

Austin Water Oversight Committee (AWOC) Meeting Transcript – 10/27/2021

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>> We are going to call to order the meeting of the Austin water oversight committee at 1:34. And we have a quorum. So the first item is citizen communication, of which I don't believe we have anybody signed up today. So the next item is approval of the minutes. And so we had a motion from councilmember pool, second from councilmember Fuentes, all in favor, it's unanimous, yes, thank you. Yeah, approval of minutes. Next item is approval of the water oversight committee meeting schedule. So have you all had a chance to look at that? It's in our backup. Basically, at this point we have a schedule of four proposed meetings, which, of course, throughout the year we can add to if we need to. But these are meetings

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scheduled on February 23rd, may 25th, August 24th, and October 19th and we have the two-hour slots, you know, which of course we can adjust. So to begin with, does this look acceptable to everybody? Go ahead, councilmember alter

>> Alter: I think this is accessible acceptable, but I just want to point out there are other meetings at the same time. Finance may have trouble making both meetings for whatever reason. Obviously, they're on our calendar well in advance and we'll do our best to do that, but they were all four days that we regularly meet for finance.

>> Chair: Are these the same days?

>> They're all four audit and finance days.

>> Oh, they are.

>> Did we get that list yet from you guys?

>> It's going to be at our next

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week, but those are always the weeks that we --

>> The last Wednesday of the month?

>> Yeah.

>> Chair: How about this, guys, why don't we tentatively accept this but with the goal of working with the staff so we don't conflict with audit and finance. Does that make sense?

>> I don't mind it.

>> I just want to point out, I mean, I can live with it fine. I'm just pointing it out because if there is a time when we're just not able to make it because there's no flexibility in the schedule because of audit and finance, then I'm just -- I'm telling you in advance. I'm not complaining that we have to move.

>> Chair: Yeah, no, that's okay.

>> Whatever.

>> Audit and finance is in the morning, so it doesn't conflict with the hours.

>> Chair: Councilmember Ellis?

>> Ellis: I'm happy to approve it. I know all the committees have to adapt schedules and sometimes things need to wiggle to accommodate all the meetings,

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but I'm happy to move it forward.

>> Chair: Let's move it forward and see if we need to make adjustments. Councilmember Ellis makes a motion, councilmember Fuentes seconds it. All in favor?

>> A little lonely over here.

>> You can come down and join us. I was down there and I came down. So okay. The next item is -- the next item? Where is my agenda for the next item? I think it's a report. No, this is audit and finance agenda. We have the wrong agenda. Oh, wait, here it is in front of me. The next is the director's report. And he's ready for us.

>> (Off mic).

>> Microphone.

[1:38:49 PM]

>> Greg, director of Austin water. Pleasure to be here. I want to start off with just a few updates. One, I know the council is anxious to hear some of the after-action reports and I just want to give you an update that obviously that process has been under way for many months, and we would expect here in the very near future next week after action reports being released, there's some discussions about briefings for the council coming up, maybe as soon as next week also and Austin water will be a big part of that process. So I think we're pretty cued up for that to be kicking off very soon here. I wanted to note for the council an important financial matter. Austin water just completed its bond ratings, and today we had a successful bond sale. All three of our rating agencies affirmed our aa ratings, and so that's really good news. You know, particularly in today's challenging times to have the financial bond rating agencies affirm our ratings and

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give us a stable output is really, really important. I want to note for the council, I think this was a good collaborative effort to not only stay strong financially but the council approved financial policies for Austin water that were stronger than what we had before. And that was noted in the bond ratings, and I think went a long way to affirming our ratings. I also want to spend a moment and just recognize our entire financial team. The governant financial officers association, the gfoa, awarded our team the award of excellence this year for our debt management. And particularly debt management to improve

water affordability. As the council knows and has supported along the way, we've been actively managing our debt through a combination of tools, through our capital recovery fees,

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borrowing at low interest through Texas water development board, and really solid decision-making on refinancing transactions. And all of that together over the last few years, including our most recent bond sales, have resulted in about \$600 million in total debt service savings. And so these strategies that the council work with us to adopt a few years ago are really working. And we're seeing it not only in our rating agencies but in this award of excellence. I have one other award to note. EPA granted Austin water through our wild lens program the outstanding green infrastructure award for this year. It was an award that recognized work at our wildlands to do stormwater capture and restoration. This was particularly at our veerial preserve where we're working. One of our biologists, Jim o'donnell, has been really a

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leader in this area and working to reshape the land there to capture more stormwater, to revegetate and enhance that environment. This technique is expanding to other parts of our wildlands where we can restore hard caliche soils. I have a small conflict of interest. I volunteer on weekends and work on this project so I have extra pride in terms of this recognition. Council, that concludes my opening remarks. I do have a cip briefing that councilmember kitchen requested. I'd like to go through just a few slides there if you're ready for that.

>> Yes, does anyone have any questions before we proceed? Councilmember alter?

>> Thank you. Congratulations on those awards. I don't know if you have any write-up from those. I'd love to talk about that in my next newsletter, if possible.

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I've been bugging you about the debt stuff, so I'm really pleased to see those numbers and really excited about the bond rating stuff. So would love it if you have anything written up on that. First award particularly, but both would be of interest, I think.

>> We'll get you some bullet points there, councilmember.

>> Alter: Great. I'm really looking forward to reviewing the after-action report, want to make sure that my colleagues know that the audit that was requested by council related to the winter storm will be coming back. I think it's on November 10th. So you may want to plan to attend that audit and finance meeting. It's a smaller segment of what we're looking at from the fuller after-action report but should be of great interest. We will also be talking about ems billing thing, and we will

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also be talking about -- if we have time, we'll talk about the economic recovery funds audit as well. Thank you.

>> Chair: Thank you. And of course, you'll share that award with all of us as councilmember alter said, that's very exciting. Go ahead, councilmember Fuentes.

>> Fuentes: Also wanted to add my congratulations to you and your hardworking team at Austin water for all you're doing. It's so incredible to see your outstanding contributions recognized so just wanted to say congrats to you and your team.

>> Thank you, councilmember.

>> Chair: Okay. If you want to proceed.

>> If you could bring up the cip presentation. Beautiful, thank you. Okay. So just a few slides here I wanted to go over. If we could advance to the next slide, please. Yes. Overview of our cip starts with good planning.

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I think our cip is really developed through really excellent planning and asset management approaches and risk management. We're a very capital-intensive industry. We have thousands of miles of buried infrastructure. We have six large regional plants. We have hundreds of smaller facilities that we have to maintain. We are stretched out over hundreds of square miles. And so planning our capital program and executing our capital program is one of the key things that we do at Austin water. And literally, there are hundreds of Austin water employees involved in this and many outside of Austin water to help us plan and deliver our cip. We use an asset management approach to planning our cip. And that's where we really look at condition data. We spend a lot of time updating condition standards, capturing condition data, and then linking that into our infrastructure and infrastructure risk and where we see poor condition

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infrastructure that has a high consequence if it were to fail. Those are the kind of decision-making that we use to drive our cip. We plan our cip for many years out. We really look hard at the five-year period, but really our cip, our major projects, we have a good sense of those out in the 10 and 15-year time ranges. That's a part of it, too. We do business cases for the bulk of our large cip projects where we analyze the business case and risk management. We have a business case review committee of executives that review those business cases and make determinations and help shape our cip that's recommended to the council each year. So I think a very mature model for how we go about planning our cip. From an execution perspective, at any one time, we're working well over 300 projects. We historically have the largest cip of any city department. Just give you an example, in

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fiscal year '21 that just concluded, our cp output was \$199 million. We're proud of that number. That's not a planning number. That is what we actually spent. That's what we got done. That is really supporting a wide range of council policies and utility risk management. We do utility relocations to prepare for transportation system projects. We replace water mains. We upgrade infrastructure, we prepare for growth, we prepare for regulations, we do enhancements, drive forward water initiatives. The list goes on and on. There's a lot in that cip, and we're very proud of the number we completed. The little kind of graph there to the left or to the right is really kind of a broad grouping of our cip. Roughly half of our cip is fully dedicated to renewal. Just taking care of what we have already, replacing

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infrastructure, modernizing infrastructure, managing that part of it. Another, a third, roughly, is growth related. That's preparing our community for growth in the future, and that's expanding pipeline systems, working on plants, tanks, lift stations, whatever we may need to do to accommodate the growth. And that part of our infrastructure is what goes into our capital recovery fees and other aspects of that. And

lastly, the last chunk, about a fifth, 20%, is enhancements, things that we're doing that are new or innovative or growing our programs. You might think of some of the Ami, the advanced metering infrastructure, is enhancement. Part of it is meter replacement, but part is not just replacing existing meters but doing it in a way that's changing and upgrading the approach, right? A digital system, a different way for customers to be. We have a large budget.

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\$222 million right now for capital investments in '22. And we certainly hope to spend very close to that number. Next slide, please. So looking at some of our bigger individual projects in the cip, our largest project in total really over the next year, for years, is going to be our walnut creek wastewater treatment plant expansion. That project is well into the engineering phase and would add 25 million gallons of capacity wastewater treatment at our walnut creek plant, which serves the majority of the area north of the river. Anything, in essence, north of the river, is flowing into our walnut creek plant. So keeping that plant healthy and ready for the future, very important. That's our biggest project. I will note that the total is not necessarily the total cost of that project. You're seeing the five-year cip,

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which is in our budget, but a project this size expands beyond five years. That's our budgeted five-year cip total. We have roughly \$63 million additional spending on advanced metering infrastructure. You'll get an update on that. The biggest pipeline project is the Williamson creek interceptor. This is a tunnel that really serves several purposes. It's going to provide new infrastructure for poor-condition interceptor. The one that runs now is in poor condition. This will replace that interceptor. And it's going to be sized for future growth. There's really no part of our utility system that's not growing. This is certainly an area growing a lot, served by this system, so we'll make sure that that tunnel has capacity for

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future growth. We have a very large project coming up at south Austin regional wastewater treatment. We're going to be rehabbing what we call trains a and B, our mechanical systems on those two treatment trains. That project will bid this year and should come to the council late in '22. Again, a very large project, and the spending is actually just for the five years. I think the total spending will be above that as we get past the five-year window. Very important rehab project. Reclaimed water, we have a big presence in our five-year cip, focusing on completing the core, which was one of the water forward recommendations where we really build out the core nucleus of our reclaimed water system and that 35 million would complete all the projects for the core part of that system. And last, our largest reservoir and pump station project, our north Austin reservoir and pump station is well in construction. That project should at least in part go into service in '22.

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That is our oldest reservoir, 1926, original build. It's been remodeled and gives us a lot of additional capacity and operational flexibility with that new pump station and reservoir. If we could advance a slide. I did want to note other highlights, not necessarily big projects, some of them are big. These are some of the projects that have strong resiliencies. The first is a primary recommendation of water forward where we would design and construct aquaphor, we would build up thousands of acres, feet of

water, safe from evaporation, safe from upset and be available for whatever we need in the future. It would be like the world's biggest storage

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system. That project is under way. The engineering has started. Really the planning engineering phase of this where we're evaluating aquaphors and exploring options and doing outreach. We would ultimately work through a pilot project and depending on the success of that, we would build the system and finish it by the mid 2030s. We have a lot of electrical work under way, our electric low-service pumping at Ullrich is in construction. That will complete in the next five years. We have other electrical improvements and power reliability improvements. Davis lane pump station serves our south systems and we're working on improving electrical feeds to that system for reliability. Center street pump station, another critical station on south first street, improving that system for improved

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reliability. Southwest parkway elevated tank and water main. These are projects that came out of our after action. We started to accelerate. Just noting those for you. We have ordered two portable water trucks. Portable. Potable water trucks that will be in service this winter. Continuing investments in our pipeline renewal, replacing the water infrastructure that's underperforming. We have roughly about \$50 million in the current cip with looking at expanding that in the future. Again, some of these are the more higher-resiliency projects we have there. Please advance the slide. That's the overview. Obviously this is a high-level overview. Just want to give you a flavor for the current cip and maybe what's coming your way. Happy to answer questions. I counted up our forecast. I think we'll have roughly 25 to 30 cip projects come to the council in '22.

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So again, you'll see an active flow of our cip projects throughout the year.

>> Chair: Thank you. Do we have questions? Councilmember Fuentes?

>> Fuentes: I just have a quick question. Can you talk me through for the water pipe renewal and replacement program, what criteria and matrix do you use in identifying areas to prioritize.

>> Sure. I might ask Kevin to come up here too. But we capture a lot of condition data on our water pipeline infrastructure. We look at water main break histories, you know, if the pipeline has failed, we look at the size of the infrastructure, if it's an undersized water main and we could upgrade it, if there's water quality problems, like if -- you know, if there's any rusty water or water quality problems, all of that goes into our model for how we select projects. We also look at coordinating

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those projects with other city work if there's a transportation project under way and they're maybe resurfacing a road or the corridor program or project connect, whatever is driving other initiatives that's tearing up the street. We fold that into our decision-making and use that to drive water main replacements. The land development process often drives some water main replacements. If an area is densifying, we work with developers. So that's kind of the range of things that we use. I don't know, Kevin or -- sherry -- sorry. Wow, you've changed, Kevin.

>> Shea Wilson. I think Greg captured it very well. I had add that when we're scoping projects, we do look to scope them to a size that can be accomplished by our local

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contracting pool. And so we try to make them very competitive for bidding.

>> Thank you. That information is helpful. I may request an offline meeting for us to discuss further. There's just so much growth in our area. We have this huge infrastructure projects coming up in Austin that I just want to learn a little bit more about the process that y'all use in coordinating with atd and with other entities. And so thank you for the information.

>> I have a followup question. So you mentioned land development. So I'd like to understand how you -- do you look in a proactive way about the -- in the parts of the city that are projected for growth? And does that impact -- I'd just like a little more details along

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the lines of councilmember Fuentes was asking. I think it's important that to the extent that we can, that we be proactive and get ahead of the projected growth around the city so that instead of having to, you know, respond after the fact, after, you know, development has put more pressure on the system but instead, we are doing some level of anticipation or proactive planning. So can you just talk to us a little bit more about how you do that?

>> Sure. I'll start. So yes, we have a whole group, our systems planning group, that works to forecast infrastructure needs and growth and is tied back to the comprehensive plan where we really -- we know where we're going. We know where we need infrastructure. We're planning that. That team is engaged with

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the group that works directly with land developers, our utility development services group and more particularly our service extension group that is the first to hear from developers, and they link back with systems planning and they look at the models and the forecasting in our plans. And some of that drives larger infrastructure. We will sometimes partner with developers to oversize infrastructure. Maybe they need a 12-inch main but we're like for growth purposes, that should be a 24-inch main, and we'll pay the marginal difference. You see those a few times a year. We also do our own projects that don't have anything to do with land development in the sense of an active project. We just will forecast and say you know what? We need a very large transmission infrastructure system in this part of our system to get ahead of growth that will occur over maybe 20 or 30 years. You know, large wastewater

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infrastructures, large transmission infrastructures are big pipes, 60-inch, 80-inch kind of pipes. We have to kind of drive those ourselves. Similarly, plant expansions, like I mentioned, walnut, that that's a part of our forecasting. We actively monitor flows and forecast and try to stay ahead of those. Kevin, I don't know if you want to amplify some of that?

>> Kevin, assistant director, Austin water. I would just say in addition to that, it's an ongoing involving exercise that we do, kind of balancing our long-term needs. We do have, again, very robust and comprehensive hydraulic models of our system and look very diligently at day-by-day opportunities to partner with the community. And we'll bring recommendations forward. It's an ongoing and active place, a lot of development going on through the community, even despite the pandemic. And again, we've constantly got our eyes on kind of what's happening

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with the city. And including other city planning initiatives. So long-range plans for the city, imagine Austin, and other things, are trying to play all of those things in is what we do on a daily basis.

>> Chair: Thank you. Other questions? Okay, thank you very much. We look forward to the after-action report. Well, I do have one other quick question. So you mentioned a number of of these items that were in response to the after-action report and winter storm. Do you feel like at this point you have reflected in this cip plan all the projects you're going to need? Or will you be bringing back more to us to respond to the after-action? I guess I'm asking for a little bit of a preview to the after-action report.

>> So right after the winter storm and, you know, the first few months, as we were absorbing the experience, we did make some revisions to our cip that was

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included in the budget most recently approved. Of course, the after action continued to advance. One of the partners in our after-action analysis was an engineering firm, Frese and Nichols, and they've worked to do a deeper review of physical infrastructure improvements. We do anticipate additional cip investments, either accelerating projects or new projects that we would do as a result of more detail unfolding of the after-action. We have started our cip planning for the next budget cycle and will be folding and incorporating those new insights into additional cip recommendations. Councilmember, we'll be able to go into this in more detail. I would add there's new state law that was enacted during the last legislative session that applies to all water utilities in the state of Texas, which will also drive cip investments in order for us to prepare to meet the requirements of that

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new state law. It's a little more focused on power reliability for water utilities. So that's another area of investment we'll be factoring out.

>> Chair: Thank you. Thank you very much. Our next item is the update on the Ami, the advanced metering infrastructure.

>> I'm going to abandon the dais and let the two staffers come here.

>> Chair: Thank you for that report.

>> You bet.

>> Good afternoon, councilmembers, chair, vice chair. I'm Rick, assistant director for operations and I have here with me Randy Jenkins, assistant director for customer experience. We're going to be sharing the presentation today and also

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answering questions that you may have. It's been probably about five months since we last updated you. So if you advance the first slide there. I do have on the agenda the link to the last presentation, so I won't go over that content, but just give you an update since then. We did present to the water and wastewater commission this briefing so they've also received an update, and we'll go through the progress. So as it lays out in the agenda, I'll cover the infrastructure part that includes the metering, the data collection units and other infrastructure investments that we have. Then I'll turn it over to Randy to cover some of the details since may about the customer experience. So if we would go to the first -- the next slide, please. Next slide. So this, I'm going to use as kind of our gauge, our metric, on our

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progress towards delivering a physical system-wide Ami program. We last reported back in May as we were exiting some of the pilot areas, we invested in pilot installations for not only the Mueller and River Place areas but since then, we have also gone citywide, and part of that, you'll see in some of the tools that we have available to customers as well as for you to kind of share with your constituents. I want to just draw your attention to this. This was updated back in September, but since then, we've now installed almost 16,000 meters. So as of today, we have about 16,000 meters installed on the ground. And that's an important metric for us as you'll see in the next six months, updates, we'll start

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accelerating that because we'll be investing in the workplace, the workforce, not only on the contractor but also for Austin water. We also update this if, you know, to get a more reflective, recent update. This will show up on the monthly dashboard. So this metric will show up on the monthly dashboard. You can kind of view that online as well. So going forward you can keep track how our progress is going. If you kind of want additional information, we'll definitely include that in any future updates as well. I want to also remind you that this -- not only is this an infrastructure replacement project, but obviously we have a lot of goals at this Ami program touches, the customer experience, the customer service investments, the conservation efforts, as well as the replacement of meters. And this is, with our contractor, this is intended to

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go on for multiple years. We're trying to look at a three-year target to try to advance the majority of the residential meters to be replaced within the next three years. So we've started back in May. As you can see from this graph, and that's where you see the slope of this trend starts to increase. And it will continue to invest in, like I mentioned, the workplace, the workforce on the contractors to install more meters. Next slide, please. I particularly want to highlight this. If you go to the myatxwater.org website, not only is it a landing place for you to register for the portal, but it also allows you to access what I'd say a dynamic map that you can actually look at and see a

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change daily. It provides information on where we're going to install the meter and if Ami, smart meters, have already been installed. This kind of shows you an example of the southeast area where we have neighborhood in McKinney Falls and Colton Bluff Springs as a target area for replacement. So you have in blue the meters that have already been installed. And the yellow color represents those that are scheduled to be installed. So we'd love to see, you know, hear about any feedback that you may have of this tool. It's available to the public, and they can access it and see whether or not, you know, we're in their area. Next slide, please. I mentioned our journey towards full wide implementation. When I last reported back in

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May, we were just starting not only the data collection units. Those are the collectors that gather the information from the meters themselves, and they report back to what we call a head-in system,

essentially a centralized depository of this information. Just an update, we have installed about 28% of our targeted dcus, what we call data collection units. We're still at 28, maybe 29% as of today. We installed another one on top of a tank in the southwest area. So we'll continue to make progress citywide on installing these what we call data collection units. And that's important because that helps us determine where we're going to plan next. Essentially once we have these data collection units installed, we're able to then perform surveys. Essentially it's the planning

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part of replacement of these meters will go survey the meter box, identify which meters need a new lid, prepare to clean these boxes. We'll even at some point initiate communications with the customers. To date, we have probably about -- it says 32,500. We're up to about 35,500 that we've surveyed. That kind of gives you the window of the next level of planned installed locations. We continue to work towards making sure that we have adequate inventory of not only our meters but our lids and any other supply chain issues that we may run into. We're trying to prepare in advance and have that stored in the vendor's warehouse to continue to advance our installation progress. Also you might note is the workforce

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part of this, we did ask for approval of additional ftes for Austin water that's related to Ami, and those include positions such as it-related positions, customer service, and even meter text, and those are to help advance not only the installation but also to maintain, once the systems are in the ground, how to maintain, make sure that our staff know how to exchange these meters in case they run into future O and M issues, but also to train our workforce to understand what we're installing in the ground, this new technology. So there's about 8 to 9 positions that we're filling to date for this fiscal year. In addition to that, the aclara, our main contractor, they have ramped up

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their recruitment to install additional meters on a daily basis. Currently they're probably targeting anywhere from 500 to 1,000 meters per week, and you'll start to see that ramp up over the next months. And what you see in the picture there is just a depiction of what goes in the meter box. You have a meter, what we also call a meter transmitting unit, that's kind of the radio with the battery that's all equipped underneath the meter box, and if you have to add an additional antenna, that will also be part of the equipment that goes inside the meter box. Let's see. Next slide, please. Back in February, we kind of, you know, experienced the importance of this program, not only for communicating to customers but also to use this information for operational purposes. So what we did, we paused a little bit

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on the it end of things to add some additional scope. That scope included advancing or enhancing our disaster recovery for information. And so back -- the original scope of this was to have information service-level backup for 48 hours. Essentially if the system would go down, we would have that information back up in 48 hours. We've since changed that model and requested to have that information backed up in a matter of hours. So multiple hours. And so two is the target. And so what you see as a depiction is we have two data centers throughout the country that help with that backup.

And we've tested that since. So we've had to kind of adjust our scope in order to achieve some disaster recovery goals over the last couple of months. And that has -- that, I believe, will be

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very valuable as we kind of invest more in our infrastructure and start using it more for additional scope such as pressure management, leak detection, and so forth. So definitely investing into this program is going to have a very good outcome. So we want to make sure that we have all the tools and systems in place to achieve those goals. In addition to that, over the next six months, our next reportout will also talk about our meter-to-build process. We're still finalizing, making sure that we have significant criteria before we switch our Ami meter reads from a manual read to an Ami read, and then it would be processed through the billing system. So we're ensuring that not only that we've installed the meters in the ground, they've been in there for some time, that they

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match the current manual read process within a certain percentage, that they have a repeatability and also consistency of that meter read. And essentially, just gathering the overall integrity of that information as we kind of launch -- we'll launch a couple of meters or a batch of meters to bill, and then we'll grow that over time until we have confidence that we can switch over routes to the Ami reads. And so you'll hear our progress towards that in the next update. Next slide, please. So we're kind of continuing down the path of improving our resiliency. Since the winter storm, we were able to not only install meters in the southwest area, but all of the south as well. So total of the south, you know, our pilot areas were typically

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targeted in the north area. We've since now installed at least 5,000 meters in the south in addition to the current inventory of meters that we've installed in the north. We're probably about eight districts installed. And so by the next update, we'll probably be citywide as we have additional dcus installed throughout the city. In addition to that, you know, this is going to give us some -- as we install new areas, we're going to also be testing different monitoring tools, such as I mentioned pressure monitoring. During the winter storm, we did have some significant pressure monitoring devices go out in our scata system. So this is going to give us an opportunity to test out some of those devices in certain areas or at least demonstrate the feasibility of this product and then see how we

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would incorporate that on a citywide basis. Let's see. So with that, I'm going to go ahead -- if you want to go to the next slide, I'm going to turn it over to Randi, and she'll discover some of the outcomes from our customer outreach and engagement.

>> Thank you, Rick. Good afternoon, councilmembers. As Rick introduced, I am Randi Jenkins, assistant director of customer experience at Austin water. And so digging into our outreach, and then we'll migrate into our portal for our customers. But just to give a quick overview and reminder, I shared a bit of this information in may, but I wanted to just provide a little bit more of the success. So if you recall in our may briefing, I provided that we had conducted a survey that went out to our pilot, Ami pilot customers. And through that survey, you know, we wanted to reach out to those customers

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to determine how well did our outreach efforts work in the pilot and what changes did we need to mitigate for going forward as we moved into full deployment? And so one of the things that we maintained throughout the pandemic -- you know, we're still in a virtual mode. We will be migrating to future in-person meetings, but we have withheld our standing monthly virtual community meeting so that individuals that are about to get their Ami meter or just are interested overall, they do not have to be on the list for getting a meter. They can just attend at their will. So those are held monthly. And then the other piece of information that comes to a customer that was maintained from the pilot into full deployment is our customer mailer. So a customer receives a letter that provides a full, in-depth review of our project with information that they are on the list to receive a meter in two to four weeks. And so that is still occurring.

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One update that we did make following the survey to our customers, one of the things that they provided to us is that they really desired an electronic format and a more near-realtime communication from us. So we started using e-mail communication to those customers. And so those that we have e-mail addresses for, we are e-mailing them approximately one week prior to their install. In addition to that, we are also placing neighborhood yard signs up in the communities and neighborhoods as our vendor is working out there. So whether a customer is walking their neighborhood or drives by, they will see little signs out and about, similar to what you would see in a garage sale kind of pointing the way that we are out and our vendor is exchanging meters for the my atx water project. And two of the things that we've continued, we continue to post in neighborhood nextdoor to let them know that we will be active in their area for meter exchanges, as well as

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reaching out through to HOAs and neighborhood associations. And then on the right there of your slide is just some images of our customer outreach that we have been utilizing. Next slide, please. And so digging into the exciting part, in my opinion, the exciting part of our project is our customer portal. What I'd like to start off with before diving into the numbers and how we're using this portal with our customers is just really what a game changer this has been for the utility. I know you're aware that we share the utility billing system with Austin Energy and others, you know, for that unified approach, which I think is, you know, appropriate for a city of this size, but what that has done historically is kind of left Austin water at arm's length distance from our customers. And so through this portal, we have really been able to have that touch that we've really longed for and then often creates delays when customers are trying to interact with us.

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It has to come from the billing system and notify a specialized team at Austin water and they have to work through their queue. So this just really is a game changer. So through that, we're really excited to report that so far we have -- on your slide there, it shows 5,668 customers enrolled in the portal. However, today's number is actually 6,226. So those are the individuals that have actually signed up for the portal. One caveat that I want to note is that a customer does not have to register for the portal in order to get notifications from us. The registration is purely for more in-depth user, you know, so they can see their usage on a daily or hourly basis at their pleasure, at their -- you know. So a little bit of

detail about how we invite customers. So in addition to the e-mail that we are sending customers about their meter install, one week after their

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install, they receive an additional e-mail from us, inviting them to sign up for the portal. This portal information is also on all the other mailers and handout that we provide our customers, but we do additionally send an e-mail. We have seen success through that campaign. About 75% of our registrations come from those e-mail invites, so it has been successful and we will continue that into the future. So, so far -- and you've heard from me on numerous occasions about our portal notifications. We have sent out approximately 1 million, primarily in response to winter storm uri. But I've mentioned our invitations to register, as well as our preinstalled notifications we're sending out. One of the things, you know, that's useful for our customer basis for this portal is alerts related to leak detection or any high-use notification. Then, of course, we have also

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utilized this portal for billing and conservation messaging as appropriate. And so on the right hand of the slides is an image of what that notification looks like. So in this example, this is a possible burst leak where the portal is notifying the customer that they had used 3,376 gallons of water in the last eight hours, which is abnormal to their water use patterns. So in that, they can report back that they found their leak. Or if there were changes to their property and let us know that there is not a leak. So there's interaction and engagement through that activity. Next slide, please. So digging a little further into some of our preliminary data about our alerts and notifications. I'll provide you a few screen shots. On portal notifications on the left-hand side of your screen, there is an image of irregular water use patterns that the portal had identified. So with

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that, they get a snapshot of kind of, you know, a point in time and what usage may be identified as abnormal for that customer. And then they can also drill down even further into checking for their leaks and, again, telling us what they found or if it was not a leak. And then on the right-hand side of the slide deck is just a screen shot of their home page, kind of the landing page when they first log into the portal, and then again, from there, they can navigate to different activities. They can understand the water usage that may be highlighted on their bill. They can understand what goes into their bill. They can also navigate back to the utility customer care portal at Austin energy and navigate to pay their bill. They can also better understand their daily use. And then again, they can link back to their current

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notification. So in this case, it's referencing the possible burst leak that I had on the last slide. So that is a highlight of what that looks like. Next slide, please. And so digging into the data a little bit further, we have, as a utility so far, sent out 8,882 continuous usage alerts, meaning we detect there's a potential leak, whether a small leak or a burst leak. Through that, they can have those notifications delivered. A customer can set their personal preference on how those leak notifications are delivered. Or when an e-mail address is present, we also have the ability to push notices to those e-mail addresses as well as conduct text messages, Robo calls and we also produce hand-printed letters. The benefit here, while we always through our billing system have presented leak

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notification letters to our customer base, this is coming at a realtime. You know, traditionally they had to wait a month, receive their bill, get a secondary leak notification and take action. In this case, they can take action immediately and get a letter before the bill goes out. Again, I wanted to highlight our customer service division at Austin water is assisting customers as well as bill adjustments, and just general communications. So they have the ability to communicate and send a message directly to Austin water staff through the portal, and we are able to communicate with them in realtime. And so that has been certainly a value add for Austin water. And so on the right side of the screen in your slide deck is just a little bit of the value that Austin water has been able to determine from it. You know, now that customers can report back the type of leak that they found, we're able to even adjust our messaging in

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that way about how to determine what kind of leak and then it also kind of speaks back to some of the things that Rick was mentioning on how Austin water can use this kind of data so as you can see from the bar chart, 26% of the leaks that have been confirmed since September of 2020 when we initiated our pilot have been accounted for from toilet leaks. So, you know, just a common small leak, but at the end of the day it's still water savings for the customers, lower bill and conservation for Austin water. Next slide, please. So this is the last slide I had for y'all. But I just wanted to kind of clang the bell a little bit louder about the customer satisfaction and the value that this brings. While we've gotten many customer quotes, and information from them telling us that they are appreciative for our

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notifications and alerts and our new portal, this is one that just kind of stuck out and they said in a quote, love myself, but they forgot to tell me shuttle off the hose out back. This was useful. Thank you. That is just a highlight of what we heard directly from our customer bas with that, we'll turn it to the next slide for any questions you may have.

>> Kitchen: Thank you very much. Appreciate this update. This is a very exciting program. Questions? Councilmember Fuentes?

>> Fuentes: Yes, I agree, this is super exciting, and I went online and checked out my atx water.org, and I think that's super innovative and show cases the work you're doing as each household gets their new smart meter. One of the questions I have is how are you all selecting which areas to go to? As I pulled it up on the map, I see for the 7844 zip code, the

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area that has the smart meter is in the Easton park subdivision which is one of the newest neighborhoods in D 2, probably built out in the last five years. I'm curious what your model is in selecting?

>> I would probably, if you're referring to also what's also on the slide, talking about the Mckinney falls area, in Colton bluff, so there is a water tower adjacent to that neighborhood. And so we're able to install that, what we call a data collection unit on that water tower. So we're investing in all our facilities, so whether they're water towers, pump stations, lift stations, we have a map of over -- that has proposed locations of over about 150 dcus throughout the city. And to discuss this a little bit on the process of designing

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these dcus throughout the city, some of them require poles. Some of them require infrastructure investments where we may replace some of the city lights. And replace the city light fixtures with ae and also install the dcus on those. There's a multitude of investments, including radio towers. So we're using the highest points of the infrastructures throughout the city to put some of these towers, including looking at partnering with Austin fire to install locations that are at fire departments, or fire stations. So there's a multitude of strategies that are going to install these. And once they've been installed, then it gives us an opportunity to use that in our planning efforts. So I mentioned, we do what we call surveys, so once a dcu is installed, then we have the

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potential to do surveys in a location. Another, I guess challenge that we're also facing is that we're doing lead investigations in certain areas of town. Mainly the older parts, central, where we're clearing those areas out in order to have those potentially install an Ami meter. So we're also kind of coordinating that with our internal Austin water staff to kind of manage some of those resources. So there's a multitude of reasons why we would be in certain areas. But we're using our infrastructure locations first that are easier to install. But we're doing this citywide. So we're not concentrating on any one part of town anymore. We're going throughout the city.

>> I just want to know, too, Rick mentioned the word lead. We don't have any known lead services in our system. Right now, there are parts of our system where the data was marked unknown. We're going out and verifying

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those. But we do not have a lead service problem in our system. We're actively managing this risk and regulations we test for lead, we have never exceeded any action limits, we're just being double extra sure before we go and disturb a meter to verify there's not a lead service there.

>> Fuentes: As far as how you're rolling out the smart meters is dependent on a multitude of factors?

>> Correct.

>> Fuentes: Including water, infrastructure location, that particular neighborhood, and district 2 is because of the water tank that's nearby. The other question I had was around -- and kudos on your data gathering efforts and getting that many e-mails, and enrollments from the community. That's a really high percentage to have 75% opt in to receive the e-mail alerts. Or to register on the portal. One of the questions I had is,

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did you all consider -- well, are you all also capturing cell phone numbers as well, and what is your -- the percentage of registrations that come with a cell phone number?

>> Thank you. So I'll add that we do have cell phone numbers, and other telephone numbers, so the portal is directly connected to our billing system. And so those contacts are coming over from the billing system. So if the customer has provided that e-mail and cell phone number, it is there. If they do not have it, they do have an opportunity to reach out and register that through the portal as well. They have the ability to add that information, but it also comes over from our billing system already.

>> Fuentes: Okay. I just think being able to capture phone numbers is so key, especially in times of disaster. So any way we can think of, creative way we can think about how we're able to capture that

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information would help us in our communication response efforts.

>> Absolutely. That's certainly part of our campaign, as we move forward, with the after-action report and some of the recommendations coming forward. So we are aware of that and are working diligently to make sure we have the right point of contact in every case.

>> Fuentes: Good deal. Thank you.

>> Kitchen: Councilmember Ellis?

>> Ellis: I was wondering if you could talk a little bit about timelines, like have there been any changes in the expectations how quickly you're able to get these installed as you try to roll out the program further?

>> I'll start out. I mentioned earlier that we're trying to compress the schedule. The contractor has until 2025 to complete their portions. And when we talk about the rollout, the target of the

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residential is easier than those of the commercial, which is a larger meter sizes. So I would say that our compressed schedule that we're looking at and targeting is the next three years. And so that is -- that's going to be at a rate of more than just 1,000 meters exchanged per week. So we're going to have to double that, if not triple that over the next couple of months to ensure that we have the workforce that can install that, that they're trained, they have the right -- they have not only vehicles, but the materials and all that in stock. So there's a lot of planning that goes into this full rollout. But we're definitely on target to start to achieve that. As you see, the numbers climb over the next couple of months, we do anticipate that you'll see that investment chill up on the map as well. And you'll see that in the progress reports as well.

>> Fuentes: I appreciate that. I stepped away for a moment so I apologize if you had to repeat

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yourself.

>> No problem.

>> I would just add, too, Rick and Randy are much closer to this than me. But from the totality of the project, you know, because it isn't just installing meters, it's cleaning the meter boxes beforehand, replacing lids, it's communications. But we are certainly not immune to the challenges of workforce issues right now. It is tough to hire. It's tough for Austin water to hire, it's tough for our vendors to hire. We're pressing on them to ramp up, but they've got to have people to do it. Just like you're all experiencing in your lives, we're experiencing, too. It's difficult to hire right now. We're doing everything we can between our vendors and ourselves, but with our fresh round of new employees at Austin water, our vacancy rate climbed from 5% to up above 10% again. We're going to have to do 400, 500 hiring transactions this year just at Austin water. 111 retirements. I just want to communicate, this is a challenge. I don't want to make it seem

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we're just hit-and-go, and there's no obstacles here, there are challenges to us ram up up to 1,500, 2,000 meters a week.

>> Ellis: I appreciate that. I know there are a lot of workforce situations right now. Your comment triggered a thought, where we talk about supply chain issues. Is there any problem with the parts or equipment needed to install them might be affected by supply chain issues? Is there any knowledge on that front?

>> We've been experiencing, I guess anecdotally -- because there are chips in these meters. This isn't an old-fashioned meter, they have computers in them. There was talking about inventorying and meters. I think our vendors and ourselves, we're trying to be many months in advance of our stocking up. Do you want to --

>> Yeah. Part of our process is to have three months in advance of inventory. And so we're okay with the next three months. But we're also looking at any challenge that we may see through the supply chain issues.

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So we definitely are on track on that. That's why it's important on identifying the right components as we go through the planning, when we do these surveys. We identify the number of lids we need, the number of meter exchanges we're going to have over the next three months, and also having those meters in stock. Those are things we're always constantly looking at.

>> Ellis: Thank you. And then I have one last question. I had a constituent who was part of the beta testing in district 8. And it's been a few weeks or months, so I'm not recalling all the details, but I think there was either a delay in getting the service turned off, or maybe just communication between city staff, renter, landlord, I can't remember the details and I apologize. But have you had any situations where it was either difficult to figure out how to turn things off, depending on how the meter plays into the infrastructure, or just delays with the team that responds to the Ami calls? Is there anything, to your knowledge, that have been

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hiccups that you've been able to work through in the beta testing period?

>> I would say, yes, there are those situations where the cutoffs don't work. And so we might have to come back with a different crew to install new valves, or maybe we have to work with the customers' pressure reducing valves. So there may be complications specific just to a certain customer. But all in all, the majority of our hiccups have really been on the larger meters. We do on occasion run into those type of troubleshooting issues. And so we will continuously -- if you have any specifics that you want to share with us, offline, we'll be free to follow up on that. But definitely, it's not a -- especially on the pilot area. That was where we learned, and also learned some of the communications that we have to share even further in advance of even doing the installation. So we're still constantly

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learning. And incorporating that into our processes.

>> Ellis: Thank you. I know the situation was resolved. But I just know it may be different versus, you know, as single-family homeowner versus a single-family renter and who really gets the bill and who is registered, which is a different conversation from multi-family and commercial hookups. I know it was resolved, but I really appreciate you kind of having your eyes and ears on everything to resolve these issues as we all move forward together on it.

>> Kitchen: I have one last question for you. I wanted to make sure I understood correctly. When you were talking about the disaster recovery, and change -- I think -- I wanted to make sure I heard it right, I think you were talking about changing some of the parameters. Were you changing how often the system is backed up? Is that what you were saying?

>> Correct.

>> Kitchen: So backed up more often now is what you're saying, right?

>> Our ability to get to the

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backup system was multiple days. Versus, now we're looking at multiple hours.

>> Kitchen: Okay.

>> In order to take advantage of the system for operational needs, not just billing needs. It was a kind of an adjustment that we wanted to make, to invest into that service and make sure that the infrastructure was tested out.

>> Kitchen: So was it a matter of the time frame of recovering the information? Or are you talking about the time frame for having the information backed up?

>> It's the recovery of that information.

>> Kitchen: Okay. Okay. All right. Thank you very much. This is very exciting, as we said. And I really appreciate the continued updates as we can keep on, you know, understanding how it's progressing.

>> Thank you again.

>> Kitchen: Okay. Colleagues, we are now on our last item which is simply future items. And if anyone wants to highlight

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anything in particular right now. Councilmember Fuentes?

>> Fuentes: I think what director said, that piqued my interest, that affects water utilities and what that looks like.

>> Kitchen: Okay. Thank you. Any other items? All right. We will, of course, be talking between meetings and --

>> I don't know if this is what you just said, I think we may want to leave open the possibility of additional discussion of the after-action.

>> Kitchen: Yes. Absolutely. I was about to mention that, for the after-action report, we -- there is likely going to be items from the after-action report that we would want to follow up on. So the whole council, of course, will get that report.

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But as a committee, we may want to -- I imagine we will want to drill down on some of those items. All right. Okay. With that, we will adjourn at 2:44