

Austin Water

PROGRESS REPORT

2021



2021

**AUSTIN WATER'S
MISSION IS TO:
PROVIDE SAFE, RELIABLE,
HIGH-QUALITY,
SUSTAINABLE AND
AFFORDABLE WATER
SERVICES TO OUR
CUSTOMERS SO THAT ALL
COMMUNITY NEEDS FOR
WATER ARE MET.**

INTRODUCTION



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- Austin Water 2023: A Strategic Plan describes key initiatives and improvement efforts for the next three fiscal years that will dramatically transform our operations in the years to come. It aligns with the City of Austin's Strategic Direction 2023 and establishes a strong roadmap to address community priorities while improving our services.
- Successful execution of Austin Water 2023 will result in increased affordability and satisfaction for our customers, more efficient and resilient operations, enhanced and improved systems and infrastructure, a diverse and effective workforce, and resource management and planning that is responsive to a growing population and changing climate.
- This report highlights progress achieved toward our business goals in 2021 despite challenges posed by the continuing COVID pandemic and Winter Storm Uri. Notwithstanding these impacts on operations, Austin Water (AW) made significant strides to improving customer trust and satisfaction, improving affordability, and strengthening our facilities and infrastructure. We are pleased to share this 2021 Progress Report on our accomplishments.

GOAL:
**MAINTAIN STRONG
FINANCIAL VIABILITY
TO ENSURE A
BALANCED COST
STRUCTURE AND
AFFORDABLE RATES.**

AFFORDABILITY



- After a 4.8 percent rate reduction for customers in 2018, AW has maintained stable rates with no rate increases occurring since that time.
- Our [2021 Affordability Metrics Report](#) found that the average residential customer's annual bill, as a percentage of median household income, has improved year over year, starting at 1.47% in FY2017, decreasing to 1.22% in FY2021.
- AW's Customer Assistance Program (CAP) is among the best in the country and offers some of the deepest discounts and most robust assistance to customers in need. CAP customers received an additional 10 percent rate reduction as part of COVID bill relief, which was extended through October of 2021.
- AW provided a \$5 million contribution in 2021 to the City's Financial Support Plus 1 Program, which provides bill payment assistance to residential customers experiencing COVID-related economic hardships.
- AW's Multifamily Customer Assistance Program was launched in April and provided over 15,000 qualified multifamily customers with a \$17 monthly bill credit. Qualified customers will save a maximum of \$200 annually.
- AW provided a total of \$6.5 million in bill relief to residential customers as a result of Winter Storm Uri, which included reductions in rates, waiving shut-off fees, suspending late fees, and a one-time credit on utility bills to help mitigate high bills due to above normal water use during February's extreme weather event.
- AW secured \$19.8 million in infrastructure improvement loans in January through the Texas Water Development Board with interest rates as low as 0 percent. In November, AW secured another \$71.1 million in low interest loans, with interest rates as low as 0.20 percent. Together, these loans saved more than \$20 million in financing costs.
- Since 2016, AW has used Capital Recovery Fee dollars for annual debt defeasance transactions that reduce future debt service requirements. In November, AW closed on a debt refunding transaction of \$172.7 million resulting in savings of \$68 million. In December, AW conducted the largest debt defeasance transaction in recent history of \$76.9 million, resulting in a savings of \$83.5 million.

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**GOAL:
IMPROVE CUSTOMER
EXPERIENCE
BY ENHANCING
ALL CUSTOMER
TOUCHPOINTS.**

**CUSTOMER
SATISFACTION**



- AW continued implementation of My ATX Water, Austin's smart water meter system, installing more than 21,000 meters by the end of 2021. Outreach to inform customers about these changes included more than 40,000 installation portal notifications sent to customers and regular bi-monthly virtual community outreach meetings.
- The My ATX Water customer portal launched and was used to send customers emergency notifications during Winter Storm Uri. In 2021, AW sent over 1 million emergency alerts, leak notifications, and general customer communications through the portal.
- Communications improvements were implemented due to the challenges experienced during Winter Storm Uri. These included an outbound call team to check-in with customers experiencing service issues and piloting an online chat feature as another means of contact for customers.
- AW launched an online customer leak and outage map, providing real-time, around the clock information to customers about service issues in their area.
- AW used lessons learned from Winter Storm Uri to revise advice for customers to prepare and protect their homes for freezing temperatures. AW produced educational videos and distributed nearly 10,000 toolkits containing meter keys, hose bib covers, and tip sheets, available in multiple languages, to the community.

GOAL:
**PROMOTE ENTERPRISE
RESILIENCE THROUGH
PREPAREDNESS, RISK
ASSESSMENT AND
INCIDENT RESPONSE.**

RESILIENCE



- A risk and resilience assessment of AW's wastewater and reclaimed water system was conducted using America's Water Infrastructure Act guidelines.
- In response to Winter Storm Uri, AW's emergency response plan was updated to include an Extreme Cold Response Plan, decision matrices for general operating conditions and extreme cold conditions, and procedures for emergency water use restrictions.
- Critical infrastructure facilities were submitted to the Public Utilities Commission and electrical providers to prepare for future emergency incidents.
- Wildfire risk assessments were completed for all AW facilities and a long- term contract with the Austin Civilian Conservation Corps was established for wildfire fuel mitigation. Wildlands Conservation staff conducted three prescribed burns to mitigate risk of wildfire on 40,000+ acres used to protect groundwater in Central Texas.
- AW staff participated as members of a Water Utility Climate Alliance (WUCA) committee to develop a Leading Practices in Climate Adaptation guide for utilities to use in preparing for climate change, offering tested strategies for increasing resilience.

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**GOAL:
ENHANCE
INFRASTRUCTURE
PERFORMANCE THROUGH
TECHNOLOGY AND
STANDARDIZED PRACTICES
FOR MAINTENANCE AND
RENEWAL.**

INFRASTRUCTURE



- AW completed the Davis Water Treatment Plant power distribution upgrade project, which, coupled with completion of a second power feed, significantly improves power resiliency.
- The Supervisory Control and Data Acquisition (SCADA) division completed enhanced support of cybersecurity and networking for AW's operational technology; design of equipment monitoring, communication and control systems; and field support for operations and maintenance crews.
- While permanent polymer systems are under construction at the Handcox and Davis Water Treatment plants, temporary feeds were completed to provide the capability of feeding polymer to reduce suspended solids in raw water during significant flooding events.
- AW's Renewing Austin program continued to replace poor-performing, small diameter pipe, which fails at a higher rate. More than 37 miles of water and associated wastewater pipe are currently in design and construction phases.
- AW completed important repairs and took steps to prepare its three water treatment plants for potential freezing temperatures. Plants that sustained storm damage during Winter Storm Uri such as broken pipes, valves, basins and impacts to chemical feed systems were repaired, and insulation to protect exposed piping was installed. In addition, winter weather and safety supplies were stocked at all water treatment plants to assist with transportation challenges during icy conditions.

2021

**GOAL:
PROTECT THE
WATER SUPPLY AND
PROMOTE COMMUNITY
SUSTAINABILITY.**

SUSTAINABILITY



- Austin City Council authorized the creation of a pilot incentive program for developer-owned onsite water reuse systems. The program will help promote and advance decentralized water reuse goals identified in the 100-year Water Forward Plan.
- In September, Austin City Council approved an ordinance establishing new water conservation and reuse requirements as part of the Water Forward plan. The ordinance includes expanding the reclaimed water connection requirement, water benchmarking, and mandatory onsite water reuse for new commercial, multi-family, and mixed-use development projects.
- The Wildland Conservation Division added 776 acres of conservation land to the Water Quality Protection Lands and Balcones Canyonlands Preserves in 2021. The 216-acre Bright Leaf Preserve, in the heart of Austin, was part of this strategic acquisition and helped meet Balcones Canyonlands Conservation Plan permit goals.
- Through a partnership between The Nature Conservancy, Austin Water, and the City of Austin's Watershed Protection Department, a conservation easement was created for the 4,000+ acre Barton Creek Habitat Preserve, adding an additional layer of protection to the forested hills seen from Southwest Parkway and Highway 71. If the land is ever sold or transferred, this permanent conservation easement assures that the site cannot be developed, forever safeguarding this Barton Springs segment of the Edwards Aquifer contributing zone as well as habitat for Golden-cheeked Warblers.

**GOAL:
CREATE AN INCLUSIVE,
HIGH-PERFORMING
WORKFORCE FOCUSED
ON OPERATIONAL
EXCELLENCE, EQUITY
AND THE HIGHEST
ETHICAL AND
SAFETY STANDARDS.**

WORKFORCE



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- As COVID risk levels fluctuated throughout the year, AW expanded opportunities for working from home and updated Telework Standard Operating Procedures.
- AW filled more than 220 vacancies and ended the fiscal year at a 6 percent vacancy rate, the lowest in the City for comparable departments.
- AW Safety teams conducted more than 400 excavation safety audits and developed Corrective Action Plans and new Standard Operating Procedures after investigating serious injury incidents.
- Staff input was collected to begin the creation of AW's Inclusion Statement.
- Online resources were developed and published to support staff who are part of the Phoenix Affinity Group at AW. The Phoenix Affinity Group is a peer-based support group for previously incarcerated employees.

**GOAL:
PROTECT PUBLIC
HEALTH AND SAFETY
BY PROVIDING HIGH-
QUALITY WATER
SERVICES.**

WATER QUALITY



- AW's measure of performance for water quality is to keep treated drinking water turbidity level at 0.10 Nephelometric Turbidity Units (NTU) or less, and in FY21, we ended the year at 0.07; meaning we provided very high-quality water to our customers.
- AW continued to complete field verifications of public and private service lines to confirm they do not contain lead. To date, crews have reviewed more than 15,500 service lines, with inspections expected to continue through 2023 to complete the entire inventory. This work will be completed in advance of Environmental Protection Agency requirements.
- AW acquired new equipment for in-house testing of raw source water and treated drinking water samples for cyanobacteria and cyanotoxins, reducing the wait for results to 24 hours and allowing more frequent testing as part of regular operations. In addition, AW enhanced treatment protocols based on EPA guidance and is prepared for rapid response should a positive detection occur
- AW's Special Services Division within our Operations Program area continued work on monitoring lake water to reduce probability of contaminants in the public water supply, permitting for industrial users to control pollutants from being discharged into wastewater collection system and monitoring our compliance with Federal, State and Local environmental laws.
- The Laboratory Services Division maintained three laboratories that assessed and reported AW's compliance with established drinking water and environmental regulatory mandates under the Federal Safe Drinking Water Act and Clean Water Act.

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AWARDS



PROGRESSES REPORT

- AW received first place in the People's Choice category of the Environmental Protection Agency's Outstanding Green Infrastructure and Low Impact Development Competition. The Wildland Conservation Division designed a series of shallow troughs and hillside terraces, known as bioswales, to collect and control rainwater high in the landscape, while providing important rehydration benefits for lands downhill. In addition, trees and shrubs planted in these areas provide enhanced carbon sequestration to mitigate the impacts of climate change.
- The Government Finance Officers Association (GFOA) recognized AW for the 2021 GFOA Awards for Excellence in Government Finance. AW was specifically selected for using debt management strategies to deliver affordable water service while improving and maintaining critical infrastructure. This approach has saved customers nearly \$700 million since 2016.

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Austin Water Progress Report 2021

ON THE HORIZON



Hornsby Bend Biosolids Management Plant
Photo Credit: Austin Fire Department RED Team

- AW projects that its customers will spend even less on water and wastewater services in FY2022, an estimated 1.19% of their annual income.
- Implementation of My ATX Water, Austin's smart water meter system, will continue and achieve more than 50,000 customer installs in 2022. This will include making the planned switch to automated meter reading.
- AW will continue to enhance communications for customers by piloting a new Customer Relationship Management tool that will allow seamless customer journey mapping and issue resolution across all program areas and divisions.
- AW's Emergency Preparedness Plan will be submitted for approval to the Texas Commission on Environmental Quality. This plan demonstrates that critical water facilities have a high level of electrical reliability and resilience.
- Replacement of more than 2,000 polybutylene service lines in more than 60 subdivisions around Austin will reduce breaks and emergency repairs.
- 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, construction is underway to replace aged electrical equipment to improve power reliability.
 - At the Wildhorse Wastewater Treatment Plant, work has begun to expand the capacity and convert the process to remove phosphorous from the plant effluent.
 - At the Walnut Creek Wastewater Treatment Plant, numerous projects are underway to improve performance and expand capacity from 75 to 100 million gallons per day.
 - Design is underway to implement an innovative process for ammonia removal from the effluent at 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.
- Development of materials is underway to support career progression, update Employee Referral Bonuses and Job-Related Licensure Stipend procedures, and Safety scorecards for chemical delivery.

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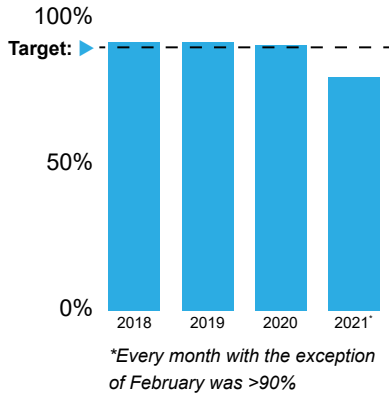
2021 KEY PERFORMANCE INDICATORS

INDICATORS

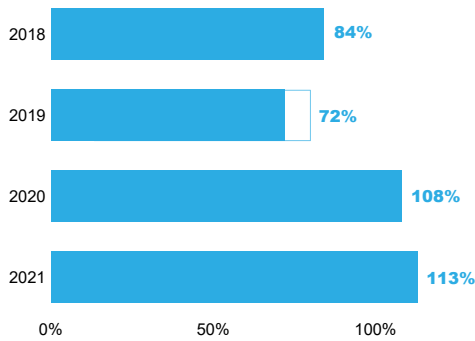


Austin Water Leak Crew

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

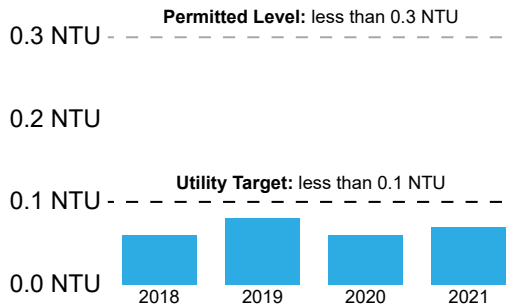


■ Reduce operational risks by successfully completing at least 80% of the Austin Water Capital Improvements Program budget on identified priority infrastructure needs annually

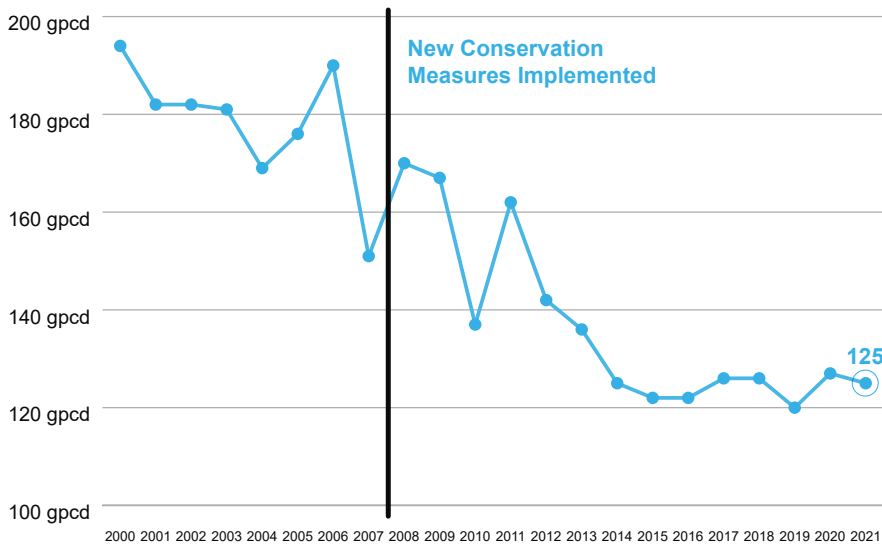


■ Clarity of Water

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



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



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

AA
Current

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