Austin Water continues to make strides toward meeting water demand for the next century. The utility completed its 2020 progress update to highlight successes toward implementation of Water Forward, Austin’s award-winning integrated water resource plan. Despite the challenges posed by COVID-19, work was accomplished that lays the groundwork for yielding up to 50,000 acre-feet per year of conservation and reuse savings, and more than 70,000 acre feet per year of drought supply by 2040. Key initiatives were advanced that include the launch of My ATX Water, Austin’s smart water meter system pilot; authorization to begin the Aquifer Storage & Recovery pilot project; Council approval for a new onsite water reuse ordinance; and Council approval of new cooling tower water efficiency standards. As our city continues to grow and experience impacts from climate change, these strategies will help meet community water needs now and far into the future.

Business Excellence & Innovation

On March 26, 2020, the Austin City Council approved contracts for full implementation of My ATX Water, Austin’s Smart Water Meter System. A pilot project to test the new system, including about 5,000 meters and a customer portal, is underway. Following the pilot, 250,000 new meters will be installed over 4 years beginning in 2021. Customers will be notified prior to their scheduled installation and will receive information about how to register for the customer portal when it is available.

Affordability

Reduced residential water (Tiers 1-3) and wastewater (Tiers 1-2) was extended through October 31, 2020. Austin Water will continue a 10 percent reduction in water and wastewater rates for our most vulnerable low-income customers enrolled in the City of Austin’s Customer Assistance Program (CAP) for the entirety of fiscal year 2021.

Employee Engagement

Listening to the Workforce survey – Employee Satisfaction

Respondents that noted a positive response (Strongly Agree or Agree) about their overall job satisfaction level at Austin Water.

58% Participation Rate in 2019!

The higher the participation rate %, the truer picture we get about what our workforce likes or dislikes about working at Austin Water.

Financial Health

2019 Standard & Poor’s rates companies on a scale from AAA to D. Austin Water’s target is a rating of AA indicating a very strong capacity to meet financial commitments.

Rate Adjustment | Effective Date
--- | ---
0% | 2018
▼4.8% | 2018 Midyear Reduction
0% | 2019
0% | 2020
▼10% | 2020 COVID-19 Reduction Continues
0% | FY2021

Financial Metrics

<table>
<thead>
<tr>
<th>Financial Metrics</th>
<th>2020 Actual</th>
<th>2021 Target</th>
<th>2021 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Days Cash (Operating)</td>
<td>318</td>
<td>245</td>
<td>246</td>
</tr>
<tr>
<td>Debt Service Coverage Ratio</td>
<td>1.84</td>
<td>1.85</td>
<td>1.74</td>
</tr>
<tr>
<td>Cash Financing of Annual Capital Improvement Projects (Pay as You Go)</td>
<td>31.5%</td>
<td>35% min. - 50% max.</td>
<td>47.2%</td>
</tr>
</tbody>
</table>