Council Approves Onsite Water Reuse Pilot Incentive Program

Austin Water’s new Onsite Water Reuse System Pilot Program will incentivize developments that incorporate systems to collect, treat, and reuse rainwater, stormwater, graywater, foundation drainage, air conditioning condensate, or blackwater onsite for non-potable purposes. Capturing and reusing these alternative sources of water will help offset drinking water demand as Austin’s population continues to grow and extend core water supplies from the Colorado River and Highland Lakes. Incentives of up to $250,000 are available for projects that replace 1,000,000 gallons or more of potable water per year; funding of up to $500,000 is available for systems that replace 3,000,000 gallons or more of potable water per year.

Financial Health

Standard & Poor’s Bond Rating

2019 Standard & Poor’s rates companies on a scale from AAA to D. Austin Water’s target is a rating of AA indicating a very strong capacity to meet financial commitments.

<table>
<thead>
<tr>
<th>Financial Metrics</th>
<th>2020 Actual</th>
<th>2021 Target</th>
<th>2021 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Days Cash (Operating)</td>
<td>318</td>
<td>245</td>
<td>246</td>
</tr>
<tr>
<td>Debt Service Coverage Ratio</td>
<td>1.84</td>
<td>1.85</td>
<td>1.74</td>
</tr>
<tr>
<td>Cash Financing of Annual Capital Improvement Projects (Pay as You Go)</td>
<td>31.5%</td>
<td>35% min. - 50% max.</td>
<td>47.2%</td>
</tr>
</tbody>
</table>

Employee Engagement

Listening to the Workforce survey – Employee Satisfaction

Respondents that noted a positive response (Strongly Agree or Agree) about their overall job satisfaction level at Austin Water.

58% Participation Rate in 2019!

The higher the participation rate %, the truer picture we get about what our workforce likes or dislikes about working at Austin Water.
Customer Collaboration

Overall Industry Average

Current J.D. Power overall customer satisfaction index

747
737
743
707
2020
2019

Priority 1 Leaks responded to within three hours

Monthly Target: 90%

Sanitary Sewage Overflows

Investigated within one hour of customer calls

Quarterly Target: 95%

Infrastructure Stability

Water Leak Management Index

(Infrastructure Leak Index)

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

Annual Target: < 2.7

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

Percentage of actual CIP spending to budgeted CIP spending

Annual Target: 80%

Asset Upkeep

Preventative maintenance routine validation. Validating pipe network asset types.

Total Validated Asset Types: 18/18

Water Supply Sustainability

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

New Conservation Measures Implemented

Utility Target:

less than 0.1 NTU

Permitted Level:

less than 0.3 NTU

Drinking Water Quality Calendar

Year 2020:

Cloudiness of water (turbidity)

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

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

0.3 NTU

0.2 NTU

0.1 NTU

0.0 NTU

Utility Target:

less than 0.1 NTU

Wastewater Quality Calendar

Year 2020:

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

10 mg/l

8 mg/l

6 mg/l

4 mg/l

2 mg/l

0 mg/l

Utility Target:

less than 3.0 mg/l

Permitted Level:

less than 10.0 mg/l

Reclaimed Water Customers:

Customers using reclaimed wastewater for beneficial purposes.

- Provided reclaimed water for irrigation in 1974, making our system one of the oldest in the Texas
- Approximately 1.4 billion gallons of water used in 2018, about 3% of the City’s total water demand
- Consists of 63.4 miles of reclaimed water transmission mains
- Future plans for the system consist of over 130 miles of mains and over 8 billion gallons used annually

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See the 2020 Annual Water Quality Report here