



Austin
WATER

Austin Water

A STRATEGIC PLAN

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Director's Message



Building on a century of experience providing safe, reliable, high-quality, sustainable and affordable water and wastewater services, Austin Water is dedicated to meeting the challenges that lie ahead. We have set an overall strategic direction that will help us continue to be an industry leader and improve our operations and resiliency.

Our mission and values are important as a public utility dedicated to providing the best water and wastewater services to our community. It is also important to us that our strategic business plan and initiatives align with the [Six Strategic Outcomes](#) the City of Austin has chosen to pursue as part of its [Austin Strategic Direction 2023](#). The six outcomes are: Economic Opportunity & Affordability, Mobility, Safety, Health & Environment, Culture & Lifelong Learning and Government That Works or All. Austin Water strives to serve our community in a way that helps Austin achieve success in all of these outcomes.

This Strategic Plan outlines goals and objectives that look to the future, support the City of Austin's Strategic Direction, and incorporates Effective Utility Management (EUM) strategies to help guide us as we look to the future and meet the challenges ahead. As part of this strategic planning, we identified four EUM focus areas to guide us in the right direction - Stakeholder Understanding and Support with an emphasis on Affordability, Customer Satisfaction, Employee and Leadership Development, and Infrastructure Stability. We believe the focus in these areas will allow Austin Water to continue to improve and reach our full potential.

In the years ahead we will continue to track and evaluate the effectiveness of this plan's objectives and goals and work to make any necessary improvements. This plan will allow us to adapt to changing conditions, while maintaining high levels of service for our customers.

Sincerely,

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

Greg Meszaros, Director

Utility Overview

Austin Water provides safe, reliable, high-quality, sustainable and affordable water services that have met the community's needs for over 100 years. Austin Water serves over 1,000,000 people in the Austin metropolitan area, both retail and wholesale, across more than 548 square miles. The utility draws water from the Colorado River into three regional water treatment plants, Handcox, Davis, and Ullrich, which have a combined capacity of 335 million gallons per day.

Austin Water has two wastewater treatment plants, Walnut Creek and South Austin Regional, that can receive up to 150 million gallons per day of sewage to treat. Wastewater is cleaned into high-quality effluent that is safely returned to the Colorado River to augment environmental flows. More than a billion gallons of this high-quality effluent was reclaimed in FY 2017-2018 for outdoor irrigation, industrial cooling, manufacturing and other uses.

Austin Water's award-winning Water Conservation Division successfully guided customers through a historic drought. Our Public Information Office developed a comprehensive marketing campaign that provided relevant messaging, public outreach and incentive programs to our customers.

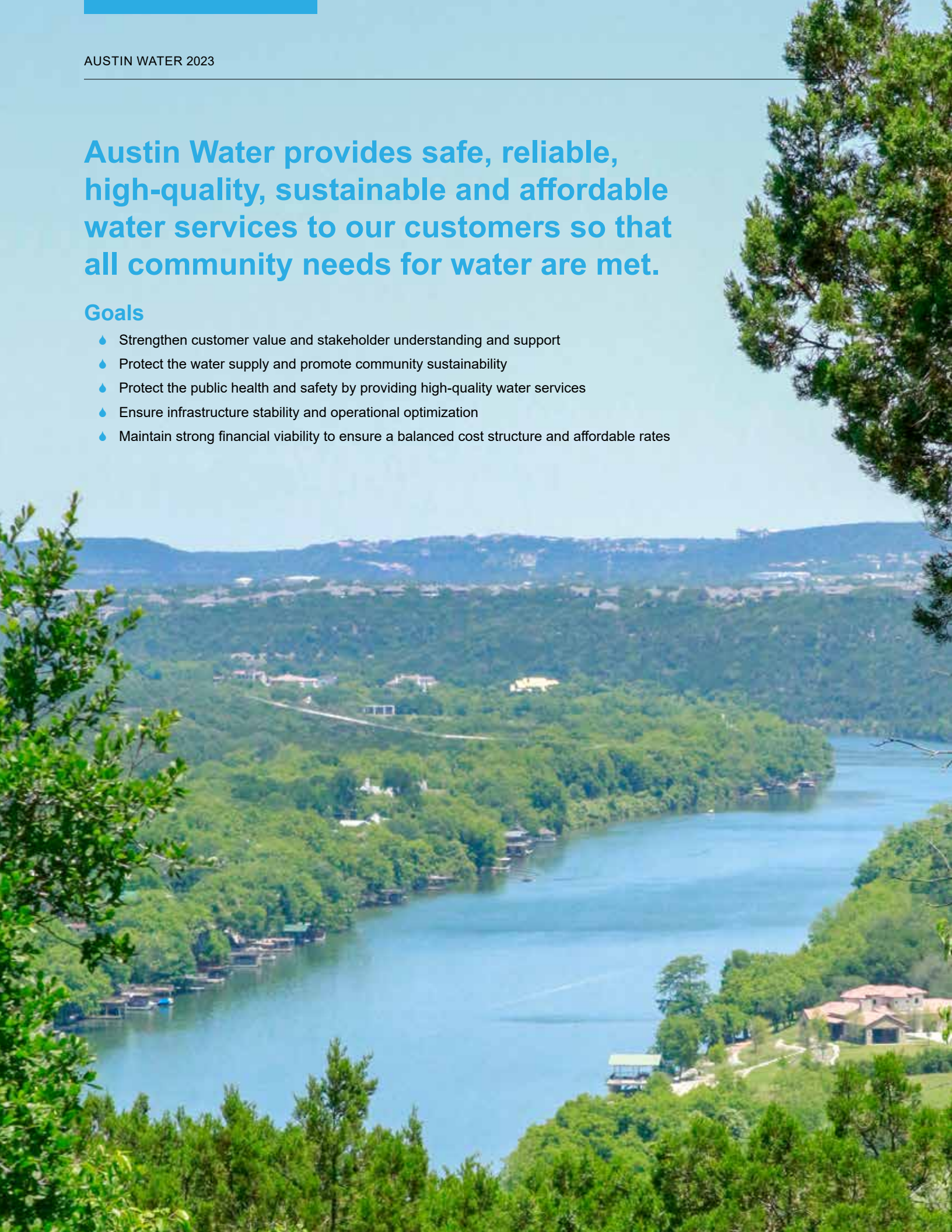
The utility also manages 43,000 acres of wildlands that protects water quality and endangered species habitats.



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

Goals

- ◆ Strengthen customer value and stakeholder understanding and support
- ◆ Protect the water supply and promote community sustainability
- ◆ Protect the public health and safety by providing high-quality water services
- ◆ Ensure infrastructure stability and operational optimization
- ◆ Maintain strong financial viability to ensure a balanced cost structure and affordable rates



Introduction to Our Strategic Plan

Plan Overview

Welcome to Austin Water 2023: A Strategic Plan

This plan presents Austin Water's Mission, Goals, and Key Performance Indicators. Building on that solid foundation, we then describe our Strategic Initiatives, Effective Utility Management program, and Engagement activities.

Austin Water 2023 is designed to give stakeholders, customers, and employees an overview of Austin Water's annual operational goals. In addition, it presents strategic initiatives and improvement efforts that will dramatically transform Austin Water operations in the years to come.

Our Planning Process

Austin Water is an active participant in the City of Austin's planning processes. We have a long-standing expectation of robust annual business planning and budget development. Austin Water has aspired to go above and beyond the City of Austin's annual planning requirements. For example, we have aligned our mission and goals with the Effective Utility Management framework, improved our staff planning process, and strengthened the connections between capital and operational planning, all while maintaining a focus on affordability for utility customers.

Austin Water's Executive Team is intensely involved in annual planning. It starts with a review of the Mission and Goals of the organization. It continues with a review of the Key Performance Indicators, the most significant performance measures that indicate whether Austin Water is achieving its goals. Each year, the Executive Team carefully assesses the activities that are critical to achieving our Strategic Initiatives as well as areas that are ripe for innovation, and redirects resources to fulfill any unmet needs.

Recently, the City of Austin transitioned to a strategic planning approach that yielded the Strategic Direction 2023. Once again, Austin Water is fully engaged in this process. We provided staff leaders and contributors to support development of the Strategic Direction. Now, we are continuing to educate our leaders across the utility on the City's Strategic Direction, and we are engaging them in activities designed to align our operational activities and capital investments with the City's Six Strategic Outcomes.





Effective Utility Management



What Is EUM?

Effective Utility Management: A Primer for Water and Wastewater Utilities is the fundamental resource that Austin Water is using to innovate and improve performance across the organization.

Effective Utility Management (EUM) is a framework written by experienced utility professionals across the nation that helps water utilities respond to the challenges they face. It identifies Ten Attributes of Effectively Managed Utilities. These ten attributes help management maintain a balanced approach to all aspects of utility operations, while at the same time zeroing in on areas that are ripe for improvement.



EUM at Austin Water

Austin Water has pursued organizational improvement for many years and those efforts have evolved over time. In 2015, managers began to understand the value of the EUM framework.

They recommended the deployment of EUM to focus and enhance existing improvement efforts – across the utility.

In 2016, Austin Water introduced EUM concepts to the entire supervisory and management team at a Leadership Summit and conducted an EUM Workshop with division managers.

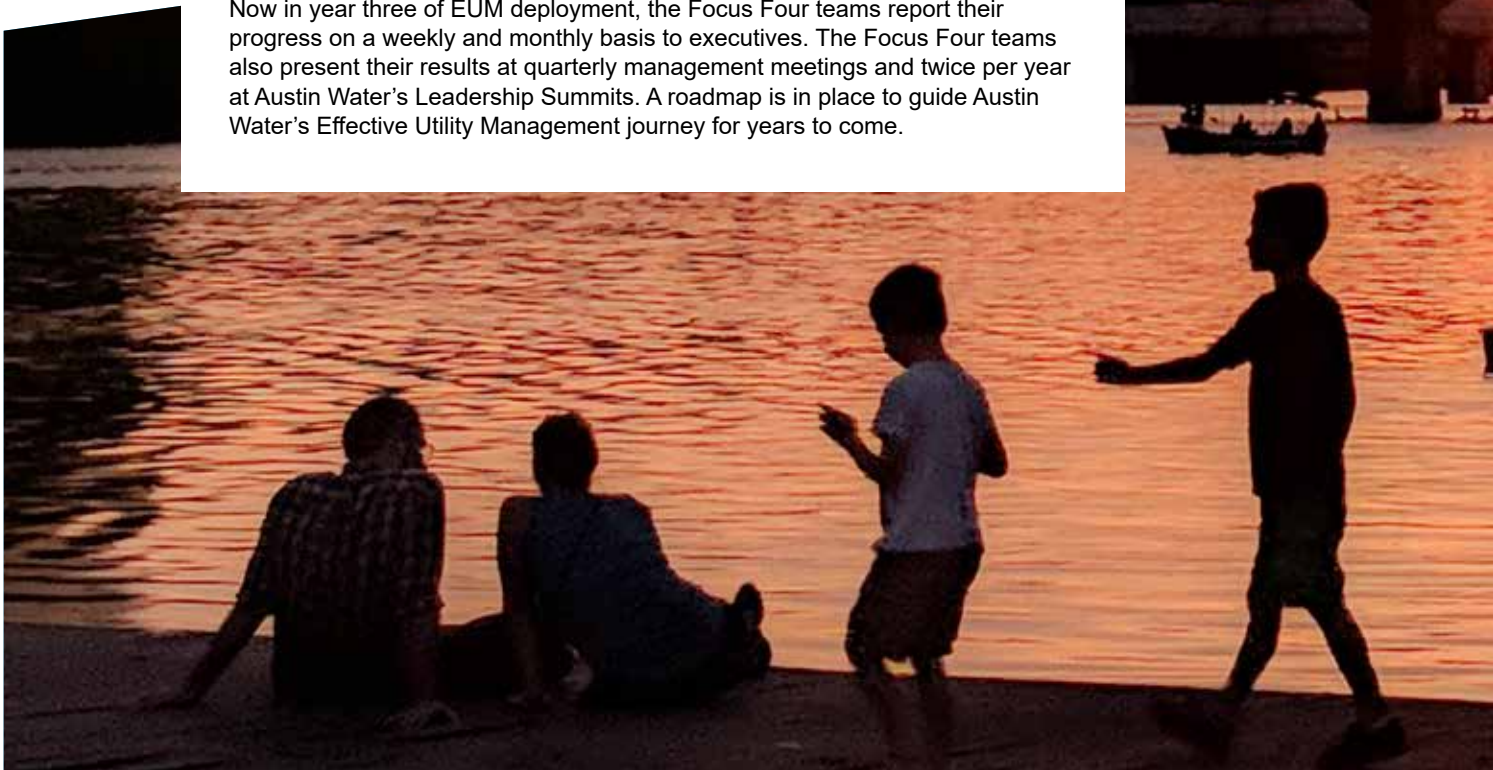
Next, the Executive Team conducted a rigorous self-assessment to identify which of the Ten Attributes would become the focus of Austin Water's EUM effort. The Executive Team systematically assessed Austin Water's performance in each of the Ten Attributes, as well as the importance of the attributes.

Through extensive dialogue, a consensus emerged that Austin Water would focus its energies on improving in four areas:

- ◆ Customer Satisfaction
- ◆ Employee and Leadership Development
- ◆ Infrastructure Stability
- ◆ Stakeholder Understanding and Support, including Affordability

These four areas became known as Austin Water's Focus Four Attributes. In 2017, cross-utility teams were chartered to improve performance in these attributes over the next three to five years. Teams were challenged to develop Action Plans and Right Now Scorecards to guide their work. An Engagement Team was created to support communication efforts of the Focus Four teams.

Now in year three of EUM deployment, the Focus Four teams report their progress on a weekly and monthly basis to executives. The Focus Four teams also present their results at quarterly management meetings and twice per year at Austin Water's Leadership Summits. A roadmap is in place to guide Austin Water's Effective Utility Management journey for years to come.



Customer Satisfaction

Provides reliable, responsive and affordable services in line with explicit, customer-accepted service levels. Receives timely customer feedback to maintain responsiveness to customer needs and emergencies.

What are we doing to improve?

- ◆ Training all 1,200 employees in customer service principles
- ◆ Seeking improvements to our phone system
- ◆ Developing new ways to obtain customer feedback

How will we measure success?

- ◆ Raising the scores on the J.D. Power customer satisfaction index
- ◆ Improving our performance on the City of Austin Customer Satisfaction survey



Employee and Leadership Development

Recruits and retains a workforce that is competent, motivated, adaptive and safe-working. Establishes a participatory, collaborative organization dedicated to continual learning and improvement. Ensures employee institutional knowledge is retained and improved upon over time. Provides a focus on and emphasizes opportunities for professional and leadership development and strives to create an integrated and well-coordinated senior leadership team.

What are we doing to improve?

- ◆ Ensuring that safety, ethics and inclusion are core values at the center of all workforce programs
- ◆ Strengthening professional development and leadership competencies through Austin Water programs and initiatives
- ◆ Community outreach and inclusiveness in recruiting, retention, employee and leadership development and knowledge transfer

How will we measure success?

- ◆ Reducing the staff vacancy rate
- ◆ Increasing the completion rate of required safety training
- ◆ Improving scores on the City of Austin employee survey in overall satisfaction and in the categories of safety and ethics



Infrastructure Stability

Understands the condition of and costs associated with critical infrastructure assets. Maintains and enhances the condition of all assets over the long-term at the lowest possible life-cycle cost and acceptable risk consistent with customer, community and regulator-supported service levels, and consistent with anticipated growth and system reliability goals. Assures asset repair, rehabilitation and replacement efforts are coordinated within the community to minimize disruptions and other negative consequences.

What are we doing to improve?

- ◆ Completing a comprehensive inventory of all assets
- ◆ Assessing the condition and criticality of all assets
- ◆ Identifying opportunities to achieve maintenance excellence

How will we measure success?

- ◆ Completing the inventory and condition assessment for 100 percent of critical assets
- ◆ Completing preventative maintenance work orders on time



Stakeholder Understanding and Support, including Affordability

Engenders understanding and support from oversight bodies, community and watershed interests, and regulatory bodies for service levels, rate structures, operating budgets, capital improvement programs, and risk management decisions. Actively involves stakeholders in the decisions that will affect them.

What are we doing to improve?

- ◆ Paid off existing debt early to save debt service costs over the next five years
- ◆ Implemented a 4.8% rate reduction in 2018 to improve overall affordability for our customers
- ◆ Projecting 0% rate increase for 2019, 2020 and 2021
- ◆ Completed a rigorous cost of service study that reallocates costs
- ◆ Proactively communicating with policymakers about our rate structure, budget and capital improvements
- ◆ Enhanced funding for affordability programs to assist low income customers in our Customer Assistance Program (CAP) with increased bill discounts, home water repairs and modernization, payment assistance and arrearage management

How will we measure success?

- ◆ Keeping the average residential bill at or below 1.5 percent of Austin Median Household Income
- ◆ Completed an Affordability Benchmark Study to improve affordability metrics



Engagement

The Engagement Team, led by our Public Information Office, was created to support the communication efforts of the Focus Four EUM attributes. The team is charged with improving communication, coordination and collaboration across the utility.

What are we doing to improve?

- ◆ Traditional communication plan elements such as the employee eNews and facility information posters
- ◆ Austin Water events and activities
- ◆ Executive Team site visits across the utility, covering all work groups
- ◆ Development of a Monthly Performance Dashboard
- ◆ Digital informational displays at Austin Water facilities
- ◆ Increased our social media presence across multiple platforms to effectively communicate with our customers

How will we measure success?

- ◆ Regular communication through the weekly employee eNews
- ◆ Scheduling, tracking and completion of events and site visits
- ◆ Ongoing utility wide installation of digital messaging displays
- ◆ Continuous updates to the Monthly Performance Dashboard



Strategic Initiatives



Advanced Metering Infrastructure

In January 2016, Austin Water launched its Advanced Metering Infrastructure (AMI) Steering Committee, charged with the responsibility of evaluating, recommending and directing actions to implement AMI for our service area. Austin Water (AW) is using various technologies and innovative methods in managing the utility's infrastructure and continues to monitor several AMI pilot programs in leak management as well as meter data management systems to find the best quality AMI meter and data analytics software for the utility and its customers.

Even though all water meters are still being manually read for billing purposes, Austin Water has been conducting several AMI pilot projects to study how AMI will change the behavior of utility customers and how to use AMI to improve Austin Water's customer services. The ability to try these new technologies in a low-risk situation and identify some of the issues that need to be addressed before Austin Water can transition to AMI meters is invaluable.

Through these initial pilot programs, Austin Water has gained experience and knowledge in working with AMI meter installation, communication, and data management. At the same time, we are tracking and learning from the experiences of other utilities as they also explore AMI meter programs.

At the start of 2018, Austin Water began contract negotiations with consultant company, West Monroe Partners to provide consulting services for advance meter infrastructure program management, to guide the utility on developing a business case for meter upgrades.

300+ customers currently participating in residential pilot program

Monitoring several AMI pilot programs to find the best quality AMI meter and data analytics software for the utility and its customers.

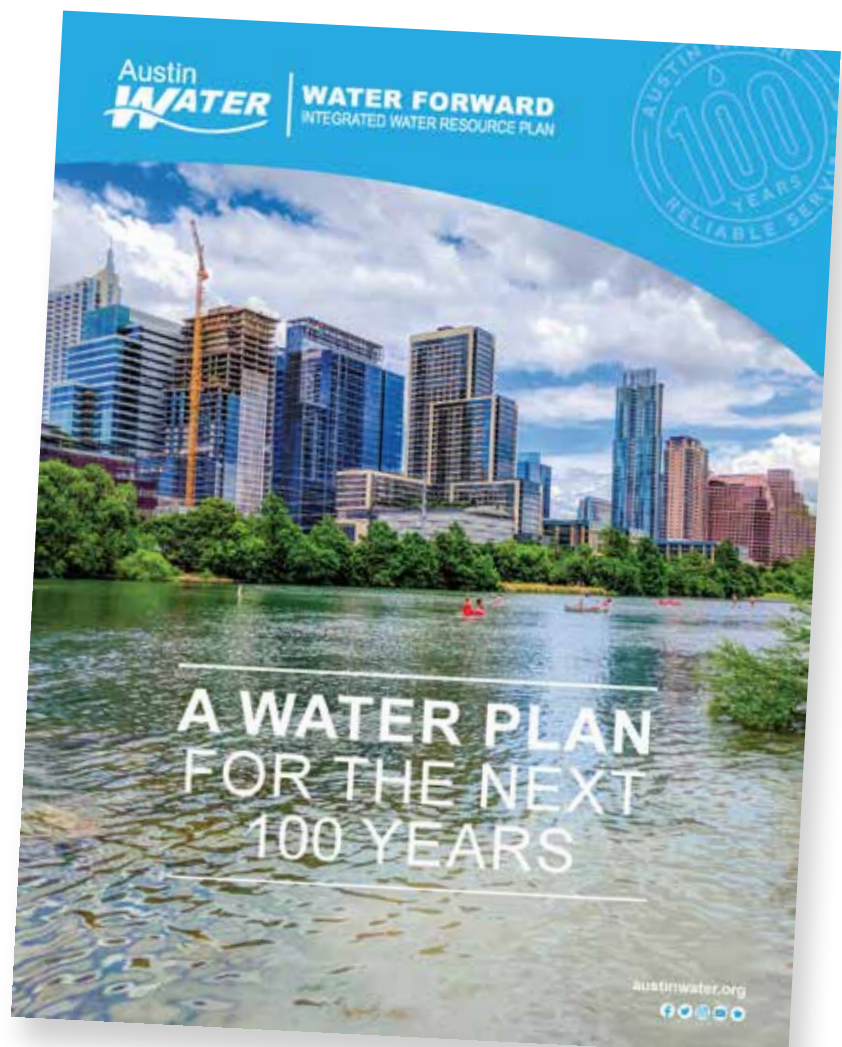
Austin Water seeks innovative solutions to better serve our customers and protect our water supply. There are several strategic initiatives that will help us continue to provide superior service and ensure a reliable, high-quality water supply for the future.



Water Forward – Austin's Integrated Water Resource Plan

Austin is one of the fastest growing cities in the country. With a rapidly growing city and a changing climate, Austin Water has worked with other city departments, a Council-appointed citizen Task Force, and the community to develop a water plan for the next century.

The Integrated Water Resource Plan, approved by City Council in November 2018, will provide a mid- and long-term evaluation of, and plan for, water supply and demand management options for the City of Austin in a regional water supply context. Through public outreach and coordination of efforts between City departments and the Water Forward Task Force, Water Forward offers a holistic and inclusive approach to water resource planning. The plan embraces an innovative and integrated water management process with the goal of ensuring a diversified, sustainable and resilient water future with strong emphasis on water conservation. Austin Water is currently leading the implementation efforts.



Innovative Water Strategies

In an effort to maintain as a sustainable water supply for future generations, Austin Water is committed to reducing its water demands through conservation programs and to promote efficient and resilient water systems that will help mitigate the effects of future droughts.

Onsite water reuse systems, sometimes referred to as water recycling systems, when properly designed and operated, make efficient and safe use of water that would otherwise be diverted to a treatment plant or water body.

Austin Water created an Innovative Water Strategies Steering Committee to develop a guiding process and framework for the evaluation and implementation of innovative decentralized water and wastewater systems.

The Steering Committee has also taken first steps to provide residential and multi-family/commercial customers with guidance on onsite water reuse systems for non-potable applications by developing a Homeowner's Guide to Single Family Residential Onsite Water Reuse. A Multi-Family/Commercial Guide is also in the works. These guidance documents aim to provide customers with a resource to navigate through regulatory, permitting, design and operations for onsite water reuse. Information will also be available for rebates and incentives for these types of uses.

Austin Water is partnering with the City's Development Services Department to pilot onsite reuse in a planned new development center.



CONDENSATE WATER

Water produced in a heating, ventilation and air conditioning (HVAC) system as the result of evaporative cooling



RAINWATER

Precipitation collected from roof surfaces or other aboveground structures



STORMWATER

Precipitation collected at or below grade surfaces



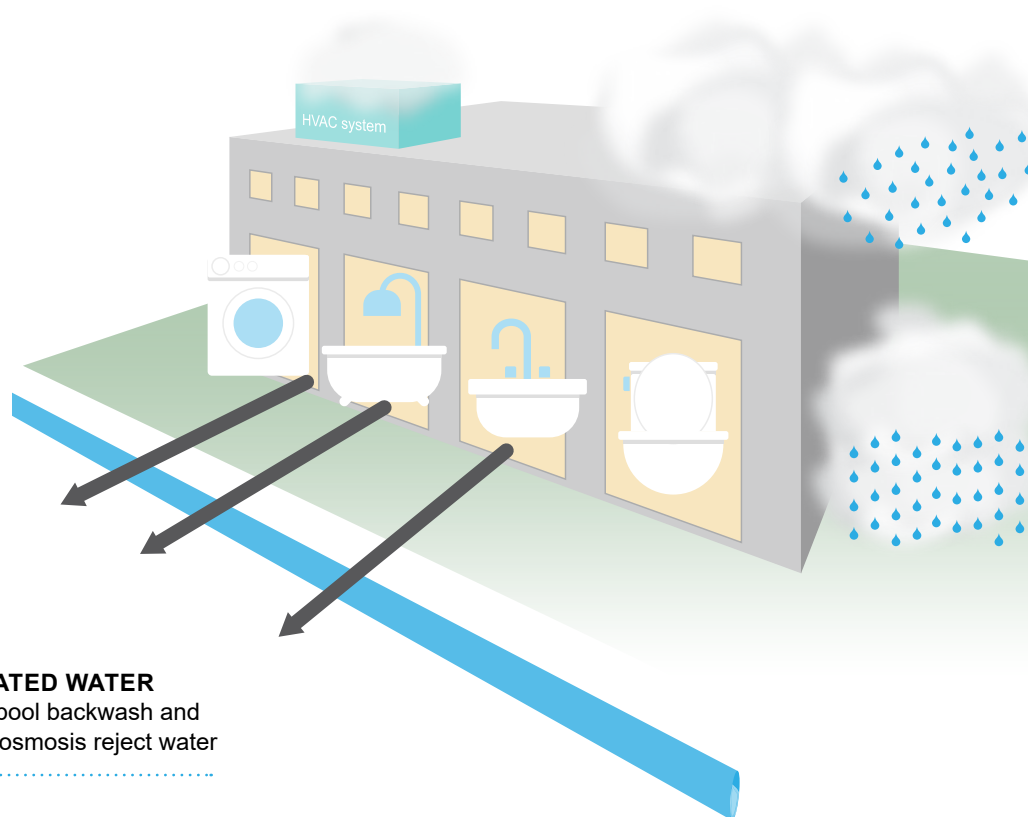
OTHER NON-SEWAGE ORIGINATED WATER

Foundation drain water, swimming pool backwash and drain water and residential reverse osmosis reject water



GRAYWATER

Wastewater from showers, bathtubs and handwashing lavatories that are used for disposal of household or domestic products. Also sinks that are not used for food preparation or disposal, and clothes-washing machines. Graywater does not include wastewater from the washing of material, including diapers, soiled with human excreta or wastewater that has come into contact with toilet waste



Reclaimed Water Program

More than 60 miles of reclaimed water runs through purple pipes beneath Austin streets and that number is continues to grow. Reclaimed water is recycled from wastewater generated by homes and businesses and treated for non-potable uses which include irrigation, cooling towers, and virtually any use not requiring higher-quality drinking water.

Though reclaimed water is not used in the drinking water supply, it meets many of the criteria for drinking water. This water is clear, has no noticeable odor, and is a light-yellow color. It is harmless to humans through normal contact. Austin's reclaimed water meets all state and federal laws for non-potable use.

Reclaimed water is less expensive to use or treat and can cost as little as one-half the price of drinking water. Users can see a reduction in water fees.

The Reclaimed Program has now connected 132 customers. The program also reached a record 6.05 million gallons of water provided to bulk filling station customers and conserved 1.45 billion gallons of drinking water (enough for 5900 households) by providing services to eligible customers.

The program also reached a record 6.05 million gallons of water provided to bulk filling station customers and conserved 1.45 billion gallons of drinking water (enough for 5900 households)



Environmental Protection

Austin Water provides a wide array of environmental services that help to protect our water supply, water quality and endangered species.



Climate Change

The most fundamental environmental issue facing Austin Water is climate change. Climate models predict hotter temperatures, increased evaporation, more intense droughts and more intense floods -- with floods often breaking the more intense droughts. Austin Water responds to climate change on both the mitigation and adaptation fronts.

On mitigation, or reducing greenhouse gas emissions, Austin Water staff throughout the utility work to reduce energy use and the utility also produces renewable energy -- with a solar roof at the Glen Bell Service Center and a cogeneration plant at Hornsby Bend that uses methane from the biosolids to power the plant. On adaptation, Austin Water is also working across the entire utility to adapt to climate change, including through the 100-year Water Forward plan.

Water Conservation

Lowering water use ensures clean water for future generations, reduces the electricity required for water and wastewater services, and decreases the need and expense for water infrastructure. Austin Water's conservation has been ranked number one in the state of Texas among large utilities. The utility provides rebates, tools and programs to help customers save water and money.

Wildland Conservation

Austin Water manages 43,000 acres of wildlands that provide benefits to our entire community. They are not parks, but rather public lands held in trust for a specific purpose based on the mission of the program under which they are managed. Those managed under the Balcones Canyonlands Preserve Program conserve habitat for eight endangered species and 27 species of concern. Those managed under the Water Quality Protection Lands Program optimize the quantity and quality of water recharging the Barton Spring segment of the Edwards Aquifer.

Special Services Division

The Special Services Division includes: Cross Connection Control/Water Protection, Industrial Waste Control/Pretreatment, Lake Water Protection, Liquid Waste Haulers, Waste Management, and Water Wells. Our aim is promoting consistent compliance to help customers protect health and safety, reduce pollutants and minimize waste.

Hornsby Bend

The Hornsby Bend Biosolids Management Plant plays a key role in sustaining Austin's environment by recycling Austin's biosolids and yard trimmings. Recycled biosolids get mixed with compost and yard trimmings and turned into an EPA-certified soil conditioner called Dillo Dirt™. Dillo Dirt™ is donated to landscape public places and sold through commercial vendors.

Hornsby Bend is also nationally known for its biodiversity, ecotourism, and one of the best birding sites in Texas. Hornsby Bend is open to the public sunrise to sunset every day of the week.

Center for Environmental Research

The Austin Water Center for Environmental Research at the Hornsby Bend Plant is a partnership formed in 1989 with the University of Texas and Texas A&M University to support urban ecology and sustainability studies for Austin.

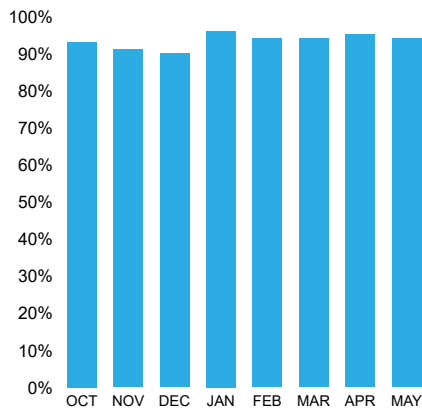
Key Performance Indicators



Goal 1

Strengthen customer value and stakeholder understanding and support.

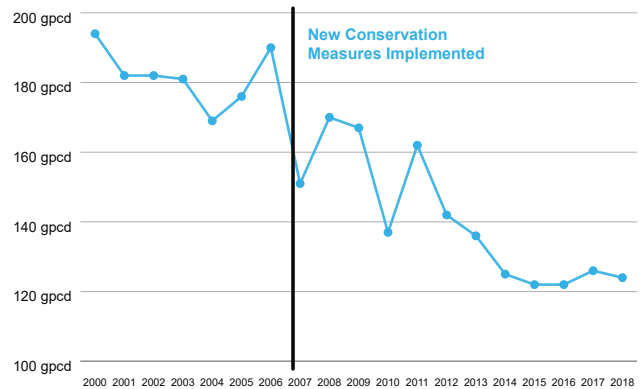
- Respond to 90% of **emergency water leaks** within 3 hours



Goal 2

Protect the water supply and promote community sustainability.

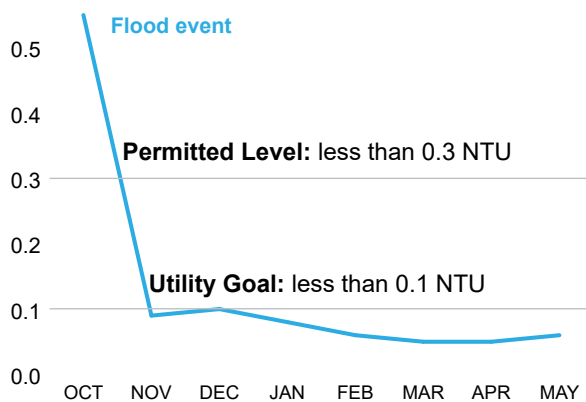
- Total pumpage per capita per day. Austin's water use Gallons Per Capita per Day (gpcd)



Goal 3

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

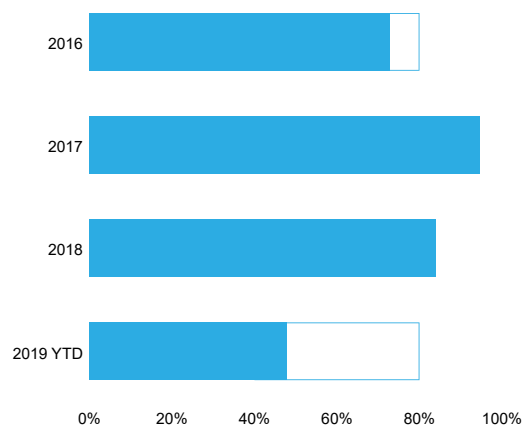
- Clarity of Water**
Ensure providing high-quality potable water by keeping treated drinking water turbidity level at 0.10 Nephelometric Turbidity Unit (NTU) or less



Goal 4

Ensure infrastructure stability and operational optimization.

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



Goal 5

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

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



Leadership Team



**Greg Meszaros****Austin Water Director**

Responsible for leading a team of 1,200+ employees dedicated to providing high-quality drinking water, wastewater and reclaimed water services to over 1 million people in the Austin metropolitan area

**Daryl Slusher****Assistant Director,
Environmental Affairs and
Conservation**

Water Conservation, Wildlands, drinking water quality protection, Intergovernmental Relations, Public Information Office

**David Anders****Assistant Director,
Financial Services**

Financial Management, Budget and Accounting, Supply Chain Management and Customer Services

**Denise Avery****Chief Administrative Officer**

Executive Administrative Team, Records and Information Management Services, Social Equity Program and Special projects to improve the efficiency and effectiveness of Austin Water services

**Chris Chen, P.E.****Assistant Director,
Engineering Services**

Manage Distribution, Facility, and Collection System Engineering programs to develop, plan and implement capital improvement projects and condition assessments

**Anna Bryan-Borja, CIA, CFE****Chief Support Services Officer**

Security Management, Facility Management, Internal Audit, Emergency Management and Effective Utility Management initiative

**Enrique "Rick" Coronado, P.E.****Assistant Director,
Operations**

Water Production, Storage and Distribution, Wastewater Collection, Treatment and Recycling

**Sherri Hampton, SPHR & SCP****Human Capital and Risk
Management Manager**

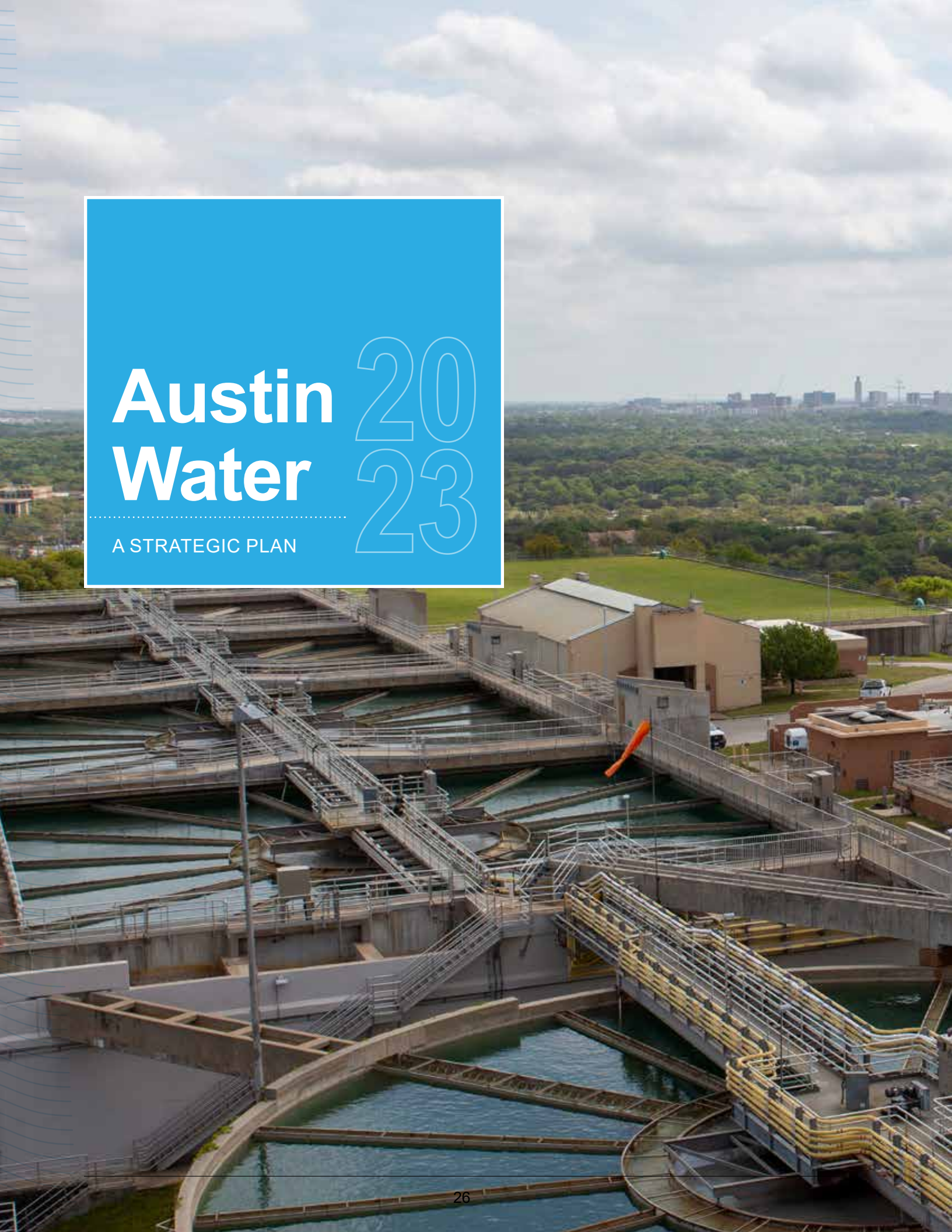
Human Resources and Safety and Certification Training in the Human Capital and Risk Management Program

**Kevin R. Critendon, P.E., PMP****Assistant Director,
Water Resources Management**

Asset Management Program, Capital Improvement Program Development and Administration, Utility Maps and Records, Water Resources Planning

**Chris Stewart, MPA****Chief Information Officer**

Information Systems, IT System Architecture, Geographic Information Systems (GIS) Services

The background of the entire page is an aerial photograph of a wastewater treatment plant. In the foreground, there are several large, circular concrete tanks with metal walkways and railings. In the middle ground, there are industrial buildings and more tanks. In the background, a green field and a city skyline are visible under a cloudy sky. A blue rectangular box is overlaid on the left side of the image, containing the title and subtitle. The year '2023' is written in large, white, outlined numbers to the right of the title.

Austin Water

2023

A STRATEGIC PLAN





Austin
WATER

Presented by: Office of the Director

Produced by: Public Information Office