



## MEMORANDUM

**To:** Mayor and Council

**From:**  Greg Meszaros, Director, Austin Water

**Date:** November 25, 2014

**Subject:** Resolution 20140828-085 - Service Extension Requests

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On August 28, 2014 City Council adopted Resolution No. 20140828-85 directing the City Manager to research improvements to decrease the amount of time to administratively complete Service Extension Requests ("SERs") and report back to City Council with findings and recommendations. The following memo provides background information, research findings, and recommendations.

The City reviews applications proposing new development submitted by property owners or their agents generally in the form of a preliminary plan, plat, or site plan. Austin Water reviewed 2,408 such applications in FY 2013-14. One of the many requirements in Austin Water's review of these applications is to identify any service provision issues. For developments where Austin Water identifies that the existing water/wastewater main is more than 100 feet from the property, or the existing main or associated facility is unsuitable or insufficient to provide service to the proposed development, the property owner (or agents) are required to file a SER pursuant to Austin City Code Chapter 25-9. The SER is used by developers to determine the required infrastructure and the cost of that infrastructure for a proposed development. For FY 2013-14, 199 SERs were initiated.

For FY 2013-14, the average overall time to complete an SER review for those SERs not needing City Council approval was 102 days. Approximately 70% of that time consists of engineering technical review by Austin Water's Utility Development Service Division (UDS) staff. Austin Water has recognized this issue and has temporarily shifted staff to address it. While it is too early to ascertain the full impact of recent actions, we expect that current backlogs will be significantly reduced and response times decreased.

Austin Water will continue to evaluate the SER process, and associated performance metrics, and make a future determination as to the appropriate resources assigned to the program. We would expect that such an evaluation will be made six to nine

months from now so that any necessary actions that require changes to Austin Water's budget can be made as part of the FY 2015-16 budget process. Additionally, Austin Water will evaluate the cost of service of the SER fee prior to the submission of the proposed FY 2015-16 budget to determine the amount (and if needed, a phasing plan) of the fee.

Enclosed are additional background and research findings of Austin Water's SER process. If you need additional information or have questions concerning the contents of this report, please feel free to contact me at 512-972-0108.

cc: Marc A. Ott, City Manager  
Robert Goode, P.E., Assistant City Manager

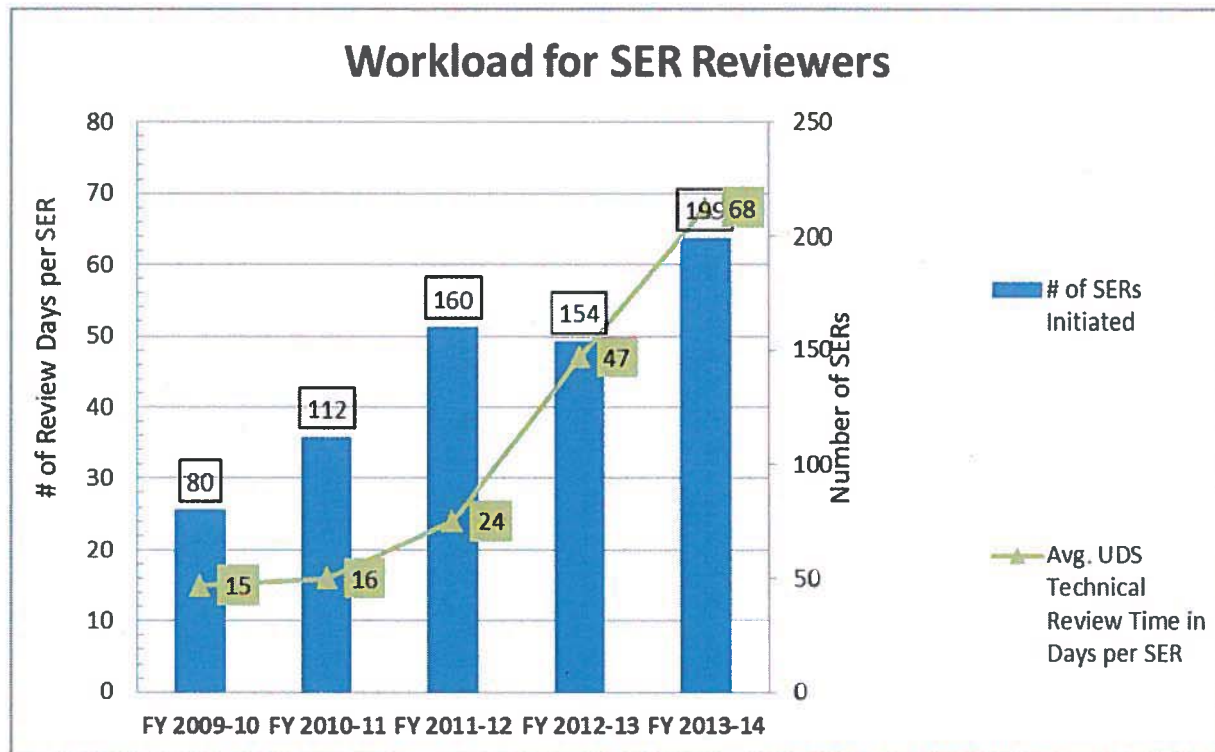
## ADDITIONAL INFORMATION BACKGROUND AND RESEARCH FINDINGS

### Background

The analysis for an SER includes verification of proposed water and wastewater demands for the proposed development, determination of available capacities and location of existing City water and wastewater infrastructure, modeling of proposed demands for the proposed development and their impact to the City's infrastructure. The analysis also considers relevance to Austin Water's long-range water and wastewater master plans, identification of required new water and/or wastewater infrastructure or upgrades to existing infrastructure, and identification of necessary easements. In addition to UDS, other work groups within Austin Water are consulted during the SER review, such as operations, pipeline engineering, facilities engineering, and systems planning analysis staff. Please see the attached flowchart for an abridged version of the SER process.

### Analysis

As of October 1, 2014, the following graph illustrates the actual number of SER applications submitted and the overall review process time (from date of receipt to date of approval). The graph also indicates the UDS technical review time (a subcomponent of the overall SER process time), which is the time between administrative completeness notification of an SER application and completion of UDS staff technical review.



As of October 1, 2014, the backlog of SER applications pending completion of a UDS technical review totaled 54. For FY 2013-14, the average time between administrative completeness notification for an SER application and completion of UDS staff's technical review was 68 days. The overall time to complete an SER review for those SERs varies considerably depending on the complexity of the proposed development and the level of coordinating efforts between various work groups within and outside of Austin Water. For FY 2013-14, the average overall time to complete a SER review for those SERs not needing City Council approval was 102 days.

SERs that require City Council approval take considerably longer. For those SERs in which Austin Water is recommending cost participation for the oversizing of infrastructure, the Water and Wastewater Commission reviews prior to submittal to City Council. This can add approximately 30 days to the process before review by the City Council. For SERs located outside the City's full-purpose jurisdiction and within the Drinking Water Protection Zone, the Water and Wastewater Commission will review the item and additionally, Austin Water requests a courtesy review by the Watershed Protection Department (who sometimes obtains a recommendation from the Environmental Board). For these SERs another approximate 60 to 90 days can be added to the process.

Over the past few years, Austin Water staff recognized and analyzed the deteriorating timeliness of completing the SER process and made the following improvements to the process:

- FY 2012-2013 - standardized templates were created for SERs, signature approval process streamlined, and decision-making processes were clarified to minimize the amount of time determining City infrastructure requirements.
- February 2014 - process improvements were implemented to reduce UDS technical reviewers' administrative tasks (such as application processing, developing maps, and managing certain customer inquiries). Those administrative tasks were transferred to an employee who is not a technical reviewer.

However, these improvements did not result in a measurable difference in review time by the UDS technical reviewers given the increase in workload and the following improvements were made in August and September of 2014:

- an Austin Water professional engineer was temporarily assigned to assist in the technical review of SERs;
- instead of using a "first-in-first-out" basis, a "triage" review of submitted SERs is performed on an ongoing basis and less involved SERs are assigned to the Austin Water employee mentioned above; and
- process improvements were implemented to make the SER process more efficient by pre-screening SER applications to quickly determine if existing City infrastructure is suitable and sufficient.

More time is needed to ascertain the full impact upon the length of review time by the UDS technical reviewers based upon these latest improvements; however, it is expected with an

additional full-time permanent employee that the review time for the UDS technical reviewers will significantly improve.

Other water and wastewater utilities (San Antonio Water System, El Paso Water Utilities, City of Fort Worth, City of Seattle, and City of Dallas) have been consulted about their processes. In broad terms, Austin Water's process is similar to others in that developers submit service requests to the utility and the utility determines if the existing system is capable of meeting the proposed development's needs and long-range utility plans. Some of the differences among the utilities include:

- the criteria for when analysis is performed. For example, one utility only performs capacity modeling on certain types or amounts of development such as those with more than 50 living unit equivalents unless special circumstances exist; and
- the separation, measurement, and monitoring of the amount of time for the SER analysis. Each utility measures the process differently (for example, most utilities only measure the entire plan review process which includes the SER analysis).

Similar to Austin, development applications for the San Antonio Water System, City of Fort Worth, and the City of Dallas, have increased over time and entities are currently exploring opportunities for improving their existing process. The San Antonio Water System has recently hired two additional employees to assist with their technical review process.

#### SER Fees

As of October 1, 2014, Austin Water currently charges the following fees for a SER analysis:

Administratively Approved SERs	\$72.50
Council Approved SER for cost participation	\$11.00 per acre Minimum: \$363.00 Maximum: \$7,242.00

This fee methodology was established in the 1980's and is only increased each fiscal year by a percentage equal to the consumer price index. It is assumed the differentiation as to the type of SER fees is related to the additional services provided for cost participation SERs, including but not limited to negotiating and executing a cost reimbursement agreement between the City and Developer. There was only one cost participation agreement authorized by City Council in FY 2012-13 and two in FY 2013-14. A cost of service study has not been performed on the fee since the fee's establishment.

# Utility Development Services Division

## Abridged Service Extension Request Process

