

A G E N D A



Recommendation for Council Action

Austin City Council

Item ID

56427

Agenda Number

4.

Meeting Date:

4/21/2016

Department:

Austin Water Utility

Subject

Approve a resolution authorizing the City Manager to apply for loans from the Texas Water Development Board (TWDB) in an amount not to exceed \$80,195,000 as part of the TWDB's State Water Implementation Fund for Texas loan program for the development and implementation of a smart meter system for Austin Water. Related to Item # 5.

Amount and Source of Funding

There is no unanticipated fiscal impact.

Fiscal Note

A fiscal note is not required.

Purchasing Language:

Prior Council Action:

For More Information:

Rick Coronado, 512-972-0127; Joseph Gonzales, 512-972-0131; and Heather Cooke, 512-972-0083

Council Committee,
Boards and
Commission Action:

April 13, 2016- Recommended unanimously by the Water and Wastewater Commission on a 11-0 vote.

MBE / WBE:

Related Items:

Additional Backup Information

Austin Water's smart meter project is also known as Advanced Meter Infrastructure (AMI). This project will update customer water meters and meter boxes and implement accompanying data transmission infrastructure, so that meter reads will no longer be collected manually, but instead by cellular or radio transmission. This will improve data collection, providing more accurate data, fewer re-reads, more timely data, and more granular data. It should reduce meter data errors.

This AMI system is also expected to reduce or eliminate meter reading costs, improve customer service and satisfaction, allow customer notification of potential customer-side leaks, and allow better system diagnostics through improved leak detection, through district metering and/or integrated acoustic leak detection sensors. The increased level of consumption data that customers receive will enable them to adjust their consumption levels more quickly, to help reduce water demand. Upon completion, this project is intended to replace all residential, multifamily and commercial meters in the Austin Water service area, including wholesale and large volume commercial customers.

The low-interest loans that are being sought from the Texas Water Development Board would come from the State Water Implementation Fund for Texas (SWIFT) that was established by the Texas Legislature in 2013. Funding would be requested in annual increments through FY 2022-2023, in accordance with Austin Water's CIP spending plan. This multi-year loan process would involve annual loan closings with potential adjustments to loan terms. Austin could adjust the loan amounts each year and would not be obligated to borrow funds every year. The initial loan closing is anticipated to occur by December 2016. For loan terms of up to twenty years, the Texas Water Development Board is currently offering a 35% reduction on the interest rates they can obtain, based on their AAA bond rating. These reduced interest rates will save ratepayers financing costs for the funding of this project as compared to traditional bond financing.

Proposed SWIFT Loan Schedule □ Advanced Meter Infrastructure Project

FY 2016- 2017	FY 2017- 2018	FY 2018- 2019	FY 2019- 2020	FY 2020- 2021	FY 2021- 2022	FY 2022- 2023	Project Total
195,000	5,000,000	10,000,000	10,000,000	10,000,000	25,000,000	20,000,000	80,195,000