

City Council Special Called Meeting Transcript – 02/09/2015

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>> Mayor Adler:. >> Mayor Adler: Are we ready to start? There is a quorum present. I'm going to call to order the -- I'm Steve Adler, mayor of the city of Austin. I'm going to call to order the special called session of the Austin city council today, Monday, February 9th, city hall chambers. It is 13 minutes after 9:00

[9:14:15 AM]

in the afternoon. -- In the morning. We have two sessions today, not three. We're going to be going with transportation and mobility and also with water. Water this morning, transportation this afternoon. Neighborhood, which had been scheduled for this day, is being moved to februa February 19th, as we've tried to get this down to two a day. There were some requests that we just do two-hour session so people can do stuff in their office as well. So we'll try that in our continuing iterative process that we have here. Again, these sessions are intended for -- they can't be an exhaustive discussion of the issues. We're not going to be able to accomplish that in two hours. But the hope is that we'll get some controversial issues or the issues that the council will have to be dealing with on the table so that we can all hear those. And so that the councilmembers before they are dealing with resolving a controversy or an issue have had a chance to discuss among ourselves those issues. So I would ask the panelists and the speakers when they speak to speak in that way. There's not an expectation that you will cover the whole area. We don't have enough time for it. And it's probably important at some point for this council to actually sit down for a day and talk about water, given that issue. But today is not that day. Today we're just trying to touch on some overarching issues and we have randomly picked three questions that we would like the panelists to address some on each, just as a vehicle to give us that exposure. And then

I would encourage the council to use this as an opportunity to talk to

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one another because that's one of the big purposes of this so that we can ask questions as well. I would once again urge everybody to go to the bulletin board and look at the schedule. Now that we have a little bit of a break in time I think the goal is going to be to not make changes to speakers 72 hours -- 72 hours before a meeting so that there's enough time logistically to handle people's schedules and the like. So please be out in front. That 72 hours, we'll just go with whatever we want, whatever we have that the point. We'll start with water and ask Greg to give us an overview. The goal here is to stay within 10 minutes. I'm going to try to stay hard to that because people have asked to be able to get back to their offices. When the panel speaks we are talking about time perts that are six, seven minutes. Please stay to that and understand we don't expect you to cover the world, but the time I'm going to try to be more strict on this today than I was before so we keep moving. Greg, would you -- thank you. And panelists, thank you so much for coming and helping us here. >> Thank you. [Inaudible]. >> Mayor Adler: Is your microphone on? The button-down at the bottom? And please, everybody get the microphone close. We had trouble hearing as a group when we did this last week. I've asked them to increase our volume here on our dais. And they're going to be working on that. But if y'all could make a point of getting the microphone close to you, that would be helpful. Maybe Sheri will let you use

[9:18:17 AM]

hers. >> How is that? There we go. Greg Lazarus, Austin water. Just have a few slides for context and background today. I want to start off and give the council a sense of our water supply. We're entirely Colorado river based water supply. It's really two components. The first is our natural run of river rights, the way surface water works in Texas is the earlier you began drawing surface water you have senior run of river rights. Austin began drawing water from the Colorado river system over 100 years ago, so many days all of our water comes from our natural run of river rights. In addition to that we have contracts with the Icra spoke stored water from the highland Lakes. Lake Buchanan and lake Travis are the storage reservoirs. In 1999 and previously we have long-term contracts with the Icra to provide backup stored water when the river system is inadequate to meet our needs. A few terms that I'll introduce to you, they often talk about acre feet of water. That's a measure of volume. It one acre of land flooded one foot deep. It's about 23,000 gallons. Our combination of river rights and Icra contracts, the city of Austin has enough water for 325,000-acre feet per year. The two Numbers are close. It's just a coincidence. One acre feet is 323,000 gallons. We currently use well less than half. That. We counted for water well into the -- we contracted for water well into the future. Our contracts go to 2050 and we have an option to continue those with the Icra for another 50 years. On the financial side in 1999 we paid Icra \$100 million to accomplish a couple of things. One, we reserved that water so that they don't market or sell it to another entity. And second, we prepaid all of our raw water so we don't have to pay Icra again until

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we reach a certain threshold. That threshold is use of 20 one acre feet per year for two years in a row. We're currently well below that and would not expect to have to pay Icra until at least the year 2030 or beyond. We have three treatment plants that use this water. Our Davis water treatment plant originally built in the 1950's. Our Y Ulrich plant built in the 60's and our newest water treatment plant 4, which is located on lake Travis. Davis and Ulrich are both located on lake Austin. This graph here is a tool that I think illustrates a little bit how the highland Lakes works. This is about 10 years of storage volume in the Lakes. When full the reservoirs that have the stored water are -- hold about two million acre feet. We're currently at about 35%, a little over 700,000-acre feet. And have been kind of stuck in that low level between roughly 31% and 35%, for several years as a result of the drought. You kind of see it in that line graph the last few years. You can see how the Lakes have stayed at a low level. If you look at that graph, there's a red line across the bottom. That's 600,000-acre feet of storage or 30%. That's kind of a critical threshold that we closely monitor. The Lakes have never been below that level. Since the Lakes were constructed in the 1940's they have never been below that. And you can see we've been flirting with crossing below that level a couple of times. It gives you an indication of just how severe this drought has been. You can see on the graph it kind of oscillates up and down, particularly in the years the Lakes had more water they can plunge more rapidly. That's a combination of evaporation. During the summer the lake water evaporates. In certain years more water evaporates off the Lakes than Austin uses. The other big piece of that is the Lakes serve the

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entire basin, not just Austin, but from our part of central Texas all the way down to Matamoros. All the of the power plants, the nuclear plants on the coast all use Colorado river water. In addition, the river system supports downstream agriculture, predominantly rice farming. That type of water is called interruptible water that it can be interrupted or cutoff in terms of drought. Historically that never happened, but with this drought for three years in a row, Icra working with the state has issued emergency orders cutting off that rice water and there's currently an emergency order penitentiary in 2014. Those are very important tools to help manage the water supply, particularly now that we're very low. In addition, the entire governance of the water supply is done under a water management plan and that's kind of the long-term way that interruptible water and releases and other decision making is done. That water management plan is also under revision after many years of stakeholder input and pending before tceq. So it kind of gives you a sense of the drought. I have a note up there for comparison. We think of the drought of the 50's as the worst drought. By way of comparison if you take the five lowest year of inflow, the years with the least amount of flow into the highland Lakes, the worst five have all occurred since 2006. So kernel by that measure we're much worse than the drought of the 1950's. We've had a multitude of response strategies for the drought. I'm not going to go through all of these. Peeve been working with our partner Icra on our water plan revisions and emergency orders to manage the water in the lake. We've implemented a series of drought restrictions and have additional steps that we could take along with our long-term water conservation program. Last year the water put together a water resource planning taskforce and we work with that taskforce to identify other strategies to manage the demand side.

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Enhancements to the dams so that we reduce the amount of water lost through the dams. And the identification of several water supply augmentation projects that we could use to add 30 to 50,000-acre feet of water per year. We're currently working on those projects and we are Decker Lake, the use of Decker Lake or Walter E Long Lake, for off channel reservoir storage, the use of Lake Austin to increase the amount of water used in Lake Austin. And ultimately a strategy where we could take some of our reuse water, highly treated wastewater effluent and MIX that with river water and enhance options for potable reuse. In addition, the taskforce made a recommendation and we're planning for the process of longer term water plan, what we call integrated water resource plan, where we could look at longer range scenarios and options with the community and the council to look at the demand side, other supply side issues, confirm that integrated water resource plan is something we'll be gearing up for this year and beyond. In support of our water planning, we put together a model that can model various water scenarios. A very important analytical tool, Dr. Richard Hoffpauer worked with us on that model and it shows some of the risks we have moving forward. This model shows how the river system, the reservoirs would behave over the next 10 years based on some decision making that we would make. Now, the assumption here is that it can stay very dry during the next 10 years. We have a handout for you where we've given a lot more information on droughts and patterns and you can drill into more details here. But if it stays very dry for the next 10 years and we only implement drought sixth streets, even if we go all the way to stage 4, cut off all outdoor watering, stop splash pads and pools and everything, that the Lakes would continue to fall. You see the green line is that snare know if we only implement water restrictions.

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We worked with the taskforce to model other responses we would have. As an example if we implement the water supply augmentations, the blue line, you can see that the Lakes stabilize a little more, but they stay well below that 600,000, 30% line. That's one of the issues that I think as a community we have to tackle is how dry could it be in the future and what kind of assumptions should we plan for, and how low do we want our reservoir levels to fall during those periods? I think that that's really critical that for a city like Austin to operate below 30% storage in the reservoirs for years on end is a risky way to approach the water supply. So we want to be working to kind of make sure we're all on the same page with those assumptions and how we move forward dealing with those risks. I want to switch a little bit and give you a sense of how the drought is affecting us financially. As I mentioned, one of the things we've done is restrict water use throughout this drought along with the long-term water conservation programs. This graphic shows a couple of things. One, if you take all the water we use in a year, for any purpose whatsoever, divide it by our population, that's gallons per capita per day or gpcd. And the blue line shows the per capita water per day. The green line is the residential component of that. If you separate out the residential side and look at that. You can see on the graph over the last five to 10 years the gallons per capita per day, our total gallons per capita per day was 125, the residential was 70. We don't encourage comparing other cities because there are nuances on how they're calculated, but I would mention on the residential side 70 gallons per capita per day is less than San

Antonio's last published result. So it just gives you a flavor of how we would compare to say another water constrained city. The city set a goal for us to get to 140 gallons per capita per day by 2020. You can see last year we

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were well below that at 125 in the year 2014 >> To have water cash be below. We have since recovered a little bit. Still a very -- very concerned how those cash balances dropped. Our bond rating agencies picked up on that. Currently rated double a, highly credit worthy, but during our last bond rating, our agency, two of the three rating agencies put us on a negative watch, which means our credit is -- is not stable. That is likely to go down in terms of our bond rating, they cited the weak financial metrics and our debt service coverage was too low and our liquidity, how much cash we had on hand was too low to continue to be a double a rated utility. So we'll have to kind of manage that in the future. We've been responding on the financial side in many ways, the council had created a joint financial subcommittee, several years ago, cross-section of members from various boards and commissions and they have done really yoman work on that. We have the chair of that committee here, in addition we have the chair of water resources task force today, too. We have done a series of redesign changes, volumetric fees, enhanced our revenue reserves, used policies for those, created surcharges, water restrictions, stage 3

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or 4, automatic rate increases, raising revenue through growth, totally revised impact fees, removed all discounts and incentives to our discount fees, fees that you pay when you hook up to our system if you're a new customer. We also modify service extension request policy when you reduce the amount of funds that the utility attributes to the development for water and wastewater structure and of course cost containment. If you just look at one budget year, for example, our budget in 2014 compared to 2015, it's a hard \$25 million less budget to budget. So that kind of cost containment. One of the financial business challenges that we have, just to give you a flavor for issues that we'll be tackling in the future. This is our residential block rate, from the first few thousand gallons of water we sell you, \$2.93, ultimately increases as you use more water up to over \$13 per thousand. That sends a strong pricing signal to customers as they are using water, particularly more discretionary water. If you kind of understand this graph and maybe some of the challenges to this, the red line across the middle, where it says average cost of service, if we had a flat rate for residential customers, irrespective of how much water you use, we would charge you 5.50. The first couple of blocks are well above, the other are -- historically they balanced out, the water utility was whole with regards to residential rates with these blocks. What happened are blocks four and five, the high cost water where we get a lot of our cost recovery on the residential side has fallen precipitously. You can see in 2011, for an example, 11.5% of our water was used in block 5, the highest cross water, where today in 2014 that has dropped to less than 5%, 4.7%. So you can see that that --

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that upper blocks have fall end precipitously, no longer capable of kind of supporting the residential rate class as it has in the past. To illustrate that point, this is that same graph with points, currently today, 66% or two-thirds of all water customers are being sold water below cost. Every month two-thirds of our water customers receive their water, it costs us more to get them their water than what they pay us. The upper blocks are no longer adequate to kind of balance that equation out. One example of business model issues we're going to have to solve in the future. Lastly, mayor, you had asked for a sense of -- of maybe upcoming issues for the council in the next 60 days, I will conclude with this slide. First in the next 60 days, the fun with water never stops. You're going to have an issue tomorrow at your work session. The previous council had -- had set up a resolution to name a new task force to help guide us in water supply planning. And I believe councilmember tovo sponsored that, that discussion is scheduled for tomorrow's work session. I think also in the next 60 days there will be some transactions come to the council for the use of decker lake for golf course facilities, that's something that has some connection to water since we've identified decker lake as a water lake. Not really drought related, we have served wholesale customers in addition to retail, more like small communities and municipal utility districts. Several of our large wholesale customers had followed a rate case appeal to the state and has process is underway and I would expect sometime in the next 60 days there will be interaction with council on wholesale rate case matters. Other issues by the end of the year, I think that you will be seeing transactions related to our integrated water resource planning coming to the council,

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likely transactions related to water supply augmentation projects as I've been mentioning. Of course we'll have our 2016 budget for water in terms of rates, the forecast period is coming up in the next couple of months, depending on where lake levels go, if they fall below that 100,000-acre foot line, we may need to implement stage 3 water and wastewater restrictions along with rate surcharges, that's a quick snapshot. I hope I did okay in the 10 minutes. >> Mayor Adler: You ran a little over. I will try to hold everybody else to it. >> Point of privilege if I could. I think Mr. Paul Terrell is here. Mr. Paul. >> I wanted to mention that on the message, on our council message bulletin board, some of the community members who have really been involved in water issues have put together some suggested names for you all to consider for the integrated water resource management plan taskforce, which I think we called the water plan taskforce. But those names are up on the message bulletin board. I think they got posted under potential speakers for today and Shannon on my staff made the correction. Those are up there by district if you want to look at them and get a sense of the recommendations or the recommended names. Mr. Lazarus I wanted to ask you about the fees. In the fiscal year for this year's budget we approved one set of fees and then we asked the water -- the joint financial taskforce to look again and make a recommendation which we adopted on the previous council. So can you tell me where we are in implementing those rates? >> Those rates are all in effect.

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>> Tovo: The new-new ones. >> Yes. >> Tovo: Okay. Thank you. Those were important. I don't know if you wanted to -- briefly describe the difference. >> We've been updating the business model trying to

stabilize our finances and one of the things we've been working on is like our fixed fee approach. We've kind of developed a whole new concept of what are tiered fixed fees. They are fixed fees, but based on how much water use you fall into certain blocks. You get a fixed fee for that month. And we've increased those tiered fixed fees for the high end water users that they pay more for the fixed fees than a lower water user. It's a less volatile way to manage the finances, which is good, but still sends a pricing signal to the high water users. As the councilmember described that's something that we worked with the council and the community on over the fall. >> Mayor Adler: Mr. Zimmerman? >> Zimmerman: Thank you, Greg, for coming this morning. Appreciate that. Could you answer a couple of questions about wholesale water. Because I believe the water utility sells to mud, municipal utility districts, water districts. I believe there's four of them now that are in litigation, north town mud, wells branch water, water district 10 and north Austin mud number one. Also there's some issues with river place, the mud that's being annexed. Is it your understanding of the state law, is the city allowed to charge franchise fees or additional fees on top of the cost of water delivery for these wholesale customers? Is that allowed under law or what's your position on that? >> Well, just first by way of background, we serve roughly 15 wholesale customers that can be smaller communities, municipal utility districts, water improvement districts. We have some -- even some relationships with some communities where we can supply them emergency water if they have a problem. And about a year and a half ago our four largest wholesale customers contested our rates and indicated that they were not

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at cost of service. We're required to provide a wholesale water rates at cost of service. The last time we had a lawsuit of this nature was about 20 years ago. And we're working through that process now. We've had a few settlement negotiations with them. It hasn't produced a result. We have a commission hearing, public utility commission hearing coming up I think in a week, maybe two, to go into this and provide testimony in that regard. Probably really wouldn't want to comment on our settlement and some of that is probably client privilege we would want to do in executive session, but essentially this issue is actively underway. >> Okay. So as far as what the state law is I didn't hear an answer on that. You're not a lawyer, so you don't have to answer that. I was curious if state law had a statement on that. >> No comment. >> Zimmerman: Okay. Thank you. >> Mayor Adler: Okay. Anything else? All right. I want to thank the panel for being with us. We have three questions that we were just trying to frame some of the issues, how may drought and climate change affect Austin going forward, what do we plan for our future and how will the business model need to change to keep the utility financially healthy? Speaking to the first issue, John Hoffman, who is here with the executive vice-president for the Icra. >> Thank you, good morning. On the issue of the effects of our climate and drought, Greg really did a fantastic job of laying out a lot of the issues that I would have commented on. Maybe I would follow up with what he has said with fundamentally from Icra's perspective, one of the issues that comes out of drought, aside from the newsworthy, low lake levels

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thaw see when you turn on your television news in the evening and the concerns that citizens have as

the drought persists is are we running out of water? That's the question that we get asked on a fairly regular basis. And from the perspective of Icra, no, we're not. We don't have enough water to waste, and if the drought continues, we're going to have to be very careful stewards of the water resources that we have and there will be some behavioral changes that we'll all have to make to be able to go forward and make that water last as long as it possibly can. We continue to be very concerned about our record low inflows. When you see the type of inflows that we've seen, particularly since 2007, these are the worst inflows that we've seen on record for the most part. Six of the last 10 years have been since 2008. So for us to manage these water resources through a drought like this, it's critical that we do everything we can along with our customers and with our stakeholders, to be able to make the supplies go as long as we can. It's interesting to note that despite the record inflows we still have over a third of our water supplies left. As of this morning we're over 713,000-acre feet of combined storage or roughly 35% of our supplies. So the reason why that's the case is because some very difficult decisions have been made by the Icra and its stakeholders to implement some very difficult management strategies, first and foremost being the first ever curtailment of our interruptible water supplies that took place in 2012. We are going on what will be our fourth year of curtailment of those supplies as it is as devastating down river as it is up around our reservoirs to the livelihoods and businesses that depend on the Colorado river basin. When you look at the lake-related businesses that have been horribly affected by this. When you look at the

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industries and agribusiness in particular that is impacted by this, up and down this river basin there are lives and livelihoods that be change understand a way that, frankly, will never be the same. So it's not something that we take lightly, but we understand that we need to protect our firm water customers, Austin being our largest. And so between that, things like once a week watering, working with our customers to make sure that they implement their drought contingency measures. And y'all just heard from Greg in terms of the financial impact associated with that kind of demand management, when your financial model is premised off a certain level of usage and your drought drives you towards a different level of usage, it's a fundamental issue. It's a fundamental issue for the business that you run on the utility side of things and it's not something that before 2011 got talked about as much as it does now. Going forward, I think the thing that's probably of most concern is to try to make sure that we look towards implementing appropriate demand management strategies, particularly as we get closer to 600,000-acre feet. Our storage has crept up about 25,000-acre feet since the first of the year, which is really good. But we're also at a record low level in terms of where our reservoir storage is for this time of year. So as we creep closer to that 600,000-acre foot mark of combined storage, we will be working ever more closely with Austin, with our other stakeholders to prepare the pro rata curtailment plan. A pro rata curtailment plan will kick in for all of us at 600 per acre foot of storage. That first record of consumption will be in the 20% range. Most of our stakeholders have already been proactive and been out there actually implementing measures ahead of this. So the actual transition

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will be for most of our stakeholders less than what it could be. The next level will have to be set by our board of directors when we hit 600,000-acre feet and my guess is that that will probably be somewhere in the 30% range in terms of the next tier of reduction is concerned. Over the long-term, we're managing this drought like it's going to continue even though we're mindful of some of the -- some of the forecasts showing that we're going to have a it wither than Normal spring. If we don't get rain in the right place, it doesn't help our storage. We've seen that over the last couple of years in particular where even as late as the Halloween floods that we had, horrible, devastating flooding that we had, it was in the wrong place for us to be able to replenish our water supplies and reservoirs. So we continue to hope for rain in the hill country. We continue to plan for not receiving it. And in terms of drought impact, that would be my comments. >> Mayor Adler: When do you think that we'll get to the 20% curtailment and the 30% curtailment? >> We do forecasts every month when we get the previous month's interim inflow Numbers. And right now the earliest that we could see 600,000-acre feet is in the may-june time frame. That's a single digit probability number. The first time that it actually shows up as a probability would be in the may-june time frame and that's a less than one% probability. Sometime thereafter. >> Mayor Adler: You said that some of the stakeholders are already taking steps so that when and if that happens it won't be quite the shock. >> Yes, sir. >> Mayor Adler: Is Austin included in that group? >> Absolutely. Austin has been very proactive in this. In terms of our customers, Austin has already done quite a bit of work. And frankly is the largest firm water user in our basin, they've really stepped up and done a lot to

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curtail their demands. >> Mayor Adler: And how close to the 20% have we done kind of voluntarily? >> You're beyond that. >> Mayor Adler: So when the 20% happens it not something that we would feel. Except for the additional restrictions on water usage, is that right? >> We already by far meet the 20%. Now, we want to stay ahead of things, so what we would plan for is if the Lakes hit that 600,000 threshold we would go ahead and implement our stage three, which would be additional restrictions, particularly on time, and then as the Lakes were to continue to fall and as John mentioned, we would expect additional pro rata goals in the future, we would automatically implement stage four and if necessary we drive water demand down up to another third. We would do what is necessary to preserve the Lakes. So we have that all laid out already. We're getting some additional public input on a potential grim stage between stage three and stage four, like a stage 3-a. One of the things we want to manage is like trying to preserve the tree canopy through a drought where we wouldn't lose the tree canopy. We're working through some of those strategies. , But we're all set up for that to happen. >> Mayor Adler: Okay. Ms. Pool. >> Pool: I had a comment and a question. I wanted to expand the view of everyone here today to include the freshwater inflows down at the coast. You were talking about the impact on lives and livelihoods and I'd just say that rice farmers and agribusiness are not the only people and wildlife at the coast are also sorely affected by the reduction in inflows. So I want to be sure that we include that very real environmental factor when we talk about our demand management strategy. And then I had a real quick question. If you could very quickly update us on I believe lcra is planning to build a new reservoir? >> Yes. >> Pool: South of Austin along the Colorado. >> That's correct. We had a groundbreaking for

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the land water project in December. We hope to have initiated the actual construction later this month, early part of next month perhaps. It is a 40,000-acre foot storage project that has 90,000-acre feet yield because it's designed to cycle. And the value of downstream storage cannot be overstated because it is - the event I mentioned earlier, the Halloween floods we had. We had no way to capture any of those flows and they would have been ample flows even beyond what the bay needs for enrichment to capture for use later on. We do have firm customers in the lower basin that we could have served out of a lower basin reservoir project. The net effect of that reservoir is we'll be able to locally source water for some demands in the lower basin and to prolong the life of the water in the basins by not drawing from our reservoirs up here. >> Mayor Adler: Ms. Houston. >> Houston: Thank you so much for both of your information. A quick question regarding the city. Is there any way that we could phase in phase 3 without the surcharge? Has that been discussed? Until it's time for the surcharge to hit. I mean, could we already start moving toward stage 3, but not kick in the can surcharge until we hit the next level? >> If I understand your question, the phase 3 surcharge would not kick in until we actually implemented it. We're not charging that now. >> Houston: Right, I understand that. But I'm saying could we help people get to that? Because if the predictions are as dire as they sound like they may be, could we just start saying whatever stage 3 is. I don't know what the reduction in usage of water is at this point, but could we already say to people, you know, let's start planning on that and then maybe have stage 3-a be the surcharge when we hit that

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actual lower number. >> If you don't implement the surcharge at the time you start the restrictions, then you would endanger the utility's finances. I think that's why we set up the surcharges to coincide with the implementation of the additional water restrictions. >> >> Houston: Give me examples of some of the additional water restrictions you're talking about in stage 3. >> Predominantly the biggest change is we would narrow the amount of time you can water. Right now we have certain times and certain days that you can water. That range of time at stage 3 would shrink considerably. So the amount of time you could do outdoor watering could get substantially less. >> So there's no benefit at this point to asking people to reduce the amount that -- reduce the amount of time that they're watering outside without having the accompanying surcharge go with it. I'm just trying to see how can we get people to use less water prior to implementing the surcharge? >> Well, we're continually communicating and have various programs to get people to use less water. We run commercials and advertisements. We reach out to communities. We have rebate programs. We pay people to reduce their irrigated landscape. The restrictions are more of a formal step where we would issue warnings and fines if you're not following those restrictions. Right now we're at stage two, one day per week watering. We work in the community and develop this schedule of restrictions and have recommended stage 3 at 6 million dollars. I mean, -- 600,000. That could change. You could do stage 3 at a different level, earlier or later. We recommend 600,000 is a good threshold for us to do stage 3. >> Houston: Thank you. Mayor and council, the only reason I ask the question is because I lived in California when it was in severe drought and we were already more proactive than Austin is at probably the

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level because we knew when you flush, when you don't flush. We don't talk about those kinds of things here. And so that's why I was asking if there's some way that we could encourage people to use less water before we hit stage 3 and then there's an accompanying surcharge. But I understand you've got it planned out and thank you. >> Mayor Adler: Ms. Kitchen and then don. >> Kitchen: I apologize. I stepped out and if you already talked about this, that's fine. I'm curious one of the slides you went through was ways in which you looked at the business model. And I'm wondering if you all have looked at ways to generate revenue that don't involve selling water. Like providing the service, for example. Like management of rainwater systems or some other type of service like that. Did y'all already have that discussion? Have you looked at those kinds of models for the business model? Or those kinds of changes or options for the business model? >> We've looked at, again, modifying fixed fees, we looked at changing the way we recover revenues from new development. We looked at other rate design issues. We have not looked at a new business model where we would provide a different type of service and charge for that other than our traditional water, wastewater services. >> So everything that's been looked at so far from a business model standpoint is still tied to selling water essentially. Right? Or the use of water. >> In a sense. I think we do look at us providing a service, not necessarily a commodity seller of water. For example, we have a system that is capable of delivering water to every household in Austin. We provide fire protection services. Almost any volume of water you would need for fire protection services, et cetera, et cetera, all of that is available to every customer, every minute of everyday. And then we look at that as a service.

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I think we do want to -- we need to continue to evolve our business model where we're not emphasizing commodity sales that hey, the more water we sell the better we are. That's not the future we want. We need to think differently where commodity sales is a part of our utility, but a much smaller part of our utility. If you look at it even from the wastewater side, the wastewater utility is very stable. We basically charge kind of wastewater rates based on your winter average. It isn't a subject so these high oscillating water usage. If it rains or we're in a drought, our finances collapse, it doesn't happen in the wastewater side. I think that's what we ultimately need to get to on the water side, but it's going to take awhile. >> Kitchen: I'd be curious. This is not unique to Austin. There are other parts of the country that have had to look at different kinds of business models. I'd be curious what we can learn from other places in terms of a different business model that's maybe more diverse, diversified. >> Councilmember, your point is well taken. We have material in the handouts we gave you that depose into that. And you're exactly right. This is an industry trend that many, many water utilities are struggling with. You're correct. We need to learn together. >> Mayor Adler: Which is the material that talks about the future business model? >> We have -- in here there's -- in the background here there's some discussion about kind of the arithmetic of conservation, how other even international communities in Europe, Canada, others, how they're changing their pricing of water, moving away from a commodity-based system that there's some of that in there. We do plan like an additional briefing look let that would go into a little bit on

more detail on some of the steps we've taken and other options that we're considering. And one of our panelists today, two of our panelists today have a lot of background in financial matters, Nikki fishpublic, as well as Charlene lurig. She's very familiar with

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what other utilities are doing across the world and Nikki has been a part of our financial committee and will give you a favor of those. >> >> Mayor Adler: And we'll talk about future models and it was a question asked on the campaign trail because as water consumption goes down and revenues goes down what survives? As Ms. Houston was asking, the revenues go down, what's the answer for a business that perspective is looking at losing revenue? Mr. Zimmerman. >> Zimmerman: Mr. Mayor, I would like to take off on that point and others have touched on it. In other words F we were able to reduce our water consumption to absolute zero. You never water your yard, you never take a bath, buy water out of the store, you use case to zero, you would still have a pretty big water bill. I'm looking at page 20 of the drought thing and on page 20 it says that fixed costs are 80% of the utility's total cost. There's infrastructure cost. In other words, water treatment plant 4 has a few hundred million -- I don't know what the debt is, but -- what is the debt right now for the water utility? >> The total debt? Boy, I don't have any my head -- >> Is it half a billion dollars? If we use absolutely for no water, we still have the bill. >> Your point is well taken. Our fixed costs are very high. That in any one year if we don't sell a certain amount of water that our fixed cost rate to provide fire protection services, reliability, electricity, make the water drinkable, we have to invest in long-term strategies. We have to treat wastewater. The point is exactly right that we have high fixed costs and we have to manage that as a business the. >> Mayor Adler: And thus Ms. Kitchen's question about what do you do to generate more revenue rather than

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revenue from water? And I hope we get a chance to talk about that. Anything else before we move on? Thank you so much. Next speaker we have is Charlene lurig with the water resource taskforce. The chair, thanks for joining us today. We're now going to try and focus a little bit more on what is the future look like. Thank you. >> Thanks for having me very much. There's a handout in front of each of the members of council to follow along with. I'm happy to provide an electronic copy for staff after the meeting. I am Charlene lurig. I had the privilege of chairing aunt resource planning taskforce, which concluded this summer and was a taskforce that was created in response to the ongoing -- >> Mayor Adler: Would you pull the microphone age bit closer. >> Just have you have a little bit more background on the work I've been doing, nationally I work with a nonprofit group that represents institutional investment funds. We work with the buyers of water utility bonds like Austin water. So whoa work with the large banks and medium to large investment funds that are trying to understand how they build water scarcity into their own decision making. So this discussion that's happening today, but also the water taskforce and the taskforce that's going to be created to support the development of the integrated water resource plan is coming at exactly the right time. It's a critical priority for a city like Austin that is rapidly growing and that relies on a single source of water. There are very few cities in the United States and Austin I think is

the only city in an arid landscape in the western United States that has a single source of water. So that is, as we now know by looking at the Highland Lakes, a critical vulnerability. It is the norm in the United States and perhaps globally for cities to respond to the need to diversify water and to ask these kind of questions

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around the business model and to be driven to that through crisis. It's very rare that a city would do that if they weren't issued a very expensive consent order by the E.P.A. If they didn't have an extreme drought like what we're seeing today. So this is par for the course, but it means that we have some very important questions that go beyond just simply where will our next supply of water come from? And so I hope if something else that what I leave you with today is that when we talk about water, we're not simply talking about water as a commodity or the drops of water that come out of the tap or the reliability of water for large industrial customers. Water touches every neighborhood in the city of Austin. Water is deeply a part about the affordability of a city like Austin and also the quality of life here in the city of Austin as we grow and develop over time. So this is a profoundly important question. The water resource taskforce that included and provided its recommendations to the provider council this summer had a few fundamental principles we looked at. We looked at a variety of options of how we might meet the supply gap. Knowing that the population is growing and also that climate change will mean that the Highland Lakes will be increasingly vulnerable and as we heard from John where we had plenty of rainfall, but where it's not landing near the state's watershed that that might become the norm so we have to find a way of adapting. How do we find the options. The fundamental principles were first the affordability was critical. This is not just a matter of concern in the city of Austin where water is among the highest water rates in the state of Texas. But also the U.S. Council of mayors last year came out with a public statement expressing concern for the cost of water services that are rising faster than any other fundamental service. Faster than cable television, faster than mobile phones, faster than

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electricity. This is a matter of fundamental concern to many households within the United States. And so affordability for essential uses meaning the ability to turn on the tap and get clean drinking water, the ability to bathe, wash clothes, that must be safeguarded over time. The utility still has to protect the cost of service and recover the cost of service and that creates some of these complex policy issues, but it means we have to make definitely choices in whether or not we're pursuing water at a volume that really is driven by a desire to continue to use water as we always have because water supply is simply becoming more expensive. And that's a universal norm. What we're seeing across the western United States is a moving away from the California model of providing water where we build these big canals with a ducts, reservoirs, we pipe water long distances from rural areas towards the city. And a movement toward investment in local water resources. And there are a lot of reasons why that's happening. One of them is the cost of water is spiraling upward across the west and capital expenditure from infrastructure development partly drives that. So is competition among lots of

different users of limited water supplies. But also that local water allows cities to be -- and communities to be in more control over the water resources that they develop over time and know if they invest in a water resource they will actually be able to use it when the time comes. We recommended that Austin water make more effective use of the existing water that we have on hand and that really means demand management and conservation, but we also know that comes at a fundamental tension with the need to recover cost of service and to maintain financial viability and that's an important policy discussion for council to continue to have. Ultimately the recommendation was that we had to consider and deliberate this through a true integrated water resources plan. One that went beyond just simply Austin water and its particular domain that looked at water resources beyond the highland Lakes, that looks at the city itself as a watershed.

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And this is a new type of phenomenon that we're seeing enter into the consciousness of cities and water utilities across the United States and the world that we don't simply pull water from somewhere else to bring it to the city, but the city itself has its own metabolism. There's water that is in the city that can be used for the city's beneficial purposes. And that's what we want the integrated water plan to do. So water infrastructure absolutely should be expected to do more than simply provide water. And that's another trend that we're seeing across the water sector where we realize that especially as the cost of water services increases, we shouldn't just expect that water infrastructure only provide a drop of water or a certain number of gallons of water. But that water infrastructure provide open space for communities that are growing and desperately need access to green space. That water infrastructure actually where it's possible be used to generate energy, which is a surprise to many of us that that's something that's even possible. And yet our water infrastructure, our wastewater stream has embedded energy within it that allows wastewater treatment systems to be net energy positive, to actually put energy on to the grid. To fuel their own operations, but also to provide electricity to neighborhoods. I mean, it's pretty amazing technology that's available there. All of these different types of purposes that water infrastructure can provide do one really important thing, which is to control the total cost of infrastructure investment that cities like Austin have to make. When we look at just our water infrastructure needs we will likely be investing billions of dollars in the coming years for water for the city of Austin, but likely investment in billions more in storm water infrastructure, in flood protection, in energy generation. If we can find ways of creating infrastructure that provides multiple purposes we have an opportunity to actually control the cost for the long-term and maintain affordability. So how do we incorporate all of this into a plan? We first have to start by understanding where we're using water. Where is demand for water

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coming from within the city of Austin? How much of that is for actual drinking water, quality water, potable water versus non-potable water that requires much less energy intensive, costly treatment to provide? That is not often a place that we start at. Often as a city we start by just saying how is population changing? And then we assume that people will continue to use water as they always have

and we just do a straight line projection and say that's how much water we need in the future. We're seeing that the economics of water are fundamentally changing. People's behaviors are changing not just because of conservation programs that were described in drought measures, but because we're actually getting to a point where the cost of water itself, like the cost of gasoline, is changing people's behavior and use of their resource. It's not intentional necessarily, but it's happening. So we have to really understand that fundamental demand structure so we don't invest in assets that become stranded later on. We need to understand what water's water budget is. Where does the city gain auditor from? Not just the highland Lakes and deliver Friday Icra, but in rainfall. Where is the rainfall landing? How much water is making its way into our creeks and streams that could be applied for beneficial use here? And also where is that water being lost? Where is it being lost to evapotranspiration across the city. In air conditioning units, that can be a huge demand on water, but also a source of water. We're seeing really interesting research coming from companies like AT&T that are looking at their global assets for cooling infrastructure and saying what is the actual return on investment for retrofitting that to capture water for beneficial use and finding that it's actually a totally reasonable investment with a hurdle rate that with a little support and work from water utilities can be part of their near term investments. So these are the types of questions that we have to ask. We need to develop a water resource plan that recognizes that Austin water is not the only provider of water that is possible

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within this city. So we're seeing if we look at the city as a watershed, we look at the ways that water is being created and used and lost across the city and then we look at some peer cities out there in the United States and internationally, we begin to understand that the types of conservation potential and reductions in demand on the highland Lakes that we now estimate is actually grossly underestimated. The city of San Francisco high-speed collision and is... They will cost share for half a million dollars that takes a huge bite from the capital costs for those sorts of projects. These types of buildings that are built with that type of infrastructure in place use 70% less water than a typical building and it's a one percent increase in total building cost. The economics are completely there. It's a matter of asking can we actually achieve it and how does council support through the development of codes and ordinances and financial programs to incentivize that. This is not the city of Austin to provide storm water capture. We're seeing cities like los Angeles setting goals that within the next 70 years would have as much water as we use today in the city of Austin provided in los Angeles from storm water capture across the entire city and county. So these are realistic objectives, but they take long-term planning to implement. And they take real financial planning to build out. And so there are lots of resources that are provided here of other cities where they've started developing codes and ordinances, developing adaptation to their public health regulations to provide for these types of on-site water to be provided and also I've provided a copy of a case study on Aurora, Colorado, a fast growing community near Denver, that adapted its

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impact fees, the connection fees that new developments pay to connect to the water system to send a

clear pricing signal that incentivizes the type of building and landscape that has lower water use over the long-term and that can be a profound tool to help the development community meet this challenge because they have to be a partner in this. So there's more on that in here. I'm happy to take questions and very glad to be here today. Thank you. >> Mayor Adler: Ms. Pool? >> Pool: Charlene, thank you. I have to say that the report that the water management taskforce did has a lot of excellent recommendations in it and I was really happy to see that report and read it and learn from it. And I would really like to see us build new storm water systems that don't just simply send rain runoff through the sewers and channeling through the creeks because of all the damage and erosions that happens to the creeks in the loss of that water. So that's a position that I have there, but I have a question for you. Do you think it would be possible to build our new buildings, new neighborhoods and new businesses downtown with non-potable water lines to service things like toilets so we could separate out the potable from the non-potable? >> It's absolutely possible. We've seen in a number of cities, including San Francisco, but also 13 other cities, they created what's called an on-site water system blueprint where they have the list of policy steps they went through to create a reality in which new development actually could provide non-potable water on site. Either you can approach that through centralized water recycling systems which Austin water is part way through developing, so that's one possible pathway. But another possible pathway is to have individual buildings or even whole neighborhood parcels that provide their own wastewater treatment for reuse. And so that does require the hurdle of overcoming the

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redevelopment of public health guidelines to make sure that we're still protecting the public health, but it's not a technological hurdle and it's a matter of making sure that there are clear guidelines in place and a clear personalizing pathway. And in some communities like San Francisco they actually require that every development over a certain size in terms of square footage was dual plumbed so that ultimately when they need to exercise much higher amount of on-site water as a proportion of total water use they already had the infrastructure in place. It's much cheaper to do that when you're building a building than after the building is built that's why they developed the cost sharing system. It was transferring that capital cost from the water utility to the building developers. And I think that's just as important a conversation when we look at adapting the business model, yeah, we definitely need to look at ways of diversifying revenue, but if we can look at ways of diversifying capital expenditure sharing with development that's another critical piece of the equation. >> I like the thought of that also if we expand it to solar panels, the idea that we could be returning energy to the grid in communities where the distributed energy is staying within the neighborhood and then we have this kind of a concept in place for sharing within the community, I think that is a great way to go about preserving our resources. >> The opportunities on that are remarkable. There's a wastewater treatment plant in Vancouver that treats wastewater streams from its local neighborhood. And it creates 70% of the electricity that's used for that neighborhood. So the embedded energy potential is tremendous and we haven't even really begun to tap it. >> Mayor Adler: There was a debate that happened in the council just before the year ended with respect to the Decker Lake development. You have all looked at that at all? >> Yes. And actually, I think almost every member of the taskforce sent a letter to the prior council

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some concerns with development plans that might limit the ability of Austin water to retrofit Decker lake. When we looked at the opportunities that Austin water had in the relatively near term to respond to the drought and to increase storage, there were very few opportunities available to us. It's very expensive to build off channel reservoirs. It's nearly impossible to get them permitted. Decker lake is an already existing off channel reservoir that already is providing cooling water for the gas-fired power plant there, but over time to be retrofitted to capture and store water for the city of Austin. And in terms of the cost, compared to all the other options that we were looking at, the cost, the yield of water that it could provide and then the ability to put it online in near term time frame knowing that the drought might persist, it was one of extraordinarily few options that we had to really invest in the reliability of our water supply. The concern that the taskforce had was that any development that would be using that lake and considering that lake to be a fixed level lake would potentially severely limit the ability of the water utility to manage it as a varying level lake. And we see that today. Lake Austin technically when it was designed it was designed to be a varying level lake, but it has not been designed as such. In time development that happened along its banks grew up thinking that the lake was a fixed level lake. And that's partly the challenge is that we might have clear intentions of how something will be used, but there might be economic decisions that come in later that severely limit the ability of -- our ability to use that resource for that purpose. So that's of considerable interest.. >> Mayor Adler: What's the horizon for an integrated water plan. >> It really needs to be done at a 50 to 100 year time horizon. Water is very [indiscernible] In terms of development. A lot of the options that

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Austin water is considering right now are options that have to be planned for and implemented because of our drought. But the options of how we manage and diversify water supply need to look far beyond just the -- >> Mayor Adler: How long does it take to develop that plan? >> I think it's most likely that a real integrated water resource plan that has community participation in it and does robust modeling would probably require 18 to 24 months. >> Mayor Adler: Thank you, any other questions? >> Mayor. >> Mayor Adler: Yes, go ahead. >> So you went through a lot in this presentation really quickly, which is great. So we can't ask about all of it otherwise we wouldn't have time for the rest. But I would like for you to expand just really briefly on one of our early slides about water infrastructure doing more than providing water and how just giving us idea on how this works in Austin and other cities and how water infrastructure is creating more open space, protecting flooding, reducing -- >> Sure, I'm happy to do that. We're seeing one example is the use of green storm water infrastructure and we're seeing that spring up from communities all the way from Philadelphia to Los Angeles where you have persistent challenges with flooding, with surface water quality problems because all of the gasoline, all of the other stuff that just is on our streets gets washed into creeks and waterways during storms, creating public health problems. And so a number of communities have been looking at a variety of options for how to deal with that. When you compare the cost of developing deep tunnel infrastructure, so up -- upsid-

all of the storm water infrastructure that's underneath the city to just keep, you know, the first one to two to three inches of rainfall underground and slowly release that to the lake or to in some cities sewage treatment plant, the cost of that type of infrastructure is extraordinary. In the case of Philadelphia, they looked at doing a deep

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tunnel storm water system and they saw it was going to cost \$6 billion to build a deep tunnel system. They managed to get a concepts decree signed with the EPA that will allow them to combine deep tunnel water systems with surface infrastructure that would look like retrofitting roads to have biosales, developing vickswales, combining open lots, tearing up impervious surface in the form of parking lot, perrable pavers, the cost of that plan combining the green with the gray is \$2 billion, still quite expensive but dramatically less than doing the full gray infrastructure. The reason cities have been looking at that as an option is because in a lot of urban areas you have people who have very little access to parkland. We have Summers that are getting hotter and hotter and people have very little opportunity to cool off, houses are having to take more of the heat load and run air conditioning more often, you have a lot of people who don't have air conditioning. The more that you can put into place, measures like green from you are that lower the am been temperatures in the cities, greater the benefit of capturing storm water. Different types of accidenttture, but really looking at the city itself at the way that you manage water, not just pipes and tunnels. >> We already manage the city's [indiscernible], we manage 35,000-acres of open land. >> Can you -- >> We manage about 35,000-acres of open land and water utility has invested about 100 million acquiring open land for just the kind of purposes that -- that the panel has described. >> Mayor Adler: Thank you, Mr. Zimmerman? >> Zimmerman: Thank you again for preparing this. I want to refer to the slide show here, maybe a policy point or ask a policy question. On page 2 here, I want to

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call attention to two things. Two phrases or two words. Essential uses, affordability for essential uses and then the second point, cost imposed by customer classes. Okay? So I want to keep that in mind. Essential uses and customer classes. On page 4, we have a bullet item that says how does price affect water usage? In my view, there's a powerful policy argument here. The first one that I pointed out essential uses and customer classes, those are political decisions. That a body like this would make. I'm just very, very uncomfortable when politics enter what's an essential use? An essential use in the thinking of the council may not be the same as the essential use that our citizens or businesses have. I think it's an impossible question to answer politically. That goes to a policy question. But when you talk about how does the price affect water usage, you are already seeing that. That's called a market. When the price goes up, the consumption goes down. It's interesting to me from a policy point of view as the way you avoid politics is you don't try to define essential uses and customer classes. What you do is you approach the problem from a price point. Because as the price goes up, as scarcity sets in, the price has to go up, consumption has to go down. Could you respond to that? >> Sure. I think part of the challenge that a utility like Austin water faces today is that it's unclear exactly what different users pricing points

are. Right? We don't have the opportunity for market discovery where you can figure out what is Samsung willing to pay for water versus somebody in the zilker neighborhood for totally different uses, right? So you are kind of feeling that around in the way that you develop pricing structures over time, maybe you even try to get to know your ratepayers a little bit

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more. Some utilities are actually having explicit conversations with some of their more essential -- maybe that's the wrong word, but some of their customer classes with whom they can have a more structured conversation to understand what they're willing to pay. But this is all kind of experimentation and it's hard for utilities to really understand that to some extent and at the same time we're having to make decisions in what types of infrastructure we invest in that ultimately will determine what price we have to charge for water and what minimum price you can charge for water, right? You mentioned earlier 80% of the cost of Austin water services are fixed because they've already built the infrastructure. As we're at this position of having to look at how we diversify our water resources, each of those different options for diversification has a different price tag associated with it. If we choose different options not -- not anticipating what the impact will be on future demands, we no longer have the opportunity to let the market actually determine the -- the price that people are willing to pay and the amount of water that they are willing to use because you've already incurred debt that has to be serviced. And then you run the risk of having too little income coming into the water utility. So that's absolutely the challenge that many water utilities are facing right now. >> I good he is that touches on -- I guess that touches on maybe my libertarian instincts. If the city wants to investigate and ask questions, you know, how are you using your water? The Austin libertarians would say it's none of your business. You know? So I -- again, I'm trying to figure out a way to get politics out of the decision making. That's not easy at this point. As you said there's infrastructure already built that presumes this huge growth like water treatment plant 4, it can service a staggering amount of customers. It made a presumption there was going to be a huge growth in the area. It's not easy -- >> That's right. I will just say, then I'll close it. This kind of conversation is exactly the sort of conversation that water utilities need to be having

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especially with business and industrial customers. Water scarcity and pricing is coming more and more into decision making at the corporate level. Those types of users are operating in lots of different environments with much deeper water constraints than the city of Austin, that's exactly the conversation they want to be having with the water utility and political decision makers to make those decisions based on sound need and demand. >> Ms. Kitchen? >> Kitchen: I'm curious about how the tests -- I think it's a related issue. But I remember that there was some language in the task force report that related to usage of water. And something to the effect that there was a lack of understanding about what -- what's a target rate for use of water by residential customers. You remember the part that I'm talking about? >> Yes. >> Kitchen: It was sorts of akin to, you know, in the public health field we have targets for what's good for us, you know, in terms of our, you know -- in terms of our -- a 1 C rates, all

kinds of things like that. The task force report talked in terms of water usage and recognized that as a society and as a communities, we don't really know what is a level of usage that's -- that people need. Does that make sense? >> Yes, it absolutely makes sense. Part of what that portion of the task force report was also trying to underline was that our targets for water use that -- per capita daily figure -- are driven by a policy environment in the state of Texas. So the 140-gallons per capita per day that was the target for Austin to hit by 2020, that was set partly because that's the state target for water utilities that -- that have to report to the Texas water development board on water usage. And that was the target that was set at the state level.

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But it doesn't actually come from an understanding of how water is being used within the city and how far away we are from -- an efficient use of water. That's a completely subjective question. So all of this is subjective to some extent. But we've seen some cities, Sydney Australia, being one of them, doing a really interesting very deep in the weeds analysis of where water is being used across the city. And how that maps to future water needs for potable versus non-potable, how that maps against the potential for on site water generation. So the ability to develop a smart integrated water resource plan really hinges on the ability to understand how water use is changing, where it is, how it's being driven, that's something where very few water utilities have deep insight into their actual rate base. >> Just a quick follow-up. I asked that question because I was thinking that you all may have been thinking of that when you were talking in terms of essential needs. >> That's right. >> Kitchen: Uh-huh. >> The essential needs was -- you know, I think the task force recognizes that this is all a subjective policy discussion. One person's essential use is not another person's essential use. But that simply we don't want there to be an outcome like what happened in Detroit this summer where you had people being cut off from water because they could not pay for flushing their toilet, turning on water, you know, to brush their teeth, to drink, to cook. That the ability to ensure that we have the opportunity for every household in the city of Austin to be able to pay their water bill, either through assistance or through, you know, their own economic means, is critical. And we have -- for us to be able to do that, we have to differentiate between uses that are about protecting public health and safety and uses that are discretionary. >> Mayor Adler: Okay. Let's move on. Again, thank you very much. Next speaker, Paul Terrell,

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an attorney in the area of water. Do you want to talk to us about your perception of our future? >> I would be happy to do it. First of all -- >> Mayor Adler: Could you pull the microphone closer. >> Push the button. >> Now it's on. >> Mayor Adler: That works, even better. >> That should help. I want to compliment y'all on having this discussion in the first place. Having these 30,000-foot policy discussions is something that I think, especially on a topic like water, is really very valuable. My perspective on this is as a water rights attorney, I practiced in the area for, you know, over 20 years. My biggest concern, I live here in Austin, is the city has put all of its water supply eggs in one basket. And that's the Colorado river. We have come perilously close, still in danger right now, of having some pretty significant drought restrictions and the approach in the past and as we speak today is basically managing the demand side

and Austin has been very aggressive and successful in reducing consumption. That was smart. What Austin has not done and the concern that I would like to talk with the council about today, is alternative supplies. Diversifying supply. Austin is completely dependent on the Colorado river and the Colorado river has two basic problems. The first is, it is -- its watershed is in a semi arid part of the state. So as a couple of the speakers have talked about, we have gotten rain here in the Austin area, but the storage for the Colorado river for Travis and especially Buchanan comes from the semi-arid west Texas area. The rains that fall here haven't helped. And we are in a situation where Travis and Buchanan

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are at roughly 35% right now. And we have no backup plan. So -- so the city of Austin, I haven't researched this question to see what other cities in and around the country have done in terms of whether they're solely dependent on one source. I'll talk about San Antonio in a minute. But just from a supply standpoint being completely dependent on the Colorado river and having its watershed in the semi-arid part of the state, strikes me as a very bad idea. We have gotten lucky in my view so far that we've gotten a few well-timed rains, but as Mr. Lazaro on one of his slides shows, if this continues for the next few years, we are in deep, deep, deep trouble. The problem with water supply is, it can't be developed overnight. It takes years typically. And that's a -- that's a serious concern. So first concern is we're completely dependent on the Colorado river and it's -- you know, it's a drought prone river. The second concern is the management of that river is left to the Icra. And this is not a direct criticism of Icra, but Icra does not manage the Colorado river for the benefit of the city of Austin. It has a much broader set of customers and criteria that has to manage for, so you have a situation where here in the city of Austin, we have a contract with the Icra that specifies a certain number of acre feet that the Icra is supposed to provide, but the Icra has other goals as well. One of those goals, of course, is to sell water. They make money off of selling water. And -- and I'm going to give just a couple of examples of problems that have occurred in the past with the Icra. Excuse me. In 2011, the Icra released roughly 450,000-acrefeet, most of which went to flood

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irrigate rice on the Texas coast. That was in the teeth of a very severe drought. So the Lakes that we drive by today and see that they are practically empty, a lot of that is because of the drought. But a lot of it is also because the Icra released that water in 2011. In addition to that, the Icra's pricing structure is split between firm water rights which is what Austin has, the contract for firm water, which is much more expensive and interruptible water and Icra -- excuse my cough -- prices its interruptible water significantly less. In 2011, I don't think this has changed, Mr. Hoffman will correct me if I'm wrong. I think it's 6.50 an acrefoot. What's the number? >> It hasn't been set. >> They have talked about increasing the price, but the price hasn't been set. \$6.50 an acrefoot, just to refer back to what Mr. Lazaro said, an acrefoot is roughly 325,000-gallons of water, for the price of a six pack of beer, you can get 325,000-acrefeet of water from the Icra. At least that's what it's been in the past. The problem is that promotes -- it does not promote conservation. It just sends the wrong price signal to all of the downstream users like the ice farmers. -- Rice farmers. To reiterate you have a situation with a drought-

prone river, an agency, the lcra not managing just for the city of Austin. So you ends up with a situation -
- you end up with a situation where the city has a contract with the lcra for a significant amount of water
that should -- should be a long-term source, but that contract doesn't put water in the lake, it

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doesn't make it rain and it doesn't prevent lcra from selling water to other people in a way that might
conflict with the city of Austin down the road. So my message to the council is it's for are to diversify
supply. I mentioned earlier the city of city of San Antonio, the city of San Antonio 20 years or so ago was
roughly in the same position as the city of Austin. It was completely dependent on the Edward's aquifer
and -- pardon me -- because of some legislation and some court problems, the city of San Antonio was
forced to react to cut backs. They did it in two ways. One is they aggressively promoted conservation,
they reduced their usage on a gallons per day basis. But the second thing they did is they diversified
supply. The city of San Antonio has done several different things. One is they have gone out and done
some local perios water, also an aquifer storage and recovery program. They have recently signed a
contract for importing kariso water from a good distance away, about 140 miles away. Cariso. They have
also pursued brackish desalination. You take slightly salty water, take the salt out of it and use it. All of
those methods are good. I'm not here to advocate one or the other. I'm here to advocate the idea that
just looking at the demand is not good enough. You need to look at the supply side as well. You need to
diversify the supply and protect the city in the long run because having a -- a water supply management
strategy of praying for rain, it's not a good one in the long run. >> Mayor Adler: Thank you, when you
says the carizzo water, you are talking about in bastrop -- >> It's a very big aquifer, runs from northeast
Texas to southwest Texas.

[10:36:48 AM]

The area around here, the central Texas carizzo-wilcox, bastrop, Lee, Burleson, et cetera. That aquifer,
just that segment, the central Texas carizzo Wilcox has roughly 400 million-acre feet. Just to put that
into context, if you took every lake in the state of Texas and added it up at full capacity, that would be a
little over 30 million-acre feet. The central Texas carizzo Wilcox has 12 times more water than all of the
Lakes in Texas at full capacity. >> Mayor Adler: Okay. Any questions for Mr. Terrell? Paul, thank you very
much. >> My pleasure. >> Mayor Adler: Also speaking here on the second question, Darren butler with --
with Ara. >> [Indiscernible]. >> Bring it close to you as well. >> Does that work? >> Thank you. >> My
name is Darren butler. I'm here representing the Austin area research organization. I chair the water
energy committee. Maybe a short statement about aaro, called by the acronym is a 100 person group
that looks at public policy issues from health care to education to social equity and water and energy.
And deeply involved in all of those issues. The membership is broad based business leaders, civic
leaders, private non-profit sector leaders come together to discuss these issues. Arro has been looking
at the water supply issue with the city of Austin for some time. I think fundamentally we would agree
that Austin does need to look at additional water supply other than the Colorado river. Just a little
historical

[10:38:49 AM]

note. When the highland Lakes were created in the late '30s, in the early '40s, the issue was not water splay for the city of Austin. -- Water supply for the city of Austin. It was to generate electricity for the hill country and it was for flood control. So none of the calculations that were done in the '30s and the '40s in the construction of the Lakes anticipated a population base in the greater metropolitan area today of what one and a half plus million people going to several million people in the next 20 or 30 years. So arro's recommendation to the council is in addition to the task force issues, which I think all need to be looked at, but one of the things that need to be recognized, what the task force says is how you reuse water on site and reintegrate it into the system is not a new water supply. It's a reuse of existing supply. And I agree with [indiscernible] That Austin and I think arro is going to agree that Austin needs to seriously evaluate an alternative water supply. If the drought continues with the population growth proceeding, even with the most intense conservation efforts, conservation does not create supply. It just stretches the supply you have a little further. The timeline to import water into the system it's a minimum of five years and more likely 10 years. So -- so if arro were to leave a message, it's to conserve, do what we're doing now, look at what the task force is recommending and evaluate that. But put alternative water supply on the same agenda because you don't -- you can't turn this around in 30

[10:40:51 AM]

days. The negotiation for the supply, the construction of the facilities, the permitting process, is a minimum of five years. And you can find -- one can find itself behind the power curve very quickly if this drought continues and persists over time. One way to look at it is what does your customer expect when they go to the water faucet? They expect that when that tap is turned on, something comes out. Eventually, cost and affordability have to be factored in. But the real issue is, will it be there to be used for beneficial purposes in the community. Please, look at all of the things that the task force has done. Please consider, evaluating and put into the planning process alternative supplies and remember that the time to import water is a minimum of five years. It is not an overnight solution. Thank you. >> Mayor Adler: Thank you. Any questions? You mentioned to me earlier that -- that arro is issuing a white paper on this in the next few days? >> We have -- I've got the final draft in front of me. And I think we have one more iteration. As the author said there's still a couple of typos in it to make sure that the people that are responsible for it read it before we submit it. So it will be coming to the council very shortly. >> That would be great. If you could get it to us, that would be appreciated. The next speaker that we're going to have, [indiscernible], with save our springs -- bill bunch, with save our springs, will talk about both the future and business model, if you would. >> Thank you, I'm going to check my phone just to keep track of my time so I don't go over it. I'm bill bunch with save our springs alliance.

[10:42:54 AM]

As many of you know, save our springs worked closely with the coalition that we called save water, save money, that included the Austin group of the Sierra club, clean water action, and environment Texas. To oppose the -- the construction of water treatment plant 4 as unnecessary and extremely wasteful. And I

think a lot of you now know, if you didn't agree with us then, that that was a huge mistake. That we'll be paying for for decades. Our ratepayers who can least afford it will be paying for it. And I want to revisit that history just a little bit as a lesson, not as -- to chastise anyone. But we've got to learn from our mistakes in going forward. I want to start with by urging you to look at the Austin water resource planning task force report as the blueprint for going forward. That task force has expertise that was incredibly deep in water. Ms. Lurig as chair was assisted and the co-chair was Tommy Mason, who was the general manager for the ICRA. This is not a flaming environmentalist, he was for many years general counsel for ICRA before that. The task force also had deep reputation from the engineering -- representation from the engineering community with experience from that angle. And that report was unanimous. And that's incredibly significant to get that diverse and that deep level of expertise together on the same page. Basically, they urged the city to raise three things, efficiency and innovation, as consistent with what our city should be about. And as a way to be the most affordable we can be. Reuse. And then locally sourced water. And those three are the new water. The new sources, the diversification that should be at the top of the list.

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And at the bottom of the list that we should only consider after we go through this 24-month or so planning process, is the incredible, expensive task of piping in water from the Carizzo or other distant sources. Because of the cost and also because of the unreliability as well in the long term. This new business model is not just for the utility but for the city, I think we have to think of it that way because it really takes us all to address the fact that we are in a changing climate. We're a growing city. And we all pitch in and it's not just one bullet, golden bullet or golden pipeline. But it's a whole lot of small things that can really make us sustainable and provide reliable water at affordable costs. That requires a whole flip in thinking from a utility that's -- thinks of growing the business and selling more water to one that is thinking of selling as little water as possible. While meeting the community needs. You often hear that all of the experts say, you know, the water we save is the cheapest new water at hand. It's absolutely true. It's also the most reliable. But then you often hear them, it's like saying, oh, I'm for peace, but now we've got to go spend hundreds of millions or billions of dollars on war getting ready or participating in war. It's like just blown past and we can't do that. We need the utility to shift the mindset from being a commodity seller and one that discourages competition to be a catalyst for innovation that engages customers and water efficiency innovators in the community. Just once example, we have almost no gray water reuse happening in our residential and businesses around the city. The utility has a history of actively discouraging that.

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We have to end that. New development, we need to ask them to bring water to the table at the time of development. And that's something that water utility would never dream of doing. A lot of cities are requiring developers to bring their own water when they come in for permit approval. So we essentially have net zero water or water neutral development. New development can solve our problems for us and save us money, everybody money. We have to think about this sort of two tiers of meeting basic

needs of being affordable but then charging a lot more for wasteful water use or non-essential water use. We -- we have this block tear structure that you saw from Mr. Lazaro, I would argue that it's not steep enough. 4.7% of our residential customers in that over 20,000-gallons a month class. That number should be 0%. Until we get to 0%, we ought to be charging them not \$13 a thousand, but \$25, 30, \$40 a thousand. That's a place where we can get money into the system by charging those much higher rates. Deferring the need to -- to supplement our water, to hit these -- the deferment fee. And -- and protecting ourselves from this risk of -- of reduced water in the highland Lakes. I want to respond just in the -- there's a lot more here, but I want to respond in particular to Mr. Terrell and Mr. Butler. You know, arro supported the water treatment plant 4. I would really like to hear and see their analysis in writing of how they got there and what they think about it today. I think we have a mindset of the big utilities wanting to build the big pipelines because there's a lot of money in it for certain

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people. To have these big solutions. But the solutions really are there in the task force report of efficiency, reuse and locally sourced water. The highland Lakes, yes. They're our sole source of water right now. But there has been rated at 1.5 million-acrefeet of firm annual yield. That's the current rating. With the climate change that's cut in half, that's extreme, 750,000-acrefeet per year, we're only using 160, 170,000-acrefeet a year. So there's still -- we are the number one customer for Icra. We have the contractual rights, that water is our water. So we shouldn't be frightened into thinking our interest and our security in the highland Lakes is at risk if we protect our rights in that water. And making sure that it's not sold off. Making sure that it's not released downstream when the Lakes are too low, like happened three years ago. If you remember that chart, the Lakes have stayed roughly at about where we are, between 30 and 40% the last three years. Even with the record lowest inflows there are. So we have that water there. One last thing on -- on our locally sourced water that's reliable and much more affordable, is reclaiming Barton springs. As a source of water supply. That's Colorado river water. Yes. But it's a whole 365 square mile catchment that we very foolishly abandoned when we shut-down our green water treatment plant. We have a right to capture that water through our run of river rights that we simply can't capture right now. And that's a key part of the water resource planning task force recommendations is to put an intake back into town

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lake from the Ulrich plant so we can reclaim that source of water as a supplemental water supply. In this three years, when the highland Lakes have stayed low, the Barton springs Edward's aquifer has filled up and drawn down four times. And it's right now it's over 50% above its long-time average. So this city was founded on the springs being the reliable source of water for our city. It's there to be captured. At the carizzo, by contrast, it's a huge, vast, underground reservoir, but the cost of getting it here is enormous. It's fossil water, it doesn't recharge. As you draw it down, the first thing that you do is you reduce spring flow into the Colorado and into the brazos river, so it's a zero sum gain. It's not new water. And then if you get hooked on it, in 20, 30, 50 years, it's gone. Because you are mining that water. It's not a renewable source. And -- and the -- the mindset that we have. It does recharge at some level. We don't

know what that is. So I just -- I'll leave it there. And say we've got to set firm goals on efficiency and reuses and hold our water utility leadership to it. If we're not going to do that, we need new leadership. Who will embrace this new model. And I'm not sure that the water utility can get there. Because there's still year after year they overproject how much water we're going to sell. They still want to sell more water when the history for years and years is flat sales. And that's the chart in my materials that shows you, especially that first one, they are still projecting that our water sales are going to keep going up. When year after year they've

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stayed flat or even gone down. And you hear the narrative from their side that -- that, well, we've picked the low-hanging fruit. And so those days of saving water are over. And what -- what I think -- if you listen to Ms. Lurig say, if you look at the water task force, they have the opposite narrative. That we've just scratched the surface at becoming innovative and efficient in using our water and reusing it. And that's the way to go to keep it affordable for our community. And we need somebody who has that mind set that we're just getting started on a very exciting and new way to go rather than thinking we've already done all we can do when we have to go, you know, grab somebody else's water in some distant county. So thank you. >> Thank you. >> Mayor Adler: Did you want to respond to that? >> [Indiscernible]. >> Two corrections that I would suggest. One, the firm yield of the highland Lakes is not 1.2 million-acrefeet. It's more like 765,000-acrefeet. Second, the carizzo aquifer is not a water mine. It does recharge. It has a history of recharging and I just -- I just want to be sure that you understand that that is -- if you were -- if he had said the ogallala which is in the panhandle in west Texas, that is truly a water mine that doesn't recharge. But the carizzo does recharge. The firm yield of highland Lakes is not a million-two acrefeet. It's about half of that. >> I would agree in reality that's probably what it is, I think we're on the same page there. But historically in the permitting at the water -- at the tceq, it's been way higher than it actually is, it's been 1.2 or

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1.5 million-acrefeet. I would also agree that carizzo does recharge, but we're not clear on how fast. A lot of that huge volume of water that's down there is fossil water. >> Mayor Adler: Okay. Mr. Zimmerman? >> Zimmerman: I think this question goes back to Mr. Terrell. Could you talk a little more about the carizzo springs deal that was worked out in -- what does that business model look like right now with the city of San Antonio? >> The carizzo Wilcox aquifer is the source of the city of San Antonio's recent water deal that they did with a Spanish company called avingoa. The aquifer is -- the well field for that particular deal is located in Burleson county. If you don't know where Burleson county is, if you drive towards bryan/college station it's about two thirds of the way there near Caldwell. That aquifer is unique because in that particular area, the [indiscernible] Aquifer, which is the lowest member of that aquifer has four different aquifer -- four aquifers above it so the local demand is met by the shallower aquifers. San Antonio was looking to diversity its supply. They went through a public process where they asked anybody to come and propose a supply for 30 years. There were about a dozen or so people that responded or a dozen or so companies that responded. And the one that was ultimately selected was

the carizzo -- the proposal from the carizzo Wilcox aquifer. Pardon me. .>> Zimmerman: Well, there's a lot of technologies, one of the biggest advantages San Antonio had with that Edward's aquifer is the purity of the water.

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It was basically drinking quality, right? Right out of the ground. Which is amazing. >> They bring it out and chlorinate it. >> You don't have to buy a \$500 million aquifer plant. It's amazing. But do you know, maybe you don't know, do you know what San Antonio is paying per acrefoot. >> We've heard about \$6.50 per acre foot interruptible for the rice farmers, maybe \$150 for uninterruptible for Austin. But where does the price of that water, when it shows up at a water tank somewhere in San Antonio, what is the cost of it, do we know? >> It depends on the source for their Edwards rights it's -- I think I remember the number is like 5 or \$600 an acrefoot. For brackish deal, I think it's estimated to be somewhere around \$200 per acre foot. For imported it will be somewhere around 18 to \$2,200 per acre foot. 1800 to 2200. >> No. That's absolutely accurate. In contrast I think it's helpful for people to think about it in terms of how much we're paying per acre foot today, which is somewhere on the order of 300 something an acre foot from -- >> [Indiscernible]. >> Our contracts with Icra the current price for raw water is in the 150s, I don't know what the exact number, 153 or 156. Now, of course, we spend a lot more on top of that to treat the water, soften, distribute, pump it. It's much more. But raw water cost out of the river is -- >> It's 175. >> 175. We don't pay because we prepaid and will start paying again when we hit the threshold. >> Okay. >> It's important to note, we've talked a lot about pricing. Wholesale water in Texas is not priced on a market basis. Ask to some people that's criticism, to other people that's a virtue.

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Irrespective of where you approach it from, it's on a cost of service basis. For an entity like Icra that has a system of reservoirs, basically we have to sell it for what it costs us to provide it. Historically at Icra we haven't done that across the class of our customers. It's rightly been pointed out our interruptible customers have not been paying the cost of providing them the water. They will have to share an amount commensurate with the amount of interruptibility that water has. What was interruptible in theory is now interruptible in fact and it has to be priced as such. >> Mayor Adler: Okay. All right, let's go on, get the next speaker to speak with us. Mickey fish Fishback with the water and wastewater commission. Thank you for joining us today. What do you think about the future business models? >> Well, the current business model is a stru struggle. So let me tell you a little bit about what the joint committee is and what we have done. The joint committee is sort of an ad hoc body, the joint committee on Austin water utility financial plan. It was created by council in response to a -- an underrecovery of costs by Austin water in 2010 of \$53 million. Our charge from the council was we think of it as sort of a three pronged stool of objectives to -- to improve the revenue volatility situation with Austin water, make sure that they have both enough revenue and that it's -- that it's predictable and secure. Secondly, to -- to continue to encourage water conservation and thirdly to be mindful of affordability issues and address those. All of those, of course, compete with each other. So our -- so our

responses to the council were really optimize solutions. They weren't all the way in

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the direction of the best answer for conservation or all the way in the direction of -- of revenue recovery, but optimal as we could do for -- for all of those. I think Greg has shown you quite a bit of what I would speak about anyway. I gave you a handout, so you could take it home and study it because there's too much to look at. But this graph that he showed earlier where it shows our water usage precipitously declining from -- this is the third page of what I gave you. From 190-gallons per capita daily in 2006 to 125 last year in 2014, the big challenge for the utility has been to get out in front of that and correctly anticipate generally two years in advance what would the customers be demanding. Right now they're working on fiscal year 2016 where it hasn't flowed out yet, it's continued to drop. It dropped very much last year. So to try to get in front of that and anticipate what people will be using to anticipate whether we will be in stage 3 or stage 4. So that's a big challenge and it's a challenge that council is going to face as well. The red line on here, this is an average residential water customer using 7,000-gallons a month, you can see that their water bill, because of the 80% of fixed cost, has almost tripled, not quite, but almost tripled over that same period of time trying to recover those costs. So -- so, you know, the big challenge for -- for all of us and for you all is to -- to be able to support the utility financially while keeping water affordable. That's where the tiered rate structure comes in that was

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spoken about earlier. The first two tiers are subsidized, that's a really important concept to keep in mind when you are looking at budget documents, you are looking at new rates. A very large portion of a residential -- of our residential customers do not pay full costs. They pay to some extent subsidized costs because they are low users and just using those first two tiers or they are customer assistance customers, part of our capro program, they have very much subsidized water rates. So what we depend are those high-use customers that are in the other three tiers that -- [indiscernible] -- charges of revenue to allow us to make water more affordable for -- I don't know if you would call it essential use, but certainly the lower use customers. Those revenues are decreasing and decreasing. This is our challenge is to get ahead of that, correctly predict how much water folks will be using, and rights that will support affordability -- set rates that would support affordability. >> Mayor Adler: Are those large industrial users at the higher end? >> The rates are set entirely differently. That tiered structure is only residential. >> Mayor Adler: Okay. What is the rate structure for the industrial users? >> Each one of our large industrials, we have roughly eight or nine large industrials, there's a threshold of water use, for industrial, you have to be like Samsung, freescale, one of those type of customers, each one of those customers has their own cost of service that we calculate their rates based on their unique demand they put on this system. So it's hard to give like one number for that. It's individual cost of service. It's full cost, they don't get contract rates or discounts or anything of that nature.

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>> Mayor Adler: Ms. Kitchen? >> Kitchen: Does that account for overhead? Do their rates include some portion of fixed cost for the utility? >> Yes. >> Mayor Adler: Ms. Tovo? >> Tovo: That's very interesting. Very different than how Austin energy serves those same industrial users on the electric side. And I wonder how long has that particular rate structure been in place with the water utility and its largest industrial users? >> I'm not entirely sure what it does. For us, we have had them as a cost of service customer -- as a cost of service customer for many, many years. Each year their rates are calculated they go up with our rate increases at their cost of service, but it's been like that for as long as I've been around. >> Tovo: I have forgotten how long you have been here. >> At least eight years. It goes back farther than that. David Anders could probably whisper. I don't think they've ever had contract rates. >> Tovo: Thank you. >> Mayor Adler: Okay. Ms. Houston? >> Houston: This might have been asked before I left. Do we provide water to the university of Texas? How much do they pay? >> Yes. University of Texas is a retail customer of ours. And they pay -- they are considered a large customer, they have their own cost of service. I don't know exactly what that number is in my head here. I would have to get back with you, councilmember, on what their rates are. >> Houston: Okay. Because they are probably next to the state of Texas, probably one of our largest ratepayers? >> Yes. They are right there with Samsung. Some years they are higher on water use; some years less. But they would be either our first or second largest total aggregate water user. They have literally hundreds and hundreds of meters that they use to measure water. But when you add it all up, they are a very large user. >> Houston: Thank you. >> Speaking of the

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university of Texas, my understanding was that we had the purple pipes, the water reuse pipes that went up to campus, but there was some issue associated with the university tying into those pipes because of their existing infrastructure and requirement that they change out some of their pvc pipe in order to be able to tie in. Have we moved past that now? >> Yes. Essentially, we meet with the university of Texas on a quarterly basis to go over these kinds of issues. I think from both sides we felt very productive. Would come a long way together. We have installed a reclaimed water system that runs along the university and it's called completing the core, ultimately that would run downtown and serve other downtown businesses and state agencies. They are in the process of converting. They have converted one of their cooling tanks to reclaimed water. They are on the verge of converting their second tank. We recently changed some code, we had some code that required -- say an irrigation system, an existing irrigation system. If it was a white pipe irrigation system, we at one time would require you to replace that with purple pipe in order to hook up to the system. Again, it's a visual system to make sure that people know it's not drinking water. We have since revised those kind of codes where you can leave that infrastructure in place and use signage or surface features to indicate it's reuse water. So that should accelerate some of the conversion of their irrigation systems and the like. >> Mayor Adler: The ordinance change happened about November? >> Late in the year, November or December. >> Mayor Adler: Okay, thanks. Did you have something? >> My question is that -- how do you all figure out your rates to wastewater? From water usage and your wastewater rates? >> The way wastewater works for residential customers, we only use the winter average. So you take the water use in your winter months, like, you know, December, January, February, roughly, and that becomes your billing for

the

[11:09:12 AM]

rest of the year. So then, you know, in the summer, when maybe you are using water for a pool or irrigation or whatever the case may be, you are not billed wastewater for that, it's just on your winter average, each year we recalculate that winter average, that's what you build on. Throughout the year, if you actually go below your winter average for say one month, we -- if you stay above that we charge you the winter average until the next calculation better. >> Ms. Fishback thank you for your presentation, you didn't get through all of it but you identified challenges that I think will be very helpful. Ms. Houston, then we'll do kind of the speed dating part of this. We have about five people in the community that have come here that want to speak for their three minutes, too. Ms. Houston, Ms. Gallo and then we'll call those speakers. >> Houston: I just had another question about the university of Texas. As I was traveling around, it was mentioned that the swimming pool on mlk and the -- what is that? Red river? Empties into waller creek. And that chlorine water empties at least twice a week into waller creek. Is that -- do you know anything about that? >> I don't know the particulars. We would typically have regulations on how you can empty a pool and D dechlorinate the water prior to do that. I would have to look into the particulars of that. >> That would be helpful, because this person seemed to be very sure that we are emptying it into waller creek at least twice a week. >> I'll verify that that's dechlorinated. >> Ms. Gallo? >> Gallo: This is another wastewater question please, in the past it was three months of the winter months that you are not watering. I don't know how much of us are not watering our yards anymore. It was three months that was calculated and then the

[11:11:12 AM]

lower of the two months. At some point it was all three months, when was that and what was the thought process behind that? >> You are correct. At one time, the practice was we would take the three winter months and then drop the highest winter month and just average the two winter months. We have subsequently changed to averaging all three. And I -- I don't recall exactly when that change occurred. It's been several years, maybe three or four years? We'll verify that for you. The reason for the change was several. One, the utility did a survey of other large Texas cities and a three-month average was almost exclusively what everyone did. Second, we thought there was also somewhat of a pricing signal with that. That in the winter months, December, January, February, there should be little to no outdoor irrigation at all. We thought the averaging over the whole three month period instead of two would help remove any risk or distortions of people over irrigated in the winter months. So it was a combination of those factors that led to that change. >> Mayor Adler: Okay. Ms. Troxclair. >> It seems to me the whole crux has been the conflict between financial and conservation. I don't know how you can be truly dedicated to either if you are dedicated to both. How is that conflict handled within the utility? >> Well, I wouldn't describe it as a conflict. I think it's a need to reconcile them both together as the utility is transforming and evolving, I mean,, you know, certainly 10 years ago, we were much more commodity sales based. As we're changing that, it's to work together. I think the two have to go together. I think when we think about how we make the utility more resilient from a water supply

perspective, from a financial perspective, that the two are part and parcel.

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As a matter of fact if we look at a lot of future savings, they are integrated with the utility, we are investing in lost water from the distribution system, pricing signals are driving a lot of change. I don't consider those two in conflict, although I do believe they have to be continued to be harmonized and end up with everyone saves whole, a financial utility -- versus one that's financially sound but the approach to water use is not appropriate for the conditions we're facing. I think you have just got to work to reconcile those two. It's going to take a lot of community involvement. That's why we're rich with task forces. We have been conducting all kinds of task forces, we appear before multitudes of boards and commissions and councils. I think water issues are just that kind of practice. We are looking forward to engagement with the water utility subcommittee that the council is creating. I think it's just going to be a process that we have to continue to work through that. I -- I don't think it's a conflict that we can't resolve, but certainly we have to keep both sides of the equation together. >> Will with, it seems there's -- well, it seems there's certainly the perception the conflict from the customer side of things, because we -- we are encouraged to conserve water and when we do conserve water then we expect to also save money and then we have recently ended up with higher and higher bills. So I think from the consumer standpoint, there is a disconnect between the conservation piece and the financial piece of it. So -- and I get this just underscores the conversation that councilmember kitchen touched on earlier, it seems that diversification is a really important part of the solution to that problem, diversifying the services and the products that we're offering. As that trend continues. So I guess I hope that conversation continues. >> Maybe I didn't fully understand your question. I do think there's a need to educate consumers. It goes back to our discussion about fixed costs for the utility. As we drop water demand, our cost structure doesn't

[11:15:14 AM]

change appreciably, it changes some. But just have to maintain and growing every day, that cost structure doesn't change at all whether or not we sell a certain amount of one month or not. And it's important for consumers to understand as to water demands going down, that the equation gets rebalanced. Same thing on the tax side. If your assessed value goes down, your tax rate may go up, if your assessed value goes up, your tax rate may go down. It's the interplay of those two. But you are exactly right, you know, we had stories and articles written about us, bum steers for charging people more using less, it's a part of the communication. I think, you know, if we think about central Texas and the water future, a strong water utility both in terms of fiscal issues as well as financial issues is as important to our community's success in the future as any part of city government. >> Then one. >> Then one more practical question. I've had questions from constituents about the slide event in the city that's coming. Is that something that's been approved by council, something that needs to be approved by council or something that's going to happen and do we know what the water impact of that event is? >> I just know about it in theory and it would go through a permitting process: We've gone on records that we have concerns about that type of application here in Austin, but it hasn't to my knowledge gone

through the formal permitting process yet. >> Okay. I looked on the website the other day and it looked like they were already selling tickets to the event. I would be curious when we do find out more -- >> You're ahead of me here, councilmember. >> Mayor Adler: Thank you. I want to thank -- did you want to make a point real fast? >> Just a quick point. We put the overhead, compliments of Ms. Fishbeck, but you can see the dramatic rise on that chart of the water bills while consumption is dramatically falling. I wanted to point that out and quantify that. >> Mayor? >> >> Mayor Adler: Yes.

[11:17:15 AM]

>> Just a quick point to follow-up on councilmember troxclair's points about what we're been hearing from the public in terms of conserving and costs still going up. I think what we need to remember from a public stand approximate point or what I heard from the public is yes, it's counterintuitive to them in terms of conserving more and the cost going up, so explaining that is important, but I think they're also saying is they would like to see policy changes so that that's not so much the case. That there's an underlying -- what I'm hearing is an underlying policy statement from the public saying, hey, if I use less water it should cost less. So I think that goes to the whole business model, you know, what we talked about earlier in terms of diversifying revenue and that sort of thing. >> Mayor Adler: I want to thank the panel for coming last minute, but we really appreciate it. I know that several of you went to some extremes to move your calendar around. Thank you. We have four people that are going to speak from the community. [Applause]. In our other voices component, three minutes each. They'll go in this order, Paul Robbins, Jennifer walker, Joe Beal and then David foster. >> Could Ms. Walker go first and I'll go second? >> Mayor Adler: That would be fine. Ms. Walker? Ms. Walker, thank you. >> Hello. Good morning. Let me make sure I get the mic positioned correctly here. I'm honored to be here this morning in front of y'all, in front of the new mayor and council to talk about this issue that's very important to me and Austin and the region. Just a tiny bit of

[11:19:18 AM]

background, I didn't introduce myself. My family is Jennifer walker, the water resources specialist for the lone star chapter of the Sierra club. I have worked on water issues with a focus on state, water and central Texas for over 10 years. I serve on the region K regional water planning group that puts together the water plan for this region. I'm a stakeholder on the lcra water management plan group that develops the plan. And I was privileged to serve on the Austin water resources planning taskforce last year that put together the report that has been a large part of your discussions here today. So we've heard a lot about drought this morning and that it's a critical -- and that is a critical issue that Austin needs to address. But we also need to address our long-term water supply and what that will look like. Currently we are a community in prolonged drought with a single water supply. Austin is aggressively managing that supply and responding proactively to drought, and that's a good thing for our community and we can see that our water supplies have -- it's had a positive effect on our water supplies. But what does our future look like? I want to emphasize that our current water supply is extremely valuable and it has worked for our community. But I think that with thoughtful and strategic planning that Austin can have a flacket and resilient water supply that makes use of all the water available to us, supplies that

may not have been previously considered. A plan that keeps costs realistic, a plan that allows us to respond to dynamic conditions such as drought and climate variability. A plan that emphasizes efficient use of water. A plan that takes the regional needs into account and a plan that contemplates Austin being a leader, coordinator and mentor for this region and the rest of the country. And Austin's already working on that, but we can do even more. As you've heard today from

[11:21:18 AM]

several speakers, Austin's water comes from the Colorado river. This river connects communities all the way from west Texas to Matagorda Bay. We tend to focus on the lower part of the river. And we are the biggest city and the biggest firm water user on this river. And as we plan and contemplate our options we need to remember that we're part of a natural system that supports cities, industry and the environment and keep all those uses in mind. And I really think having the robust conversation and the - while developing an integrative water resources plan for this community is a great step in doing that. I'm very excited this doing this. This is a new thing for our community. I don't know exactly what it means or will look like. I'm open to the process and I hope everybody is too. I think it will be a big positive step for us. So I'm grateful that y'all are having this conversation today. It's incredibly important. Y'all have asked great questions. I've really enjoyed listening to it. It's great to nerd out on water on Monday morning first thing. It's the best. And I thank y'all for your attention. >> Mayor Adler: Thank you very much. Thank you. Mr. Robbins. >> >> Council, thank you for having me. I'm Paul Robbins, an environmental activist and consumer advocate. I've been active in Austin affairs since 1977. I really want to try and impart two things today. The first is from one of Austin's best environmental activists and standup comics, Roy Whaley, who happens to be here today, but couldn't speak. He wanted me to emphasize that on important issues such as water, you need to get citizen input.

[11:23:20 AM]

Mr. Masorus talked about how Austin's water utility has raised impact fees to mitigate rates. That idea came from activists. When Austin water wanted to raise revenue from raising fixed costs, it was activists that asked that this be structured so that it mitigated the effect on low and moderate income people. We were the people that tried very hard, unsuccessfully, to stop water treatment plant 4, which was built, depending on how you look at it, somewhere between -- sessions like this having us give input. We can help you, we want to help you. The other thing is about Austin's high rates. In 2011 I did a study showing that Austin had the highest combined water-wastewater cost of the top Texas cities and it was highest in all rate classes. Although I have not done an update on this study, we probably still are number one. And this will be one of your biggest challenges here is to try and mitigate the effects of this. Due to our high debt, which is in part due to water treatment plant 4, but it's not the only thing. It's going to take several years before that debt to work its way out of the system and for population growth to also spread costs. So there are things that you all can do to mitigate the

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costs and I'm going to just throw a few -- four of them out. One is better manage energy costs. All water utilities use enormous amounts of electricity and Austin could do better. [Buzzer sounds] >> Mayor Adler: Why don't you wrap up. Keep going. >> Second, consider carefully analyzing new cip expenditures and annexations, at least until we're out of this financial quagmire. Third, better manage land assets. For instance, the Austin -- when Austin sold the green water treatment plant land, the water utility did not get a penny in profit. And finally, no more boondoggles. The -- there was a lot of talk about buying new water supplies. Had Austin bought the meager 12,000-acre feet from the carrizo Wilcox that was discussed this summer when I was on the water planning taskforce, Austin's rates would have gone up seven percent just for that expenditure. Thank you. >> Mayor Adler: Thank you, Paul. Joe Beal. >> Good morning, mayor, councilmembers. My name is Joseph Beal. I am a civil engineer. I have lived in Austin, Texas region since 1970 when I came here to go to graduate school of a leaving the U.S. Army. I moved to bastrop in 1994 and currently I am on the city council of bastrop. I'm in my seventh and last year. And we have gone through water struggles in the city of bastrop as well, so I appreciate what you all are going through right now and I appreciate your service.

[11:27:21 AM]

In my opinion we have a very serious water supply issue that we need to deal with here in the Austin region and the sooner the better. There's been discussion here about firm yield. And by the way, I was -- I ran water part of lcra for about four years and I was the general manager of lcra for eight years. So I have lived with the water issues within this Austin region. The firm yield of the highland Lakes system is approximately 450,000-acre feet. Firm yield is an important concept. These Lakes function as great big water storage tanks. It rains, water comes in to the Lakes. The Lakes rise to some level. Water evaporates, water is let out for downstream uses, and then it rains again. The firm yield was calculated based on what we thought was the critical drought, which was the drought of the 50's. The firm yield is the amount of water that you can always depend upon to get out of the highland Lakes system even during the worst drought that you can ever experienced. And up until now that was the 1950's drought. I believe that today we are in a drought much worse than the 1950's drought. And I believe that the firm yield of the highland Lakes is dropping. I think it's dropping everyday. That's an important legal concept because the firm yield is the amount of water that lcra can actually sell from the highland Lakes system. So if it gets greatly reduced, then there is less water for everybody that buys water from the highland Lakes system. And don't forget it's not just Austin that buys water from the highland Lakes system. Williamson county today has

[11:29:21 AM]

contracted for over 67,000-acre feet from the highland Lakes. That's for cedar park and Round Rock and Leander. A little known fact is that in a few months the city of Corpus Christi is going to connect a water line that its been building for the last several years. It will take water down in Garwood in the lower part of the basin above where lcra's new storage channel facility is going to be. [Buzzer sounds] 35,000-acre feet of additional water is going to be taken out of the highland Lakes system. I would suggest to you that we have a significant problem that we need to deal with. We can deal with it. We're fortunate there

is an abundant supply of water under bastrop and Lee counties that is available to us. I've done the Numbers. It can be brought in here pretty cheaply, but we have to act quickly. I would say to you that we need a call to action today and let's figure out what we're going to do for these additional supplies that I believe are needed. Thank you very much for your time. >> Mayor Adler: Mr. Zimmerman? >> Zimmerman: Yes, Mr. Beal, thank you very much for those remarks. And do you have any data right now, big round Numbers about what kind of treatment is needed,, the carrizo aquifer apparently is pretty clean water and less expensive to treat that, right? >> Based on the calculations that I have done, you've seen Greg give you the cost of water, which is between \$5.50 and \$6 per thousand gallons treated in the system. I believe that carrizo-wilcox water can be delivered to the manor tank for about \$3.50 a thousand gallons, treated, ready to go, put into the system. >> Mayor Adler: How does that cost relate to the cost of water that we've got?

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>> That was a little bit of apples and Oranges. We had been talking acre feet and you switched over to gallons. So I don't have any perspective. Greg can comment on that. >> Greg can correct me if I'm wrong. The cost of water delivered to a house within the Austin system today is somewhere between \$5.50 and \$6 per thousand gallons. I believe that's correct. >> Yes, if you take our average costs, that would be about correct. We haven't calculated in any detail whatsoever like the cost of an alternative water supply from the groundwater systems. There's many factors to work through on those kind of cost issues, even compatibility between our two systems, our systems essentially has been lime softening, it's very sensitive to ph values and other things. There would be a lot of work to do to develop a cost comparison. >> Mayor Adler: I look forward to our public utilities committee diving into that and figuring that out for the rest of us. Thank you very. >> Greg is correct, but we need to start on it. Thank you. >> Mayor Adler: Yes, sir. >> Houston: So I may have a question for Mr. Beal about -- >> Mayor Adler: Mr. Beal, hang on one second. >> Houston: Thank you so much for coming. I have a question about using the carrizo-wilcox aquifer for our extra supply. What do. [Lapse in audio]. >> There is a discussion earlier about whether the aquifer does recharge and it does. It is unknown at this point the total amount of water that could be taken from the aquifer and utilized in other places. We do know that San Antonio is going to be delivering 50,000-acre feet from Burleson county, which is in the same aquifer, down to

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San Antonio. My suggestion would be that since there is so much water there, the attorney that was here, Paul, indicated that the total amount of water is some 400 million-acre feet. There's a tremendous amount of water there. We won't know until systems are put in, and we see how the aquifer reacts. I do know when I did work for alcoa with a a number of years ago when we dewatered the mining facilities there, we would pump 35,000-acre feet per year and there would be no draw down in the area around those mines. >> Mayor Adler: Mr. Beal, thank you. David foster with clean water action. And then Mr. Lazarus, I will ask you to close in case you want to respond to anything that you've heard. And then I have a couple of housecleaning matters before we run out. >> Thank you, mayor and councilmembers. I

want to begin by thanking each councilmember and your staff for agreeing to meet with me and other folks on the water commission to talk about these issues. I want to thank councilmember tovo for her leadership last year in getting the taskforce start and once again for insisting that restart. I think it's a topic for you to consider at your business meeting tomorrow. I hope you will move ahead with that. I'm here primarily to speak on behalf of those recommendations of the taskforce. In particular I think it's important that we move forward with this integrated water resources planning process. For me that means bringing in outside consulting. We need to make sure that the consultant we hire has expertise in these creative, innovative approaches that they spoke to so eloquently. I also think it's important that this consultant not be answerable to anybody other than the city manager and the city council. I think part of the rationale for doing this is to bring the city departments out of their respective silos, Austin water or watershed protection, Austin energy and the neighborhood planning folks as well. So that we can think holistically about water. And I think a lot of our departments deserve a lot of

[11:35:28 AM]

credit. My hat's off to Austin water for helping with the conservation programs. I think we are seeing the emergence of conservation here in Austin. I think the utility deserves some of the credit for that, just as water protection is doing great things on storm water management, but even with that said I think this is a bigger task than one any department is capable of supervising on its own. I think part of the mission of the taskforce will be to make sure that the rfq was written in a way that gets us there and I encourage you guys to stay on top of that as well. I want to say a couple of things on conservation and the perceived notion that conservation is making people's water rates go up. I don't think that's it at all. For me it's supply and demand. We have a diminishing supply and an increasing population and water is going to get more expensive no matter what we do. The question is can we minimize those cost impacts, those increases. And I think that's the message we need to get out there. I would ask you to help us with that. All too often you read in the press and sometimes even appointed officials or elected officials say conservation is driving cost of my water up. That's simply not the case. I also think there's a deeper conversation to have about the cost of service. It may be that the average cost of service is \$5.50 per thousand gallons or whatever that number was, but I don't think it's the households that are using the least water that are driving the average cost of conservation. We didn't build a new water treatment plant to serve the needs of people who use 2,000 gallons or 5,000 gallons a month. It was sized on the perceived notion that for the folks who use much more amounts of water and I don't think it's fair to expect every customer class to expect to pay the average cost of service. I also believe that we can actually get at how much water we need to essential needs. And I think it's imperative as we move ahead with our rate structures and I like the architecture of Austin water's rate structure, that we keep the rate so that the rates are inexpensive. I could talk more about

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Numbers. There are Numbers out there, but that's the end of my time so thank you very much. >>

Mayor Adler: Mr. Foster, thank you very much. Any questions? Thank you. Greg, do you have anything else that you wanted to -- >> No, my head is filled up and probably y'all are too. I think it was a good

discussion toyed and I think we'll -- today and I think we'll leave it at that for now. >> Mayor Adler: I think that as a group we're going to gear back up at 3:00. So we have a break and then we'll do the next session. I have completed my list of nominees for committees. They were just delivered to your office and we're posting them on the bulletin board. So you might want to go ahead and check those. When we reconvene this afternoon, there's some people that have indicated they would rather move up to the dais than sitting here. Some people are uncomfortable sitting here. I thought we'd just take a quick vote as to where people would rather be. The question is do we move back to the dais or stay here? >> Not only are comfort level, but also I notice as you put six people here they were very, very crowded. So if we move up that there would allow you to spread out a little bit for our guests. >> Renteria: A and I'm on this little plug here and I have a Matt that my chair won't move. I'm stuck here. [Laughter] >> Mayor Adler: I would say unless someone has an objection we'll move to the dais. Does anyone have a objection? >> Zimmerman: The problem I have is there are fans above our desk and it's harder to hear. It's easier to hear down here for me. >> Tovo: I'll agree. I think in the past this has worked really well when we're having a council discussion and I've been an advocate for doing it when we're mostly discussing because I think it fosters discussion, but I completely agree because we're doing so many presentations that it makes sense to move back. If we are doing discussions at some point I hope we will pick out a way to make this structure work. >> Mayor Adler: Those who

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would like to go to the dais raise your hand. Those who want to stay here? Either this afternoon or at the next session, whatever works, if you would move us back up to there that would be great. All right. We'll be back down here at 3:00. So we will recess today's meeting until 3:00.

[3:12:23 PM]

The

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>> We ready? We're going to go ahead and start. I want to thank you all for coming. These were last-minute, and to show up to help us, I appreciate just again, to go through what we had talked about earlier. If we were going to have a real conversation on transportation, we really need to put aside a week, not two hours. So in some respects, people are finding these sessions helpful when they identify for us issues that we're probably going to run into to help us get sensitized to the contr controversies that we're about to face and to give us historical background, really, only as necessary to help us be able to resolve the things that we need to resolve. I think that's what people are most appreciative for. It's good for us to generally get a feel for what those issues are. We all leave here a little unsatisfied because there wasn't enough time to even learn those issues. So we have identified just several questions that we'll have people go ahead and talk about. But before we do, by way of quick house cleaning, you know, we started this morning down there, and we are just now, two hours later, up here. And to those of us up here, it might seem to be a very seamless thing to move from down there to

up here, but it is not a seamless thing to do. It is an incredibly involved thing to do. And I didn't have an expectation that we would actually be up here for this afternoon, knowing how much is involved in getting us from one place to another. And because we've had so much support with respect to that technology, I just want to take a second and thank Jeanette Goodall and her

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staff, here team, specifically Kay, and Paul rin and Steven Moore and Gary ludecky from ctm that helped us with Mac Bryant and staff cook and Ted strip ling. Thank you, Joe lev amario Sanchez from building services. Maria, ava Villareal and the rest of the atxn staff and americana Rios from the clerk's office. You guys have just been amazing for us. I know that we've been moving people here and there and yonder and you just collectively have been great. So on behalf of those of us on the dais, I just want to say thank you. >> Mayor Adler: We're going to go ahead and go into the policy workshop with transportation. We're going to start with rob spieler, director of Austin's transportation department Jo joined by Greg maltech the assistant director -- district engineer for txdot in our area. And we set the clock at about 10 minutes. So tell us everything there is to know in the world in the next 10 minutes. >> That's right. I will sound like the chipmunks talking here so quickly. Mayor and council, thank you for this opportunity. We decided to stand here because we're kind of behind the podium, it is not an effort to invite everybody to sand here. I think we're the only ones hidden by the podium down here. I'm rob spiller, your director of for the Austin transportation department. I want to give you a little background about how bad the problem is here in Austin in terms of congestion. We all experience that every day. Everybody asks me, so rob, are you stuck in the same congestion as we are. I tend to say yes, I am stuck

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in the same congestion and frustrated by the same levels of low transportation as possible. Atd stands for Austin transportation department, in case a use that acronym anywhere in the presentation. If I could have the presentation right now, I would like to go through that. >> Mayor Adler: Can you point the microphone or bring it up closer to you. >> I will do the best I can, how is that? >> Mayor Adler: That's great. >> I want to talk about Austin mobility and where we stand today in January 2015. Please council members, if I need to speak louder, let me know, I am happy to do so. Give me the thumbs up. Where do we stand today? We know congestion is bad. In fact, in the Austin area we're home to the 12 of the test 100 most congested roadways in the state of Texas. Those range from I 35 being the worst. It trades with interstate in Houston as the second worst in the state of Texas. All of these in red on this slide here are listed as state roadways, you may be surprised to find out south first and south congress are still listed as state roadways, that's an anomaly of the ownership, but still make it into the top 100 most congested roadways in the state. That is important, because many of our major arterials are state roadways that the city coordinates with txdot, my partner here from the local Austin district to manage and improve on a daily basis. You probably heard the statistic that Austin is one of the four most worst congested cities in the Texas based on Texas transportation institute data. That is based on how many miles of freeway we have congested at any one time. I will remind you, that equation is affected by the fact that we don't have a lot of freeway compared to places like Houston and San Antonio that have

loops and rings and

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radial routes. Nobody is denying that we are congested. I think what's most important is to figure out, well, what is causing congestion? We have to admit to ourselves that our rapid growth rate is certainly causing congestion. Everybody kind of wants to be here in Austin, and therefore, it's congested. It is kind of a yogi bear statement, everybody wants to be here, so it's crowded. That is the issue. This is a dynamic place with lots of business activity going on. That is driving a lot of activity. We know Texas is one of the fastest if not the fastest growing state in the union and Austin is the major city in the state growing the fastest. As people move to this region, many of the jobs remain in our central core, so that daily influx of trips in and out of our central core is a major issue in terms of driving the traffic. But there is other issues. Many of the major routes in and out of the city are congested and constrained. I-35, when I talk about constraints, I like to point out up at the university of Texas where we have cemeteries on the east curve, football field practice fields on the west curve, if you will, that is a major challenge when we think about what can we do to enlarge or expand the capacity of the existing facilities. Many people ask why can't we do like we did in Houston and build the Katy freeway. That redistributes traffic between four different freeway loops. Not just beltway eight, 610 interfreeway loop around downtown. We have none of the loops. Adding a lot more capacity to major facilities coming in and out of the central core wouldn't help because we can't redistribute the traffic directly into and out of the city, one of the major challenges we have in downtown, in fact, is loading our two major facilities that happen to go by downtown

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Austin. We also have concerned out in the outer part of the network, both at the local street network and the regional freeway system. We have disconnected networks. In our neighborhood streets we have neighborhood streets that were intended to be put all the way through, but they don't exist. As I said the other day. What that does is concentrate traffic on to the remaining arterials or collector streets. This is a picture of brush country in southwest Austin, where people can't get between two pieces of the grid because of missing pieces. We have the same issue on major regional facilities. I-35, the interchange up north, only two directional ramps fully connected ramps. We're missing what now is becoming the most important connection, and that's that southbound from the north -- southbound to east to move between that extra facility that may soon be built by the regional mobility authority, so we have disconnected networks. So how do we fix it? This has really been the Austin transportation department's strategy for the last six years. I point out six years because that is about when we were formed, seven years ago. We didn't have a transportation department here at the city. That was part of public works, and a number of other departments. But realizing that transportation was a major emerging issue, our city manager decided that we needed a department that could wholly focus on the operations of our system. So our approach has been to simultaneously invest in completing the network in the outer portions where we can. Obviously, there is missing interchanges, we made investments in the Wyatt oak hill, Ben white and mopac with txdot and regional authority who you will hear about in a 2 to

build roadways in the 183 and 290 corridor.

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We have also been investing or looking to invest in modes of travel that focus on moving people in and out of our core employment. It happens to be that downtown is our core employment. We're looking for modes to carry lots of people through existing constrained roadways. The intersection of old fourth and south first something getting bigger. How can we move more people through the intersection to get people in and out. We know that is a major transit corridor and that's what we're focusing on to move people in. Lastly, we're focused on changing people's travel behaviors, getting them to think about how they travel differently. You see investments when people get to town first, maybe by car or transit, they have another way to get around that town or telecommuting. So this actually is an interesting sign. A billboard that is out in oak hill. How do you manage our trip from oak hill? The fast fiber that we're putting in right now, both throughout our community will improve our ability to telecommute and do business by something other than the private automobile or transit or even making the trip at all. So we have been thinking about the ultra fast fiber networks as a transportation solution as well. We've also been focused on efficiency. And so we have been working with txdot to make transit move faster. We're working with friends at capital metro and lone star rail to implement project connect to bring more people in and out of the central core. I point out that talks about high capacity transit, whether it is bus rail, express lanes with bus on it so we're talking about moving most people in and out of the core out to the suburban communities that ring the city of Austin.

[3:27:41 PM]

So who are our partner agencies? I want to make sure you understand the city of Austin only plays one part of the puzzle in terms of the transportation. Organization called campo, capital area metropolitan planning organization does the regional planning. They're actually responsible for a six-county area. We have Ashby here to talk about that. He will make a presentation on that. And these blue lines are projects on 360, 620 and I-35 project and projects to the east. We have lone star -- excuse me. Central Texas regional mobility authority, which is bringing managed capacity to our region. You know that they're currently building the mopac north project. They're also working on projects on 183 both south as well as north. They recently opened up the 290 toll road and looking at practicals in -- projects in the Y and 45 southwest portion of the community. Cap metro, they're deploying capacity on the red line and on Lamar, south congress, Burnett and north Lamar. Metro rapid lines as well as looking at potential long-term investments in the north corridor as well as others. L star is lone star rail district, is working on a project that would connect San Antonio to Georgetown through Austin. We think that that would be an area where we received direction from council in the past that we should continue working. [Beep] Lastly, moveability Austin is focused on changing people's travel behavior in the central Austin area. Mr. Mayor, if you would indulge my colleague, for two seconds. He would add on. There you go. Sorry to set you up like that. >> Thanks, rob. Thank you, mayor. Two seconds is all I need.

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I think we can dazzle you all with projects, I think right now from the projects you see up there, the main thing everybody understands is those aren't all funded. So it takes a lot of predevelopment work to see a project get to a point to where plans are developed, it is environmentally cleared and ready to go to bids for contractors. It is something to where, again, we're not where we need to be, we have got corridors that we're working on. We've got individual practicals, but if you look at those projects, they all kind of come together to give those as far as congestion goes, those lanes available to get around Austin. The discussions that we have -- and I think from the years I've worked almost 28 years with txdot. Whereas when I first started out, a lot of it was the department would come in and outline this is what's needed for a community. The administration is working with locals and that's a discussion we constantly have with the city of Austin as to what the transportation needs and projects to be working on. If anything, the discussion that council needs to leave with today is, part of it is not all funded but we're working toward getting the projects ready to where come funding does come available, we're ready to go. So we have the need. We have plenty of work out there, it is just getting everything together. A lot of the things that txdot and city of Austin is working on. So I will leave it at that. >> Mayor Adler: So with respect to money. >> Yes, sir. >> Mayor Adler: A lot of cities all competing for a pool of money. What makes some cities compete better than others? >> Certainly, the first slide that Rob had up there, as far as the amount of congestion.

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And with TTI being a third party has come in and said Austin has heavily congested corridors, so that's one aspect. I think local participation is another thing. I think from the groups that are represented today, the different tools that are being used. The days of a community going before the commission and saying we need this much money to do the project, it is a working partnership to come up and find those practicals -- projects and pay for those projects. Is a combination of things, but it is using every funding tool that we have out there. >> Mr. Mayor, I would also add that I think as a region we lost out on funding in the past because we had many voices as opposed to a unified voice when we went to the federal government regardless if it was a roadway or transit issue. I think that is something we learned over the last several years in the case of working with transit is we needed to have a unified voice. The chamber has been helpful in helping us develop the unified voice. I think that is something that we need to continue to work on. So that we are speaking with one voice so that there is one project that we need funded at a time, as opposed to 10 different voices in the region. I think that hurt us in the past. >> Ms. Houston and Ms. Kitchen. >> Thank you so much for your information. I have a question about the Texas department of transportation. >> Yes, ma'am. >> Is your focus still on roadway building or are you looking into other modes of transportation? >> As far as the Austin district goes, we're focused more on the roadways, but our administration, we have a rail division. We have a public transit division. Our administration -- and that is who kind of works across

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the state. Txdot does have those different modes, but for what I work at, as far as the local district

office, our projects are mainly on road projects. >> Houston: As a person that works on roadways, but believes in a lot of modalities. I hope we should think of it in a broader sense rather than specific roadways. >> I think working with the city, that is a lot with the local needs. >> If I may, for better or worse in this region we have divided up responsibilities for the different transportation elements, whether they be transit, highway, arterials, roads, toll roads, et cetera. Hopefully by the end of the presentation, you get a sense that the regional agencies are actually working hand in hand to move that total portfolio forward. So even though Greg is focused primarily on roads, we know we have a partner in cap metro to talk about transit in the -- and the city has been voicing that same commitment, council member Houston. >> Mayor Adler: Ms. Kitchen. >> Kitchen: Along the lines to follow-up on what council member Houston was mentioning, this is from the city's perspective, I think. When we talk about pedestrian, bicycle, sidewalks, those kinds of things, can you speak how it fits into the overall picture. That would be from the city perspective instead of the other agencies, correct? >> Sure. Well, bicycles, pedestrians are absolutely part of the portfolio. We believe that in any given trip, a person regardless of what mode they use is a pedestrian, whether walking to their bike or walking to transit or parking their car

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and walking somewhere. We see that as a very viable part of the overall transportation package. So we try to advocate on behalf of making sure that we're building complete facilities so that when we're remodeling mopac, for instance, loop 1, that we are providing adequate bicycle facilities where we can, we're thinking about transit so when we build express lanes, one of the biggest supporters to make sure transit is included in that design capability. So we have a new program called active transportation within the transportation department. Meaning that using your physical body to travel, whether that be pedestrian or bicycle. That is new this year. Bicycle program used to be in public works. So moving over to transportation, we're integrating that much more holistically in the program and trying to deal with the total transportation when we're thinking about a local street or working with txdot or regional mobility authority or cap metro making sure their buses and trains can handle a variety of activities. >> Kitchen: Thank you, one quick follow-up. Do you have a thought on how that plays into the congestion relief? When I say "That" I mean pedestrian, bicycle specifically. I know we will talk more about transit, but more from a pedestrian and bicycle standpoint, what's your thought on how that plays into relieving congestion? >> Bicycle and pedestrian affect short trips. We know trips under three miles are prime candidates for bicycle and pedestrian-type trips. I just renewed my B sk cycle and I realized I saved 63 miles with these little short trips.

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We're smart enough to know most won't ride from Georgetown to downtown on a bicycle. But will that same person ride around the corner to the corner store or ride a bike to the restaurant or will they walk to the post office box or something like that? That's what I think we're trying to do. In terms of congestion, hopefully people will tell Ya', it will be hard to solve congestion. Solving it is up to debate but we can give short trips and make them more reliable. Where the short trips near downtown are

predominant, we're reaching mode shifts, what percent use bikes or pedestrian that rival transit in some cases, 3% and 4% of census tracts are walking or biking. That's exceptional, because for some of us who make longer trips, that means that person is out of our way on that limited right-of-way. Hopefully I answered that. >> Mayor Adler: Go ahead. Ms. Gallo. >> Gallo: Thank you for being here. When I looked at your last slide, which was the partner agencies, I don't know if you can put that back up or not, but, you know, it's really obvious that we're focusing a great deal on northwest -- on north-south roadways. My question is: Are we focusing enough on our east-west roadways and the congestion on those? I think of district 10 and I think of 2222 northland keen ig, spicewood springs moback and west lake drive people use to get from downtown to the 360 area. So from a planning standpoint and a relief of congestion for the future, are we focusing enough on east-west or do we need to direct more attention to those roadways? >> Well, the slide that you

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saw was a quick review of the projects we think are in process right now. And in fact, bk's road is going under construction right now. Greg can talk about it. We don't have a lot of existing east-west roads that can easily be addressed without causing major impacts. You have mentioned canyon lane. It has been the policy of the past councils -- not the immediate past, but previous councils, that we're not going to extend a freeway across that roadway. So, yes, we're always looking for ways to improve east-west roadways, we just don't have really good options. We have Ben white, 1 seventy-one and across the north end that we traditionally thought of as our new east-west roads here in the central core. I think something else from an operations perspective that is a concern, if we add a new freeway link across there, that has downstream repercussions, if you add new freeway lanes across we have to consider widening mopac to take the demand that gets to mopac. That is a lesson learned from completing the interchanges. The moback and Ben white interchange was an old design. We fixed one problem to find a new problem at William cannon created by the new capacity. I would tell you, it is hard to find more east-west roads, not that there isn't a desire. >> For instance, 2022. I'm talking between 620 and 360. That is a good example of looking at different things to do. The issue is we have a pretty narrow right-of-way. We're limited on what we can do. It is not just adding a lane

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without affecting businesses. There is operational improvements that we're working on. As far as -- I'm blanking out on the street. But the high school out there on 2222 will be adding a dual left -- river place, thank you. No pressure up here. But we'll be adding a dual lane for river place to get to the high school this summer. But there is operational improv improvements. Overall, we're doing an outreach to the public for 620. That involved 2222. So it is things to where we see what we need. Again, but in a lot of the corridors up there, we're limited because of the right-of-way and how it's developed. So we're going to have to come up with something else. >> Mr. Miller as director of transportation, let me ask you a land planning question. >> Sure. >> There are applications coming to the city to develop particular pieces of property. When the property is being developed there is an investigation to see what the traffic impact is in the development of that tract. Any one development of any one tract may not move

the needle very much. Cumulatively, all the tracks move the needle. On any of the projects -- not any -- on most of the projects that are coming, it is a valid concern for people in the area who say that I don't want -- I don't know that I want more development in this area of the city because it is congested, because it is congested everywhere. On a planning perspective we have to weigh that the city is growing, people are coming in. We need to build more things, at the same time we hear a lot of voices that are saying the cumulative impact of this is bearing us down. The practice has been to use traffic impact analysis or

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to see if it will cause that intersection to fail. People are allowed to build so long as their project doesn't cause that area intersection to fail. At the same time, it is looking at that project, again, not at the cumulative level of projects. If you are sitting up here as city council person, no longer director of transportation, and you're trying to weigh that from a planning perspective, how do you do that? >> You have got a hard job, another complicating factor. 2222 and 620 is an example. Much of the development that is causing the problem is outside of our jurisdiction in Lakeway and outside 71. So being the central city, this is an issue that many central cities face is that you have a historically constructed network, you know, old roads that were built and you have more development further out still needing to get to the central location. So I think that is a challenge. My understanding is that at least in the tex, that transportation is not a useful tool to stop development from occurring. And so I don't know that I have a good answer for you. Especially when a good amount is occurring outside of our responsibility and there is many that say they would like a job-housing balance. The chamber is good as they bring new businesses in town to equally put them in Georgetown and Pflugerville to get back commuting. It is not always locating in Austin. But Austin has a really good product to sell right now in terms of land use, downtown activities and neighborhoods. And that's what the new creative class is craving, I think. So I know my kids don't want to live in the suburbs. They want to live downtown. I don't know how you shut that down. So ... >>

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>> Mayor Adler: Ok. Ms. Houston. >> Houston: Thank you for that explanation about east to west activity and thank you council member Gallo for bringing that up. Because east-west connectivity is an issue too. Nine 69, no 73, Maynard road to 290. There is never any indication that that is considered in any of the plans I've seen so far. I'll talk about the green line when we get to capital metro. But our 969 is clogged every day for people trying to get in because we have pushed them outside of the city, trying to get in from Bastrop and environs beyond to get in the city. When will those connectivity issues be taken care of -- be looked at? And the second part is the cumulative traffic is not just for large arterials but for neighborhood streets. So when does that cumulative effect about what a project will do to something like Springdale road that is already congested, when will that be taken into consideration? >> Council member, I can offer a couple of things. Number one, we completed corridor plans for Martin Luther King boulevard 969 and Airport boulevard out to the east side. 71, there is currently a project right now, 71 Express that TxDOT just kicked off to benefit the Bastrop sort of community, the far east

side, if you will. I think there are projects looking at east-west connectivity. In terms of the development impacts, I think one of the challenges is that you're right, traffic impact analyses only look at projects that generate about 2,000 trips a day. That is a pretty high bar. We acknowledge that. I think that is something council will want to look at, as we go forward, how to maybe

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lower that bar and capture more of the developments that are in the pipeline to make sure we understand what the traffic impacts are and therefore perhaps generate a fair amount of participation in terms of transportation facilities. So ... >> Mayor Adler: Ok, Ms. Pool. >> Pool: There is another way I would like to slice the conversation about traffic and congestion. I think in the '90s, it was, I think we were looking at the intersection of fifth and sixth and Lamar. There was a concern about the traffic congestion. So the question became with the merchants in the west end alliance, if we were going to shoot people past their businesses, if the goal was the move people out of downtown fast, then the chance that they would stop and shop would be reduced. So the tension for policymakers was between are we trying to empty out downtown quickly to get people to I-35 or mopac, or are we -- how do we balance that with also trying to support the small Lowell businesses, school district, administration building, any business that happens to be built along the major thoroughfares. I know that tension -- those two issues just ended with, I guess we made the intersection timing on the lights better. But we didn't do an underpass or flyover either. Because I guess, the city felt like it was either too expensive or the idea was we did want people to slow down or maybe take their time because it is safer, rather than trying to expedite people's escape from downtown. >> Thank you council member? >> Pool: Do you remember that? >> Yi wasn't here, but it is a

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conversation that we continue today. What we are talking about is potentially grade separating those two intersections. The two intersections, fourth and fifth and sixth are two of the most critical intersections in the downtown system and actually impact the rest of the network, if you will. And another proposal is to simply prohibit left turns during the peak period there, making people sort of do a poor man's clover leaf by going around the block to make the various turns. I think those discussions are ongoing. I think we find, in an urban area, if you talk about transportation fixes, if you will, winners and losers, people that like it and don't like it. We're left in the difficult position of bringing something to council to balance the issues one way or another. Those will continue. >> Mr. Mayor, not to cut this debate off, but there is an mpo meeting tonight, I know a couple of our members here need to attend that mpo meeting. I'm happy to stay around and answer questions well afterwards, if that would help, I would just make you aware at least two people need to go right at 5:30. >> And we have a hard stop at 5:30. >> I don't know what mpo is. >> The campo. >> >> Mayor Adler: We have a hard stop at 5:30 tonight because we give up the dais to the board of adjustments. >> I mean no disrespect. I want to answer whatever questions happen. >> . >> Mayor Adler: Are we ready? >> Just for later. People have flooded my office with questions about why the 1-way streets downtown. At some point, probably not now, that needs to be addressed. They don't -- it's not -- can't speed because it is congested, so we don't understand what the

rationale is. >> Absolutely. >> Mayor Adler: Ms. Kitchen?

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>> Kitchen: I'd like to have a little more conversation about funding. >> Absolutely. >> Kitchen: And particularly about, my understanding is there are thoughts happening at the capitol. Maybe a few things and I WOU wouldic -- I would like to understand where we're at. If there is time, we can get back to that later. >> Mayor Adler: Maybe Mr. Johnson, when you are talking, talk about funding too, when we get to you. Go ahead and next question with what's causing congestion, may be Se self-apparent but what can we do about it. So Mr. Martin, with the chamber lead us off on that. >> Good afternoon mayor, mayor pro tem honorable members of council, thank you for the opportunity to speak this afternoon. I'm Jeremy martin for the Austin chamber of commerce. For your reference I provided the two most recent mobility reports. They should be at your place. Most of what I am presenting from today comes from the two reports. If you go back in time to any points in the past, the top two issues were jobs, education, traffic. Traffic has constantly been an issue facing our businesses and our traffic challenges did not happen overnight. Neither did our region's insufficient action to address those challenges. We can debate the merits of one project or another, two things remain true. Other cities have built their transportation networks as mentioned previously, we have continued to debate rather than have a unified voice for the transportation improvements. As a time, as you mentioned mayor, with funding, developing transportation right now is at the most expensive. Available resources today are at relatively low levels. And a lot of that funding comes from two primary sources. And those sources have been

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stagnant for decades. The federal gas tax and the state gas tax those two rates have remained unchanged for 20 years. And funding continues to be a challenge to address our most expensive projects that we're struggling with right now. So let's look at the presentation, please. >> What you see on the images to the left are the depiction on the right and where jobs are located. We are a low-density sprawling city with people coming from all over the region to our major job centers. To put it very simply, we have traffic because demand far exceeds our supply. Our existing capacity to get from point a to point B. Especially at rush hour, in particular, the evening rush hour. What you see on the chart in front of you is when is traffic at its worst? When do we have the most hours of delay, or most congestion? Evening rush hour. But traffic is not confined to just one road or one part of town, as Mr. Spiller showed previously, the map on the left is the top list of congested road segments for the most recent year, 2014, as put forward by txdot. But as measured over the last five years, what you see on the right, each of those corridors has shown up on txdot's top 100 lists at some point between 2010 and 2014. Traffic is all over the city. It doesn't matter if you are east, west, north, south, central, traffic is everywhere. And each of those segments have shown up in the top hundred at some point in the last five years.

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And when you compare Austin to other cities our size, traffic is getting worse here faster. One metric for traffic congestion is the travel time index. There are multiple metrics, but what the travel time index measures is on a percentage basis, how much more time do you spend during rush hour making that trip than you would outside of rush hour? And what you see, the Austin travel time index has grown at a faster rate than it has other cities our size. Reference, travel time index of 1.3 means a 30-minute trip during rush hour would be 30% longer or 39 minutes. And we engage the Texas A&M travel and transportation institute as Mr. Spiller referenced before to do a study for us, what can we do to reduce traffic? How can we make traffic better in the future than it is today? And what they measured is if we do nothing over the next 20 years, rather than a travel time index of 1.3, that travel time index becomes 2.17. To be put in simple terms that trip on average anywhere in the roadway system would be like I-35 at evening rush hour. And doing nothing is not an option from the chamber's perspective. So what this graph shows is a series of strategies to lower that travel time index. We asked the Texas A&M transportation institute to model for us the various strategies to achieve less traffic in the future. And so as I mentioned, as a baseline, if we didn't do anything, what would that traffic look like? That's the top 2.17 number. Traffic would be -- that trip would be 117% longer during rush hour than it would be at

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any other time of the day. If we built everything in our campo 2035 plan, traffic is better than the baseline, but it is still worse than today. That is the 1.79 figure. Rather than a trip being 30% longer, it is 79% longer. What tti did for us was model various other scenarios, what would it take to reduce traffic? And this is a model. This is a series of scenarios to get to the answer of what would traffic be like if we had more telecommuting? If we had more flexible schedules? If we had more use of transit and different land use patterns? Remember that this is just a model of different scenarios. If we did less of one strategy we have to do more of another strategy. And so this final slide gives a summary of those scenarios of what would it take to reduce traffic? Compared to our baseline of today? Compared to the late line projection of the future. And one thing to note is the low-hanging fruit isn't there. Many companies have adopted telecommuting strategies. Many companies have the mobile workforce. Many companies have flexible scheduling. We are communicating to our members the benefits of adopting these strategies not only for traffic reduction, but also the workforce benefits that come with it. But that's not a silver bullet, there is no one strategy that solves all of this. If we maximize the benefit of those alternative strategies, there is more than we have to do. Whether it's changing the campo plan to do more in terms of additional capacity or amending our land use policies so that people have greater proximity to the uses that they use every day, such as

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home to work, home to school, home to shopping trip. But one thing is true, to have less traffic, something must change. We need more funding for pro projects, and I'd be happy to engage in the funding discussion to talk about the chamber's advocacy at the state and federal levels to be updated. This is a snapshot of what we can do short-term and longer term to reduce traffic. The less we do of one, the more we have to do of another. It's not one will solve it all. It's what combination will we

pursue together to get less traffic. And with that, I yield. >> Mayor Adler: Sure, Mr. Zimmerman. >> Zimmerman: Thank you, Mr. Martin for that. I was following along I believe in the book. I want to refer to the 2013 mobility report from Austin chamber. And I want to direct your attention to page 3 at the bottom left column and I want to read from this report. Mayor Leffingwell and our city leaders are working towards a November bond election that will add the next elements of our transit system. We need to support their efforts and make sure state and federal governments pay their fair share. We're talking about the urban rail and it's almost a elephant in the room at this point. My constituents out in district 6 voted against it by a margin of more than two to one. And that urban rail election underscores what a lot of the suburbs see as tone deafness from the planners. And we were astonished that the city council could vote unanimously on a rail plan that was very expensive and provided absolutely no congestion relief at all and our constituents were just

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astonished, how could this happen? So since we've started here I've been eager to get on the traffic issue, but I've been confronted with all kinds of matters that have nothing to do with congestion relief. In fact, coming up in a couple of days we have subsidized housing. It's more dense housing projects that are being subsidized by taxpayers that would make the problems even worse. So even after that resounding defeat of urban rail, I also have lone star rail up here in front of me. And I guess I'm exasperated. The voters spoke. They rejected a rail project in 2000. Here's another one that was rejected by a larger margin. And I keep getting chamber reports telling me to support rail. And I guess I'm exasperated. I need some help. Can you help me with this? >> I would be glad to. Thank you, councilmember Zimmerman. First, this was the 2013 mobility report and that letter was provided by our chairman prior to the election. And the Austin chamber board of directors did support the city mobility proposition. And we as a community had that decision and the voters said no. So we still need to take action and we still need to address congestion. And as printed before, there are -- as presented before, there are many strategies to address congestion, including the expansion of capacity as presented in the long range campo plan, but as I said before, it is just a model and that gives us a glimpse as to what traffic could look like if we build everything that we are projected to afford within our existing funding. There's more to do, and we need to take care of traffic. Urban rail was not supported by the voters, but we need to move on. >> Zimmerman: A very quick follow-up, though.

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It's common sense that if you have a policy that causes densification, when you create density in the urban core, when you subsidize high density housing you really are creating congestion. When you pack more and more people in to, you know, an acre of land, when you pack people into hi-rise buildings where they can only barely afford to rent, that creates a congestion problem. And when that congestion problem exists, then you propose a solution which would be a rail or subway or something. So I just want everybody to take a step back pollices and say look, a densification creates congestion. So it's not smart to try to solve a problem by creating a problem. I'd like to see people go back and revisit these ideas of dense cores, dense areas connected by rail because I don't think it's going to work. But we'll

hear more from the other panelists. I wanted to put that out that maybe the whole policy is wrong. >> Mayor Adler: I have a question about flex that you have. In the chart that you have, you had it taking 46,000 commuters out. Was that a 2035 number? Does that compare to the 400 commuters at that time or is that 46,000 out of the 200,000 that we have now? Do you know? >> Yes. So what the campo 2035 plan projected was an additional 400,000 commuter trips during rush hour in the future. So of those 400,000 trips, if we were to reduce by flexible scheduling that 46,000 number of trips, then it would have the effect of reducing traffic, reducing congestion, so it's out of those additional trips. >> Mayor Adler: Okay. Is it realistic -- I guess with the 200 trips we have now, if you keep that same ratio it would be 25,000

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commuters that would come out. So that realistic? Is that something that -- that almost seems to be a question of just community willingness -- and the value in this city and people are courage to do it. -- Encouraged to do it. Is that realistic and on would it have an impact? >> These are certainly ambitious goals to achieve that reduction. And I agree with your characterization that it would require community will. Austin is already a leader in terms of telecommuting around working at home compared to other peer regions, but if we didn't achieve that goal, then without additional capacity the reduction in trips would have to be accomplished another way or we would continue the problem that we have today. We have traffic. Without a change in funding or a change in policy, we'll continue to have traffic and it only gets worse. >> Mayor Adler: Oh, I know that's long-term. People also asking us what we can do quickly or more immediately, and that seems to be one of the things that if it was real and not an imaginary kind of thing. If it was real it seems like something that we could actually do and do now. Ms. Kitchen. >> Kitchen: I'd like to follow up on that a little bit. What are we doing to encourage telecommuting? And what are best practices in other cities to encourage telecommuting? Do we have some information about that? >> Mayor Adler: -- >> Mayor my, if I could, I just read an article that said Austin was the number one city for telecommuting and that was exciting.

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And as we invest in the tell will commuting techniques I think that will expand the availability of telecommuting. The city has also partnered with an organization that I think you will hear about afterwards called mobility Austin, which is a transportation management association, it's a voluntary organization downtown that works with specific companies to try new ways of getting out of reliance on the commuting. Things like making parking cost what it really does provide, to provide. Helps people make better economic decisions about driving or parking. Making sure that people see the full cost of what their decisions are. Certainly it helps people make better decisions. So I think there's a variety of things that we're working with both the mpo as well as the chamber, to get more people telecommuting. >> Kitchen: I was just curious whether there was anything in particular we were doing with businesses in the form of incentives. >> I'm on not sure so much of incentives, but certainly in terms of the downtown management association, working -- which is moveability Austin, by the way. Working directly with our large employers to get them to do something different. Some of our largest

employers have a very large telecommuting capability or portfolio that either workers work remotely. So as we continue to invest in these fiber-optics as a community and make them available to more and more folks, I think that will become that much more useful. >> Kitchen: It might be interesting also for our more mid size or smaller businesses because most of our businesses are smaller businesses and, you know, their needs might be different in terms of the ability to support or encourage. So I think we should be thinking about that too. >> Absolutely. I think we have to expand our definition of demand management. It's not just telecommuting. Simply shifting work hours out of the peak period makes

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a huge difference because Austin really has a peak period problem as Jeremy's slide shows. In fact, if you shift just by 30 minutes or even an hour, or roads get remarkably easier to drive. Not all of them, but many of them do. And much more reliable. Even just shifting out of that peak period can make a huge difference. So for jobs like mechanics, jobs that can't telecommute, obviously shifting to a -- shift to go a different time spectrum works. And specifically with respect to what the chamber is doing, Ms. Kitchen, as part of the rollout of this report we distributed information on some of those best practices by strategy to our members through our website, through our social media tools. And as Mr. Spillar referenced, we partnered with the city, capital metro, moveability Austin, with mobility week to encourage employers to make that commitment of adopting some of these strategies to shift or reduce demand on the system during peak hours. And with the adoption of a greater fiber infrastructure we've distributed information on what our major telecom providers are doing to get that -- those tools to our members to enhance the use of their existing service and provide additional options for their mobile workforce. >> Mayor Adler: Okay. Thank you. And I've been advised that we all need to speak up a little bit so that people can hear. Ms. Watson, CEO of capital metro, what do you think we can do going forward to help with transportation needs? >> Well, thank you, mayor. And councilmembers. >> Mayor Adler: Can you point that a little closer -- move it closer. >> Is that better? >> Mayor Adler: That's much better. Thank you. >> Thank you, mayor and councilmembers for having us here today. I'm not only excited to be here, but excited to work with you in the future. We have great opportunities,

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I think, ahead of us. I'm going to talk a little bit about capital metro. I have a slide presentation, very brief slide presentation. To give you a little bit of high level background about capital metro and then talk about briefly the problem, the plan and then the ask, which is the ask of city council. Oh, I do this, I'm sorry. This year is capital metro's 30th year anniversary, and we also have a board member that's made up of eight members and it's a MIX of elected officials, business and community leaders, and they are appointed from various jurisdictions throughout our service area. And that is specifically prescribed by our enabling legislation. Even though there are only eight cities in our service area, capital metro is working with several communities outside of our service area on transit plans as we speak. And I'm hopeful that in the near future we will be able to look at transit services in some of the non-capital metro related service area. We provide about 108,000 trips everyday on our transit service. The problem we have is that we have been depending too much -- we've been depending too much on just

one mode of travel, and the solution, we believe, is to better diversify our travel. Capital metro can play a key role in this effort, and we also see it as an opportunity for another one of the big challenges of this community, and that's

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affordability. As you know, transportation and housing costs are the two highest costs in a household, and if a family can eliminate an automobile from their budget, they can save up to \$9,000 a year just on commuting costs. So we have an opportunity to address both issues at the same time. We love having the partnership that we've had with the city of Austin and some of the things we've been able to do. I believe that the success of transit is critical for -- is critical to this the city council and city support in order to move forward and be successful. Transit is a very key piece of infrastructure in this community, and I see it as our responsibility to not only take care of it, but prioritize and make investments for the future. We have a game plan for the future. We've got a lot more than this, but I wanted to just kind of hit the highlights today. Later this year we will be operating express buses on the mopac managed lanes. The phase one of that from our perspective will be moving existing express services over to this lane. Later we believe that there are other communities like Round Rock and Georgetown who will be looking at using this facility for moving people into this area. This will be a huge advantage for transit. It gets us out of congestion, it gets our transit trips faster. And can go a long ways for moving a lot of people in a small space.

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Also, on our list is work on the metro rail redline. You've probably seen that we received a grant of \$50 million from txdot, and prior to that just over \$11 million from a federal grant to make improvements to this redline. We'll be able to double capacity. Right now it's standing room only during peak. We will also be able to double the frequency between trains. It's about 30 minutes now, and we'll be able to increase that to 15 minutes between trains in addition to that because of track improvements we'll be able to make. We will be able to provide faster trips for those using the service. Also this year will be -- we'll be implementing a major planning effort. This is a planning effort that we do every five years, and we will be collecting significant amount of data that will include demographic, origin destination, travel patterns, major traffic generators, development, and all of those for not only just today, but into the future. We'll also be doing surveys, interviews, focus groups of users and non-users of this system so that we can be looking at reworking the bus system as it is today to take advantage of where the travel demands are and to better serve those for the future. So that's a major effort that we will be undertaking later this year, take pretty close to the full year to get that done. The other thing we'll be doing this year in particular is implementing frequent service networks, which basically means we're going to be adding more frequent service on some of

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our most popular route, most heavily used routes. There is a threshold of 15 minutes for people to

choose to use transit, and our goal overall is to have 15 minute or better service, all day service, in the major corridors, and have smaller circulators in the neighborhoods feeding into these major corridors to better provide trips in the future. Also we'll be continuing to implement the project connect plan as mentioned earlier. This is the regional system plan that was developed over a two year period of time with a lot of stakeholder input. Prior to this we had never had a transit system plan for the region. And that's sort of the umbrella of what you need to talk about before you have planning specific service within the different corridors in this community. So we do have that plan in place now and we'll continue making efforts to implement some of the recommendations in that plan. Also, some of that includes specifically the central corridor. There were 10 subcorridors identified in that corridor planning where transit could be an advantage to this community, so we will continue doing that. And then the last bullet, we know that everyone can't use transit, but our job is to maximize the number of people who can use transit and then make -- and then make the changes that will allow them to use transit.

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And the way to do this is making transit more competitive and convenient. So how can the city council help improve mobility in Austin? We believe there are three areas where your policy actions can make a major difference. First, if you can help us get unstuck. We're stuck in the same traffic that everybody else is. And we're severely affected by this congestion. On average for the last five years our operating speeds have decreased by one percent every year. So it makes it more and more difficult to move through traffic to get people where they need to go. It also increases our operating costs and makes our service less attractive for potential transit users. We've very successfully partnered with the city recently in particular to create transit priority lanes downtown and to also implement transit signal priority in our metro rapid routes. And we would love to build on these successes and do more of this in other areas of the community. Also transit works best in areas where there is more dense development patterns. Transit -- developing projects in transit rich corridors helps move people by having a MIX of uses, designing better transit stops in development that is occurring, and also managing parking so that transit can realize its potential.

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And then last, from a transit perspective, the imagine Austin plan is a very good comprehensive plan. It includes many elements that when implemented will make transit even better and help reduce our auto dependency. So I want to thank you very much for your time. We look forward to working with you in the future. We think our success -- the success of this community relies on being able to move people around this community, and being overly auto dependent is not the solution. We need a MIX of everything. So we think we can do that, get there through partnerships with the people sitting here in this room today and I look forward to working with all of you in order to do that. So thank you very much. >> Mayor Adler: Ms. Troxclair and Ms. Kitchen. >> Troxclair: Thank you. So from my district, which I represent a very suburban area that has significantly less bus service than other parts of the city, but I've heard consistently from people who said if we had a bus route that was close or convenient I would definitely use it. How are the routes -- obviously I know that it's a chicken and egg situation because you

have to have the ridership to justify putting the route there, but at the same time their response is, well, you have to have a route so that I can ride it. So what -- how can I -- what can I tell them? How can they express their interest in having service in their area? When you make changes to the routes, how are those develops? And how can they have input into that decision? >> First of all, I'd love to hear from them.

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Have them contact us and we're more than happy to walk through the process for getting service. But we look at all the key elements that makes a transit system work well, and that's density, demographics, trip patterns. There's a lot of information or data that goes in to that. And we compile that. We do a review of our entire service area and then we have to prioritize where the highest propensity for transit ridership is. So that's how we make decisions. We don't have unlimited resources. We have many constraints. It's no secret that capital metro has been very challenged with our funding in the past. We've made some significant changes where the agency is very stable in terms of its funding. And for the first time in a long time we're getting ready to start adding service, bus service to the community in the most needed places. So it's really prioritized based on the ridership. Just real briefly over the last several years we've done a good job of reducing or eliminating service that was not productive or well used and taking those savings to add service in other areas. So as your area continues to grow, and it is growing very fast, we will be looking more and more for service out there. This study that I referenced that we're going to be doing this year will help us in making those decisions. We'll have lots of meetings in everybody's district to make sure we get lots of feedback from that. And we may have a few things that we might experiment with. If I can give a plug to one of my partners who is in the

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room here today, Joseph crossper with ride scout and our team have been meeting to see if we can come up with some options for your district. More to come on that. I hope I didn't let anything out of the bag, Joseph. But I think there may be some things that we can work on in the more near term rather than long-term. >> Troxclair: One more comic question. For the routes that do exist, with the coming of the managed lanes on south mopac, would you anticipate -- the routes that exist, but maybe have limited trips. I think the one only runs twice a day, but with the managed lane that would allow the buses to get to and from a suburban area a little bit more quickly, would you anticipate increasing the number of trips per day? >> Absolutely. One of the best things about it is we can increase transit service without dramatically increasing cost because you can get a bus into downtown faster, turn it around and do another trip with that same driver and equipment. So it's really more efficient. So I would anticipate that, yes. >> Great. Thank you. >> Mayor Adler: Ms. Kitchen? >> Kitchen: I have a question related to the planning that you referenced a few slides ago. And I think I was seeing where it mentioned central corridor planning. >> Yes. >> Kitchen: Help me understand how planning for the rest of the corridors in the city, like the area that I represent is mid south, and all across the south, which is not part of the central corridor, there are needs for planning. And so how -- how do you plan for those areas and are you planning for those areas? Or is it just the central corridor that the planning addresses? >> I'm glad

you asked that. Give me a chance to clarify what I may have said. We will be doing system planning for our whole service area. And that will be the

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significant data collection throughout the community. So we can look at serving the needs -- where we're serving them now and where we're not serving them. We'll be looking at riders and non-riders and trip patterns, so it will cover all of Austin, all of our service area which is part of Williamson and Travis county. And then once we get to pull that data together and do our analysis, we'll be in a position to prioritize and implement service based on that plan. So we'll continue to do corridor planning, but we're doing it for the whole service area as well. >> Kitchen: I guess maybe I'm not understanding the reference to central corridor planning. So what -- if I'm understanding correctly the central corridor planning refers to a -- a formal planning process that covers the central corridor, right? >> Yes, ma'am. >> Kitchen: Okay. So that's not just for cap metro, right? Is that part of campo or something else? >> That is transit planning. We will be doing transit planning in the central corridor. And when I say central corridor, it's very broadly defined from roughly Koenig down to Ben white, Springdale, mopac. So it's a -- >> Kitchen: That's not south Austin, but go ahead. >> The central corridor is broadly. So we will be doing some study in the central corridor and part of that is most of the trips in this community are to the central corridor, so if we can

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improve movement in and around the central corridor, that's a big advantage. So we're studying that. In addition to that, we're doing what is the third bullet here, reevaluation of the bus network. And that's where we will collect the data, do an analysis and that will be our blueprint for moving forward with service in our whole service area. >> Kitchen: Well, I really applaud that effort to look at the entire bus network. I think that, you know, we're all -- we all dealt a lot with issues around bus access when we were running and I think that -- I hope we can help you take advantage of the fact that we're representing districts as you go and look at evaluating the entire network for 2015 because particularly in terms of reaching out to people and getting input. Hopefully we can partner with you to help you really reach out into the community. >> Thank you for saying that. We have developed a draft plan by district for working with you, your staff, and your constituencies to get input into the buy-ins. We have to have significant public input into anything we do in order to be successful. So we will certainly be working with you and all of the council on that. >> Mayor Adler: You answered the question about having more buses that go out to the far southwest or to the northwest to bring folks in. One of the concerns is if they took a bus to come in, it's -- took a bus to come in it's not easy to move around once they get downtown. People are willing to leave their car but only if they get to the place downtown they can move around. And then I have people that ask me all the time about the old dillo buses. Is there a quick answer to people who come to me and say, so I can move around downtown, where are those

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old dillo buses? >> If we only had a nickel for every time that question was asked. [Laughter]. In fact, that was one of my first questions when I moved to Austin, wow, I can take the dillo because I was living downtown at the time. Part of this effort, the central core planning effort up here will include circulator service in the downtown area. We have good north-south, but very little east-west corridor. The circulator route is definitely on the list. And my hope is that we might be able to do something more short-term versus mid to long-term on something like that. Dillo was probably before its time, some of it was successful, but when the economy hit our sales tax, that was a huge blow to our system. We're so dependent on sales taxes that we had to make some hard choices -- I say we. I wasn't here. Reducing or eliminating dillo was one of them. But I agree with you, mayor, I get that question a lot myself and I promise you it's in the MIX. >> Mayor Adler: All right, thank you. Mr. Johnson, you've taken over campo -- I'm sorry, Ms. Houston, I'm sorry. >> Houston: That's okay. Ms. Watson, first of all I want to thank you for all you have done with capital metro. I remember when you first came in and the difficulty it was in. So thank you so much. I of course have concerns about district 1 and the fact that Harris branch, which has seven neighborhoods and I wish I knew how many house tops they have out there. They ask me all the time, why don't we have any kind of bus service into downtown. And when I ask capital metro I was told they could ride to manor and take the manor express into town. That doesn't make a whole lot of sense to me since we have the density there and the desire there.

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So I'd like you to put Harris branch on your list. And then when you talk about stakeholder input, there have been some changes in the last year that I think the stakeholder was the downtown chamber. Because the people who contact me, who have disabilities, who use the bus to get to amenities such as their bank downtown, the post office which is downtown, and the CVS, which is downtown, now I have to exit the bus on Guadalupe and then walk there or wheel there or then have to walk back to lavaca. So there was some changes made. They think they were for reasons other than making sure that we could move faster that I won't go into here. But they don't think that that's the real reason why they would move from congress over to Guadalupe and lavaca. So when you talk about stakeholder input, it would be important for me to know how you collect that information. Is it from the people that actually ride the bus or is it from the people who don't ride the bus? My last point is, as the mayor said, the issue for me is how do we get people into town and then around town moving them through town. There's no way if a person on Ledesma in district 1 had a job in Samsung, which is also in district 1, that they can get there. There's no connectivity that way. And so that's an issue. And then when we talk about moving people in to town so that they can then have the connectivity throughout town, why is it that we didn't start with the green line, which is already in your portfolio, to move people in from Giddings and manor and Hutto and have stops there and they could move in and connect with the redline. So that is maybe something you don't want to have that conversation now and I'll be

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happy to have it later since we have a hard stop in a few minutes, but that's something I'm drastically interested in is why did we start moving people through town rather than in to town and use the

greenline. >> I'm happy to meet with you at your convenience on this. >> Mayor Adler: Okay. Mr. Johnson, you've taken over campo and haven't been in that position longer than many of us having on this dais. But welcome and please give us your perspective. >> Thank you, Mr. Mayor. On behalf of chairman Connally -- >> Mayor Adler: Could you pull the microphone closer to you too. >> Is that better? >> It is. >> On behalf of chairman Connally and the transportation board I'd like to thank you, mayor Adler, and councilmembers Gallo, Garza and kitchen for the opportunity to speak to you this afternoon. And I look forward to working with all of you on the campo board in the coming year. We've got a lot of work to do. We've got a 2040 long range plan that we're working on right now that we have to adopt in may of this year. We also have some other regional transportation issues that we'll have to deal with. With that let me give you background on what a metropolitan planning organization is. Basically we're the -- we're the forum where on a regional basis where local elected officials from across the region come to create a regional vision and goals and set priorities for transportation using federal and state funding. So right now we cover six counties. We cover bastrop, burnet, Caldwell, hays, Travis and Williamson. I think that's six. That's one of the first things I learned in my first six months. We are one of the largest metropolitan planning organizations in the country. There are 420 across the country like us, sister agencies. We are the 11th largest in the country. We're the fourth largest in

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the state. We're one of the fastest growing in the state and in the country. Right now we have, like I said, the 2040 plan that we're working on and we have to have that adopted by may. Let me tell you a little bit about the makeup of the policy board, the local elected officials. We also have a voting position on there for cap metro as well as., the Austin district, Mr. Malodic sits on the policy board. Then we also have what's called a technical advisory committee. That committee is made up of representatives from your local governments, for example, you have representatives on there from the city of Austin as well as some of the counties have representatives. We have about 32 people right now on the technical advisory committee and we have about 20 voting commissions on the policy board itself. And the technical advisory committee is there to help do the heavy lift and go through the technical issues with the staff and make recommendations back to you as the policy board just on technical issues. They do not address policy issues. And then you have the mpo staff, which is myself and about 13 other people currently. And we are there to do a lot of the analysis. We do study work and we make recommendations back to the tac and to the policy board for your consideration and approval. As a board member some of your responsibilities on the policy board would be, as I said before, to set regional transportation vision and goals. You would also identify priorities, policies and performance measures for the funding that you would allocate. And then you would also be helping to select projects that are requesting federal or state assistance in funding. And then in terms of the

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staff, we would provide information to you. We would also -- we would also manage the transportation and planning process, which means we would be there dealing daily with the Texas department of transportation, also with federal highway administration, federal transit administration, other state and

local organizations as we need to to help you coevals the regional transportation priorities. We would also be there to facilitate feedback from the public on the regional transportation priorities and the plan. And we would prepare what's called the plan and the transportation improvement program. Now, the transportation improvement program is the short range version of the long range plan, so the transportation improvement program is the first four years of the long range transportation listen and the long range transportation plan has to have a 20-year planning horizon. Then mayor Adler, you had mentioned earlier funding. I can talk to you a little by about the funding that passes through campo. Right now we receive some federal funding that can be used, it's called surplus transportation program metro mobility is the name of the category and it comes from the federal highway administration through the Texas department of transportation. Right now we get about \$20 million a year in what's called stpmm. That's one of the most flexible federal categories that we have available to us. It can be used on construction of roadways. It can be used by buses. It can be used for bike lanes, for sidewalks, for a number of different things. Because it's the most flexible funding that we have, it's the most competitive funding that we have as well. So usually when we have what's called a call for projects where we have those funds available to us and we reach out to the local jurisdictions and ask them to submit projects, we usually have that applications that oversubscribe that funding by at least a factor of five

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to one. Sometimes it's more than that. We also recently, because of action the legislature took last session, we have now proposition 1 funding available to us. This is the state proposition 1 funding. And Mr. Malodic, please correct me if I'm wrong, I think we're receiving about 90 million in proposition 1 funding right now. That money is not steady like the stpmm funding. It's because it's based on the fuels tax off some of the oil well and the drilling. So it -- we expect it's going to drop next year because the price of oil has dropped so much. So those are the two major categories that we have in federal funding and state funding. There's a lot of other smaller categories that we also help the policy board to administer, things like what used to be called the transportation enhancements program, which is now called the transportation alternatives program. Then we also have bicycle and pedestrian categories of funding as well. And then these aren't the only funds that we have available to us. Capital metro, as Ms. Watson referenced earlier, has sales tax and then in addition to the sales tax, cap metro also receives what's called section 5307 funding from the federal transit administration. I don't know the number off the top of my head, but about \$20 million, Ms. Watson says. So we all work together to allocate that at the transportation policy board. And just a few other things. Councilmember kitchen, I think you asked a question earlier about bicycle and pedestrian planning. And one of the things I wanted to reference is txdot has what's called a routine accommodation policy, which means that any time a new roadway is built or there's going to be reconstruction of an existing roadway, you

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have to consider bicycle and pedestrian accessibility on those roadways. And I would say coming from Houston that -- and being active in this line of work nationally, I would say Austin is doing a much better

job of routine accommodation than most places I've seen in the country, with the exception of probably Portland. Then also I think if you look at our region, we have one of the highest shares of people using bicycling or walking to go to work. It's about seven percent across the whole region. And most regions are in the one to two percent range. And some are actually below one percent. So we're doing pretty good, but we can do better. Then mayor, in terms of potential solutions to some of the traffic congestion problems that we're seeing in the region, I think if the city could help with the housing-jobs balance, that would go a long ways towards helping to reduce commutes in the region. It would also I think go a long ways towards addressing affordability in the region. I think that's one of the major things that is not talked about that's contributing to congestion. As I said to mayor Adler last week when we met, sometimes people think they're not making rational decisions when they move to the suburbs and I think they're being quite rational. I think they're rational because they're priced out of other places they would like to be and they're there because they feel they can afford the house and they're in the school district and other things. But it's an affordability issue. Also, I think we can make operational improvements to the existing network within the core that can help some of these things may include traffic signal timing. I've had several conversations with some of the local elected officials in the region that want to look at things like perhaps reversing lanes on some of the major arterials during

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peak periods. It happens in other a places like Washington, D.C. And Houston and Philadelphia and Dallas. And we're having conversations with the transportation department about those things. Also, as Mr. Spillar said earlier, I think if we looked at the arterial network in the region and looked at opportunities to complete strategic portions of that network and then prioritize that arterial network, and then look at those priorities and see where we can put in high capacity transit on some of those arterials, so people don't have to either own a car to get where they need to go or they don't need to get on the freeway for a short trip because that's a lot of what's contributing to our congestion in the region is we have a bunch of short trips that are loading up on the freeway that probably don't need to be there. And then lastly, I think we need to strengthen regional cooperation. And by that I am meaning in the past our region has been known for not agreeing very much, not speaking with one voice, whether it was in Washington, D.C. Or in front of the state legislature or in front of the Texas transportation commission. And as Mr. Spillar said earlier, that has hurt us in terms of funding. We typically have been told that we don't have our act together or we aren't ready for funding and we've often been bypassed for that. So I think as much as we can we need to compete with the Dallas of the world, Dallas does a great job of speaking with one voice when we come before the legislature or they go to Washington or go to the commission. I think with he need too do the same thing as much as we can. I understand we'll have disputes from time to time, but if we can keep our disputes at home and present a unified front in public, I think that will go a long ways towards helping our region with future transportation funds. And with that, Mr. Mayor, I'll stop and ask for questions. >> Mayor Adler: To that end, that last question, the campo plan right now, the

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existing out front plan has 850 some-odd projects on it. If you look at the plans in Houston and in the Dallas metroplex, they focus on a core group of projects. In ways that we don't yet. >> Yes, sir. There's been a tendency in the past year for some local governments to submit every road they had in their plan, into the campo plan, and that was not necessary. They thought it was necessary. They had interpreted a small section of federal law to say that they were required to submit those projects to us in order to do any work on them at all, even though they didn't have federal funding attached to them. And we're working to turn this ship around on that. I think we're making some progress with those agencies. And I suspect the next round of the plan you will see a much smaller group of planned projects submitted. But I agree with you, other regions do a much better job of prioritizing their scarce federal and state dollars to high priorities that accomplish regional goals. >> Mayor Adler: Questions for Mr. Johnson? Yes, Ms. Garza? >> Garza: This might be for everyone on the panel. I know this is going to be a hard, difficult question to answer. -- Oh, I'm not on? Is it on? There we go. When we were talking about east to west travel and how we can't compare ourselves to Houston and San Antonio because of the loops, why doesn't Austin have those loops? And you know, I think of when Austin energy talks about our business model is set on these projections, that's why we need to do this. And our water utility set on these projections and that's why. Is it because of a possibly stronger anti-growth

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community here in Austin? Is it because our square miles are smaller than Houston and San Antonio? My assumption is that it's a combination of all of that, but am I wrong about that? Is there any particular thing that created the situation where there isn't loops in Austin and why that wasn't maybe regionally planned better? >> I can only tell you what little I know from my five and a half months. From what I understand, there was at least in the past, I don't know about the present, at least in the past there was some opposition to a loop around Austin. It was felt that the loop would encourage sprawl development. I don't know if the opposition is still there today. I would defer to Mr. Malodich. >> If I could, I would offer another explanation. I think Austin is a very different city from those cities like Houston, Dallas and San Antonio in that we are really a grid city. We were laid out at the very beginning as a grid. And so we grew more in a grid formation, much more like Los Angeles, if you will. So Los Angeles really doesn't have loops, it has a grid of freeways. I think Austin actually at one time in the mid 60's did have a proposal for a grid of freeways, but we would have lost things like the Lady Bird Lake trail and Guadalupe through the university and 15th street would have been freeways. So I think that at about the time when Austin was starting to grow, people were saying maybe we don't want that kind of a grid freeway through central Austin. We do have loops. Loop 1 and 360 and 183, they just are pretty squished together so they look more like north-south routes, parallel to each other, but I actually do think we do have the potential of some of those loops, albeit they would function differently, but they're not completed. The 3 60's are not complete

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on the north end and loop 1 doesn't quite connect in places. So I think that if you look at us without knowing that it's Austin, you can see the beginnings of some loops in there, but realize that we don't have the

hub and spoke system like these other cities. We really have a grid that happened to touch those nascent loops in different places. I would point to the geography as well as just the formation. >> Mayor Adler: Thank you. Ms. Kitchen? >> Kitchen: Would it be fair to say that we are also because of our geography, at least in some parts of the city, there have been concerns about environmental impacts and water impacts and things like that? >> Yes, absolutely. I think that -- forgive me for not saying that. Certainly I think that even the placement of I-35 in the flat part of the country was determined by the geography. It is harder to build the further west you go. Not just the topography is harder to build. You get more expensive structures, but of course there is the natural environment that's a risk or have been a concern for many people. Absolutely. >> And there, councilmember, Mr. Spillar and I agree. There are environmental concerns in Austin that were not present in Houston. That have not presented itself and I think that's a plus for us. >> Mayor Adler: Okay. Mr. -- I'm sorry, Ms. Gallo? >> Well, the advantage of having lived in Austin all my life is I have the historical perception and perspective of what's gone on. And I think one of the main reasons we're where we are right now is we have not preplanned no growth. I spent time in San Antonio at school there and San Antonio always seemed to build ahead of the growth. And it's a much easier process because you're not having to displace families and homes and businesses. But Austin has a long history of not planning the

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transportation to match even the current growth. I remember mopac was a huge discussion and huge battle and almost didn't get built, which I shudder to think of us without mopac right now, but I think that's a lot of it is just the attitude that we've had over decades and decades. So I'm glad that we're all working together to try to move forward in an attitude of realizing that people love coming here and there will be growth and we need to do our part as a city to help plan for that in the future. >> Mayor Adler: I'm going to move us on. We have five other voices that will speak at the end of this group. Mr. Skaggs, we're ready for your perspective now. >> Thank you, mayor. >> Mayor Adler: If you pull that as close to you as you can. >> Thank you, mayor. I was out of town for a memorial service over this last weekend up in Washington state, so I learned of this over the weekend. And instead of bringing my typical slide presentation, which I might have for it, I'm just going to talk to you from some notes from a paper that I wrote several months ago called Austin transportation status and policy recommendations. I have a copy, by the way, which I made copies for each of the city councilmembers and any others it can find it on our website, at costaustin.com under news articles. It's the second item. Let me start with the fact that in spending several years and thousands of hours in studying transportation and living in many cities, commuting to work on a train, commuting on the bus, and so forth, one thing I've concluded over the past several years is that in order to be sustainable, any transportation system needs to be cost effective. And I think it's a serious

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mistake to not have cost effectiveness from transportation. The bottom line is you run out of money before you can make the improvements you need to make to serve the citizens of this area. Another point that has become very clear is we are heading into a rapidly advancing future. And I see in that

future not dreams, but reality in changes that will produce paradigm changes in transit and transportation and mobility. If we ignore those and ignore considering those in our planning, we will make serious mistakes. For example, automated cars, driverless cars or whatever they're called in various places. Some of these changes can dramatically reduce the cost of mobility, can dramatically increase the capacity on our highways. Will ultimately make mobility much more cost effective across the board. And that's got to be a strong consideration because that future is not very far away. For example, if we were going to put a train system in today that took 15 years, we would already be in that future and we might make a different decision had we known that. You know, another trend that is prominent in this state and in many other cities is that transit, which is an important part of our city transportation, and I'll talk more about that in a

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second, but it has been across the nation described as flat for the past 55 years in terms of total transit ridership. If you take the state of Texas, the transit ridership today is less than it was 15 years ago before billions of dollars were spent implementing rail and other transit improvements. Houston, Dallas, Austin and San Antonio have basically had stagnant transit for 15 years. It may even go back a little further than that. My data is just 15 years. And in Austin where we have not spent billions on rail, we have actually greater work commute transit ridership than cities like Houston and Dallas. Dallas has spent the most on rail, for example, they have one and a half percent of their workforce using transit to go to work. Austin has about 2.3 to 2.2%. So we need to understand some of those implications which are very, very important to that item called cost effectiveness. But in Austin transit is the fifth most used way to get to work behind driving alone, by car pools, behind work at home, behind other which includes walking and biking and so forth, and then transit. So again we need to put in perspective. And I think any solutions must give major weight to

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the free choice of citizens considering their options, their needs to provide them the greatest quality of life. And when we take a position that we as a government know more than the individual citizens do about their own needs and about how to achieve those needs and try to change their habits, we will fail. That has been tried throughout history. It has been tried in communist countries, in socialist countries, in many, many ways, and has never succeeded. So we must pay attention to the fact that people do make sound decisions for their own needs, and today 99% of the trips out there are on the roads, whether that be school children or whether that be buses or whether that be commercial or driving alone, emergency, government vehicles and so forth. 99% are on the roads. So when we talk about improving congestion we have to understand those choices being made and the trends that exist out there reflecting those choices. We are not going to dictate to people what is best for them. And we should not dictate to people what is best for them. I'm going to flip through a few of the points in this paper, which as I said I will have a copy for all of you, and mayor, if you will tell me when I'm running out of time I will stop. I wrote this several months ago and have updated it on two three occasions, maybe updates, but here are some of the points. Bus and rail transit's, low

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ridership provides no measurable improvement in congestion. I think that's been mentioned before. We can't relieve congestion relief through transit, period. Rail in any transit will not reduce net increased development. Many people have gone from suggesting that congestion is the issue to be achieved with transit to development. Well, people do not come to Austin, as somebody said earlier, for transit. They come here for jobs. And transit does not create jobs except for those that taxpayers pay for primarily by subsidizing transit. And we need to keep all that in perspective for the future because I believe that some of these paradigm shifts that we're going to see in the fairly near distant future will dramatically reduce the need for transit. For public transit. Dramatically reduce it. And there's some very good things happening out there in that regard. Fixed transit is a high risk in a young city like Austin. Over the past 25 years there have been numerous experts, committees, councils. Look at, for example, train routes and in every case they've come up with a different route. Now, once you put down a fixed route, it is very expensive to change. So you must know that you're doing the right route and not the wrong route. And not that I'm suggesting trains, I'm just suggesting that it is an interesting phenomena that things have changed, this city changes very frequently. We don't know its growth patterns. And when we try to freeze it

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in time we're likely to make a mistake. Transit's major flaw is addressing the elusive future. Transit explosion, which has never occurred. Instead of tackling basic blocking and tackling fundamentals, tasks of providing more cost effective transit to those needing it in their daily lives and have no alternatives. I would make the point that social equity demands that we prioritize this need because our goal is not to get people out of cars. Our goal number one should be provide transit for those who need it and do not have an alternative. Because everyone has failed in getting people out of cars. Every city. We need to pay attention to those citizens that need transit and have no alternative. >> Mayor Adler: Mr. Skaggs, you said that your paper is online? And I want to give people a chance -- >> It's online and I have a copy for the councilmembers here. >> Mayor Adler: That would be great. Does anyone have any questions before we go to the next speaker? Okay. Don? >> Zimmerman: Mr. Skaggs, thank you again for coming. And what's interesting about your remarks, and I know all the work that you've done over many, many years and the different cities you've lived in, it sometimes seems like your one rational voice contradicting a lot of experts that claim they have studies. And I guess I'd just like for you to talk for a few more minutes because I'm another rational person that's come to similar conclusions and I cannot understand the drum beat for passenger rail in the face of all this evidence that it doesn't work. I think Portland is an example you might talk to for a minute or two because I've heard a lot of people say, well, we want to be

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like Portland. If you look at Portland, it looked like their ridership actually dropped -- >> Let me do that

and then I will quit. Portland, I visited there with the city of Austin chamber of commerce in the city trips that they make annually. And discovered a very interesting set of situations. While the superintendent of schools was presenting the school program, I asked her a simple question. I said what's the profile of the student enrollment in public schools in Portland, Oregon? And she hemmed and showed and looked like they isn't want to answer it, but it peaked at a little over 80,000 many years ago and now it's 45,000. They lost 40% of their enrollment. Now, how does that tie to what I'm talking about? It ties to affordability. Affordability drove citizens out of Portland to the degree that they lost 40% of their school enrollment, public school enrollment. By the way, that 45 today is only about 47, so it's recovered a little bit as Portland has grown. And you also find that Portland's congestion is about the same as Austin's. In fact, you find in general that cities who have transit and cities who don't have as much transit, there's not much difference in their congestion. And so that gets back to the point that transit doesn't really deal with congestion. And I think I'll just quit at that. >> Mayor Adler: Thank you very much. >> Mr. Zimmerman, it seems like you're a car lover, but as the only city council here on this dais that actually ran for the bond election pro rail and got elected, I'm a big supporter of rail, but you haven't offered us any solution, you just have been criticizing rail. What is your solution for

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our big transit mess that we have here. >> Well, thank you. I get asked that a lot, of course. And people tend not to want to hear the solutions because all they want to do is call me a road warrior and being against rail. I'm not against rail at all. Never have been. As I said, I rode rail to work everyday in New York City and I understand where rail works and where rail doesn't work. The solutions are many. They're many. But in order to address the 99% of the trips that are on the roads, we need to improve the road system, but we need to keep in mind that coming down to a close end future are technologies which will dramatically improve the capacity of our roadways. And so you may not have to build as many new roads as the models would indicate today because that tomorrow is different than what they're predicting. We're not -- we're talking about 19th century technology to solve a problem that cannot be solved with 19th century technology. It's going to be solved with technology coming to us very quickly and I think we need to really appreciate that. >> Renteria: And how long do you think that technology is going to get here very quickly? >> Well, I think as we sit here today, cars are being sold with adaptive cruise control, for example. Analysis have shown that if you have 25% of the cars on a highway with adaptive cruise control you can improve the capacity of that highway by 25 to 50%. That's just the first step. When you get to fully automated, driverless cars, you can improve the capacity by greater than 100%. >> Renteria: So do you see all the lower middle class

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people buying these brand new high-tech cars. >> They're going to be far cheaper than today's cars. >> Renteria: Wow. >> Far cheaper. >> Renteria: Someone who can see the future. >> Mayor Adler: Mr. Skaggs, thank you very much for your time. The next speaker is Julio Gonzalez alteramia. Why don't you tell us your view of the future. >> Absolutely. Would you mind handing me the controller. And miles, can you set me up? Thank you. My name is Julio. I am a member of aura, which is a grassroots, all volunteer

advocacy group that is focused on improving Austin, making Austin for all of us through land use and transportation policy reform. I was told I have four slides, so I'm going to make them count. And it turns out that the important number is four. And this is a challenge for all of us. Can we get beyond four percent? Four percent is our current transit commuting mode share. It means four percent of people going to work in the morning are taking transit there. Here's an example of cities, cities that you should remember because one of them is Atlanta. In Atlanta, while not exactly like us, is a southern city that is sprawling, low density and has a 10% transit mode share. It tells us it is possible. No one is saying let's go to New York's 56%, but we can do better. And the questions that many of you faced on the campaign trail about congestion and affordability go through this four percent. So whenever you see item 44 on the agenda, I want you to think about four percent. Whenever your aide says, hey, the meeting is at 4:00, I want you to think what am I doing about four percent? I know that for councilmember Casar, four percent is going to be a

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little bit easier to remember. You've heard a few ideas about what we need to do to relieve congestion and I'm here to tell you both the good news and bad news. Research resoundingly shows that in a region that is growing as a result of job creation, you're not really going to solve the congestion. You can add highway capacity, but that just simply encourages development further away which then compounds travel times. You can try and use price by making a place unaffordable, right, and that will some in some ways reduce congestion, but I don't think that is your goal and no one here ran on a job destruction platform. The types of things we would need to do to truly reduce congestion, cancel the medical school, nobody wants to do. So then what are the tools that we have available? Your transportation director mentioned three. And one of them we don't believe is going to work, which is expanding capacity. But two certainly can. Behavior change, right, as well as using underutilized capacity towards the out skirts of town or wherever we might find it. But the reality is that to get to affordability and actually give people a chance to not be stuck in a single passenger vehicle trip, we have to use transit. Because 92% of our trips in town are by bus, the solution in your term and the next 10 years going to have to be bus. This chart visualizes the history from 1991 to 2013 of bus. And it's a story of increasing trips, but then stagnation. We've been stuck at around 35 million trips and we've had actually reductions and a small reduction is anticipated in the coming year. We've poured a lot more money until 2008 because we

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started to shift resources towards the redline. And we had a deterioration and purchasing power between 1989 and 2008 that meant even though we're using more money for bus, we're buying less service hours. Luckily in the last few years one of the big accomplishments of cap metro was to try and get a hold of that cost problem to try and buy more hours. Unfortunately we're kind of just stuck there. And what we need to do is find ways of using the money we do have more productively as well as supporting ridership by giving them the tools to have more riders. It turns out that if you look at the factors that can contribute to the productivity of transit dollar use there's a few things that the trans

agency can do itself. Research by Bryan Tyler at UCLA says that 24% has to do with having low fares because transit riders are often times very price sensitive. And frequency instead of coverage. You've talked about this a little bit today, which is why can't we have more routes in more places and that's because a coverage approach to using transit dollars creates higher per rider subsidies since those vehicles have lower riders. So it makes a lot more sense to have a relatively more compact, higher frequency service. But what the research showed is something very interesting and should be very important to you as you make your decisions. The bulk of determining transit productivity is not within the transit agency. It's within factors outside of it. And two of the most important factors are factors that you control. So the bulk of the explanation for why we're not at 10%, why we're at four percent, lies with choices made by this body. In particular density. Nobody likes density because it threatens incall bent homeowners who are highly politically active. But the research and the

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experience and the expertise tells you over and over. If you do not create transit supportive density in certain parts of the city there is no way for people to use existing transit resources more productively. Moreover, and this is a story that surprises many people, while the story of the region is growth, the story of the core and in many of our districts is actually depopulation as a result of cohort replacement by newer folks that are already done raising their kids or having fewer kids or have no intention of having kids. As a result there are fewer people. Many of them are not necessarily going to use transit, so the policy outcome of how we have pursued land use is a reduction in the place where's it would be more effective to use transit in the potential ridership pool. Luckily there are solutions. There are many solutions. And you are the right body to do them. Let's go through them. First and foremost, and this is why it's in yellow, it has to do with how you use your land use powers. You must support transit supportive density. Some of you might think when it's just cases that come in front of you, you have to decide them for density. Sure, but you also have to change the rules. So much of the damage to transit is done by the things that can never come to you because our rules are so tough. Moreover, some of the things that you need to do, that would be helpful, are already things that you know about and are on the books and can be incremental, whether it be granny flats or microunits or reducing parking requirements. Second is the dedicated lanes can help significantly by giving the right-of-way to vehicles that can hold more people. And much like we've done codenext you need to think about time for parking next. The different incentive structures that we have, how we manage residential parking permits as opposed to parking and

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transportation management districts, all of those create incentives for people to stay in their cars. The failure of proposition 1 at the local level has freed up a significant amount of bond capacity for new capital initiatives. And one of the things I will challenge you to think about is some of the things that you can do that as research indicates would support a car-free or car-light life-style that doesn't have to do with heavy rail or light rail. Bike. You have a significantly wonderful plan coming to you that passed unanimously from the previous body. It is focused on core trips. It is high roi as you will discover. I hope

you will be ambitious with it. Sidewalks. All of you have neighborhoods where sidewalks could help prioritizing and going big on a capital vision around building sidewalks, especially that support bus corridors is a win. Many of you will want to do something around housing. As you think about the programs that you design -- >> Mayor Adler: Sir, one minute and closing. >> I hope that you will challenge yourself to think about both how you can support market rate and subsidize and there are a variety of innovative approaches you should consider, including transit oriented development funds as well as community land trust that should be funded by these new tissues. Your appointments will be critical not only to cmta and campo where we hope that you will send individuals that are interested in making bus at least have equal time in terms of mind share if not be the priority, but also to your own committees, particularly around land use. You can use a persuasion pulpit and in particular I hope that you will target the university of Texas where its new leader recently said that they would be interested in building more dormitory housing and potentially increasing shuttle service. Go get that win. And finally, make sure that you appoint staff to the different studies that are happening so that your constituents, many of whom are bus riders or want to be bus riders, are represented

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in the vision that is being developed. The regional governance -- by design at the neighborhood level your voices have a tough time percolating. It is appointees of appointees developing the plans. You can through your own voice and your staff make sure that your neighborhood interests are represented if you participate in those studies. >> Mayor Adler: Thank you very much. And panel, I want to thank you very much for coming and being with us today. This is kind of last minute and gives us kind of I told you at the beginning this would not feel very good because we would leave with more questions, but the information you gave was great. So thank you very much. I'm going to call down five speakers in this order. We have about two minutes per speaker left before we have to give up this room. And we're going to start with Carol rice Schneider, Cid covington, glen [indiscernible], Michael Mcdaniel and then sarahly vine. You all can be excused if you want to get up or you can wait for the 10 minutes and listen. Thank you. >> Thank you, mayor and councilmembers. I appreciate you having us here today. I'm here with bike Austin. I'm the executive director. And I'd like to talk about transportation as it relates to biking. I'll try to keep it brief. My apologies. I've heard a lot of interesting discussion today and I think what we need to remember is we are kind of suffering from decisions that were made by previous generations. And now it's your turn to think into the future and provide solutions to the world that is coming.

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Our dialogue should not be about moving cars, it should be about moving people. That's a big difference. For distances up to three miles, the bike and walking are always our best alternative. The majority of trips that we take are all -- are primarily less than five miles. So that is very significant knowledge to know. The footprint of our city is ideal for encouraging walking and biking. If you draw a circle around city hall, you could get pretty far three miles going in every direction. It is expensive to own a bike and maintain and it supports low income earners. Bicycle infrastructure refitting changes are

inexpensive and they yield quite a lot for your investment. The bicycle is a healthy endeavor. The health benefits outweigh nine to one for the risk. It is also a safe endeavor and is made even more safe by protected bike lanes. Your task is to begin initiatives that will help us now and create a better future. We encourage you to make multimodal infrastructure a priority. Invest in the bike plan urban trails plan that we passed this year. [Buzzer sounds] And complete the connectivity. Utilize complete streets and imagine Austin guidelines and they will help you with your density and make cycling and walking more viable for all transportation. Thank you. Thank you very much. >> Mayor Adler: Thank you. Mr. Covington, board chair with lone star rail. And for all the speakers, I apologize for the limited time, but thank you for joining us. >> Well, thank you for having me. I tried to scratch out a whole bunch of stuff so this will be kind of brief. And if it's a little choppy it's because it may not flow

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as well as it did. My name is Cid covington, chairman of the board of directors of the lone star rail district. We are currently in the stage -- in the early stage of a three-year environmental study. Our project is to develop passenger rail between essentially Georgetown and south San Antonio. The focus of the environmental study is to improve mobility, provide transportation load choices, accessibility, reliability and promote economic development within the region. Assuming a successful outcome from the environmental process, we plan to begin construction and start service as quickly as possible after that three-year period. So that we've got an ambitious program there. What we're trying to do in assuming that things go as we're planning right now, is it will enable us along with our partner, the union pacific railroad, to move the through freight out of the region city centers, including the Austin core, to a new freight bypass route. The resulting bypass for this freight that has no origin or destination within our region will be used by 30 to 40 daily slow moving trains that currently come through in our case the mopac corridor. There are a lot of benefits for doing this. It reduces the noise, the vibration, the rail crossing details and other impacts to the residents that live along the current up line and it provides us then with the capacity on that line to be able to -- the bypass capacity to shift truck traffic off of interstate I-35 on to the new bypass and can impact it. Moving the trains also allows us to have the capacity on the existing line to put in passenger trains, and we're developing accurate ridership models as part of the environmental process, but we anticipate between 3.2 and 5.6 million annual boardings.

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[Buzzer sounds] Roughly the equivalent of four to 10 additional north-south lanes on interstate 35. The legislation that created the district provides for the city of Austin to have two positions on our board. One must be filled by an elected official and the other is filled by a person to represent the business community, and that's the position I hold. The city appointed me in 2012 -- in 2002 and I've been here ever since. Our board meets quarterly and we really like for our board members to provide updates to their bodies on what's going on and keep everybody abreast. So thanks for having me today. And sorry if it was a little choppy, but -- >> Mayor Adler: No, no. I wish we had more time. >> I'll be more than happy and I'm always available if anybody has questions for me. I'm pretty easy to find. >> Mayor Adler: I think that hopefully after this week you will have a new councilmember serving on that board. >> Thank you.

We have a board meeting coming up before too much longer. >> Mayor Adler: Okay. Mr. [Indiscernible]. >> Mayor and councilmembers. I'm just going to start here -- that will work. So thank y'all and I'm going to go very quickly. I've given y'all a presentation with more information than I could possibly cover in two minutes. And let me just focus on the part you haven't heard yet. As Jeremy indicates, if we can help people to choose options besides driving alone, it will radically help our transportation system. I'll give Jim a heart attack by agreeing with him. That shut ed should never be -- that should never be done by telling people, pushing people, it doesn't work. So maybe focus to a couple of minutes on how it does work. We focus on the downtown area because in fact the downtown area is a golden goose for the region. It produces a lot more taxes than it costs this city to actually have downtown. And it is the reason we hit our top 10 lists most of the

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time. What happens here is we have huge problems trying to get the 125,000 people in and then park their cars, which was the old deal that companies used to make with people. So what we do is we work with companies to help them understand how they can arrange things differently and provide a benefit to their employees. And then we work with employees to help them figure out how they can use the options that are available to them. So let me point to a couple of examples. The first one won't even be in downtown. Texas department of transportation is developing a commute program for their entire staff in the Austin area. And for our mobility week, of which these two folks were partners, they decided they were going to offer flex time. Employees could come in earlier and get credit for that, come in later, or just don't come in during peak hours. Transportation staff responded to our surveys on how that went saying fabulous. How exciting that it was so much easier, so much less stressful, yada, yada, and yet the department has to let them do it before that can actually happen, right? And there's a lot of hr policy that has to be developed around that. The same with telecommute. I can point to infinite number of examples of companies. The flip side of this is employees need to understand how to use options. As y'all have talked here, transit may not work for you even though that's the first thing that you think about, but you might be able to carpool. You might be able to vanpool. You might be able to do any number of other options. What we do is help people understand which options can work for them and then all of that is about behavior change. Even when you want to, it's kind of like smoking. Even when you want to, it's hard to make a change in your behavior. And so the other thing we do is help people actually work

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their way through that successfully. >> Mayor Adler: Great and thanks. Your page six you have a slide with things that you would like to have from council and so people can look at that. Thank you very much, sir. Next speaker is Michael Mcdaniel of frog design. We have two speakers left. >> Good afternoon. Thank you, Mr. Mayor and ladies and gentlemen of the council for the invitation here today. Austin is a city that often thinks of itself as different. Keeping things weird. Thinking things a little differently. So when I hear comparisons to Houston and Dallas and points on their transit, I just don't really think that they're a role model that the city should be looking at. With every great problem there

comes tremendous opportunities for different solutions. A team of researchers and myself conducted a transit study on basically what it would take to get riders out of their cars and into mass transit several years ago. The conclusion of that presented a polarizing system and concept that we presented in Austin which has since grown well beyond anything that we ever expected. That system was essentially to use an existing technology, aerial roadways or more commonly called ski lifts or gondolas as a transportation system. One part of congestion is density as we pulled 'density in the city car real estate prices go up and people move further out which increases the commute commute load and downtown circulation issues as that density increases. The solution that we presented is polarizes in that people either think it's spectacular or the most ridiculous thing you ever heard had. Once you look at the facts and figures and the real science and the things that we've studied and had Ted talks around the country, it is actually a very

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plausible, very realistic solution, especially to alleviate some of the traffic concerns that Austin is particularly facing. Aerial roadways offer lots of advantages that other fixed transit systems do not. One being inflect. [Buzzer sounds] -- Inflexibility. The inflexibility of this could essentially allow a system that depose in at the speed that was originally designed to go in between snow seasons to actually be installed with very limited infrastructure. Essentially the cost from station to station is basically zero. The cost is all wrapped up in the station itself. So there's very little disruption to the city for this. >> Mayor Adler: There's also a Ted talk that you have -- >> There's several, actually. My colleague Jared and I have done several of those. We will be flying out in two weeks to speak to another city who is seriously looking at this. >> Mayor Adler: Thank you and thank you for your time. Last speaker is Sarah Levine. With atx safer streets. >> Thank you for letting me speak today. Our main goal at atx safer streets is for a better transportation, means of reducing drunk driving and reduce late night congestion. You have a lot of people coming to the city core to work late jobs while a lot of people are trying to leave that adds to the congestion. We add as you look at your policies and budgets in the next several months to consider the night life economy while you do so. It's been largely ignored in years past despite the fact that Austin music people put in -- in 2013 put the music tourism industry at about 1.6 billion a year for the economy here. It hasn't gotten a lot of attention as far as infrastructure goes. That really has to change. We have to have that. We have five buses that run year-round late at night and then we have three additional buses during the school year that run late at night. They all end at 3:00. Most people that work downtown, which we estimate is probably 500, aren't ever done at work at 3:00 on.

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They're required to take cars or carpool with somebody. And then we have right now 756 taxi cabs. The city officials estimate that only about 60% of those are on the road at any given time. If you talk to a lot of them, they refuse to go downtown. They prefer to stay at the airport. Until we got Uber and Lyft in downtown in about July, we had d.w.l.'s increasing pretty much monthly. Since about 2011. Since then they've actually been decreasing for the first time in a very, very long time. They've made an impact. As long as we have more and more options for people at night that both work and play, we're going to find

there's less deaths. We're already up to 11 traffic fatalities this year alone. And we're going to find that there's less negative tourists feeling about it. They come here, they don't know what they have and they don't know how to get home. So thank you. [Buzzer sounds] >> Thank you very much. Good job with time. >> Mayor Adler: The mobility committee is going to have its work cut out for it. Is there any questions or anything else for us to address before we turn over the room to the 5:30 board? Seeing none, we'll stand adjourned.