

## 2019 PROGRESS REPORT

### Director's Message

Austin Water saw many successes in 2019 as we focused on customer service, affordability, and furthering our commitment to providing safe, reliable, high-quality, and sustainable water and wastewater services to the greater Austin community. The Austin Water 2023 Strategic Plan identifies goals and objectives that support the City of Austin's Strategic Direction while incorporating Effective Utility Management (EUM) strategies. This plan has allowed us to adapt to changing conditions and technologies while maintaining service for over one million customers.

After facing challenges in the past two years that included unprecedented flooding of the Llano River in 2018 and taste and odor issues related to zebra mussels in 2019, the utility focused and enhanced efforts to innovate and upgrade its water treatment processes and infrastructure. Austin Water is employing new technologies to improve enterprise resiliency and ensure continued water quality and services that meet or exceed the highest standards.

Additionally, through core teams, executive leadership, and an intense focus, we increased avenues for communication, engagement, participation, and pride with both employees and customers that pair with strengthening our organizational values across all facets of the utility. The plan follows the Focus Four Attributes established under EUM: Customer Satisfaction; Employee and Leadership Development; Infrastructure Stability; and Stakeholder Understanding and Support including Affordability. This progress report also includes updates on engagement and other strategic initiatives. The following accomplishments highlight the progress made on the Austin Water 2023 Strategic Plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Meszaros".

Greg Meszaros

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**“AUSTIN WATER IS EMPLOYING  
NEW TECHNOLOGIES TO IMPROVE  
ENTERPRISE RESILIENCY AND  
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AND SERVICES THAT MEET OR  
EXCEED THE HIGHEST STANDARDS.”  
– GREG MESZAROS**

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## Effective Utility Management

### Customer Satisfaction

- To enhance Austin Water's dedication to customer satisfaction, an Assistant Director position was created to elevate and sustain this critical area. Divisions assigned to this new executive position are comprised of the touchpoints throughout our customers' journey, which include the Customer Services Division, Public Information Office, the Water Meter Operations Division, and a future data analytics team.
- Through the EUM Focus Four team for Customer Satisfaction, curriculum was developed and over 1,113 Austin Water employees trained on customer service principles, best practices, and Service with PRIDE.
- We worked to improve customer experience at call centers by developing and implementing a new phone optimization SOP and training customer service staff across the utility on the updated phone system and new communication guide. This optimization also included Spanish speaking options and directs customer calls more effectively.
- As a globally recognized customer survey and "voice of the customer", JD Power was contracted to review, survey, and ultimately help improve the value of Austin Water services. Presently, Austin Water is represented within the Large Utility – South Market with like-sized utilities, allowing benchmarking with similar organizations.

### Employee and Leadership Development

- The Employee and Leadership Development Program area was established in 2019 and provides executive leadership to ensure that employees experience professional growth, a safe work environment, and high job satisfaction throughout their careers with Austin Water.
- Human Resources has increased efforts to reduce the vacancy rate by adding resources to the staffing team, widening our recruiting and community outreach activities to be more inclusive, and increasing the overall applicant pool.
- The Safety team initiated new programs focused on improving the work environment in areas of operations.
- Talent Development is a new division formed to educate, develop, and help retain high performing employees needed for an effective utility. The emphasis will be on training design and delivery, performance improvement, coaching, and employee engagement.
- To emphasize social equity in the workplace, the team has piloted an affinity group called the Phoenix Group, a support system for employees returning to the workforce.

### Infrastructure Stability

- The Infrastructure Stability team succeeded in establishing a renewed infrastructure risk framework which defined standards for probability and consequence of asset failure. This analysis helps ensure capital resources are addressing the highest risks.
- Using the new standards, the team engaged over 100 staff to inventory and assess the condition, criticality, and risk of over 8,000 assets at over 200 water and wastewater pumping and treatment facilities.
- The team developed a standard format for demonstrating maintenance excellence enabling management and field staff to get a simple accurate depiction of how well Austin Water is keeping up with maintenance demands.
- Staff created interactive web maps for operating valves, manholes, wastewater mains, and water meters that are color coded based on whether the asset has received the routine maintenance prescribed.
- The team identified 18 preventative maintenance routines and pipe network types to be validated. 4 of them are complete.

### Stakeholder Understanding and Support, including Affordability

- Customers have saved an estimated \$26.7 million on water bills due to a 4.8% rate reduction in 2018. There was no rate increase in 2019 and rates are projected to stay at the same level for 2020 and 2021.
- In May 2019, Austin City Council approved a \$45 million utility debt defeasance transaction allowing Austin Water to reduce its debt burden improving financial metrics keeping rates more affordable for customers.
- Enhanced funding was provided for affordability programs to assist low income customers in the Customer Assistance Program (CAP). Assistance includes increased bill discounts, home water repairs and modernization, payment assistance, and arrearage management.
- An Affordability Benchmark Study was completed to improve affordability metrics including annual updates and analysis.
- We completed a graduate practicum with the University of Texas on racial equity. Students conducted research on three equity projects: Expanding the Customer Assistance Program to include multifamily properties, How the new Advanced Metering Infrastructure project might affect marginalized customer groups, and development of a new program for secondary employees.

### Engagement

- We created an Engagement Team, led by our Public Information Office, to support the efforts of the Effective Utility Management Focus Four teams.

- Working with Austin Water executive management, the engagement team helped to develop and publish a Monthly Performance Dashboard that serves as a companion to the Austin Water Strategic Plan highlighting key performance measures and strategic initiatives.
- To enhance real-time employee communication, 8 digital displays were installed at service centers and the main administrative building.
- The Public Information Office continues to grow our social media presence. Currently, platforms include Twitter, Facebook, Instagram, and Nextdoor. We have also added more educational videos on our YouTube channel.

## Strategic Initiatives

### Advanced Metering Infrastructure (AMI)

- A request for proposals was released for Austin Water's AMI implementation project. This project will replace all water meters within the Austin Water service area, allowing residents to better manage their own water usage and help Austin Water provide a better experience for customers.

### Water Forward - Austin's 100 Year Water Resources Plan

- Development of the Water Forward Plan was recognized by The American Academy of Environmental Engineers and Scientists and awarded the Grand Prize in Planning.
- Following Austin City Council's approval of the plan in November 2018, Austin Water along with the Water Forward Task Force, began to implement several of the plan's strategies. In 2019, staff engaged with stakeholders on development of alternative water use strategies and future ordinances and programs.
- A request for proposal was released to hire a consultant to begin feasibility studies for a future Aquifer Storage and Recovery project.

### Innovative Water Strategies Working Group

- Plans and design for the City of Austin's first Onsite Reuse system are complete. The system will be located at the City's new Planning and Development Center and will serve as a pilot showcasing for the development community onsite water reuse possibilities.

### Reclaim Water Program

- A ribbon cutting ceremony on Nov. 6, 2019, commemorated the completion of the Montopolis Reclaimed Water Reservoir and Pump Station. The reservoir can store up to 4 million gallons of reclaimed water and, along with the pump station, will improve the delivery and reliability of Austin's reclaimed water system.
- The Reclaim Water Program now has 141 customers and continues to implement its master plan to expand the "purple pipe" system.

## Environmental Protection and Conservation

- At 120 gallons per capita per day, Austin residents set a record low for water use in 2019. This milestone follows a steady decline in water use that began in 2011. Austin's total water use has dropped even as population has increased.
- We celebrated 60 Years of Birding at our Hornsby Bend Biosolids Plant and the 20 Year Anniversary of the Water Quality Protection Lands, lands acquired to protect the Barton Springs contributing and recharge zone.
- We hosted industry professionals from around the country for a Water Utility Climate Alliance workshop. Austin Water is one of 12 utilities in the nation invited to be a member of this group.
- In coordination with several other City departments, we hosted the One Water Summit, a premier national conference focused on sustainable, integrated, and inclusive approaches to managing water.

## On the Horizon

As we continue to focus our efforts in these many areas, we are committed to keeping our customers and the environment first of mind. On the horizon are further efforts related to our improved delivery as highlighted below:

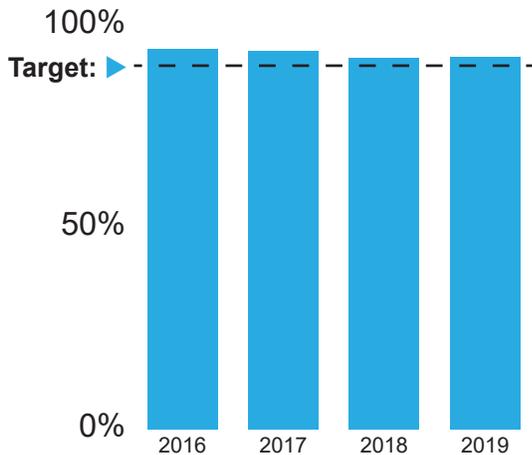
- An Advanced Metering Infrastructure (AMI) Pilot Study will begin in 2020 marking the start of a multi-year project to replace all customer water meters with digital water meters. The contract(s) for this project are scheduled to go before Austin City Council for approval in February 2020.
- Financial forecasting and affordability will continue to be a focus as we look for ways to keep water services affordable for all our customers.
- Customer experience improvements for 2020 will include launch of a new centralized phone number for Austin Water and overall website improvements.
- Next steps for Water Forward, Austin's 100-year integrated water resources plan, include starting implementation of several key strategies in the plan.
- We will work to ensure programs and services are offered in an equitable manner throughout the utility, including training for staff and new employees on social and racial equity.
- Enterprise resiliency will be improved in 2020 with the following projects:
  - New chemical feed systems will be installed at all water treatment plants to help rid water intake systems of Zebra Mussels.
  - New polymer feed systems will be installed at all water treatment plants to equip them to remove high levels of suspended solids from raw water during significant flooding events.
  - The project to investigate water service lines that could potentially be made of lead in the Austin Water system is progressing ahead of schedule.

# Key Performance Indicators

## Goal 1

Strengthen customer value and stakeholder understanding and support.

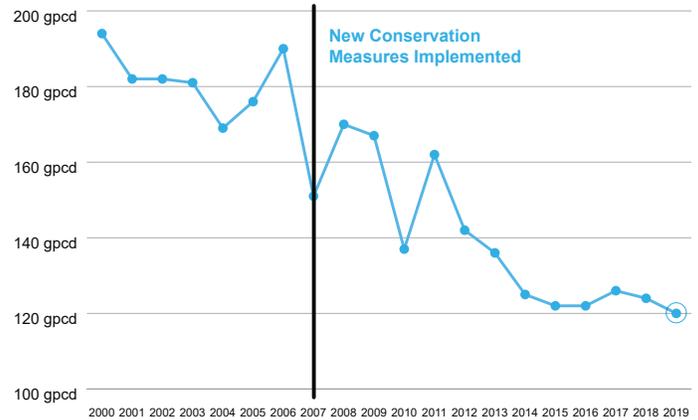
- Respond to 90% of **emergency water leaks** within 3 hours



## Goal 2

Protect the water supply and promote community sustainability.

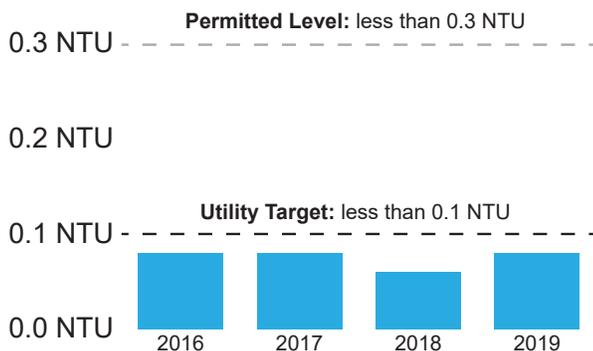
- Total pumpage per capita per day. Austin's water use Gallons Per Capita per Day (gpcd)



## Goal 3

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

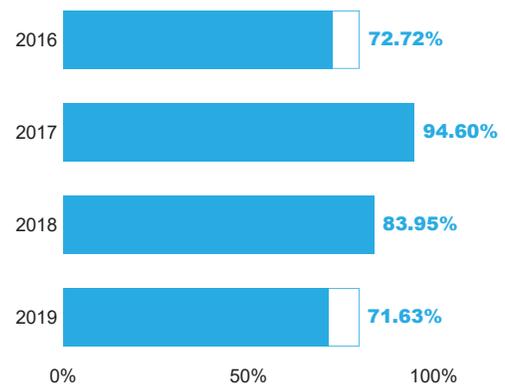
- Clarity of Water**  
Ensure providing high-quality potable water by keeping treated drinking water turbidity level at 0.10 Nephelometric Turbidity Unit (NTU) or less



## 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**

