

# Austin Water Oversight Committee Meeting Transcript

## – 05/13/2020

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>> Ellis: All right. At 1:05 this meeting was called to order for the water oversight committee. First agenda item is to approve the minutes of March 5th. Do I have a motion to approve the minutes of March 5th? Motion by pool, seconded by councilmember kitchen. Okay. The minutes were approved. We have three items on our agenda today for briefing. The first is going to be the director's report with upcoming recommendations for council action, innovations, and events at Austin water and a water forward update. The next one is going to be a covid-19 update regarding assistance and impact on utilities forecast and budgets. The last one is going to be brushy creek regional wastewater system overview, then we will identify any future items at the very end of the meeting. As we had said before

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councilmember alter is going to join us in a few minutes. And I know that vice chair pool has a commitment at 1:30. I'm not sure if she'll be able to join us again, if that commitment ends before our meeting does, but we understand there's a lot going on and a lot of things we're trying to do to take care of our community. So I appreciate y'all being able to be here. Let's go ahead and get started with the director report. Director masaras. >> Hello, councilmembers. It's nice to see everyone. And I want you to know everything is stable at Austin water. Our team has done an excellent job innovating and transitioning to work at home. Obviously we have many staff, essential providers of water and wastewater services every day, our services have been stable, so sleep well at night knowing Austin water is there. I think we've got things under control right now. I would note a few things for you. The business of the utility continues, and one of that is

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recent hiring for our new assistant director to lead engineering programs. Her name is Shae Ralls Wilson. She's on the line with us. I want to introduce our new deputy. If you could say a few words. >> I'm unmuting. Thank you very much. Thank you for having me. It's really nice to meet you all, even virtually. A brief introduction about me, I have 27 years of experience in the municipal water and wastewater business. All of it in engineering and consulting until now. I've been in Austin since 1977. My technical background is design and construction of water and wastewater infrastructure, including treatment plants, appliance, pump stations and storage tanks. And I've helped municipal systems all over Texas plan and deliver their infrastructure projects, large and small, including with the city of Austin.

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Most recently, I led HDR engineering central Texas water business group, which has 60 professional staff in Austin, Round Rock, and San Antonio, with experience in water resources, water supply clearance and water and wastewater infrastructure. So I am delighted to have joined Austin water, and I think the engineering services program is a great fit with my background and experience. I know a lot of the leaders so getting engaged is a lot of fun, even virtually. I look forward to working with this committee and I appreciate the opportunity to introduce myself to you today. Thanks. >> It was very nice to meet you, and welcome. And all -- I'll log off to not take up any of your bandwidth and listen to the rest of the meeting on TV. >> We're glad to have Shae with

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our team. She's very savvy, starting up virtually. Our engineering program, works a lot with the council, she's excited about getting to know you all better in the future. A few other things I'd like to cover today, one, it's an opportunity for me to give a heads-up on unusual transactions that may come to the council in the next quarter. I would know one for you. We have started negotiations on a renewal of one of our long-term contracts with our wholesale company. Water control district number 10 is up for renegotiations. It's a 30-year contract, so these don't come up very often, it's one of our larger wholesale customers, we're starting negotiations on that and hopefully this summer we'll bring a new contract back to the council. These don't happen, 30-year

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contracts very often, so it's something that would be coming your way, perhaps sometime in August might be when we'll anticipate that, but we'll keep you up to date on that. Another item today for me to report on is councilmember kitchen had requested at our last meeting a regular written summary of our water forward programs, so we've highlighted kind of the new document. It's in your packet, but it's a one-page quarterly update on water forward, what we worked on in the last quarter, so a quick digest of what's happening. I would know two -- >> Kitchen: Can I stop you for a minute, director? I'm sorry. I didn't see it posted. Was that email to us? >> It wasn't an email. I can forward it to you. I think it came to our staff so I'll make sure you get it. >> Kitchen: Thank you.

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Let's make sure and post it on the website. Sorry. >> If I could just add in here, do please send directly to council offices, not just to the staff, especially these days when there's -- that would be helpful. I did want to ask the director, you mentioned the name of the contract we're doing, the 30-year renewal, who it's expiring with. I missed the name. Can you tell me? >> I'm sorry, water control improvement district number 1, wcid number 10. >> Kitchen: Okay. And where is that one located? >> It's kind of to the west of Austin, in that area, kind of not too far to the west of our border. It serves kind of areas there. It's a special state, water improvement control districts are

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special state-authorized districts. >> Okay. I was just curious. That, I think, sounds like it might be adjacent to district 8? >> Yes. >> Okay. Thank you. >> Ellis: That sounds great. Yeah, the meeting document, I think when we were all in offices together, it worked much more fluidly when we bumped into each other between meetings to say did you get this, that, when we're remote, it's harder to strategize, but it would be helpful to get that as well. >> Kitchen: Okay. Thanks. I just got it. Sorry to interrupt what you're saying. >> We'll take steps to make sure we're more targeted on that. I was going to note a couple of milestones on that summary. The council will recall, during our last meeting, we had a discussion and ultimately the oversight committee voted to support the recommendation for our Ami, and since then, that's obviously gone on to the full council, has been approved, and we just completed signing the contracts to start that project. So our Ami project is going to be

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fully underway, and we're configuring our pilot project to start some installation later in the summer. So progress there. The other item I'll note is, we are currently out for engineering services procurement, some start of our aquifer storage, it's a long-term project to store drinking water underground in an aquifer somewhere. It's the start of that project somewhere in the future, so two items to note for that

report. There's a few other things we're working on that's described there. Some of our code is still waiting on the land development code, but we're just ready to go when that takes off again and we'd be happy to answer any questions that you may have on that today or certainly in the future on these water forwarding initiatives. >> Ellis: I've got two. I see that there's information

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about staff participation in the region K process with the Texas water development board. Do you -- would that comment period, since it's open, be available on the water development board website, or is there a link on Austin water's website we could point people to if they want to provide public comment? >> That would be predominantly through region K to state, the development board, that would be the area for comment. >> Ellis: Okay. Likewise, for community engagement, it says Austin water is planning a remote stakeholder engagement event in the late summer and fall, relating to on-site use and regulatory framework. Do you have a more explicit timeline so we can be on the look out, when you're ready with that information, we can point people to that as well. >> I don't think, councilmember, we have a specific date yet, other than just the summertime. I don't know if Kevin Crittenden is on the phone, if he has any

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more specifics on that? I don't hear him chiming in. I don't think we have a more specific day. As we firm that up, we'll certainly communicate that and share it with the offices. >> Ellis: Okay. I'm sure there are plenty of people on the lookout for that and wanting to provide input so we'll amplify when that becomes available for comment. >> Thank you. >> Ellis: Any other questions? >> Pool: Yes. I have one. I'm trying to get off -- can you hear me? >> Yes. >> Ellis: Yes. >> Pool: Okay -- >> Okay. So going back to the -- just wanted to understand the scope of these stakeholder engagement events. So this is to be around the on-site reuse -- the whole issue of the on-site reuse framework, the incentives and code changes, is that -- is that the scope of

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the community engagement? >> Yes. It would be focused on the new code. And the first days of our on-site reuse water forward is focused on large developments, greater than 250,000 square feet, and the first few years are optional. And so during that time, we want to be developing our rain work for how we would regulate on-site reused. We're envisioning some incentives to get some larger scale developments to be the first place to exercise options on the on-site reuse, so that would be the focus of this engagement, is to start to build that framework and how that would work, the kinds of things we would need to be managing, how on-site use works on large scale developments, it would be the start of

getting public input on that. >> Kitchen: Okay. And what would be helpful for me to understand is the whole timeline. So when you get back with us about the information about when this is scheduled -- when this is

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going to be scheduled for, if you could tell us the whole timeline, because I guess I'm assuming that we're talking about stakeholder engagement that leads to -- that leads to -- eventually to council adoption of the framework incentives and code changes. So I would want to have an understanding of the whole timeline. So if we're looking at, like, late summer, for example, for the community engagement, what are we then working towards in terms of the timeline? So can you provide that to us when you provide us the timeline for the engagement? >> Certainly. >> Kitchen: Okay. Okay. And then I just have one last related question. So thank you for including this, you know, for including this dashboard. I think the only other -- the other piece that would be helpful to understand is just -- I know

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there's a whole, very detailed work plan that you all are using for water forward that you're working off of. And you've got timelines and goals on that. So from a -- from a dashboard perspective, it would be helpful to understand our progress on those and so I'm wondering if you could consider including on this dashboard, you know, some rolled-up information on our targets and our -- targets on our work plan? Good way for us all -- us all in the community to stay both apprised of progress on those various work steps and also just to continual -- I mean, the water forward program is a really great program, so it's a way to continually have the public understand how we're making progress. So does that make sense? I'm not asking for the whole

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spreadsheet updated on your dashboard. I'm more saying that spreadsheet, I don't have it in front of me, but if I'm remembering, it has categories and it has timelines for planning and implementation and things like that, and I think from a dashboard perspective it would be good to understand our progress towards those. >> Certainly. I'll talk with our team about how we can enhance not only the short-term look but give you a little broader look on these broader categories and how these milestones are fitting in over the long term. >> Kitchen: Okay. This dashboard is great but it doesn't really give us any -- it gives us some higher level general ideas of what's happening without much specific, so I think if we just drill down a bit on the data that's included, that would be helpful. So, for example, you've got a lot of data on your dashboard on your water quality report that's really very helpful and very impressive, and so I would just ask you to consider including a

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more drilled-down on your water forward dashboard. >> Understood. >> Kitchen: All right. Thank you. >> And, chairman, that concludes my remarks. >> Ellis: Councilmember alter? >> Alter: Hi. Good afternoon. I'm sorry I was a little bit late. I was talking with a child care [indiscernible] About some legislation we passed last week. So I'm catching up a little bit lit but I have one question on the reuse and alternative waters, and I apologize if you've covered this already. I'm understanding that you're going to be drafting a framework, et cetera, and you're going to be getting stakeholders' input. One of the steps that I thought we had set in motion with water forward was kind of a period where you would provide best practices for projects, so if there were groups that wanted to

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adopt this sooner, they had some of -- some of their questions answered and mechanisms for doing that, and I know that we are -- have a pilot project, I believe, at the planning center, but some of the obstacles for some of the folks to want to be doing this it's just not having kind of the examples of how to do it or the clear mechanisms for getting support to try to do it, even before you get the regulatory framework fully sketched out. So how would you be approaching that? >> Well, for clients that want to work on this, we have material on our website, on various forms of reuse and how to go about doing that. In addition, we will consult with them. We are already meeting with some clients that are considering reuse, on-site reuse as a part of their land developments, and we'll provide kind of specialized consulting services for them to

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help walk them through what kind of options are available, how to go about permitting them. Those are the kind of services that we have. Obviously, we don't have a fully flushed-out regulatory framework yet because that's one of the things that we want to develop through this first phase of this whole change, but as people come in and consult with us, we have some staff that are dedicated to this -- to this kind of application. >> Alter: I think it would be useful to think about, you know, documenting some of the successful programs that do exist and, you know, making it clear to the community of developers that there are some resources to help how to do this, if they have clients who want to move forward sooner before the framework, because I just think -- something that I heard when we were reviewing water forward, an obstacle even before you got to

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the framework, was demonstrating this could be done, then there's value added, et cetera, which I wholeheartedly believe there is, but there's a mechanism for that information sharing that I'd like to see elevated a little bit more than what you described so far. >> I'm not sure when you say elevated more, can you help me understand that? >> Alter: Sure. You know, it's one thing to have, you know, guidelines and whatnot on your website. It's another to have kind of sample projects and, you know, clarity over how you can -- how you can get help. And maybe it's there and I haven't seen it. Maybe someone can direct me to where that is and we can think about providing additional feedback. But I definitely remember that during water forward, there was an interim step there that we asked for, and we may have even provided direction on. >> Yeah. I think we're -- I'll have to talk -- I think we're carrying all that out and all the council

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direction. I mean, in part -- part of the guidance is regulatory framework. You know, we don't have a lot of experience with this directly ourselves, you know, our first project, as you mentioned, is the planning and development center, and that would ultimately be one of the ways that we would use to guide people on how to permit these. Because permitting of on-site reuse is not just an Austin water function, it's also a state of Texas function. And so we have to work, you know, with the state on tcq and their regulatory permitting, particularly of plant scale. I mean, if there's other forms of reuse that we have, air condition condensate, certainly our central reuse program has a lot of guidance on how that works and how you connect and the regulatory requirements, the design criteria, all of those, and some of those connections are mandatory. But, councilmember, let me consult with my water forward team and we'll make sure that we're kind of, you know, properly aggregating and organizing that material and fulfilling the needs that the council wanted us to do.

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>> Alter: Thank you. And I obviously haven't reviewed all of the material that you have for the developers, so it may be there. I wanted to flag, though, that I'm pretty sure we had specific direction to consider this as an interim step before that, simply waiting for the framework. >> Certainly. >> Ellis: That's a really great point. Let me pull [indiscernible] -- unless there's any other questions. Is everybody muted? The next item is going to be the covid-19 update and the customer assistance program. >> Pool: And I'm going to go ahead and jump off here. I think what I'll do is keep this running, I'll turn off the camera if I'm able to come back, I kind of don't think so, but I'm going to see if I can run this and zoom at the same time, so -- >> Ellis: All right. I appreciate that. >> Pool: I will say bye, guys.

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>> Ellis: Good luck with that. Are we ready to move on to item 3, customer assistance and forks and budget. >> That would be David yanders, my chief financial officer. Hopefully David will chime in here. >> Ellis: We'll see maybe if he's on mute. >> Can y'all hear me? >> Ellis: Yes. We can hear you now. >> Okay. Okay. I was wondering, I wasn't on mute. Anyway, but my name is David yanders, I'm with Austin water financial services, assistant

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director. And I want to provide a brief update on our customer assistance program and then Austin water's financial impact. As far as our building program, council approved the reduction of 10% to our residential rates on April 9th, and we implemented those rates immediately on that particular date. So they have been in effect and bills have been going out over the next month or so with these reduced rates. One of the things we had mentioned during the implementation or the leadup to that was that these rates would be in effect through September 30th, and then they would revert back October 1st. For the council oversight committee, we have decided to keep this rate in effect till

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October 31st of this year. That is when we would normally make seasonal rate changes for our customers, and so we only wanted to make one rate change instead of two, so we decided to go ahead and, in our budget submittal, we would assume that these rates would go back into -- the previous rates would go back into effect on November 1st with these reduced rates through October. As far as our plus-one program, as you know, we contributed \$5 million in additional funds to the plus-one program, along with Austin energy's \$5 million, and we're continuing to run that program. In April, basically the first month, you know, of the covid release generally was, it did increase significantly, so we

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provided \$270,000 of bill relief to about 13 households just in April. That's about two and a half times the March levels that we had, to the prior months, it's really the highest we've had. So we would expect even may to continue to grow. There is a lot of activity on the plus-one website over the last several weeks that is more significant than normal, so we would be expecting that, you know, we'll continue to be able to help more household as we move forward in this bill relief program. So that's the update -- >> Alter: I'm sorry, could you repeat the number of households that were helped with the 270,000 and the time frame? >> Sure. It was 270,000 in bill relief for 1300 households, and that was in the April -- the month of April. And so we worked with Austin



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energy very closely, and they provide us monthly reports on this program as well, and so we are -- you know, we'll be able to provide further updates as we move through and use these funds that were contributed by Austin water and Austin energy. >> Alter: And is that covering bills that are more than just the month, or is that just -- is that a backlog of payments for some of this -- >> It can be. You know, usually there's a significant amount of, sort of, restrictions and that. I think it's several months that can be done. So this was just done in April, so it could have been a mixture of both -- you know, just one month or a couple of months, or more, that someone, when they applied, they would sort of look at their complete bill and however months were in arrears, they would work to help them in a

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system with, you know, payment assistance. So we're, you know, really hopeful that this program liability help, you know, a lot of households that are struggling in the Austin area, you know, given potential losses of jobs and those kinds of things. So we'll continue to be able to report this going forward. If there are no other questions -- >> Kitchen: Yes. So tell me the specifics of how people get into this program? Are they just -- is there an application process, or are they enrolled? >> They're -- basically, there's not really an application process, but I know that Austin energy has a frequently-asked questions out on their website,

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and basically, you know, who's eligible, you know, it's basically those that might be -- you know, I think part of the council resolution expanded the eligibility of this program. >> Kitchen: Right. >> So we're also including if they're subject to any federal, state, or local quarantine for covid-19, you know, if they've been advised by a health care provider to self-quarantine, you know, if they're seeking medical diagnosis for covid-19. So there's several new eligibility requirements that open up that significantly to those experiencing concerns because of the covid-19. They've always been able to -- like if they had a job loss or those kinds of things, be able to apply for these funds. >> Kitchen: Well, that's what I'm asking, is -- and I'm sorry, I'm just -- I'm just not remembering

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the specific process. How does someone take advantage of this? They have to do some sort of application? >> Well, you know, -- >> Kitchen: Normal application process, just expanded eligibility? >> Yeah. It's generally the normal process, and they work through typically sometimes like a third-party provider that Austin energy has partnerships with. There's over 20 different providers, if I recall, that they can work through. And then ultimately it gets back to where that provider and customer contacts Austin energy, and they work through looking at the bill and apply the funds through Austin energy to, you know, pay those particular bills. But the process is basically the same, but we did expand the eligibility. >> Kitchen: Yeah. I'm just curious, I'd be interested in the details of

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that. So what you're saying, tight providers who are actually determining whether they meet the eligibility. So -- particularly by expanding the eligibility, you know, we're speaking about, you know, how -- in some ways, how covid has impacted them? So the decision about determining whether their eligibility is made by the providers? Is that what we're saying? >> I think that's generally at least the first phase of that, is generally that case, and then Austin energy does get involved in that, ultimately. I'm not sure if they require or look at eligibility specifically again. Austin energy does have, like I said, an faq document out on their website that I'll be glad to provide to the committee members that provides a lot more information on, you know, like how much dollars can be -- you know, what the maximum dollars

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are, how many times they might be able to ask for assistance over a year kind of deal. So those kind of restrictions are still out there that I'll be glad to provide this document to. >> Council, I brought up the website real quick, and it has an application. It's pretty basic. You give your name, some background information, and some kind of document showing you've experienced a hardship, like unemployment or pay stubs that indicated your pay ended. There's a whole list of other providers you can go through to enter the program. So the website has it outlined pretty well, and, you know, we'll do some additional follow-up there for you. >> Kitchen: Okay. So just two things, just to connect the dots. I'm understanding that the city is talking on a single on a single

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application process, that's overstating it, more of a single application process, we just talked about it in one of the cabinet meetings, and I just want to make sure that Austin water is collaborating with that so what they're working on is developing if an individual -- individual has one place or phone number or place that they can contact the city to say what they need help with then connections are made to the different programs. So I'm just wanting to make sure that Austin water is participating in that process.

So I don't know if you guys are familiar with that or not. Director masaras, I want to make sure Austin water is participating in that. >> I'll make sure we're appropriately plugged in and send a report to the city manager, so when we're engaged with discussing the covid-19 responses, I'll make sure that

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we're going into that. >> Kitchen: Yeah. You can talk with director resenyo, is who we're talking about. >> I know Veronica well. Thank you. >> Kitchen: I think it's connected with EdD but they're coming out of all departments. The other thing, I just want to understand, to the extent that you have this kind of data, I want to understand the extent to which you're getting requests for assistance, that we're not able to meet because of our -- because of our eligibility requirements. So that would be helpful for us as a city to understand any gaps or any unmet needs. So do you all have that kind of data? >> I'm not aware that we have that kind of data specifically, but Austin energy is the one that manages this program and we work real closely with them, and we

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can follow up with them to see if that data is available or to see if we can start tracking that kind of data to provide that. >> Kitchen: Okay. That would be helpful. We're just trying to, as we work through these different programs with respect to people's needs due to covid, we're all wanting to identify any unmet needs that we have, or any gaps, so that information from Austin energy would be helpful. >> We'll do. And, like I said, we will work with them closely to see what we can provide the council, and they might be able to provide some of that information in their oversight committee as well. I expect them to provide updates as well pour them. >> Ellis: I was just thinking the same thing, it might be helpful to be able to do this collaboratively with Austin oversight committee so we can

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talk about the different angles of it. I know family budgets are stretched right now, people's home bills are higher because they're not taking kids to school, they're not at work in offices, so I think we've seen the family budget take the brunt of that right now. I see there was a question. >> Alter: Were you through? >> Ellis: I had a couple thoughts but you can go ahead. >> Alter: Thank you. I was just wondering if you could speak a little bit about if what we know about the universe of folks who are in multifamily or single-family situation -- I guess I'm trying to understand the degree to which this relief is [indiscernible] Those in single-family, those opposed to renters, who are in multifamily, where sometimes their utilities are included, and so they're not able to kind of get this relief, and that may be just a function

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of using our program from before, but I don't know the details from multifamily, so can you speak to that scheduler concern? >> With regard to both residential and multifamily, I do not know the specifics of whether or not, you know, certain multifamily are not available to get that you know, obviously, if they do have their -- the rent includes their bill, they don't get a bill from, you know, Austin energy or Austin water, you know, that would probably preclude them from participating. But I don't have, you know, any breakdown as far as that. So for Austin water, a lot of that maybe for residential and not multifamily because we do not have individual meters for our

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multifamily units and, therefore, you know, they wouldn't get that water bill through that mechanism, but clearly, they would still be available for electric bill relief as well. >> Alter: All right. And I guess there are going to be different setups for different multifamily, but to the extent that your utilities are included in your rent, I'm just wondering how we could give thought to what that would look like for a situation if a landlord said they're willing to pass the savings on for a renter who they're trying to work with on a rental payment. I know that gets a little complicated, but it seems to me that if a multifamily residence has a landlord that's willing to pass on the savings to folks who have been disrupted by covid-19, that we could have a mechanism to

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do that, that would then enable the landlord to be able to provide that relief in a way that assists them - you know, I think that there ought to be a solution to this problem, or at least the pilot, that we could do to see if we could help more people in a multifamily setting, who may be the ones that are most effected by covid. So I frankly felt like the 270,000 in 1300 households was lower than I would have expected, would have taken advantage of it, given, you know, for the rents program that we have, we are seeing requests for something like \$6 million in vent relief and 20,000 households or something like that. I may have that number wrong, requesting relief, that if there were a way to do that, or even if it's with haca, if we are somehow reducing their utility rent, then they can reduce that, if we're not taking full advantage of this 5 million and these funds, which

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we won't if this is the rate we're going through October with the 5 million, is there a way that we can do that? >> Yeah, that definitely is an issue that we have explored for quite some time as far as Austin water in our multifamily customers because we don't individually meter most multifamily, and it does cause issues with trying to provide that assistance and determining some sort of mechanism to be able to provide that assistance. And that is what we probably see as part of this program as well, whereas Austin energy can provide, you know, multifamily units because they have separate bills for electric, can provide that assistance without the water bill as well. So that is something we have looked at, in looking at

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something permanent because of the covid-19 coming up the last couple months, that has been stalled a little bit, but we can look and see if there's some mechanism that could do that. I would expect that, you know, as the -- you know, we've only had this program in place for basically an extra month, since it was approved, so I would expect the use of this to be significantly higher through the next few months. Even if -- we also are doing no disconnects with service, so a customer, you know, might wait for a few months before they actually apply for this kind of service knowing that particular bill is sort of on hold and not being disconnected. So we do expect to see greater demand as we move forward in the

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next several months. >> Alter: I guess I think this is one of those cases where interdepartmental coordination is really important in being able to see kind of a bigger view. And I don't know if there's a way to classify some of the multifamily or even if you just took the public housing options through haca and you figured out a way to deliver it, that it would then be passed on to the residents, that that could make -- that's another mechanism for that -- for that relief. And we may need to see what the amount that we need to pay out in may is before making that decision, but I think that would be -- those would be useful conversations for us to continue, and I may think about that with my staff. Would you be the right person pows to continue those conversations with if we wanted to -- >> Absolutely. And, like I said, we had -- we had meetings set up with haca

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just right in -- basically in March or so, and that's been sort of put on hold, but we can definitely reach out to them because we were trying to find ways to see if -- if there was a way to try to pass on, you know, any type of customer assistance programs through our multifamily. So with this new covid -- different programs, we might be able to try and continue to work through that as well. So we can definitely reach out, and we'll definitely be available to have conversations with councilmembers as

needed. >> Alter: Okay. Great. Because I think this may provide an opening to do it in a different way than maybe you were able, at least even if it's just for the short run, next six months, I think that could be really helpful. Thank you. >> Okay. Thank you. >> Ellis: And I appreciate that line of thinking because I know that some apartments do everything included and some do it by square footage, and so I

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appreciate the attention to knowing that may be tricky, but it's something that we should be considering and I appreciate y'all taking time to consider how we could be able to provide that resource as well. Do you have an idea of how many shutoffs have not taken place because of the work that we've been able to do with y'all? >> No, I do not have that information. I haven't asked Austin energy for that at this time. >> Alter: Okay. That is really helpful. I might recommend that we keep this item on as well for our next meeting. If we decide with Austin energy oversight to combine them, I'm happy to have that conversation at that time, but I think this could be something, as it evolves, could be helpful for us to be involved in, to make sure as people have questions, we'll be able to answer them to tell them where to go to receive this type of help. Do you have plans for what might

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happen if we get closer to October and people are still feeling the types of hardships that they are experiencing now, or even worse? Do you have kind of a deadline for where some of those conversations are appropriate to take place? >> We haven't really looked too far in advance. Clearly, when we were looking at this first round of bill relief, we did have some discussions related to, you know, if we needed to, you know, extend these kind of programs further and what that would do financially and budget levels. But we, you know, had hoped to see what would happen in the first few months and how some of these programs went, and then continue some of those discussions through the budget development process when those decisions would have to be made of when, like I said, the reduced rates would go back into effect

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or if any additional funding was needed for the plus-one program, that we would look at at that time. So we've had some discussions, but waiting to see sort of how those funds are being expended in this first phase. >> Chairman Ellis, this is director -- I think as we're working with the city manager and the council on our budget is a good opportunity for revisiting if we should extend these. There's really three programs we created. One is the \$5 million transfer to the plus-one program, both us and Austin energy supplemented that by a total of 10 million. And that doesn't expire in October. Those dollars would remain there until utilized. So as David describes, I don't know how rapidly this would pick up, but

certainly those dollars don't go away in October. The other programs we created is we reduced water bills for all

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residential classes across the board for the top three tier -- or the lower three tiers. The other one is, we reduced our already lower customer assistance program by 10%. And so, you know, we can kind of massage that and keep, you know, some or all of that in place past October 31st, although as David will get into, there are financial stresses, the utilities starting to pick up, and, you know, we'll have to manage our long-term finances, too, as we work through these relief programs. >> Ellis: I very much appreciate that. I know there's a lot of moving parts, and this is definitely a time of need for so many families, so I appreciate your attention to detail on that and look forward to furthering this conversation. Are there any more questions on this particular topic? Okay. Then let's move on to item number 4, which is the brushy creek regional wastewater system

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overview. >> Chairman Ellis? >> Ellis: Yes. >> David want to do provide some context to the council on -- on general revenue losses the utility is experiencing, and I think it would be worth just a few more minutes of his report to get a sense beyond just the customer relief, what other financial undertakings the utility is experiencing. >> Ellis: Okay. That sounds great, if other members are open to it, I think we've got time in our schedule today to do it. >> Thank you. >> Ellis: We're good to go. Proceed. >> All right. Thank you. I'll try to be brief, but I did want to provide a little bit of financial impact on water demand and revenues and our expenses. So for water demand, in April, we did track about 5 and a half percent lower than what we would have expected in April. And that sort of indicates what

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our may revenues might look like going forward, so it's sort of an early indicator on that. Of course, April was a little bit more wet and rainy than -- than normal, so -- I mean, that has -- obviously, rain is still impact our -- our water demand. As far as may demand, it's pretty much right on target or slightly above expected levels, although the rain events over the last day and then, you know, projected into the weekend will have some impact as well moving forward on our water demand. And as far as our revenues, you know, we really had a good first half of the year in water revenues, mainly in October through February, we had significantly more revenue than

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what we had budgeted, so we were about 9 and a half million dollars above budget levels from October to February. Really through March, excuse me, through March. And -- but in April, you know, when, one, the reduced rates started -- the bills started going out with reduced rates, and then obviously the covid impact and the stay-at-home orders were well into effect, so in April, our water revenues were about \$2.1 million below our budgeted levels. And on wastewater, we were about 2.4 million below expectations. So, you know, combined, we were around four and a half million dollars below budget levels just in April. But, you know, obviously, our excess revenues in the first half of the year helped us offset

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those revenue losses in April, so to date, we are about \$5 million above level -- above budget levels in water and wastewater revenues. So that will help offset, you know, obviously, expected losses probably in may, June, as we move forward. At least half of these revenue losses in April were due to the commercial customer class. And that would be expected because of the shutdown in a lot of our commercial businesses, so we did see a lot of that. Some of the loss was also in our residential class, although that was to be expected because of the beginning of the rate reduction, so it's about on par with what we would expect due to those rate reductions. You know, as we look over the next several months, we'll continue to really closely

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monitor all of these revenues, we look at those very closely and compare those to budget reflects to make certain that we can respond to any more severe revenue losses. As far as our expense update, you know, obviously, we are track some of our covid-19 expenses, like most of the people in the city, and those include personnel and temperature monitoring for our treatment plants and service centers, some of the ppe and supplies that we have, so we have expended, through may 7th, right under a million dollars for those expenses related to covid-19. So that's pretty significant, although about half of that is personnel-related, which we would

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generally have to spend anyway, but we are monitoring those specific actions that we're taking for covid-related personnel. Although, expenses through March, overall, even including these extra million dollars, are still below budget levels by about eight million. This is primarily in our debt service requirements area, so we have significant reductions in our debt service requirements compared to



what we had anticipated in the fiscal year 2020 budget, which is also helping to offset some of these covid-19 expenses and any other expenses that might be hitting. Part of that debt service requirement was based upon a

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denissans that was attracted. It was approved in April and provided \$40 million in savings, primarily over the next three years, along with some this fiscal year as well, so it will provide us relief going into the next budget year and help us offset some of the costs that we might be seeing coming forward. Austin water, you know, continues to monitor our financial impact very closely. We are confident we can sustain our financial position through this covid event, you know, using, you know, cost containment, reserves, as we had planned, so we'll just, you know, continue to monitor this closely and continue to provide further further -- further updates as we move forward. And with that, I'll entertain any questions that y'all might have. >> Ellis: Councilmember alter. >> Alter: Thank you.

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I appreciate that. In audit and finance, either at our may 27th meeting or a meeting we're going to schedule in early June, we're going to be talking about updates to city financial policies. But I think this is another example where our good financial practices have really stood us well as we confront this crisis. I don't know that the defeasance parts part of our financial policy, per se, but it was good financial management to be able to take advantage of those -- I think it was state level grants that were -- state level loans that allow us to reduce our debt requirements. But in talking about where a lot of our enterprise funds are in particular, but even the general funds, practices that we have built in place, it's been really important for us to be in a decent financial situation as we face this really big shock.

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So I just want to thank Austin water and the staff for, you know, really pursuing those very prudent steps. >> Ellis: Thank you. That's really helpful. >> Thank you. >> Ellis: Any more questions on that one? >> Kitchen: Yeah. I have a question. And, I'm sorry, you said that, I just didn't quite catch it. What did you say the amount of the covid-related expenditures were? >> They were just under a million dollars, like \$954,000. >> Kitchen: Okay. >> And that -- yeah. Okay. >> Kitchen: Okay. And then, of course, you probably -- well, I don't know if you know the answer to this yet. This is probably part of all of our conversations that we'll be having next week on our use of federal funds, but do you know if

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these have been identified for FEMA reimbursement or for any other kind of reimbursement at this point? >> I do not know if those have been identified specifically for FEMA reimbursement. We are assuming that they are, so all the documentation and those kinds of things, we're already working with the city and eoc to provide that documentation. There's sharepoint slides that we upload some of this information to, with the backup, so we are asking as if it will be reimbursed so that we can make certain that we have the documentation now rather than trying to look for it when we're trying to actually do that reimbursement. >> Kitchen: Okay. Thank you. Oh, one last question, do you have any projection for continued covid expenses?

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>> Well, you know, they -- we have one of the bigger pieces of this is our temperature monitoring contract that we have that is -- at our six treatment plants and basically two service centers that, you know, expends about \$150,000 per month to do that. And since we are critical infrastructure, we felt it was important to continue to have temperature monitoring for our employees before they come on to the site so that we don't potentially infect someone that's at a critical infrastructure plant. So that will continue, definitely. I think our personnel costs were very heavy in the first month,

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month and a half. We had an active departmental center going forward, and in trying to plan for some of these things, and that has -- you know, those kind of activities will be less into the future, so I would expect our personnel costs associated with this would tend to start going down. Our ppe and supplies, like I said, we got a lot of that early on, so I wouldn't see as big of expenses going forward. But definitely, the temperature monitoring will sustain for some time at that level that I mentioned, at 150,000 per month. >> Ellis: That's really helpful and good to know, and I'm glad that you're tracking that as we go along so that -- my interpretation would also be that some of this federal assistance money could also be used on this,

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so it's good to see you're proactively tracking that so that will be a lot easier on the back end. Are there any more questions on this item? All right. Thank you. Item number 4 -- >> Thank you. >> Ellis: -- Will now be the brushy creek regional water system overview. Do we have a staffer that is muted? >> That should be assistant director Kevin Crittenden should be providing some powerpoints here. >> Can you hear me now? Can you hear me now? >> Ellis: Yes, we can hear you now. >> Okay. And, please, my

apologies, I'll be giving a presentation outside to accommodate the technology limitation, so I may be flying a little bit blind as far as the

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timing is concerned, so please, if it appears that I get off sequence with the slides, somebody feel free to stop me or correct me. >> Please tell me when to advance to the next slide and we'll be fine. >> Will do. Again, my name is Kevin Crittenden. I'm assistant director for Austin water. I'm going to spend a few minutes with you this afternoon providing a short overview of Austin's involvement in the brushy creek regional wastewater system. That system is unique because it's the only part of our water/wastewater service area where we don't directly serve Austin water customers independently, but rather do that in a regional partnership, along with the cities of Round Rock, cedar park, and Leander, to provide regional wastewater service to each city's customers. Next slide, please. By way of background, the history

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and evolution of the brushy creek system dates back over 30 years. This area in Williamson county in this part of Austin's Austin -- wastewater service area has been experiencing growth since the 1980s. The regional partnership again in 1988 with the brush on you creek improvement district number 1. The city of Austin and city of Round Rock. With a goal to build a regional wastewater system to meet shared needs in the region. The system is an ongoing enterprise that has evolved over the last 32 years and continues to evolve today. There have been a number of changes over that time, including construction and expansion of regional wastewater treatment plants, extensions to regional collection systems, changes in ownership and operations of the system. Today the system is jointly owned by Austin, cedar park, Leander, and Round Rock, with Round Rock

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being responsible for the day-to-day operations. Next slide, please. This next slide depicts the generalized wastewater service area to the brushy creek wastewater system. The system is located in western -- excuse me -- southern Williamson county. In an effort to orient you to the service area, you'll note that us 183 is to the left of the screen running from north to south. Closer to the middle of the screen you'll see interstate 35, again running north to south. Just beyond the screen on the right side would be state highway 130. You can see at the bottom of the screen is highway 45, which generally connects U.S. 183 to 35 and then to 130. Beginning at the top of the page on the left-hand corner, the city of Leander service area is in the

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northwest area. It's depicted in light blue. Immediately below that is cedar park's service area, again on the west portion of the service area, and it's depicted in light green. South of that is the city of Austin's service area, shown in the salmon color. Then as you move to the east, you'll see the city of cedar park service area in pink. Additionally, this graphic depicts the lines, green lines running from west to east, which show the regional wastewater collection and conveyance system. Those are basically large wastewater pipelines that carry wastewater from regional customers to regional plants, which are located in the round Rock area. If you'll note, highway 79, just to the right of 35, there are two black boxes with green dots.

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The one closer to I-35 is what's called the west plant, and the one closer to the right-hand side of the page is the east plant. Next slide, please. As a notable view to the system, the current capacity of both east and west wastewater plants is a little over 23 million gallons a day. That includes two plants, the smaller west plant, which is the older plant is three million gallons per day, and the newer, larger east plant, which is in the 20 million-gallon here day range. Austin currently serves approximately 4,800 retail wastewater connections from the regional system. Those connections are located in far north Austin, primarily in the Avery ranch division in Austin city council district

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number 7. As the area continues to expand its growth, the partner cities work through a system governance structure called the brushy creek operations committee to oversee system operations and plan for needed system expansions. One of the drivers for a current needed expansion is that Austin's wastewater flows into the system currently exceed Austin's purchase capacity in the system. Next slide. The regional partners are currently working on plans to expand the east wastewater treatment plant. The current capacity of that plant is just a little over 20 million gallons per day. Engineering plans have been completed to provide an additional 10 million gallons per day in treatment capacity overall at that plant. Austin's current ownership in the plant equates to approximately 3.4% of the capacity and will

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grow to nearly 10% of overall capacity following the plant expansion. The expansion is expected to begin construction in the coming months and should be completed before 2024. Each partner will pay their pro rata share of the expansion cost based on their needs, and the city of Round Rock will oversee the

construction of the expansion. Next slide. This graphic provides some insight into the current wastewater flows experienced at the east plant, and in comparison to the current and planned wastewater treatment capacity there. The green line in this graphic shows the current plant capacity, which is, as you can see, a little above 20 million gallons per day, as discussed. That plant capacity grows to 30 million gallons per day in the

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2023-2024 time frame, and is represented by the jump or step in that green line. The blue bars on this chart reflect the projected wastewater flows anticipated to be experienced at the plant. The combined regional wastewater flows at the plant are currently expected to reach 17.6 million gallons in the 2020 time frame, which represents about 88% of the plant's capacity. For reference, the tceq, Texas commission for environmental quality, has established a regulatory threshold that requires construction of the plant expansion when flows reach 90% of plant capacity. Given the anticipated continued growth in population and related wastewater flow growth, it's anticipated that additional wastewater capacity will be delivered in late 2023 just in advance of flows reaching

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20 million gallons per day. Next slide. For reference, we've included an aerial picture of the brushy creek east wastewater treatment plant for some context. The plant site generally encompasses the majority of the frame of this picture. The picture illustrates the various treatment plant components, including head work, basing, clarifiers, sludge processing, effluent and discharge facilities. At the top of the picture you'll note highway 79 again connecting ih-35, which is outside of the frame of this picture on the left, running through the city of Round Rock, connecting to state highway 130, which would be outside of the frame of this picture on the right. At the bottom of the frame, you'll note the treeline along

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brushy creek. Brushy creek, of course, is the receiving stream for the plant for the treated wastewater effluent. At the top left corner, you may make out the del diamond, which is the home of the Round Rock express professional baseball team, and then you may note in the right corner across highway 79 is a residential subdivision in the Round Rock area known as Ryan's crossing subdivision. Next slide. So, finally, just wanted to provide you some reference of recent council actions and some upcoming council actions that you'll see in the future. On may the 7th, council approved a request for council action to provide additional funding for Austin's share of the east wastewater treatment plant expansion. In the coming months, we'll also bring forward an rca to approve

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amendments to the interlocal agreement related to plant ownership arrangements in order to provide additional service to the city of Leander to meet their growth needs. Additionally, we anticipate some more transactional items related to conveyance system extensions, other operational matters, and some minor real estate transactions. And with that, I'll stop here and just be available to answer any questions that you might have regarding our participation in the brushy creek regional wastewater system. >> Ellis: I appreciate that presentation. Can you tell us more about the interlocal agreement? Is that something that would come back to council for approval once all the details are negotiated, or would it be negotiated and execute type of agenda item? >> It would typically be a negotiate and execute type of an

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item because we are a partner in the arrangement. There will be some level of discussions going on amongst the partners about making additional capacity available for Leander, but we won't likely bring that forward to council until it is -- we've got a lot of visibility on what that likely arrangement would look like. >> Ellis: Okay. That's helpful. Are there any other questions? All right. Okay. I appreciate that. That was really informative and helpful. >> Kitchen: I have one question if that's okay. >> Ellis: Yes. Go ahead. >> Kitchen: Have you -- have you gotten any -- have you heard any concerns from -- from the public about this project?

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>> We have not -- we have not received any directly, and we are in very close communications with the communities of Round Rock, cedar park, and Leander, so I am not aware of any, and would suspect if there were any serious concerns, they would have been elevated and we would know about them. So to the best of my knowledge, we have not received any comment or concerns about the plants here. >> Kitchen: Thank you. I hadn't, myself, and was just wanting to understand what y'all were, you know, hearing from the public on it, so... >> Right. >> Ellis: Agreed. I also hadn't heard anything on it, so that's good to know. Councilmember alter? >> Alter: Hi. I wanted to ask something on behalf of the district 7 office. Specifically, do you have a sense

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of what additional expansions might be needed after 2023 in this first -- this next expansion, and what that would look like over time? How quickly we'll invest more in -- >> Yeah, so it's difficult to say. Obviously, the area has continued to grow. I think generally speaking, we would look for this next increment of capacity to easily last, you know, in the five- to ten-year range, and that's probably conservative. It could be longer than that. I think it's been probably ten years since the last expansion, so as a general rule, we look to try to space expansions out kind of along that ten-year time horizon where we can. Some of that could change somewhat, depending on -- on

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individual partner, incremental growth, so that might change the outlook. But one of the benefits of having a regional system is, it does facilitate some capacity-sharing arrangements a little easier, and so, you know, that is kind of an opportunity and a feature of participation in the system like this. >> Alter: Thanks for the clarification. >> Ellis: That's really helpful. I appreciate that, and that was a great presentation. It was helpful to see kind of the visuals and to see, you know, on the ground what's happening over there. Are there any other questions on that item? And with that, we are on to identifying future items. I know we talked about having covid-19 customer assistance updates coming back. We usually do our director's report as well. I appreciate, councilmember

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kitchen, your comments on the water forward dashboard and being able to see kind of timeline built out a little more descriptively. Are there any more items we want to talk about putting on? Councilmember alter. >> Alter: And this is not totally fully baked, so I'm happy for there to be conversations about what the most productive way to do this. I would like more information on what we're doing to address the leakage issues that have been brought forward and maybe an update on how Austin water is helping other departments to conserve water, such as the parks department and maybe other things related to that, or maybe other departments where they're having a big impact as well. Yeah. >> Ellis: I appreciate that. Yeah. I think kind of usage across departments and leak detection could also be important. I know I saw it on the general manager's report. I would probably like to know -- would like to know quite a bit

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more about what products are available to assist with leak detection and kind of what our best practices are to alleviate loss of water in that way, so we'll start working on an agenda that better spells out those items and work with Austin water to kind of get that locked down. Councilmember alter? >> Alter: I just wanted to add that, you know, they have a great pilot that started with a couple pools, at least one pool, and they were saving a lot of water and saving a lot of money, just helping them to get

the technology set up so that they could do the water detection at an earlier stage and, you know, given amenable budget we have for our parks department and the need to conserve water, you know, I think that's something I would really like to see flushed out more and expanded upon and try to find the many ways. There's a reverse of this, too, that I know that my

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commissioner -- the wastewater commissioner shared with me, some optimizing that Austin water was doing about their energy that was saving Austin water a lot of money by timing that at non-peak times, and so I think that would be also something that we could hear more -- more about those kinds of steps and those opportunities to run more efficiently. I don't know if any of those are, you know, time-sensitive, but they are things that are on my mind. >> Ellis: I think those are great conversations to have as well. Okay. If there's no further questions or items, we will adjourn. It is now 2:25 p.m. and this meeting is adjourned.

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