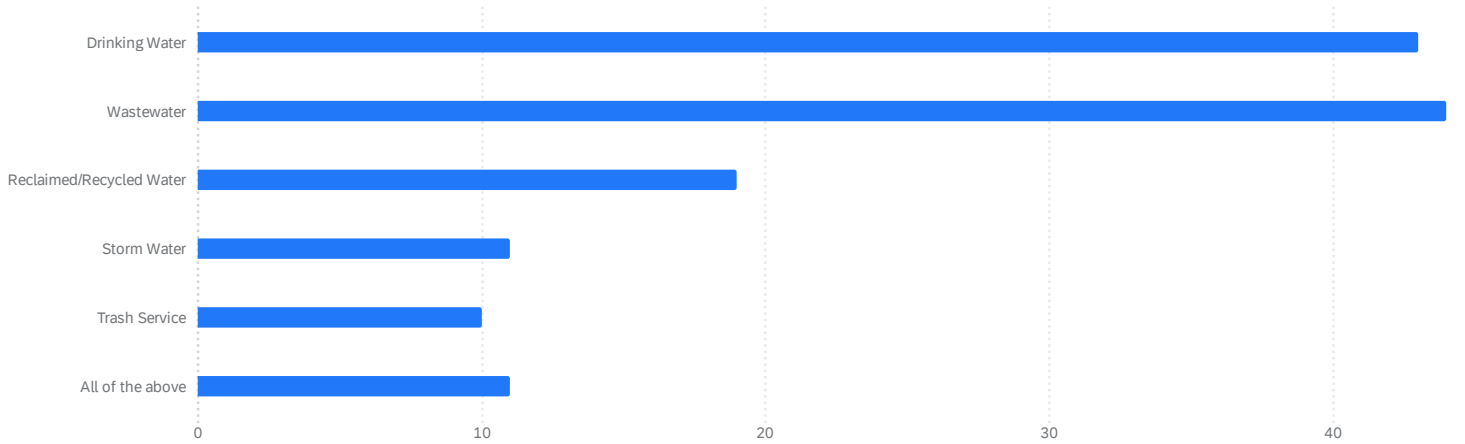
Thank you for your participation today.

- Is there anything you would like us to know that we didn't ask about Austin Water?
- Any questions before we end?

Q_RecaptchaScore 53 ⓘ



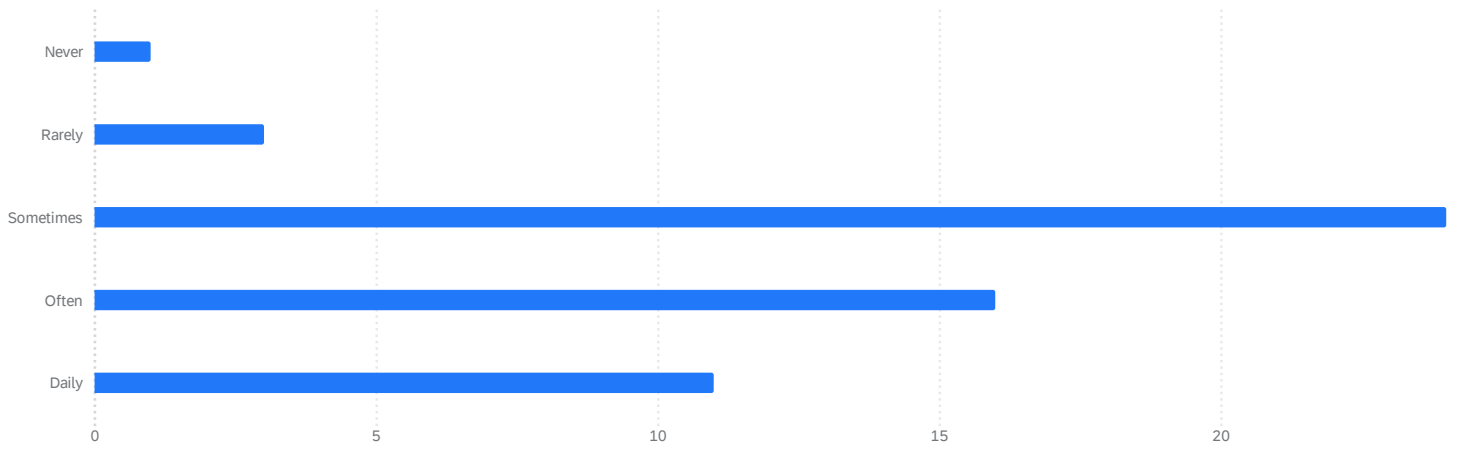
What services does Austin Water provide? (Check all that apply) 56 ⓘ



What services does Austin Water provide? (Check all that apply) 56 ⓘ

Q2 - What services does Austin Water provide? (Check all that apply)	Percentage	Count
Drinking Water	77%	43
Wastewater	79%	44
Reclaimed/Recycled Water	34%	19
Storm Water	20%	11
Trash Service	18%	10
All of the above	20%	11

How often do you think about your water or wastewater service? 55 ⓘ



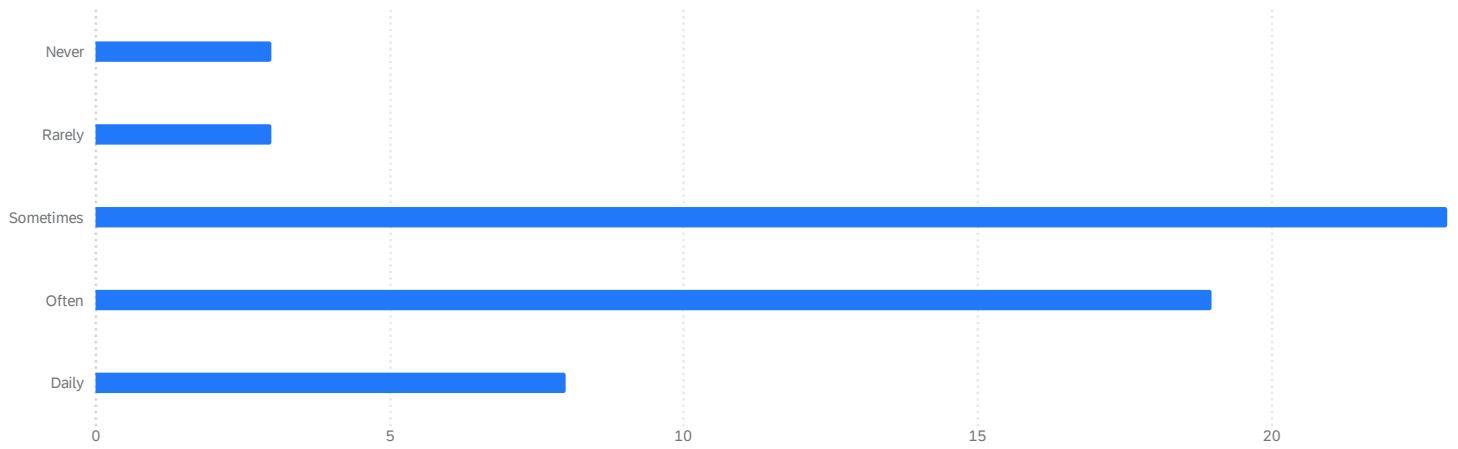
How often do you think about your water or wastewater service? 55 ⓘ

Q3 - How often do you think about your water or wastewater service?	Percentage	Count
Never	2%	1
Rarely	5%	3
Sometimes	44%	24
Often	29%	16
Daily	20%	11

How often do you think about your water or wastewater service? 55 ⓘ

How often do you think about your water or wastewater service?	Average	Minimum	Maximum	Count
Never	1.00	1.00	1.00	1
Rarely	2.00	2.00	2.00	3
Sometimes	3.00	3.00	3.00	24
Often	4.00	4.00	4.00	16
Daily	5.00	5.00	5.00	11

Do you worry about your water or wastewater service? 56 ⓘ



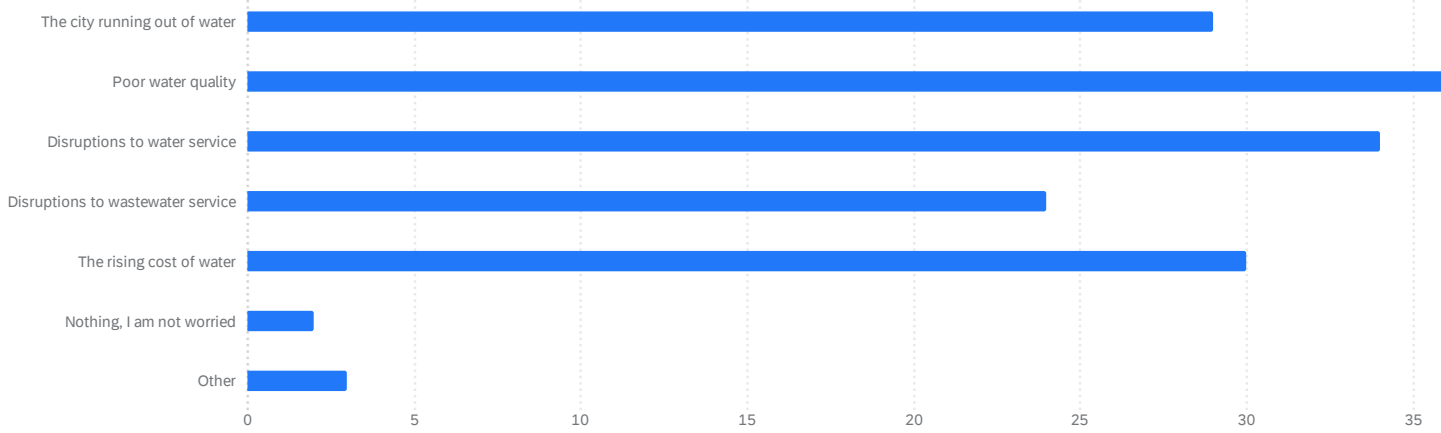
Do you worry about your water or wastewater service? 56 ⓘ

Q4 - Do you worry about your water or wastewater service?	Percentage	Count
Never	5%	3
Rarely	5%	3
Sometimes	41%	23
Often	34%	19
Daily	14%	8

Do you worry about your water or wastewater service? 56 ⓘ

Do you worry about your water or wastewater service?	Average	Minimum	Maximum	Count
Never	1.00	1.00	1.00	3
Rarely	2.00	2.00	2.00	3
Sometimes	3.00	3.00	3.00	23
Often	4.00	4.00	4.00	19
Daily	5.00	5.00	5.00	8

What do you worry about? (Check all that apply) 56 ⓘ



What do you worry about? (Check all that apply) 56 ⓘ

Q5 - What do you worry about? (Check all that apply) - Selected Choice

Percentage

Count

Selected Choice	Percentage	Count
The city running out of water	52%	29
Poor water quality	64%	36
Disruptions to water service	61%	34
Disruptions to wastewater service	43%	24
The rising cost of water	54%	30
Nothing, I am not worried	4%	2
Other	5%	3

What do you worry about? (Check all that apply): Other 56 ⓘ

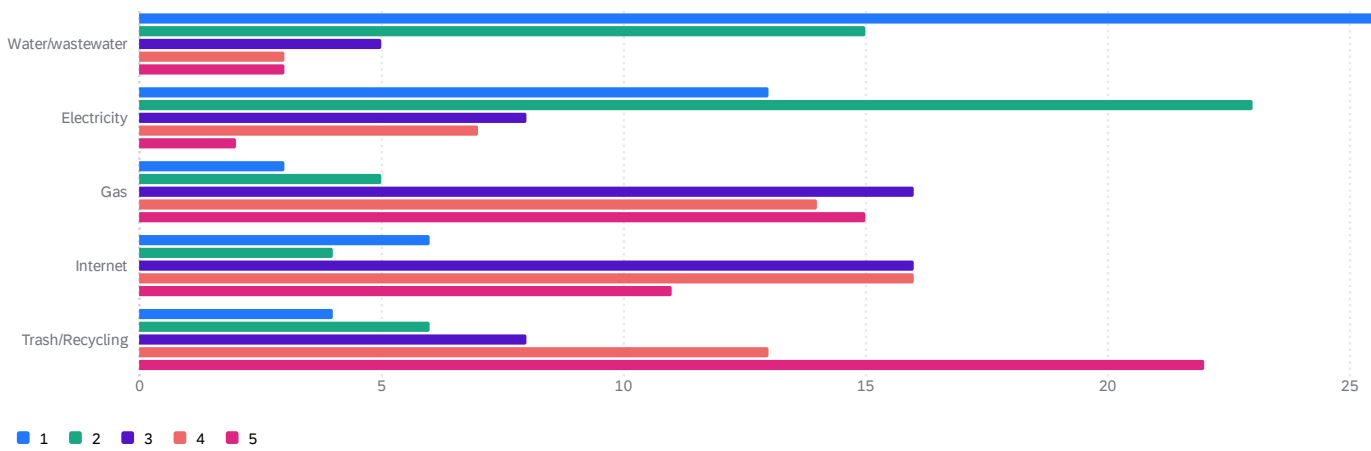
Other

Other

Water management issues due to ongoing growth

Low water pressure

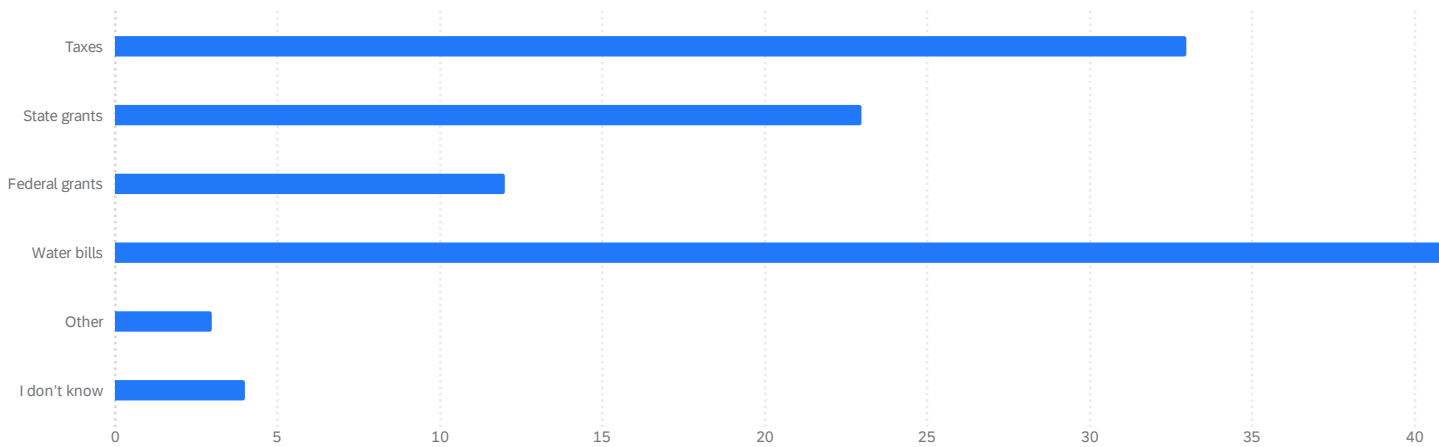
Rank water and wastewater service compared to other city services. 53 ⓘ



Rank water and wastewater service compared to other city services. 53 ⓘ

Rank water and wastewater service compared to other city services.	1	2	3	4	5
Water/wastewater	27	15	5	3	3
Electricity	13	23	8	7	2
Gas	3	5	16	14	15
Internet	6	4	16	16	11
Trash/Recycling	4	6	8	13	22

Where does Austin Water get funding for its operations? (Check all that apply) 56 ⓘ



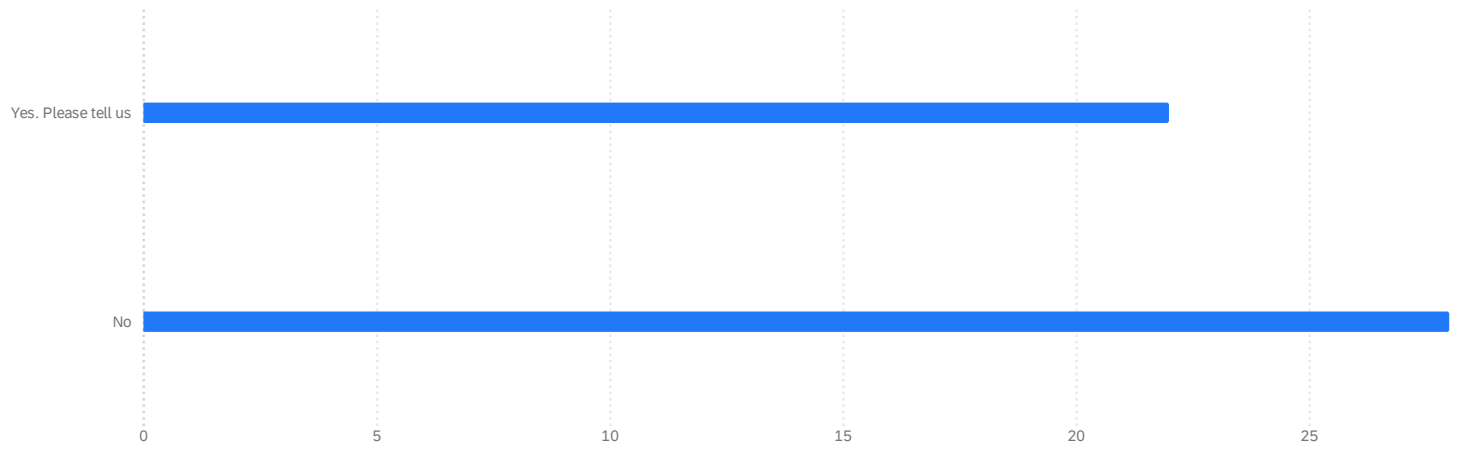
Where does Austin Water get funding for its operations? (Check all that apply) 56 ⓘ

Q7 - Where does Austin Water get funding for its operations? (Check all that apply) - Selected Choice	Percentage	Count
Taxes	59%	33
State grants	41%	23
Federal grants	21%	12
Water bills	73%	41
Other	5%	3
I don't know	7%	4

Where does Austin Water get funding for its operations? (Check all that apply): Other 56 ⓘ

Other

Do you know where your drinking water comes from originally? 50 ⓘ



Yes. Please tell us

Colorado River

Lower Colorado River and other lakes

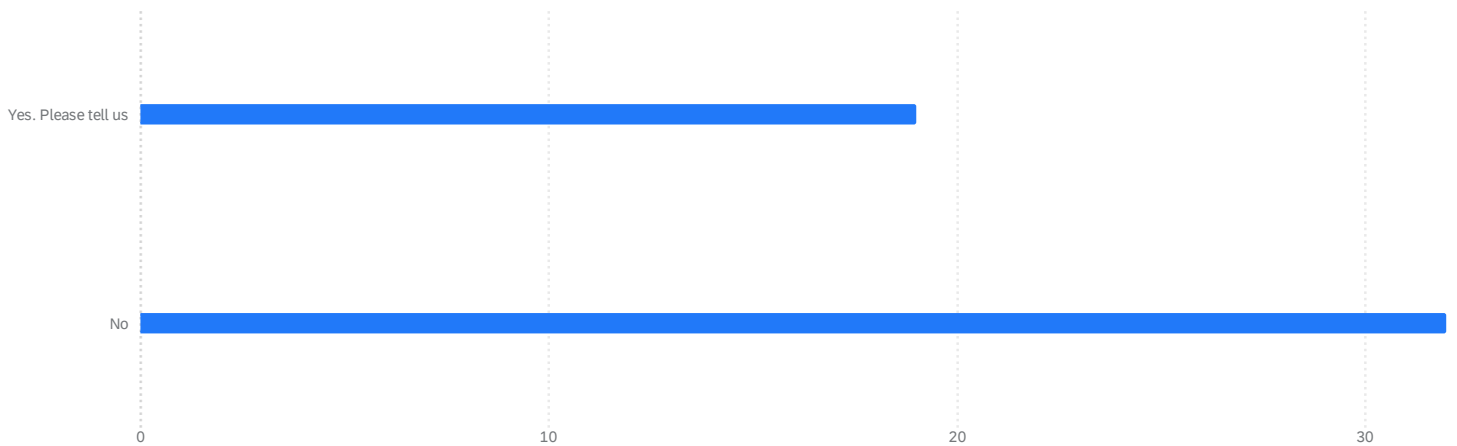
Highland lakes

Highland Lakes

Edward's Acquifer

LCRA

Do you know where your wastewater goes, after you flush it or it goes down the drain? 51 ⓘ



Do you know where your wastewater goes, after you flush it or it goes down the drain? 51 ⓘ

Q9 - Do you know where your wastewater goes, after you flush it or it goes down the drain? - Selected Choice

Percentage

Count

Yes. Please tell us

37%

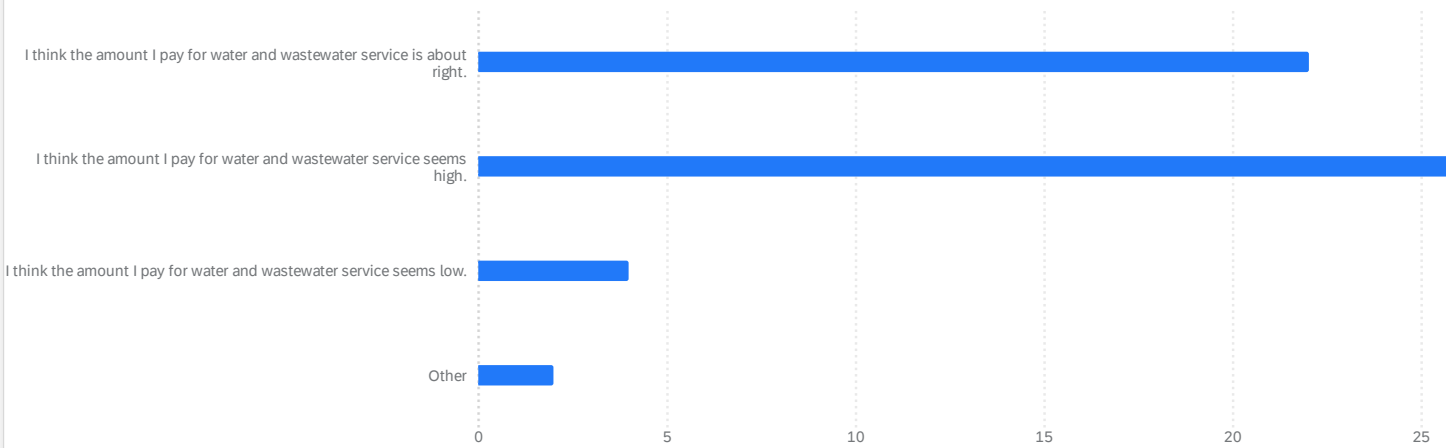
19

Yes. Please tell us

Treatment plants

Treatment centers

How would you describe the amount you pay for water and wastewater service today? 54 ⓘ



How would you describe the amount you pay for water and wastewater service today? 54 ⓘ

Q10 - How would you describe the amount you pay for water and wastewater service today? - Selected Choice

Percentage

Count

I think the amount I pay for water and wastewater service is about right.

41%

22

I think the amount I pay for water and wastewater service seems high.

48%

26

I think the amount I pay for water and wastewater service seems low.

7%

4

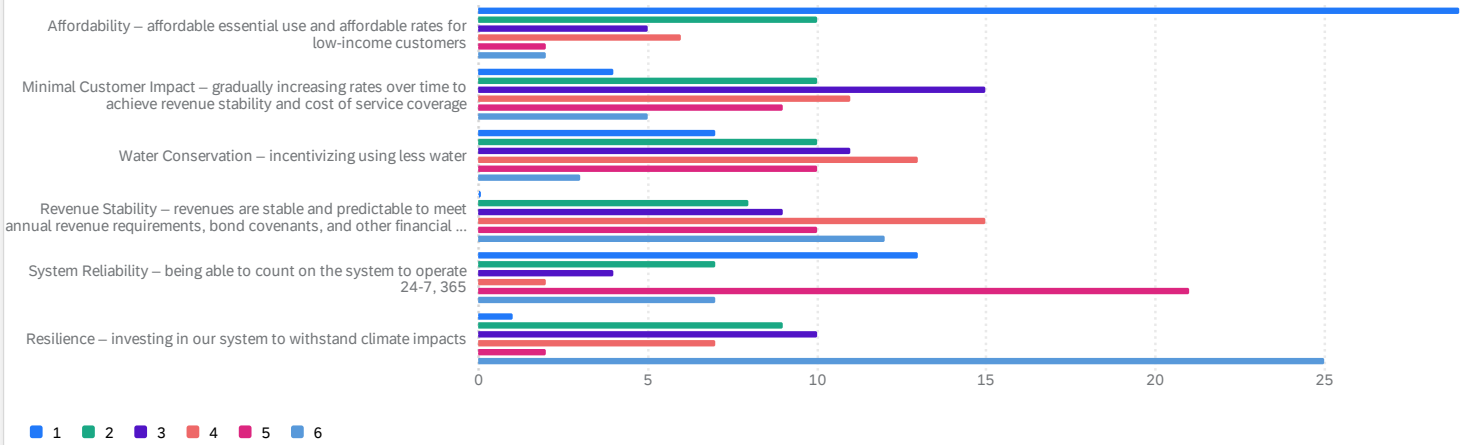
Other

4%

2

Other

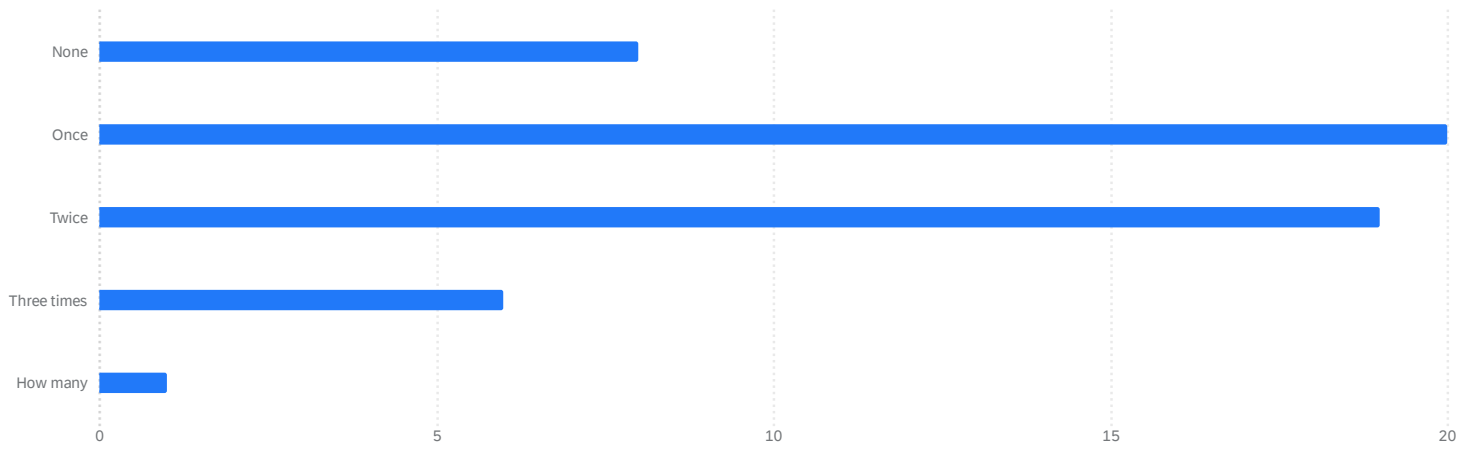
The following are some typical goals a water utility has when creating its rate structure. Rank the following in priority order: 54 ⓘ



The following are some typical goals a water utility has when creating its rate structure. Rank the following in priority order: 54 ⓘ

The following are some typical goals a water utility has when creating its...	1	2	3	4	5	6
Affordability – affordable essential use and affordable rates for low-income customers	29	10	5	6	2	2
Minimal Customer Impact – gradually increasing rates over time to achieve revenue stability and cost of service coverage	4	10	15	11	9	5
Water Conservation – incentivizing using less water	7	10	11	13	10	3
Revenue Stability – revenues are stable and predictable to meet annual revenue requirements, bond covenants, and other financial requirements, protecting the utility from fluctuations during varying weather conditions	0	8	9	15	10	12
System Reliability – being able to count on the system to operate 24-7, 365	13	7	4	2	21	7
Resilience – investing in our system to withstand climate impacts	1	9	10	7	2	25

How often in a year is it okay to have a service outage before you would be annoyed or start to not trust Austin Water? 54 ⓘ



Q14 - When an outage occurs, how many hours or days to be out of water service is acceptable?

Percentage

Count

More than 8 hours

2%

1

When an outage occurs, how many hours or days to be out of water service is acceptable? 54 ⓘ

When an outage occurs, how many hours or days to be out of water service is...

Average

Minimum

Maximum

Count

One hour or less

1.00

1.00

1.00

10

1-2 hours

2.00

2.00

2.00

22

2-4 hours

3.00

3.00

3.00

15

4-8 hours

4.00

4.00

4.00

6

More than 8 hours

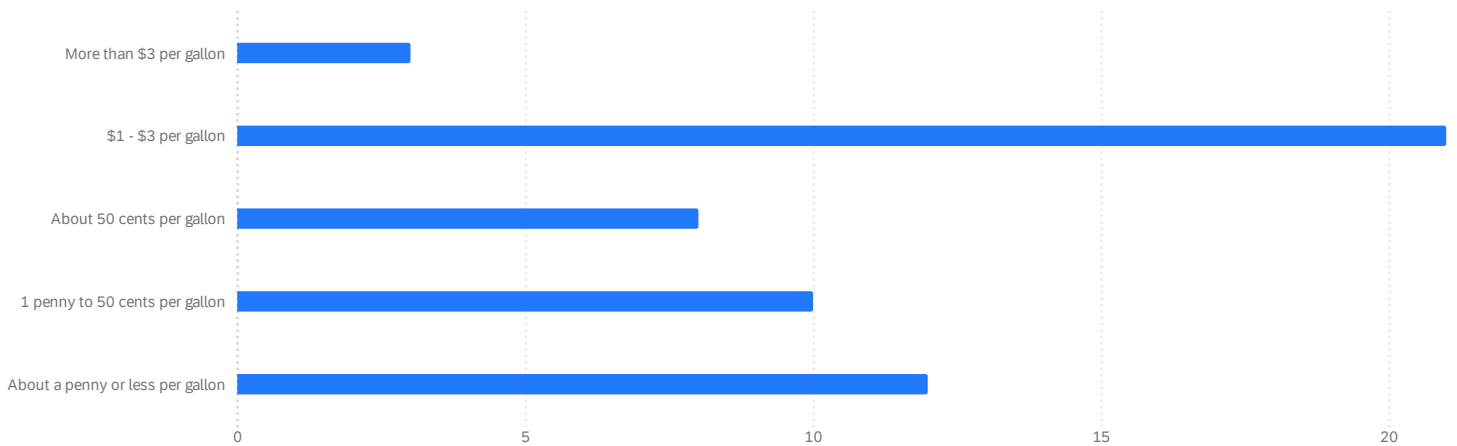
5.00

5.00

5.00

1

If you had to guess, thinking about your last Austin Water bill, how much do you think you pay per gallon of water used? 54 ⓘ



If you had to guess, thinking about your last Austin Water bill, how much do you think you pay per gallon of water used? 54 ⓘ

Q15 - If you had to guess, thinking about your last Austin Water bill, how much do you think you pay per gallon of water used?

Percentage

Count

More than \$3 per gallon

6%

3

\$1 - \$3 per gallon

39%

21

About 50 cents per gallon

15%

8

1 penny to 50 cents per gallon

19%

10

About a penny or less per gallon

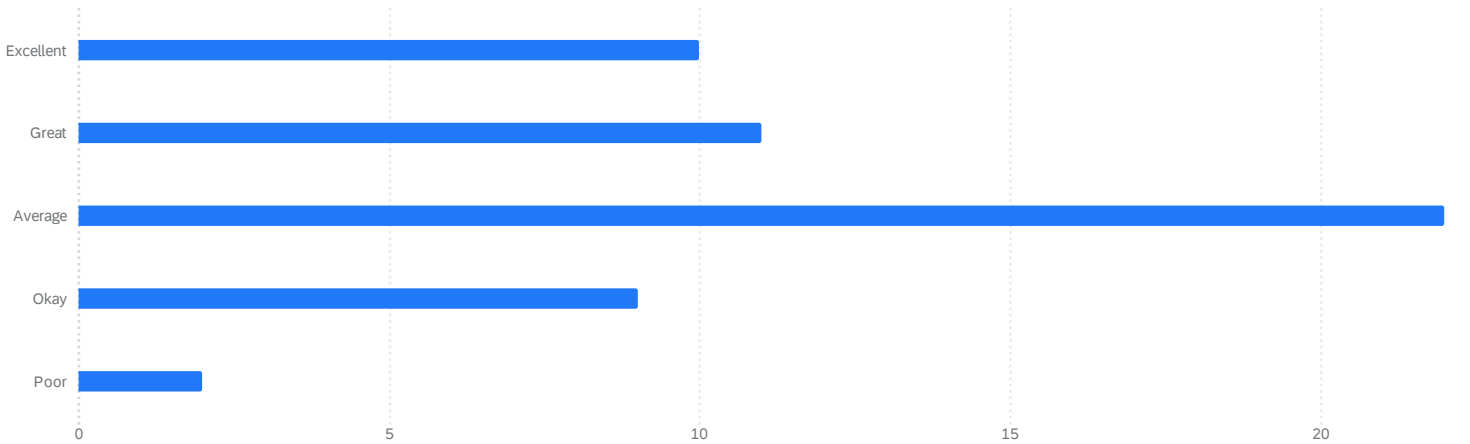
22%

12

If you had to guess, thinking about your last Austin Water bill, how much do you think you pay per gallon of water used? 54 ⓘ

If you had to guess, thinking about your last Austin Water bill, how much d...	Average	Minimum	Maximum	Count
More than \$3 per gallon	1.00	1.00	1.00	3
\$1 - \$3 per gallon	2.00	2.00	2.00	21
About 50 cents per gallon	3.00	3.00	3.00	8
1 penny to 50 cents per gallon	4.00	4.00	4.00	10
About a penny or less per gallon	5.00	5.00	5.00	12

Rank how well Austin Water communicates with you in terms of frequency. 54 ⓘ



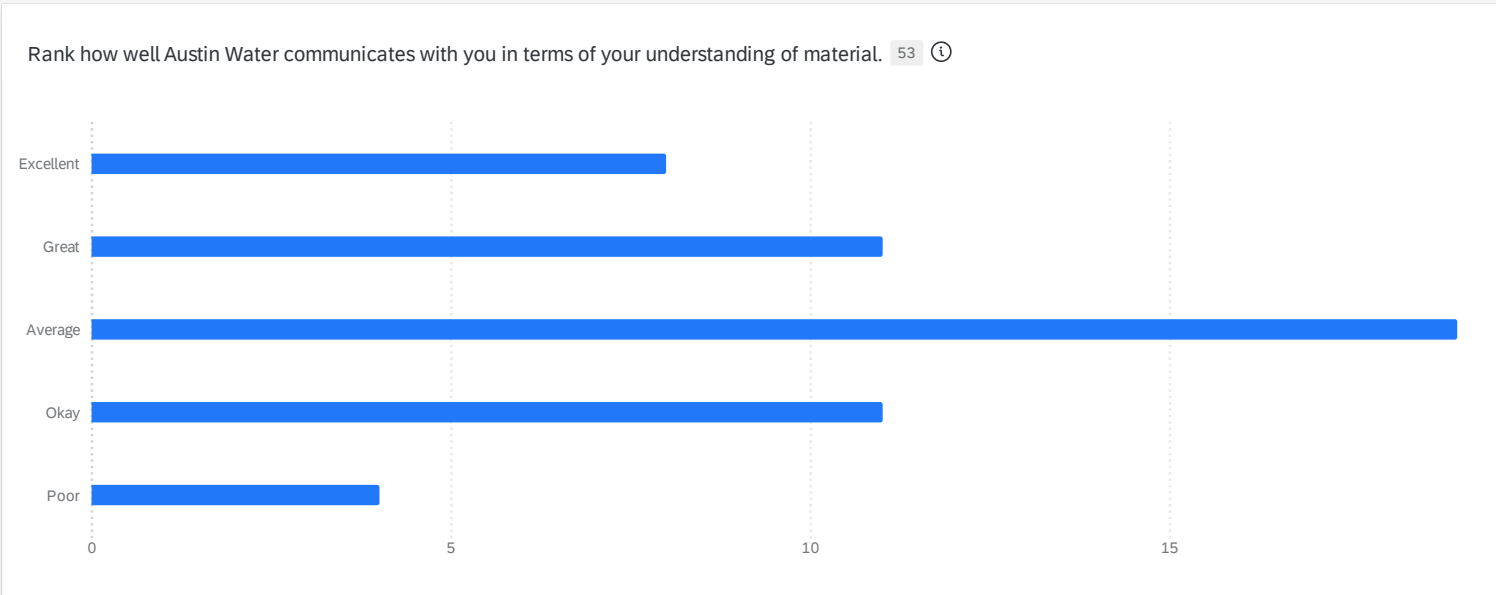
Rank how well Austin Water communicates with you in terms of frequency. 54 ⓘ

Q16 - Rank how well Austin Water communicates with you in terms of frequency.	Percentage	Count
Excellent	19%	10
Great	20%	11
Average	41%	22
Okay	17%	9
Poor	4%	2

Rank how well Austin Water communicates with you in terms of frequency. 54 ⓘ

Rank how well Austin Water communicates with you in terms of frequency.	Average	Minimum	Maximum	Count
Excellent	1.00	1.00	1.00	10

Rank how well Austin Water communicates with you in terms of frequency.	Average	Minimum	Maximum	Count
Great	2.00	2.00	2.00	11
Average	3.00	3.00	3.00	22
Okay	4.00	4.00	4.00	9
Poor	5.00	5.00	5.00	2



Rank how well Austin Water communicates with you in terms of your understanding of material. 53 ⓘ

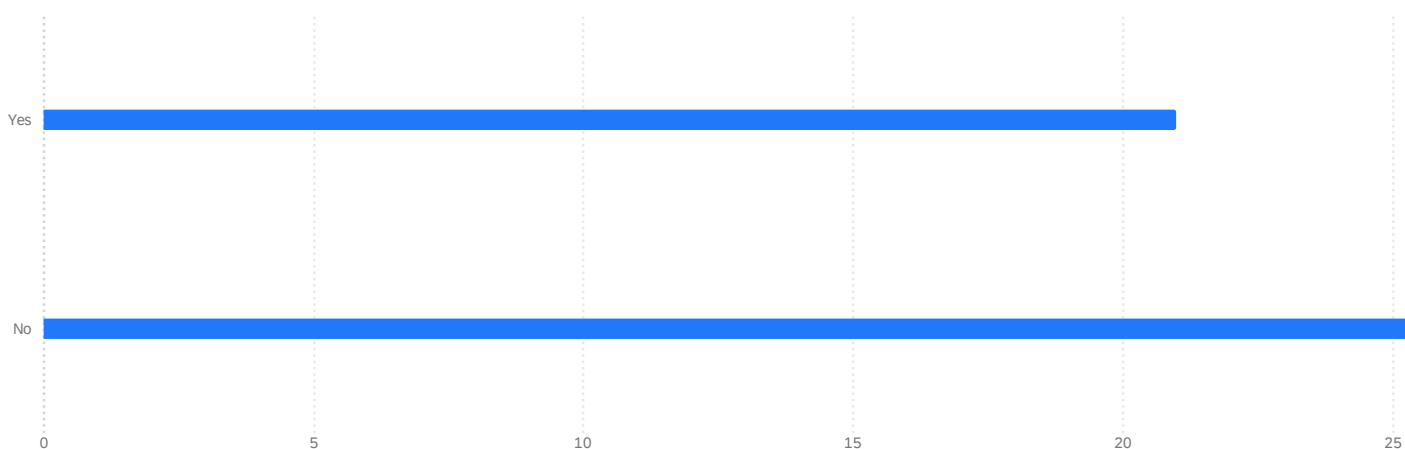
Q17 - Rank how well Austin Water communicates with you in terms of your understanding of material.

	Percentage	Count
Excellent	15%	8
Great	21%	11
Average	36%	19
Okay	21%	11
Poor	8%	4

Rank how well Austin Water communicates with you in terms of your understanding of material. 53 ⓘ

Rank how well Austin Water communicates with you in terms of your understand...	Average	Minimum	Maximum	Count
Excellent	1.00	1.00	1.00	8
Great	2.00	2.00	2.00	11
Average	3.00	3.00	3.00	19
Okay	4.00	4.00	4.00	11
Poor	5.00	5.00	5.00	4

Is there anything specific you want to understand better about Austin Water? 47 ⓘ



Is there anything specific you want to understand better about Austin Water? 47 ⓘ

Q18 - Is there anything specific you want to understand better about Austin Water? - Selected Choice	Percentage	Count
Yes	45%	21
No	55%	26

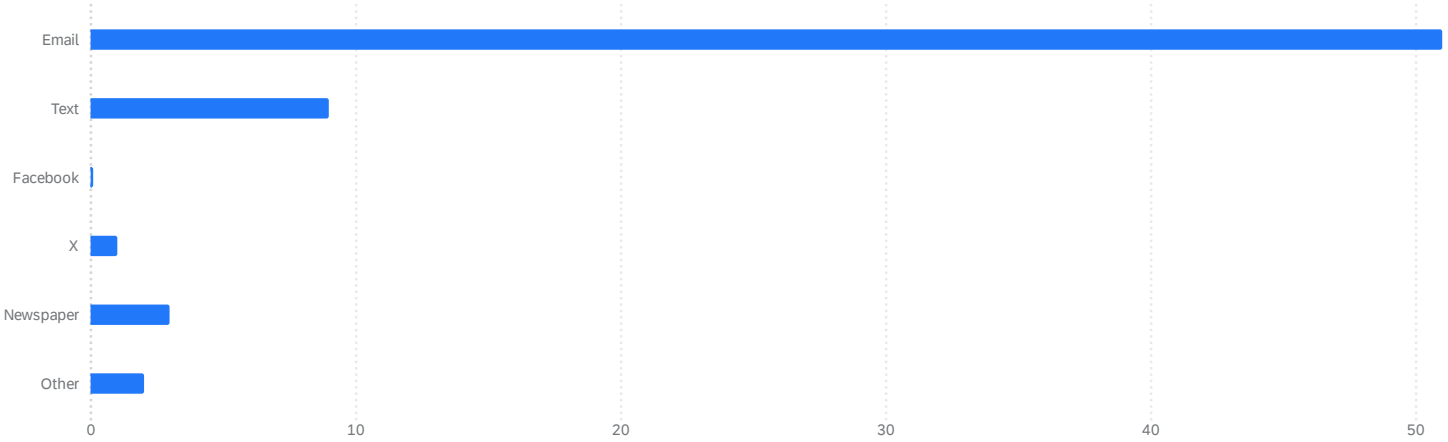
Is there anything specific you want to understand better about Austin Water? 47 ⓘ

Is there anything specific you want to understand better about Austin Water...	Average	Minimum	Maximum	Count
Yes	1.00	1.00	1.00	21
No	2.00	2.00	2.00	26

Yes

More about investment for the future. We are from Jackson, MS.

How would you most prefer to be notified of upcoming rate structure changes? 55 ⓘ



How would you most prefer to be notified of upcoming rate structure changes? 55 ⓘ

Q19 - How would you most prefer to be notified of upcoming rate structure changes? - Selected Choice

Percentage

Count

Selected Choice	Percentage	Count
Email	93%	51
Text	16%	9
Facebook	0%	0
X	2%	1
Newspaper	5%	3
Other	4%	2

How would you most prefer to be notified of upcoming rate structure changes?: Other 56 ⓘ

Other

Online Survey

SpeakUp Austin Survey

A decorative graphic element consisting of a thick, light blue wavy line that curves across the bottom half of the page, separating the dark blue header area from the light blue footer area.

Cost of Service Rate Study

Project Engagement

VIEWS	PARTICIPANTS	RESPONSES	COMMENTS
21,011	38	196	26

When it comes to your rates, what's most important to you? Please drag the following seven items to rank them in order of importance to you.

100%	Affordability of essential water and wastewater services	Rank: 2.46	28 ✓
100%	System resilience by making investments to withstand climate impacts	Rank: 2.86	28 ✓
100%	Water conservation - incentivizing less water use	Rank: 3.79	28 ✓
100%	Minimizing impacts by raising rates gradually over time	Rank: 4.50	28 ✓
100%	Affordability for low-income customers	Rank: 4.54	28 ✓
100%	Equity - everyone pays their fair share	Rank: 4.71	28 ✓
100%	Revenue stability by meeting annual financial requirements, bond covenants, etc. to protect Austin Water from fluctuations in revenue from weather conditions	Rank: 5.14	28 ✓

28 Respondents

Please share any other comments or feedback you have for Austin Water to consider in setting rates.

The services are expensive, waste water costs more than water usage. I've lived all over the country and never paid these redic rates for water

14 hours ago

Enforcement of overconsumption by businesses or individuals.

16 hours ago

More must be done to educate HOA boards (not the management company) about sustainable landscape management and to mitigate archaic CCRs that require arduous processes to convert lawns to xeriscaped landscapes and large caliper trees to be planted. In addition, during a drought with water restrictions, HOAs should not be allowed to require a homeowner to put in new sod or plant a tree during the summer months.

20 hours ago

Ensuring that we have water for future generations by investing in long term ecologically friendly and impactful way is my top concern

yesterday

Water purity and quality

2 days ago

- 1) stop penalizing in pricing model
- 2) water / waste water rates should only be used for water / waste water

2 days ago

Your water rates are already ridiculously high. You should be LOWERING water rates, not raising them!!

2 days ago

Rates are too dxxm high!

2 days ago

Just deliver water as cheaply and safely as expected; no social justice pricing or incentives

2 days ago

Maybe you could save us some money by not putting fluoride in the water. Most European countries don't do it and it is not good for people.

2 days ago

Stopping leaks in the system and hardening infrastructure to withstand shocks should be #1 priority. Don't be like our Gas producers!

2 days ago

Rainwater conservation should be encouraged.

2 days ago

How in the heck can I evaluate Equity?? Pls Reword to make it crystal clear what everyone pays their fair share means. Currently very low users get a GREAT deal.

Austin water should NOT be buying land for climate change, or whatever is the goal; that money should come out of Austin's general budget. The Austin water upper tiers are already too high; and we should not be using drinking water for lawns. Pls provide a rain water/gray water option for SOME lawn watering and mostly for trees. The current water source options offered are not sustainable. NONE of the options listed above other than Affordability are important to me.

2 days ago

Neglected Infrastructure is a huge problem and those responsible for letting it go to this state should be held responsible.

5 days ago

My water consumption has gone down just due to the fact that one of my household passed away. I do not feel my rates should increase due to the demand the influx of people to Austin. This should have been planned for 40 years ago and not such a surprise now.

8 days ago

4-9% is a hefty price increase! Please make sure large corporations and businesses that have immense uses are paying their fair share.

9 days ago

I wish there was a way to prevent people in the city from drilling their own water wells. They are using the water meant for ALL of us.

10 days ago

N/A

11 days ago

rates are TOO HIGH, first 2000 gallons should be free

11 days ago

Reducing consumption among high-usage customers, including businesses, MIGHT allow us to have enough water as climate change and growth decrease our supply and increase our needs.

11 days ago

City of Austin has already become unaffordable for middle and low income families. It is elitist. I am a retired citizen on fixed income. Even with my house paid off, the very BASICS like water and utilities, heat and AC are breaking the bank. Why is the answer to always raise rates and taxes

11 days ago

It's becoming hard to afford to live in Austin. Water bill has tripled in last four years.

11 days ago

Water rates are already way too high.

13 days ago

Why no questions on water quality? Austin water tastes horrible compared to that of Round Rock and other suburbs.

13 days ago

Austin Water needs to have enough revenue to keep their infrastructure in good working condition so rate hikes need to be responsive to this. Basic water service should be affordable for all but high water use needs to be discouraged by making rates much higher.

13 days ago

* Contact Information

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