Austin Water Prepares For Extreme Flooding

Austin Water completed a new system at Ulrich Water Treatment Plant to handle turbidity associated with extreme flooding events. A new polymer chemical feed will help to accelerate the process of settling out and removing particles in the water, an important step in the treatment process. Polymer feed systems at Austin Water’s Davis and Handcox water treatment plants have been designed and will be constructed over the next two years. Materials for temporary polymer feed systems will be on hand at these treatment plants in the meantime as part of Austin Water’s emergency preparedness measures, designed to make our water system more resilient.

Business Excellence & Innovation

**My ATX Water**, Austin’s Smart Water Meter System is in full swing, working to install 250,000 new digital water meters city-wide between now and 2025. As of November more than 18,000 meters have been installed. Aclara, Austin Water’s certified contractor, will hire additional technicians to increase the number of meter installs each month. Customers have also been signing up for the My ATX Water portal, where they can see their water usage data in near-real-time, receive water alerts, and find ways to save water and money. The portal is currently around a 50% adoption rate after customers receive their new meter.

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

<table>
<thead>
<tr>
<th>Annual Target: &gt; 36,960</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
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<tr>
<td>0 ft.</td>
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</tbody>
</table>

Affordability

Austin Water continued 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 2022. Affordability efforts continue as Austin Water implemented a multifamily CAP program in 2021 and continued debt management strategies for debt service savings.

Annual Residential Bill is to stay at or below 1.5 percent of Austin Median Household Income (MHI)

Avg. Bill as % of MHI
FY 2022 Target <= 1.5%

Employee Engagement

**Employee Turnover Rate**

FY Annual Target: < 8.5%

**Monthly Vacancy Rate Calendar Year 2021**

Monthly Target: < 5%

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>2021 Actual</th>
<th>2022 Estimate</th>
<th>2022 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Days Cash (Operating)</td>
<td>298</td>
<td>282</td>
<td>245</td>
</tr>
<tr>
<td>Debt Service Coverage Ratio</td>
<td>1.75</td>
<td>1.82</td>
<td>1.85</td>
</tr>
<tr>
<td>Cash Financing of Annual Capital Improvement Projects (Pay as You Go)</td>
<td>35.0%</td>
<td>36.2%</td>
<td>35% min - 50% max</td>
</tr>
</tbody>
</table>

Customer Satisfaction

2022 Study Wave 2 of 4 JD Power Overall Index

698

Overall Industry Average

756

2019

743

707

2021

2020
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%

Facility Assets in Fair or Better Condition
The state of the assets that comprise the treatment, pumping, and storage facilities.
Annual Target: > 80%

Water Supply Sustainability

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

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

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.

| 0.3 NTU | Permitted Level: less than 0.3 NTU |
| 0.2 NTU |
| 0.1 NTU | Utility Target: less than 0.1 NTU |
| 0.0 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 | Permitted Level: less than 10.0 mg/l |
| 8 mg/l |
| 6 mg/l |
| 4 mg/l |
| 2 mg/l | Utility Target: less than 3.0 mg/l |
| 0 mg/l |

See the 2020 Annual Water Quality Report here