Low-Interest Funding Secured for Major Infrastructure Improvements

A major overhaul of Austin’s water and wastewater infrastructure is underway thanks to near-zero percent interest rate loans secured from the Texas Water Development Board (TWDB). Improving affordability for customers and enhancing infrastructure stability are components of the utility’s long-term strategic business plan that uses Effective Utility Management strategies to meet the challenges ahead. With this round of loans, Austin Water will save nearly $7 million in financing costs. Since 2016, Austin Water has closed on a total of $126.6 million in loan commitments from the TWDB, resulting in $20.6 million in savings.

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 and wastewater rates were 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.

Annual Residential Bill is to stay at or below 1.5 percent of Austin Median Household Income (MHI)

Avg. Bill as % of MHI
FY 2020 Target <= 1.5%

Financial Health

Standard & Poor’s Bond Rating

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.

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.

Rate Adjustment Effective Date

<table>
<thead>
<tr>
<th>Rate Adjustment</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>2018</td>
</tr>
<tr>
<td>▼4.8%</td>
<td>2018 Midyear Reduction</td>
</tr>
<tr>
<td>0%</td>
<td>2019</td>
</tr>
<tr>
<td>0%</td>
<td>2020</td>
</tr>
<tr>
<td>▼10%</td>
<td>2020 COVID-19 Reduction Continues</td>
</tr>
<tr>
<td>0%</td>
<td>FY2021</td>
</tr>
</tbody>
</table>

Leak Detection Technology
Linear feet of leak detection performed on large diameter water transmission lines
Annual Target: > 52,800

Employee Turnover Rate
FY Annual Target: < 8.5%

Monthly Vacancy Rate Calendar Year 2020
Monthly Target: < 5%
Customer Collaboration

Infrastructure Stability

Water Supply Sustainability

Customer Collaboration

Current J.D. Power overall customer satisfaction index

Overall Industry Average

2020

2019

Priority 1 Leaks responded to within three hours

Monthly Target: 90%

Sanitary Sewage Overflows

Investigated within one hour of customer calls

Quarterly Target: 95%

Infrastructure Stability

Water Leak Management Index

Infrastructure Leak Index

The current annual real losses divided by the unavoidable annual real losses. The data that this calculation is based on is derived from the annual water loss audit.

Annual Target: < 2.7

2019 Infrastructure Leak Index dropped to 3.71

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

Percentage of actual CIP spending to budgeted CIP spending

Annual Target: 80%

Water Supply Sustainability

Austin's water use Gallons Per Capita per Day (gpcd)

New Conservation Measures Implemented

Reclaimed Water Customers:

Customers using reclaimed wastewater for beneficial purposes.

- Provided reclaimed water for irrigation in 1974, making our system one of the oldest in the Texas

- Approximately 1.4 billion gallons of water used in 2018, about 3% of the City's total water demand

- Consists of 63.4 miles of reclaimed water transmission mains

- Future plans for the system consist of over 130 miles of mains and over 8 billion gallons used annually

Product Quality

Drinking Water Quality Calendar

Year 2020: Cloudiness of water (turbidity)

Measured turbidity “cloudiness of water” is the indicator of the effectiveness of our filtration systems.

Our target is to keep treated drinking water turbidity level at 0.10 Nephelometric Turbidity Unit (NTU) or less.

- 0.3 NTU: Permitted Level: less than 0.3 NTU
- 0.2 NTU
- 0.1 NTU: Utility Target: less than 0.1 NTU
- 0.0 NTU

Wastewater Quality Calendar

Year 2020

Keeps the Carbonaceous Biological Oxygen Demand (CBOD) concentration from our wastewater treatment plants discharging at 3.0 mg/L or less.

- 10 mg/l: Permitted Level: less than 10.0 mg/l
- 8 mg/l
- 6 mg/l
- 4 mg/l
- 2 mg/l: Utility Target: less than 3.0 mg/l
- 0 mg/l

See the 2019 Annual Water Quality Report here