

AUSTIN WATER UTILITY 2007 COS STUDY MEETING SUMMARY

Meeting: Public Involvement Committee (PIC)
Workshop 7: Irrigation Rates

Date: 3-17-08 **Time:** 6 PM **Location:** Waller Creek Center

PIC Attendees:

<u>Name</u>	<u>Customer Class Representation</u>
Angela Rubottom	Residential
Lanetta Cooper	Residential
Tom Graves	Multifamily
Nguyen Stanton	Commercial
Dan Wilcox	Industrial
Jeff Covington	Industrial
Joy Smith	Wholesale

I. Agenda Items:

The following items were covered at the PIC meeting:

1. Welcome
2. Decisions by Executive Team
3. PIC comments from last meeting
4. Presentation on irrigation rates
5. PIC member comments and discussion
6. Summary of decisions, agreements, and next steps
7. Public comment period

II. Decisions by Executive Team

The AWU Executive Team met after the March 3 PIC meeting and made the following decision:

- a) *Customer Classifications Issue 1* – Disaggregate large-volume customer class
- b) *Customer Classifications Issue 2* – Deferred (large-volume class threshold)
- c) *Customer Classifications Issue 3* – Deferred (irrigation customer class)

III. Key Interests and Issues:

PIC comments and questions focused on:

1. Issue 1: Excess Revenues from Irrigation Rates. Should AWU reduce the indoor water rate for irrigation customers, reduce rates for all customers, set irrigation rate at cost of service (resulting in no excess revenues), set revenue aside for other designated purposes, or not establish an irrigation rate which is AWU's current methodology? Consultants are recommending that no irrigation rate be set until excess-use rates can be implemented.
2. Issue 2: Appropriate Level for Irrigation Rates. Should the irrigation rate be equal to the highest residential block rate, equal to the cost of service, or is no irrigation rate appropriate? The Water Conservation Task Force recommended the irrigation rate be set at the highest residential block rate. Again, consultants are recommending no irrigation rate be set.

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However, if there is an irrigation rate set, consultants recommend it be set at the cost-of-service rate.

3. Issue 3: Residential Irrigation Usage at Blocks 1 and 2. Should AWU continue its current methodology of providing Blocks 1 and 2 discounted water, or price all residential irrigation water at Block 3 and above? Consultants recommend irrigation usage be priced at Block 3 and above.

IV. Agreements and Action Needed:

In response to a request from PIC members, AWU and consultants will:

- a) Provide 07 and 08 revenue requirements.

In response to a request from consultants, PIC members are to:

- a) Email ideas for "What if?" scenarios to be run in the COS model(s).

Written comments on this meeting are due to Mike Castillo on March 24.

The next PIC workshops are scheduled for March 31 and April 21.

There will be no new issue papers for these meetings. The meetings will be used to discuss "What if?" scenarios.

V. Public Comment:

Randy Chapman, Texas Legal Services Center, thanked consultants for their recommendation on March 3 that AWU waive the fixed charge for qualified low-income residential customers.

VI. Meeting Sign-In Sheet: Attached

VII. Topic for Next Meeting: "What if?" scenarios

Prepared by: Rhonda Price, Group Solutions RJW