

Austin Water

PROGRESS REPORT

2020



Our workers are truly heroes and we could not be more grateful and proud of this workforce.

Alvin Hampton

Kevin R. Cantor

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Anna Bryan-Bojva

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Shay Kalle Poolson

Paul Conrad

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DIRECTOR'S MESSAGE

No one could have anticipated what 2020 would bring in the form of a global pandemic that required immediate action to prevent the spread of COVID-19. Austin Water was able to quickly respond with measures that maintained essential services for customers while protecting the health and safety of our workforce. Austin Water staff have time and again proven their willingness to adapt to new work conditions, adopt new technology, and quickly, but thoughtfully, respond to the ever-changing situations caused by this pandemic. Our workers are truly heroes and we could not be more grateful and proud of this workforce.

In the face of last year's unpredictability, Austin Water was able to be nimble in our response, largely because of our strong commitment to the Effective Utility Management framework developed by ten water organizations and the Environmental Protection Agency. Austin Water has embraced this framework since 2015, which served us well in confronting the challenges of 2020. Within weeks of moving our office workers offsite, and enforcing strict PPE, temperature monitoring, and social distancing protocols for our frontline workers in the field and at treatment facilities, we were also able to offer bill relief to our customers – reducing residential water and wastewater rates by 10% and contributing an additional \$5 million to the Plus 1 financial support program.

While the year has been a difficult one for so many, it has also been a time to demonstrate leadership. Austin Water was recognized this year by the Environmental Protection Agency, which noted:

“...Austin Water's use of Effective Utility Management is among the most impressive that I have seen. ...We here at EPA will share it with other utilities around the country as an example of the leadership and vision exhibited by Austin Water every day.”

We were also recognized as a **Utility of the Future Today** by four water organizations: The National Association of Clean Water Agencies, Water Environment Federation, WaterReuse Association, and Water Research Foundation. This prestigious honor was for our commitment to Effective Utility Management principles and community outreach and engagement efforts during development and adoption of the Water Forward Integrated Water Resource Plan.

While these accolades are a gratifying affirmation of our work, job one for Austin Water remains:

To provide safe, reliable, high-quality, sustainable and affordable water services to our customers so that all community needs for water are met.

We are excited to share the progress we were able to achieve despite a challenging year and we look forward to better days ahead in 2021.



Greg Meszaros
Director of Austin Water



AFFORDABILITY



**APPLYING SOUND
FINANCIAL
MANAGEMENT
STRATEGIES
THAT CREATED
GREATER
AFFORDABILITY
FOR CUSTOMERS**

- Austin Water's 2020 Affordability Metrics Report indicates that the average annual bill as a percentage of median household income fell from 1.47% in 2017 to 1.31% in 2020.
- Austin Water's Customer Assistance Program is among the best in the country and offers some of the deepest discounts and the most robust assistance to customers in need. Customers enrolled in the CAP program received an 11.4% average rate reduction in FY2018, no rate increase in FY2019, an 8.3% average rate reduction in FY2020, and an additional 10% average rate reduction for COVID-19 Relief in FY2020, which was extended through FY2021.
- \$70 million in infrastructure improvement loans were secured through the Texas Water Development Board (TWDB) with interest rates as low as 0%. Since FY2016, over \$266 million in low interest loan commitments have been received from TWDB. In addition, capital recovery fees were used to pay off \$40 million of outstanding revenue bond debt early.
- In December, Austin City Council approved Austin Water's proposed Multifamily Customer Assistance Program, which is anticipated to help an estimated 23,000 customers living in apartments and other multifamily dwellings. Qualified customers will save more than \$200 annually with credits to their utility bill beginning in March 2021.

PROGRESSES REPORT

CUSTOMER SATISFACTION



**PROVIDING
RESPONSIVE,
PROFESSIONAL
AND
EXCEPTIONAL
SERVICE TO
INCREASE
CUSTOMER
SATISFACTION**

- On March 26, 2020, Austin City Council approved contracts for full implementation of My ATX Water, Austin's smart water meter system. The initial pilot phase has launched, and as of December, approximately 1,600 meters have been installed.
- Testing of a new customer portal is underway that will provide near real-time daily water use data and customized notifications about potential leaks, increased water usage, and seasonal rebate offers to help customers conserve water. Full deployment will occur in 2021.
- Austin Water crews completed more than 5,500 field verifications of service lines to ensure infrastructure materials do not include lead. These efforts will continue through 2021 to complete all inspections throughout our service area in advance of expected Environmental Protection Agency requirements.
- Austin Water has seen improved JD Power satisfaction levels in every category – quality and reliability, communications, conservation, customer service and billing and payment – since the study began. Last year, we achieved an all-time high score of 759, up from 690 in 2016.

PROGRESSES REPORT

WORKFORCE



**BUILDING A
DIVERSE AND
HIGH-PERFORMING
WORKFORCE
THAT EMBRACES
COLLABORATION
AND INNOVATION**

- Recruitment and retention strategies were implemented that resulted in a decrease in the monthly vacancy rate from almost 10% to 6.55% by year-end.
- Opportunities were initiated at the end of the year for Austin Water leadership to participate in training and discussions about equity. Regular, bi-monthly opportunities to continue these conversations have been identified for 2021.
- Safety audits of routine but high-risk tasks for Pipeline Operations found excavations to be potentially Serious Injury or Fatality (SIF) area for our workers. This led to the creation of an Excavation Safety Committee, which identified four baseline behaviors most likely to reduce risk during excavation operations. Corrective actions were generated that have already increased safe practices and compliance with safety protocols.

PROGRESSES REPORT

INFRASTRUCTURE



**MAKING
STRATEGIC
INVESTMENTS IN
INFRASTRUCTURE
TO DEPENDABLY
MEET COMMUNITY
DEMAND FOR
YEARS TO COME**

- In October, Austin Water achieved a significant milestone in our efforts to manage Zebra Mussels at three water treatment plants. Inspection and cleaning of raw water intakes was completed and new systems have been commissioned to mitigate future infestations.
- The Ullrich Water Treatment Plant now has the ability to feed polymer to reduce high levels of suspended solids from raw water during significant flooding events. Similar system installations are under design at the Handcox and Davis facilities.
- The collection system experienced 2.08 sanitary sewer overflows per 100 miles of pipe, the second lowest on record and well below our target of three.
- Demolition of the North Austin Reservoir, which was built in 1913 and had exceeded its useful life, was completed to make way for a modern reservoir and pump station that will improve reliability of the water distribution system.
- 1,250 polybutylene service lines were replaced to reduce service line breaks and emergency repairs, and 127,000 linear feet of water and wastewater pipelines were relocated to support significant mobility projects planned for IH35 and US 183.

PROGRESSES REPORT

RESILIENCE



**TAKING
PROACTIVE
STEPS FOR A
WATER-SECURE
FUTURE AND
ENHANCED
RESILIENCE**

- An innovative onsite blackwater demonstration project was completed at the new Permitting and Development Center that will help promote and advance decentralized water reuse goals identified in the 100-year Water Forward Plan.
- Austin City Council authorized work to begin on an Aquifer Storage & Recovery pilot project, a major effort that will prepare us for the effects of climate change and future severe droughts. Aquifer Storage & Recovery is a water supply strategy for storing water in a natural aquifer during periods when it is plentiful so that it can be withdrawn when water is needed.
- In December, Austin City Council approved ordinances to establish new treatment, monitoring and reporting regulations for commercial and multifamily onsite water reuse systems for rainwater, stormwater, A/C condensate, foundation drainage and graywater. New cooling tower efficiency standards and equipment requirements were also included in the revised ordinances.
- The Wildland Conservation Division added 1,063 acres of conservation land to the Water Quality Protection Lands and the Balcones Canyonlands Preserve in 2020.
- Austin Water completed a biennial risk assessment and emergency response plan for our water system infrastructure to comply with America's Water Infrastructure Act standards. This will strengthen the resilience and preparedness of our critical infrastructure to potential hazards.

PROGRESSES REPORT



HORIZON



ON THE HORIZON

- An Outbound Call Center initiative will be piloted in 2021 to follow-up with customers about their experiences with service requests and their resolution, as well as to provide notifications about service interruptions and impacts.
- A risk assessment of Austin Water's wastewater system will be conducted according to America's Water Infrastructure Act guidelines to enhance our enterprise resiliency.
- Improvements are underway to improve resiliency and expand capacity at several treatment facilities:
 - ▶ At Ullrich Water Treatment Plant, design has begun to convert gaseous chlorine to the inherently safer technology of on-site generation of sodium hypochlorite.
 - ▶ At the Ullrich Low Service Pump Station and the South Austin Regional Wastewater Treatment Plant, work has begun to replace aged electrical equipment to improve power reliability.
 - ▶ At the Walnut Creek Wastewater Treatment Plant, numerous projects are ongoing to improve performance and expand capacity from 75 million gallons per day to 100.
 - ▶ Design is underway to implement an innovative process for ammonia removal from the effluent of the Hornsby Bend Biosolids Management Plant.
 - ▶ Construction is underway for an expansion of the Brushy Creek East Regional Wastewater Treatment Plant, jointly owned by Austin, Round Rock and Cedar Park.
- The Phoenix affinity group is in development to provide formerly incarcerated employees with resources to assist their professional development and advancement opportunities.
- Development of materials is underway to improve understanding of differences, increase inclusion, and engage the workforce in discussions on equity and inclusion.
- Austin Water is recommending financial policy updates to Debt Service Coverage, Capital Projects Equity Contributions, Operating Cash Reserves, and the Drinking Water Protection Zone beginning in Fiscal Year 2022. These updates are essential to the fiscal health of Austin Water and will help provide financial stability and continuity.
- Work will continue on implementation of Water Forward strategies and staff will start preparations for updating the Water Forward Plan in 2023, which will incorporate new supply and demand data, as well as updated modeling to ensure the plan continues to be a road map for a sustainable and resilient future.

PROGRESSES REPORT

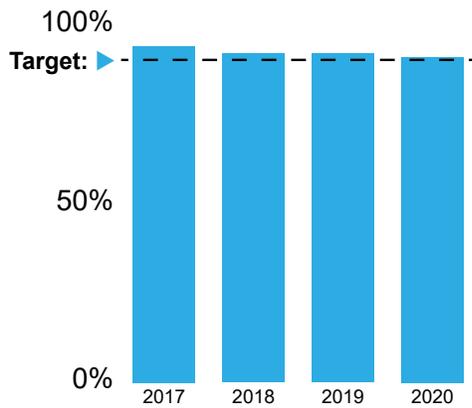


2020 KEY PERFORMANCE INDICATORS

Goal 1

Strengthen customer value and stakeholder understanding and support.

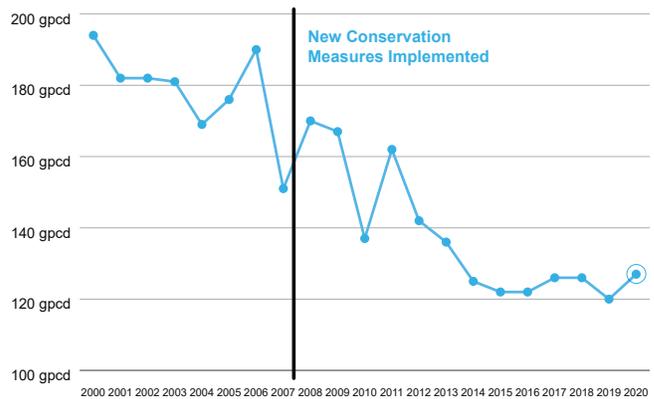
- Respond to 90% of emergency water leaks within 3 hours



Goal 2

Protect the water supply and promote community sustainability.

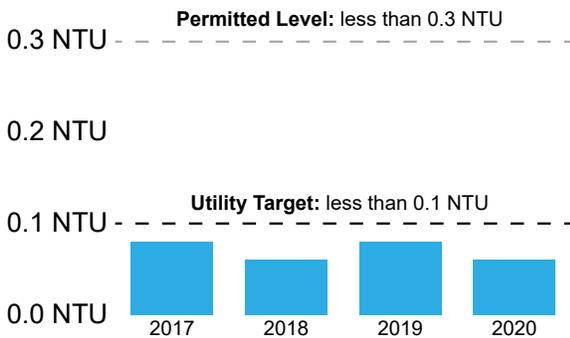
- Total pumpage per capita per day. Austin's water use Gallons Per Capita per Day (gpcd)



Goal 3

Protect the public health and safety by providing high-quality water services.

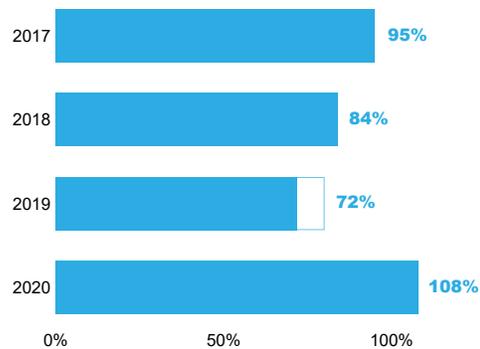
- Clarity of Water**
Ensure providing high-quality potable water by keeping treated drinking water turbidity level at 0.10 Nephelometric Turbidity Unit (NTU) or less



Goal 4

Ensure infrastructure stability and operational optimization.

- Reduce operational risks by successfully completing at least 80% of the **Austin Water Capital Improvements Program** budget on identified priority infrastructure needs annually



Goal 5

Maintain strong financial viability to ensure a balanced cost structure and affordable rates.

- Ensure continued strong financial position by maintaining **S&P Bond Rating**



Current