Affordability of Water Service Forecasted into the Next Half Decade

A new report highlights big improvements in the affordability of Austin Water’s services that are projected to continue into the next half decade. The 2021 Affordability Metrics Report forecasts that customers will spend an estimated 1.19% of their annual income on water and wastewater bills in FY2022 - an improvement from 1.47% in FY2017. Austin Water has not had to raise rates since 2018 despite making continued investments to increase the performance and resilience of its infrastructure. Austinites saw rate reductions in FY2018, no rate increases since FY2019, and no increases proposed for FY2022.

Financial Health

Standard & Poor’s Bond Rating

AA

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.

Employee Engagement

Employee Turnover Rate
FY Annual Target: < 8.5%

Monthly Vacancy Rate Calendar Year 2021
Monthly Target: < 5%

Customer Satisfaction

J.D. Power overall customer satisfaction index
721
Overall Industry Average
756

Affordability

Reduced residential water and wastewater rates were extended through October 31, 2020. Austin Water will continue a 10 percent reduction in water and wastewater rates for our most vulnerable low-income customers enrolled in the City of Austin’s Customer Assistance Program (CAP) for the entirety of fiscal year 2021.

Employee Turnover Rate
FY Annual Target: < 8.5%

Monthly Vacancy Rate Calendar Year 2021
Monthly Target: < 5%

Financial Metrics

<table>
<thead>
<tr>
<th>2020 Actual</th>
<th>2021 Target</th>
<th>2021 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>318</td>
<td>245</td>
<td>246</td>
</tr>
<tr>
<td>1.84</td>
<td>1.85</td>
<td>1.74</td>
</tr>
<tr>
<td>31.5%</td>
<td>35% min. - 50% max.</td>
<td>47.2%</td>
</tr>
</tbody>
</table>

Leak Detection Technology
Linear feet of leak detection performed on large diameter water transmission lines

Annual Target: > 52,800

Customer Satisfaction

Current J.D. Power overall customer satisfaction index
721
Overall Industry Average
756
Customer Collaboration

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 use Galons Per Capita per Day (gpcd)

Product Quality

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.

<table>
<thead>
<tr>
<th>Turbidity</th>
<th>Permitted Level: less than 0.3 NTU</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.3 NTU</td>
<td></td>
</tr>
<tr>
<td>0.2 NTU</td>
<td></td>
</tr>
<tr>
<td>0.1 NTU</td>
<td>Utility Target: less than 0.1 NTU</td>
</tr>
<tr>
<td>0.0 NTU</td>
<td>AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>CBOD (mg/L)</th>
<th>Permitted Level: less than 10.0 mg/L</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 mg/l</td>
<td></td>
</tr>
<tr>
<td>8 mg/l</td>
<td></td>
</tr>
<tr>
<td>6 mg/l</td>
<td></td>
</tr>
<tr>
<td>4 mg/l</td>
<td>Utility Target: less than 3.0 mg/l</td>
</tr>
<tr>
<td>2 mg/l</td>
<td></td>
</tr>
<tr>
<td>0 mg/l</td>
<td>AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL</td>
</tr>
</tbody>
</table>

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

See the 2020 Annual Water Quality Report here