

## Public Utility Committee Meeting Transcript – 09/16/2015

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[3:08:56 PM]

>> Garza: good afternoon. We have a quorum so my name is Delia Garza. I'm the chair of the public utilities committee and we are meeting in city council chambers in city hall. It is now -- they took the time away. It is now 3:09 and I'm calling the meeting to order. Our first item is the approval of minutes. I'll entertain a motion to approve the minutes

>> Zimmerman: So moved

>> Garza: Moved by councilmember Zimmerman, seconded by councilmember troclair. Any discussion? Those in favor please raise your hand, 3-0 the minutes are approved. The next item -- general citizens communication. And so we have one speaker, Gerard Kenny. Mr. Kenny, you have three minutes.

>> Thank you very much, Gerard Kenny, architect and lifelong austinite. I'm really here primarily to thank you and to thank the city. As you may have heard by now, there have been three memos that have come out from the wastewater utility addressing an issue having to do with separate meters being required for secondary dwellings and for service -- more importantly service upgrades in the street to be required for just about any addition that you would do. And the three memos that come out address all of the concerns that I have brought to you and to other -- and to other staff -- city staff members and it will make it a lot easier, I think, for people to actually do additions and secondary dwellings with respect to their initial utility costs, putting in the meters and the service upgrades.

[3:10:56 PM]

So I thank everyone for that. There is a concern that some of us had, that -- that exists right now, simply as a memo from the director. And until it gets actually posted into the criteria manual as a rule, we're concerned that, you know, how -- that it become official policy. And so I'm wondering, you know, how that may happen over time. But basically it's just thanks to the city for those memos from the director. Thank you.

>> Garza: Thank you. Those are all the speakers we have for general, which means anything that's not on the agenda. Is there anybody else that wants to speak about something that's not on the agenda today? Okay. The third item -- we were actually -- we were just going to not take any action on that item because it's been discussed extensively at two different committee meetings, including at work session yesterday, but I do see that there are some speakers who want to speak

on that item. And, I mean, I'm happy to take suggestions from the committee, but usually -- whoever the speaker -- I don't know if I see the speakers. Can you raise your hands? Okay. Usually if speakers come to the committee level, then it doesn't happen at the council level. So I'm wondering if you want to speak to the committee and risk the chance of addressing the full council tomorrow?

>> We would prefer to speak to the whole council if we speak today, if it precludes us from speaking at the whole council we'd prefer to speak to the whole council.

>> Garza: And I'm just wondering, because it went to two different committees, I don't want to send you away and then the council decides tomorrow that we're not going to allow speakers. What do you think?

[3:12:57 PM]

>> Kitchen: Well, even if -- the council would allow at least limited speakers tomorrow.

>> Garza: Okay.

>> Kitchen: So I feel pretty comfortable that they would be allowed to speak tomorrow.

>> Garza: All right. So if you'd prefer to address the council tomorrow, then why don't we go down that road.

>> Okay.

>> Zimmerman: What's our agenda item right now?

>> Garza: Three.

>> Zimmerman: We're on three, okay.

>> Garza: Yeah. Okay. So we're going to take -- I'm going to take an item -- we're going to go a little bit out of order out of respect for those who have come to speak on item number 7 because I know that's a big issue right now for some residents. If there's no opposition from my fellow board members, we'll go ahead and take item 7.

>> Zimmerman: No opposition.

>> Garza: So item 7 is the issue regarding citizens concerned about higher water bills and so the first speaker I have is Matthew Wirington. And do you have donated time, sir?

>> I'm sorry?

>> Garza: Did people donate time to you?

>> I believe someone did.

>> Garza: Let's see, yes. Is Imelda Martinez here? Okay. Jason crone? So you have nine minutes, Mr. Wirington.

[3:14:57 PM]

>> Would you minute slide up for me in good afternoon members of the committee. My name is Matt Worthington and I'm a resident of the green slopes planned unit development in district 2. I'm here today on behalf of 113 individually owned townhomes in southeast Austin as the chair of the green slopes water and wastewater solutions committee, who are now struggling to pay their water bills. As you know, a planned unit development is a community whereby the city of Austin does not retain responsibility for the utilities on the property. In the past year, we have noticed massive increases in our hoas water bills in 2015 that are inconsistent and now we are in danger of having our hoa's water turned off because our rostered usage exceeds what we can afford to pay. We have the understanding this could condemn all of our properties because

without water they would be deemed unlivable. As you can understand this is something we're very concerned about because it impacts more than just property values, but more importantly it impacts our families, our jobs, our children's schooling, and other important things involved in the day to day lives of 113 homes. What I've delivered you to today is a summary of almost two years' worth of bills, complete with invoice Numbers and copies of bills referenced. It illustrates how our bills have inconsistently spiked over the last two years, one month it goes to nearly a million gallons then down to 222,000 gallons and then back up again to a million gallons in the month after. We have had trouble justifying these incontingencies -- inconsistencies, the water director said in a memo delayed summer months were to blame for these spikes. However, you'll notice these incredible differences are outside the boundaries of summer. Existing in December, February, March, and April. We genuinely believe there's a need to rectify this situation with either a satisfactory, well-documented explanation of our billing and recommended practical solutions or with the relief of debt owed to the city of Austin and a review of our meter used for billing.

[3:17:06 PM]

Thank you for your time. I would be happy to answer any questions that you have.

>> Garza: Councilmember Zimmerman.

>> Zimmerman: Thank you. So for these spikes, has your -- has your -- have you paid all these bills or have you tried to average them out? How are you handling those huge bills?

>> Right now, we're -- my understanding from our board president is that we're on a payment plan, we're setting up a payment plan.

>> Zimmerman: Payment plan in place?

>> Internally, we're reviewing how hoa fees are handled to try and --

>> Zimmerman: So you would have to raise fees to pay these bills, I guess, right?

>> We would have to do that or -- one of the other options is sun metering and keeping our bills as they are. Right now we're billed as a collective unit.

>> Zimmerman: Okay. Do you guys have those fire hydrant bypass meters? There's some metering technology that's being used in some of the condos where you have a meter on what goes to the fire hydrant, you know?

>> Let me see.

>> Zimmerman: Different system than that? Never mind the question then. Thanks.

>> Garza: Anybody else have any questions? Thank you, sir.

>> Thank you.

>> Garza: The next speaker is Richard Haines --

>> Hass.

>> Garza: Haas, sorry. Is Vicki couch here?

>> Like Matt I probably won't need that extra time but -- I'm not much more public speaking.

>> Garza: Real quick, he has six minutes.

>> Can you hear me now?

>> Garza: Yes, sir.

>> Okay. I'm a resident of green slopes, have been for over 30 years. I've been on the board several times. I'm currently on the board. I've been the president of the board and just about every position there is. I have always in my 72-year life had disagreements with governing bodies, whether it be federal clear down to local.

[3:19:09 PM]

But in the past it's always been a matter of make my disagreement known and then assume that whatever decision is made is made for the good of the community, for the good of the whole, and let it go at that. I can't be convinced that whatever decision was made to make these water bills happen was done for the good of the whole. The media response to -- excuse me, the media response of the cries of the water bills going up, as per the water department, has been they must have a leak or they're simply using more water. Leaks. Along with the president of the homeowners' association I have walked every single square inch of the grounds, looking for those signs that indicate a leak, extra green grass, soggy ground, anything that might denote that. Have found nothing. We have inspected, physically inspected, 80% of the units inside and out for leaks. We have found a couple drips and have repaired them instantly butting into would indicate the kind of usage spikes we're seeing. As far as getting a professional leak finding team to come in and see if we have a major leak out there, wonderful. But you know what? We can't afford it. We're paying more for water than we have coming in. More. Not close, but more. Can we raise our dues? Yes, we can. It's a three-month process if 67% of the owners agree to that we can raise our dues. To raise them to where we would have sufficient money to continue to repair, maintain and what have you, and pay water bills, I don't see that happening.

[3:21:16 PM]

Using more water. We have no irrigation system. We don't irrigate our lawns at all. We don't irrigate any flower beds. Nobody has a plot of lawn that's worth irrigating. There may be ten people in that whole community that actually water their backyard. And the backyards average probably 200 square feet. Very small. This is not the kind of irrigation that causes these kind of spikes. We don't allow car washing. We actively discourage kiddie pools. We don't have a spa. We don't have a swimming pool. We have none of the things that traditionally cause water usage. We ever totally at loss -- our lawn, until this rain yesterday, was as brown as could be. Dead. Period. Our trees are dying because they're not getting irrigated. Us using this water is out of the question. There's no way that we could use that much water. Our bill has been five to 6,000 a month. Now, that was a big mistake made when that place was built, was they let them get away with not installing individual meters so it's paid as a unit. Five to \$6,000 a month. Now we're look at 15 to \$16,000 a month in the course two of months. How does this happen? Possible culprit, we don't like the new meter we got. They installed the first, I am told by the supervisor of the crew that was doing it, the very first completely digital ion reading meter that was installed in a city of that size. There may be some individual houses but for that size they installed the first one at our place. Am I blaming our problems on that? Not necessarily. But do we trust it? Not necessarily. One of the things that happened was we had a severe leak several years ago.

[3:23:20 PM]

We found that leak. We corrected that leak. Our water bill went down so much that we instantly had the water department out there auditing us constantly thinking there were shenanigans going on. There were no shenanigans, we fixed the leak. Of course the bill went down. We were

planning on a subsystem to get the load back to individuals where what you use is what you pay but we can't do that with these rates. It won't work. There's no way that can happen. It's not feasible, it's not practical. Raise our dues? Like I said, we could do that. It's a process that takes a large vote, which is unlikely, and it takes a long time if we had it happen. One of -- what am I asking for? I'm not sure. We already have a cooperation of the water department on allowing us time to pay our bill, but all that's doing is putting us further in the hole every month. Now what are we looking senate we're looking at a house that I have paid 30 years on, completely paid off, own it outright, and our water is threatening to be shut spinoff there goes my house being condemned. I can't tolerate this. I can't tolerate this. I don't know what I can do. This is where I'm starting. I've written to everybody that I have an address on, have an email on, have a phone number on and I will continue to try to persuade my I fellow residents do that.

[ Buzzer sounding ]

>> I thank you for your time.

>> Zimmerman: Don't go away.

>> Garza: Go ahead.

>> Did you have a question?

>> Zimmerman: I was going to ask the question had any changes been done on the meter and you mentioned it. So the prior water meter that you had, how long had that meter been in service before it was replaced?

>> That had been in a long time.

>> Zimmerman: Long time?

>> It was a very old meter, yes, it was.

>> Zimmerman: Probably old positive displacement meter with the dial on it, with the old arm on it that --

[3:25:21 PM]

>> Yeah.

>> Zimmerman: Analog system.

>> Propeller kind of meter, yeah. And they told me this was -- they read ions. Well, I don't know much about all that but I do know you can read ions in the air as well as in the water so that's why we don't trust that.

>> Zimmerman: Can you tell me, did the problems follow -- when was that meter replaced and when did you start seeing the spikes?

>> We saw the spikes before the meter was replaced so that's why I'm saying we can't blame that on the meter.

>> Zimmerman: I see, okay. However, we -- it's hard to put trust in a meter that comes right on the -- this is only been this year these spikes have happened, maybe the last month of last year. The meter was installed in the first of June or the last of may.

>> Zimmerman: This year?

>> Yes.

>> Zimmerman: So the meter was replaced this year, okay.

>> Yes.

>> Zimmerman: Are you able to go physically read it yourself? Is there a readout you can see just looking at it?

>> Yes. And we have done that. And it's hard -- when you're working with a volunteer

homeowners association to get people who are willing to come out with you so you can get a proper spread on the times and what have you. I've been out there at 2:00 in the morning, seen the readings at 30 gallons per minute, which is -- even with 110 units like we have, a little high. That's a lot of water at that time of the morning. Doesn't make any sense. The reason that I preclude leaks as our problem is that -- because of the spikes. If we had a major atlantic was causing us to use a million gallons a month, there wouldn't be every other month happening that way. You wouldn't have the big valley in the middle there. You would have a constant usage. We don't have that constant usage. So, again, I have nothing to blame it on. As far as computer glitches, I spent my entire career in the computer world and I know subroutine with one mistake can cause only certain people to have problems.

[3:27:21 PM]

It doesn't have to effect everybody single body.

>> Zimmerman: So there's one physical meter for your property for all the units, right? There's only one?

>> Yeah, there's -- we have 2 meters. One is for the fire hydrants and one is for the actual water consumption, yes, sir.

>> Zimmerman: All right. Thank you very much.

>> Thank you for your time.

>> Garza: The next speaker is -- no, she doesn't want to speak. Keith Hutchinson. Keith Hutchinson?

>> Yes.

>> Garza: I want to make sure, I think it says electra Laurence did not want to speak? You don't want to speak? Okay. Thank you. Go ahead, sir.

>> I'm glad we're having this discussion today because it's -- it seems to be a systemic problem around. I live up in north Austin, northeast Austin, north acres subdivision east of 35 between rundberg and breaker. I've been paying for sewer up there for the last five years, even though the entire subdivision is on septic. Contractors have put in the sewer lines, but we haven't been able to connect yet. I don't know if you guys can see this or not. This was last month's bill. This is over 12, 13-month. It says that I used 23,600 gallons of water, one person and a cat, okay? That's enough water to fill a 15-foot by 30-foot rectangular pool 7 feet deep in 28 days.

[3:29:23 PM]

It's not possible. It's a small 1300 square foot house. I've made calls. I've tried to get people to come out, take a look at this, see what's going on. There are no leaks. I do have a sprinkler system though. I've been using it for the last five years. Haven't had those types of water bills, haven't had that type of water usage. The history tells it. So I've read your memo. I understand there's problems in -- or there's some blame being placed on M.U.D.S and changing over the districts. But I'm not in that situation. I've been on city of Austin water for years. And I'd like to - I'd like somebody to do something about it and check into it because it's just outrageous. There is no swimming pool. So if you guys have somebody that I can talk to, meet with, that can come to the house, let's figure out what's going on here because this is crazy. It started last month. It jumped up to 7,000 gallons from three or 4,000, which is typical. And I was suspect last month, went ahead and just let it go, and at 23,600 gallons, that's just not possible. And on top of that, I

get paid -- I get charged for the sewer service, which I don't even have access to. So you guys are double-dipping and it's not right. So help me out and get me to somebody that can help fix this situation. Okay?

>> Garza: Yes, sir.

>> Thank you.

>> Garza: That's why we put this on the agenda today because we had heard such an outcry from the community wanting some answers so that's why we're discussing it today and we are going to see what kind of action we can take growing forward.

[3:31:25 PM]

>> Troxclair: First I was going to ask if you could maybe bring that chart over to the overhead so we can see clearly?

>> Happy to.

>> Troxclair: He can put it up on the screen. I was going to see if there was Austin water staff here who could follow up with him.

>> Garza: I have a question about your -- you said you have a sprinkler system.

>> Yes, I do.

>> Garza: I realize everybody probably has different kinds of systems, but does yours -- does it come on automatically? At certain times of the day?

>> Yes, it's a smart system. So it doesn't even come on when the weather stations say that there's rain, as a matter of fact it didn't come on today, which Wednesday is the day to water. It didn't come on last week because it rained last Wednesday.

>> Garza: Okay.

>> Zimmerman: Quick question for you. So have you noticed any work being done on your meter? You have the same meter that you've had for many years, as far as you know.

>> Same meter I've had for years. There was a little problem a month or so ago. I opened the meter box, hadn't for probably a year. Contractors had replaced the waterlines up and down the street when they were putting the sewer in. And I noticed a little wet spot inside the meter. So I called on it. Someone came out. I was standing right there with him. Contractor forgot to put a washer in between the meter and the waterline so it was just dribbling out but he pointed out, rightfully so, it wasn't spinning the little triangular deal so there wasn't really any water coming through the meter on it.

>> Zimmerman: So that washer, that problem was on your side of the meter, not on the city side?

>> It was on the side, yes, where the --

>> Zimmerman: Your side? But it was so small it wouldn't even turn --

>> It wasn't even turning it.

>> Zimmerman: And it's easy to read your

♪♪ the glass is clear

[3:33:25 PM]

>> I've got a picture of that too, if you'd like to see it.

>> Zimmerman: Actually I would because I'd like to see what the manufacturer says on the face of it. Do you know what the make is? Is it a Neptune?

>> Nexus? Sensus,.

>> Garza:.

>> Troxclair: Thank you for bringing this chart and I just want to say that this is very similar to the charts that I've seen from a lot of the constituents who are in my district who are having the same problem it's it's not -- I know the water utility staff is trying hard to make sure the constituents are informed about their water usage and how much they're oozing versus last month versus another dry month versus that same month last summer but I have to say it's a really significant difference. And when you see that --

>> I appreciate --

>> Troxclair: Compared to previous months years, it really does make you think twice about whether or not --

>> We could go back years if the records were available and you will see there's never been anything like this ever.

>> Troxclair: Thank you for bringing that.

>> Zimmerman:.

>> Please let me know who I can talk to.

>> Troxclair: Staff from our water utility is here and they said that they would connect with you.

>> Kitchen: Yes. I would echo that we -- all of us are hearing these kinds of concerns all over the city. So thank you.

>> Garza: All right. The next speaker is -- that was Mr. Hutchinson, right? Mr. Hutchinson? Fred -- no, Fred doesn't want to speak. Madeleine Connor.

>> Good afternoon, thank you so much. I'm here on behalf of the lost creek neighborhood association and we are a soon to be annexed M.U.D. For full purpose annexation will be December 16, 2015.

[3:35:39 PM]

We have had our -- more than our fair share of these issues. I had -- well, first off, lost creek neighborhood association is a 501c4 full volunteer organization and we've been trying to, with our zero or limited resources to try to spearhead some of this effort to figure out what is going on here. We've of course been in contact with councilmember troxclair's office, who has been very helpful and she's started a list of people and who has been affected, but the chart that was just put up or the bill that was just put up is pretty much what over 200 of our neighbors have been suffering from. Entire bank accounts wiped out by their auto drafts. Four, five, and six times the amount of usage as before. These are single parents or single people living, you know, and conserving water and, you know, generally having a 12,000 a month gallon bill and then all of a sudden coming up with 40,000 gallons. And we -- at the lcna have been trying to get people to follow the steps that are necessary, you know, to call, to make a complacent, to ask for an audit, to look at the -- you know, because these people need some relief. And they know they can ask for a payment plan, but as some of the other speakers have said, that's really not adequate response. Some of the -- you know, everybody has been very nice. That's not been the problem. Thank goodness. But it seems like some of their responses are very canned. This situation is very bizarre, and of course the source of it is still unknown.

[3:37:47 PM]

And I think that Austin waterfront's response has been plainly inadequate. The most they can do

is send somebody out to check and see if they actually used 50,000 gallons of water in one month. When they don't have a school they're not watering their yards and conserving. We would ask -- well, and there's one other issue that's come to light, and that is people's water pressure is really high. And they've been causing leaks in their houses and, you know, odd things going on with the pipes. And --

[ buzzer sounding ]

>> -- Some of those people -- so I guess my time is up. But what I would ask is that -- is that the city council would do something to perhaps stay the residents' obligation to pay their bills when they're so out of whack. Some -- they need some relief. And they need some relief now. And whether they have legal remedies or whatever, these people are really, really suffering. And so thank you and -- and thank you for all your help and if there's any questions, I'd -- I mean, it's pretty standard just impossible usage and it's affecting over 200 of our neighbors.

>> Garza: Okay. Thank you.

>> Thank you.

>> Garza: The next speaker is Lisa rose.

>> Hi. Okay, well, I don't represent anyone really. I'm just a renter in allandale. I am newly single and newly watching my own bills.

[3:39:48 PM]

And when I -- in July, the bill was 4900 gallons, which was a lot, but, you know -- so in August it was 12,100. And I knew that couldn't possibly -- I mean, it's just me. And it was -- so I decided I would put a post on next door allandale, which is the site that we use, I think 4,000 families on it, and I got -- this was last week, and I got 200 respects, very soon coming in, and so whether this is a coincidence that you're hearing this, but I feel like I was -- I've never been involved with anything at city hall. I've never been to city hall, but I thought -- I need to speak up. And I don't want to reiterate everything that's been said because that's not necessary. There's something going on, clearly. Someone did post on our site that we should -- someone should be looking into the Rockwell meters, it's possible that air going through them can cause a spike in the readings. Don't know anything about that. Let me see. I've had a plumber come out. I've had my sprinkler checked. I do that once a week. I water. It's manual setting so I turn it off and turn it on. The people on my next door site are mostly concerned with -- well, first of all, it's impossible, truly impossible, and, secondly, you know, if they don't pay, that they'll be charged a late fee. And the payment plan, I mean that's fine if it's just for one month, like, that's great, but how do we know what next month is going to be and the month after? So it's feeling a little bit out of control. So I know that just grateful that you're looking into it. Let me check my little notes to make sure I didn't forget anything.

[3:41:48 PM]

No, I think really severing the same. People are really truly, again, double, tripling, quadrupling for no reason. So appreciate everything you're going to do to try to get to the bottom of this. Mystery. Thank you.

>> Garza: Thank you, ma'am. Questions? And the last speaker is David Miller.

>> Hello. My name is David Miller and I, too, live in lost creek and would like to echo the sentiments that were presented earlier. And more as a specific case, I think several of those that -

- the charts that were put up there, they're duplicates of mine. I mean, it basically is a straight line at 7,000 gallons per month and then spiked to, I think, it was 42,000 or something crazy in July. So, you know, we did join the -- city Austin water utility took over our billing, M.U.D., in December of last year. And as Madeleine said, our city -- our area will be taken over by the full-purpose city of Austin this coming December. So there's a gap for or overlap of utilities. So, you know, we pulled up just as some background, we pulled up, you know, the records of all the usage. I know director muzaros came out with -- well, there's a different billing structure and I understand that. But the usage of water doesn't change over time. So, you know, over the past three years, we pulled up, you know, what the M.U.D. Was charging us for those summer months, same dry months that we are experiencing now. And didn't have anywhere -- I mean, it's 100%, 150% more than what is -- what was billed -- who are was said to be used -- what was said to be used in July of last month, this year.

[3:43:55 PM]

You know, we've checked our meter. There's noleak. So I'm concerned just how the issue is going to get rectified with -- it seems that it is a rampant issue. And I'm just not seeing -- I'm seeing cooperation, but I am also hearing the same kind of canned answers from the city because I don't think they have any, you know, answers right now. So that's the concern. We're currently on a payment plan for a \$900 water bill, but that's what it is. It's just deferring it right now. So we're actually every month that goes by, we're going to be down, you know, probably -- you know, extra money that probably shouldn't be put into Aw's bank. That's really all I have but would love to have any comments, questions.

>> Garza: I don't think so but thank you.

>> Okay, thanks.

>> Garza: Those are all the speakers that I have signed up. Is there anybody here that wishes to speak on this item? Did you donate your time to somebody?

>> Yes, I did.

>> Garza: Did you donate your time to smartphone?

>> I didn't -- I didn't sign up --

>> Garza: You didn't -- you can. Can you just state your name so I can trite down?

>> Barbara sally, szaley.

>> Garza: Szaley.

>> Member of the lost creek neighborhood association.

>> Garza: You have three minutes.

>> One thing that Madeleine forgot to mention is she would ask that you can audit the tanks and see if there's been a big spike in usage that would be unexplained, go from that end. We've had -- the people in our neighborhood have tried to

[indiscernible] That they're supposed to do. They've gone out and checked their meters to make sure, you know, that you've got the right number, we know that corex comes out and reads them.

[3:46:08 PM]

They've done the gallon check to make sure the meter is reading correctly. They've limited that. They've had plumbers come out, check for leaks. They've turned off the irrigation system and had the plumber check the irrigation system. What I'm trying to say is people are trying to dot

their is and cross their Ts, they're not just getting high bills and instantly calling you, saying, ah, my bill is too high. Everyone recognizes that it's not that's the response they're getting from the city over and over again. Oh, it's just so hot, you're just using a lot of water. Well, again, we have the M.U.D. Records for the past three years. A lot of people in our neighborhood keep their bills for the past 20 years or more. And they're seeing these crazy spikes in usage that are not explained any other way. So, you know, they're trying to do everything fleck our end -- they can from our end, but as Madeleine said, the city has been very polite and very nice, but just being told over and over again that it's hot, that's the only problem, you know, concerns people. In addition the water pressure issue, some people have been told by their plumbers they need to get these pressure regulating valves installed and they've done that. But as part of that individual investigation of each house how old, they're finding -- household, they're finding 120psi. It's supposed to be, like, 60. We've gone to M.U.D. And they say that's really unusual, we haven't had that before and we're concerned that this high pressure and this very variable pressure may be something caused by the city and perhaps that's causing some of the spikes in usage. And I know you might turn that and say, well, then you used that water, but if it is a city problem with too much pressure or too much variable pressure, then we would ask you to correct that as well because then our irrigation systems would not be working effectively in that they would be misting and we'd be losing -- using a lot of water we weren't intend being to use.

[3:48:21 PM]

So we set our irrigation systems as we always have for, say, 20 minutes once a week but maybe we're using a lot more water because of a problem with the city water proper we would ask you to look into that as well. Having said that, we've asked our residents to look for --

[ buzzer sounding ]

>> I'll wrap up. Having said that, we've asked our residents to look for signs that it's a pressure issue, that they're getting a lot of runoff from their sprinkler systems and they're not noticing that. As Madeleine alludes, they are noticing pipes vibrating and really weird issues from pressure so I would ask you to look at that aspect as well. Thank you so much.

>> Garza: Thank you. Are you Ms. Martinez, I am mell da Martinez?

-- Imelda Martinez? You donated your time to --

>> Are you asking me.

>> Garza: Yes, ma'am.

>> No. She's up here. I donated my time to Richard.

>> Garza: I was going to say that Mr. Worthington had nine minutes and used less than three so if you would like to speak.

>> May I?

>> Garza: Sure.

>> Thank you.

>> My name is Vicki couch and I live at the renewed green slopes association and I'm part of the committee that we have been asked by the board to investigate our problems. I first want to give you a little idea of the place where we live. I don't think you really understand. You know it's a pub. We have 113 units but we are small. They run from 1300 to probably -- the largest one is the one we live in, it's the only one out there and it's 1900 square feet. We are a low-income area. We have seniors, retired people, a lot of single men and women living there, all multiculture so we do not have a lot of income. And what -- we are on a payment plan, we've had to be, and it's

eating us up with past due notices.

[3:50:27 PM]

Our last bill we just got just recently, just -- and I do want to bring up that. And I know we gave it to you. But just to give you an idea of what we're going through, our bill was -- let me -- I have to take off my glasses to see. We were billed for 1,125,200 gallons of water, and we were billed for 892,300 gallons of wastewater. Our bill for the month that was -- for the month that was due on August the 31, right, was \$14,000. So the total bill for us that was due on the 31st was \$29,723.22. Do you know what that is like to see something like that? We pay a small hoa monthly fee. It's \$153. It has been able to pay the water bill, the trash, taxes, so forth. We are a poor community. We would love to raise the rates if we need to. I doubt that the people can pay it. This is a situation that we're very concerned about. I notice that everybody has asked -- we ask that we get help from somebody. What do we do if -- we have checked for leaks, and we don't have them. How can that much water be coming through that meter? Please, can the city of Austin come out? Can they check? Is there some way that they can help us with this?

[3:52:27 PM]

I know that they're not responsible for some of it, but that consumption is -- there's just no way. Appreciate it very much. I just wanted to tell you a little more about the community, about that we are -- we are very conservative and we're very concerned. Thank you.

>> Garza: Can I ask, ma'am, have you called the city and asked questions?

>> I don't know where you are. Yes, we have talked to the city, and we don't get very many respects. Of course one of the problems is because we are so far in debt to the city. We usually can pay on these bills about \$6,000. So of course they're carried forward. Now, we did get it paid off, part of it, because it says remaining payment arrangement balance zero, but we still, oh, \$29,723. So we do pay on it, but they don't seem to take us -- because we're a pub, because they're not responsible, the report is, well, you have a leak, very common, you have a landmarks it's not our problem. And I think that we don't have a leak. I think we have researched it. And I think that someone needs to help us.

>> Garza: Has anyone from the city gone out to look for a leak?

>> The city will not come out and look for a leak. We're a pub. They won't help us.

>> Garza: Okay. Thank you.

>> So thank you very much. I appreciate it.

>> Garza: Yes. Those are all the speakers that I have unless anybody else wants to speak. Did you sign up, ma'am? Did you --

>> I did not sign up.

>> Garza: Did you donate your time to anybody? That's fine. You can -- can you state your name so I can write it down on the list?

>> Hi. My name is Marie Catrett. And I'm a teacher so I wasn't able to get her before 3:00 but I wanted to come and represent my community. I'm not sure if anyone from south Austin has spoken but I have from the ABC streets neighborhood. We're William cannon and west gate area. The bill that was shown, so much of what I've heard from different areas apply to us absolutely as well.

[3:54:32 PM]

That bill that was shown could have been my bill, could have been my neighbor's next door to me. Some people it sounded -- I heard somebody say they've been handled well by the city. I think that is not -- that has not been our experience. It's been very dismissive. We've called in, had leak checks done on our property, ridiculed for talking to each other which feels really upsetting. The reason why we started talking on our neighborhood group on Facebook and people are describing similar situations. I think a lot of people here have already said that as well. I'm here -- the city is working on my address. They've come out and done a leak check. That was after three or four phone calls. They lost the original work order. We're talking about hours of time just to get that far but they have determined that there's no leak at my property. My immediate next-door neighbor is in the same situation. They've also gone through the leak check, they've confirmed there's no leak check at her property. Part of what clued us into this issue was that we're next door to each other immediately. My bill came in at 21,000 gallons, hers for the same period came in at 31,000 so we're talking about, what, like \$600 in what we feel are fraudulent charges just between her house and mine. And I can tell you there are dozens and dozens of other people in our area in the same situation. What I want to say -- I'm -- I feel like my situation, I appreciate you guys having people here. We really do want help. My concern is for the way it's setup right now, the city is only looking at your issue if you contact them and I would say only if you contact them repeatedly. We're very worried about elderly folks in our community, we're worried about people that may not be keeping as close a tab on their bill. I don't know what the invent behind this, but we feel very concerned that there are fraudulent charges for lots of people in our community. We started a Facebook page, Austin citizens for water bill accountability so people could start networking that way and everybody I talk to from all over the city, I keep hearing the same story like over and over and over again 37 -- so what I would ask for is not just that my individual account be taken care of, but I think an audit of the city needs to happen.

[3:56:52 PM]

You know, we are certainly accountable in full on our bills to pay to the city. And it's a trust relationship. We're trusting that those Numbers are accurate and we're paying them. And it felt awful to get this month's bill and look at the charges. My charges are not as high as they were for the periods that concerning, but just going forward, you know, I want to have faith and trust in the city services and that's gone right now. The response from city of Austin unities has been terrible. They've been desist missive. Yesterday I was told I've been reescalated. I've been escalated since the fifth. So thank you for hearing me. I'm glad people are talking about this. I'm sorry to hear that there's such a similar pattern in lots of different residencies so we have a lot of questions and we would like some information. We've been given nothing back.

>> Garza: Okay. Thanks for coming and thanks for being a teacher too.

>> Thanks for having us.

>> Garza: You guys aren't appreciated very often.

>> Kitchen: Thank you for coming. You live in my district, district 5.

>> Yes, we've been corresponding.

>> Kitchen: I wanted to say thank you for bringing this to our attention and along with my colleagues we're trying to see what we can do to work with the staff to see what's going on. So I

would just encourage you to continue to contact our office and we'll continue to stay in touch. And then of course we'll be talking about what action we can take at this point.

>> When you say continue to contact the office, you mean continue to contact the city of Austin utilities?

>> Both of us and my office also.

>> Okay.

>> Kitchen: We'll stay in touch. We've been encouraging people in the district to contact the department as well as to let us know so that we can keep track of who in the district is having difficulties. But I also appreciate your point that we need to understand that there are people that are not coming forward.

[3:58:54 PM]

>> Animal.

>> Kitchen: Like seniors, for example, or others that may be having difficulty.

>> Right.

>> Kitchen: Thank you for bringing up that point too.

>> Can you clarify, when you say contact the department, I'm one of these people now how the city --

>> Kitchen: What you've already been doing. I think you said you've been working with the water utility and been talking with them.

>> I've been calling them, the main city number for utilities and then keeping -- just so I have it straight, and then emailing to city council to our representatives.

>> Kitchen: Right, that's right.

>> Okay. Thank you for asking questions for us. We appreciate it.

>> Kitchen: Okay.

>> Garza: All right. Those are all the speakers so we're going to hear a presentation now from public utilities and then after that we'll have discussion and ask questions.

>> Troxclair: If you want me to wait until after the presentation, I can.

>> Garza: Yeah.

>> Good afternoon, council, I'm Greg, director of Austin water. We have various representatives of the department here, along with Austin energy representatives here to discuss some of these issues. Before I go into some of the prepared material, I just want to make a few comments based on some of the commentary from the public. First, it brings no pleasure to the utility that customers are concerned about their bills, that they're getting unexpected high bills, that they're feeling the value for the service they're getting is inadequate, and we want to work to create a value proposition for them that works. We are doing the very best that we can up through these circumstances, and we will examine every issue individually to work with these customers. I will say with the green shores that a metered public utility district, that that is a little different, it's master metered, they're a multifamily, they have their own distribution system.

[4:00:56 PM]

Our staff reached out and contacted them. Sounds like we already worked on their meter but we'll take additional activities. We generally don't do leak detection on private property, that is, we wouldn't take public services and go onto a private property and do leak detection on their

own system, but given the services there, that might be something we could do. We do have sophisticated leak detection services that we do on the public system. I'll talk to my staff if there's an opportunity to go onto their property and use some of our leak detection listening systems to see if we can't assist them on their own system if they do have a leak, so we'll follow up there. Lost creek representatives spoke about our systems planning group, monitoring pressure, it's our system now, we took it over about nine months ago, it used to be a separate mud system. We've had pressures on their systems so we're logging where the pressures are. It's three different pressure Zones, hilly terrains that have different pressure and management devices. I got a report before this meeting and they have not found any inoperational facilities or pressure that is beyond what would be expected from that system, but we're going to continue to monitor that and we do have staff here today that could provide much more detailed comment on that. With that said, I'd like to give you an overview of some of the things we've been doing, what we're experiencing, what some of our findings are, and maybe, you know, have some discussion with the council on that. First, high bills have been very active for our utility and Austin energy and the customer care center over the last few weeks, we've received over a thousand high bill calls, so these are calls that we've escalated for additional work.

[4:02:59 PM]

That's an extraordinarily high number. Initially those high bills were concentrated in some of the muds that we recently took over, lost creek and river place, but it certainly has broadened beyond that and gone to other parts of the city. I'll show you a map in just a moment. In response to that, we work very closely with Austin energy as the customer call center and service center, and we've formed a joint team that includes senior level management, as well as various staff members to develop our response to this high bill concern. We've shifted resources at Austin water to enhance our team's response, we've authorized additional overtime, we have staff assisted and related calls, going to the districts as I described, rereading meters. Just one example, one of the services we can offer folks is optimized irrigation audits. It's a free service where we come out and help optimize your irrigation system, give you recommendations on how to reduce water through irrigation. We've enhanced that team. They've already done 33 of those, have 84 scheduled for the ends of the month so we're beefing up those resources. We have been evaluating this beyond just an individual customer by customer, we've been looking at our whole system, our plants, our pumping, the use data, billing system trends which I'll share that with you today, and we've been enhancing our website and other resources to educate customers on how bills are calculated, how our tiered rate system works and resources for them to potentially reduce their water use. This is a dot map, a plot of some of the escalated high bills. I want to be clear, this is not all calls, this is roughly about 550 to 600 dots. I just wanted to give you a flavor over the last couple weeks. Kind of the geographic distribution of the high bill calls that we've been getting. There's a big blob of them around river place, there's been a lot in river place former mud area.

[4:05:04 PM]

They're distributed up to the no, Navy ranch, that; circle C, other areas of the city, a little bit more towards northwest, but again pretty well distributed, not just in any one neighborhood. We have looked at the entire system, and in kind of looking for trends and is there some kind of flaw

going on, is our system data not matching up with use, and I want to share a little bit of the results with that. This is a plot of the water production from our three main plants this current year. This is not meter data. This is data that is coming from our plants. This is known water that is being treated and distributed in potable form to the distribution system. This is something we plot every day. And it has the natural variances of going up and down as -- you know, like Mondays are no watering days, and certain days are higher with multifamily watering, but you can see that it's very low in the winter months. It typically starts to rise as the weather heats up. This year, though, we had record rainfalls in may and June, and demand in those months stayed very, very low. The average over that period was 108 mgd, which was well below Normal. Then as we hit that dry weather period in July, you might recall we had a record-setting, I can't remember, 51 days without rain, that the demand followed that cycle, that our plants started to rapidly produce more water, and that peaked in August. And now as the weather has been cooling, as we've been getting a little bit of rain, production from our plants has started to fall. So kind of the pattern of uses, the last two months, we've poured a whole bunch of water into the distribution system, and that water is going somewhere. This is a plot of similar data from just river place. The river place plant has its own plant.

[4:07:05 PM]

It's not part of our central system now, so to just give you a flavor -- we've gotten a lot of concerns from river place. We've been going a little deeper into river place of the different colors represent different years. We didn't take over the river place plant until the fall of 2014. Previous to that it was owned by the mud and actually we owned it, but it operated by the mud and they had a contract service for that. So you can see the different years. The red line is this year, and it followed kind of the pattern that I described earlier in the may and June, the river place plant was fairly low in terms of production, and then as the weather got dryer, the plant demand rose. And, again, this isn't metered data from customers, this is the demand out of the plant, and it peaked up to 40.5 mgd in August.

>> Zimmerman: Sorry. Before you go on when did water treatment plant 4 come online? Does this include water coming out of DPD 4?

>> This graph doesn't. They have their own water plant that serves river place and the surrounding area.

>> Zimmerman: But you gave data prior to that. This is water treatment plant --

>> This includes Davis, auric and water treatment plant, where this is just river place. You can see actually, ironically --

>> I'm sorry. Just since you had flipped back to the previous slide, I was going to ask if you had this data going back through last summer.

>> Yes. We have this going back a hundred years so we could supply this data. Yes.

>> Troxclair: Okay. I think it would be helpful, because, you know, like the guy who put up his water bill earlier, he had pretty low usage last summer, too, so I would be curious to see how the water coming from Austin water was.

>> Sure. We'd be happy to do that now, this is an unusual year. You typically don't see may and June being so low, and then it rising so rapidly.

[4:09:08 PM]

It was this kind of weird combination of record rains in may and June, and I've heard people describe July and August as a flash drought. You know, it went from wouldn't stop raining to didn't rain at all. So that rapid climb is highly unusual. But this kind of pattern of, you know, demand climbing in the summer is fairly typical, but we'd be happy to give you that data.

>> Kitchen: I have a question. So if I'm understanding the point of this slide is the water you're pumping out. Right?

>> Yeah. This is independent of the meter system.

>> Kitchen: Okay. And this is on the aggregate all across the city.

>> Yes.

>> Kitchen: Have you looked at -- I'm sure you have, but do you have this data by different parts of the city?

>> No, we don't have the city like cut into Zones like that. We can approximate some of that with some of the pressure Zones and some of the tanks but the system kind of gets to be a blended system after a while. I'd have to speak to our staff about our ability. You know, a big broad zone, we can say the northwest portion of our system was 40 mgd, but it's hard to break it down other than maybe like these 400,000 people used this amount of water. It doesn't lend itself to growing too grand Laredo.

>> Kitchen: I was just interested in this data correlating back to what people are seeing in their meters so --

>> Councilmember, your point is well taken, and one area that that does correlate directly is river place. River place is a stand-alone water treatment plant. It's not connected to our central plant. It serves the river place mud and some of the surrounding areas around the river place. And so that -- that plant can be closely correlated with meter data, and I'm going to go into that in a little bit. This is just the output from the plant, not the meter data, but what the plant has been producing and pushing into the river place system.

[4:11:10 PM]

You know, we've done -- we've only run the plant for not quite a year, but, you know, the other - - we had data from the other three years. We did look at river place's filing with the state in 2013. Their gallons per capita per day water use in just river place was 354 gallons per capita per day. That's the highest in the region. Compared to Austin residential, gpcd is 79. So river place is an area that historically does use a lot of water. And what we did, councilmember, is kind of what you were alluding to, is, we have taken the metered data from river place and compared that to the plant data. And, for example, in the month of July, river place residents, just the river place component of the plant, not the Glenn Lakes component, they registered 21-point -- or the plant produced 21.5 million gallons of water that went into that section of river place. The meters in that section of river place registered 21.3 million gallons of usage. So 99% correlation between metered and plant produced. And that's exactly what you would expect the system to be showing, that a little bit of meter inefficiency, some underregistering, maybe small leaks here and there, you lose a if you hundred thousand gallons of that plant production, but the meter data shows that what the plant made went to the uses of the community. So from that system wide perspective, we didn't see a big bust.

>> Zimmerman: Okay. But one thing that's very, very, very important to point out, in prior requires the river place mud was managed by -- was it southern Trent?

>> I believe so.

>> Zimmerman: A separate company. So there was a separate company doing the pumping, managing the metering, and the 21.5 million is that one giant meter, or is that a compilation of several meters?

[4:13:13 PM]

The point being that what's different this year is, for the first time, the Austin water utility is in charge of everything. The metering, the appreciation all the data, the reading of the meters, and in prior years, it was southern Trent, which is a different company, right, that was doing the meter's work.

>> Yes. But I would add, we have southern Trent's data, and we have been reviewing each account in river place, certainly all the high bill escalations, and comparing to their use last year. We have all that data, and in general, they used more water last year under seven Trent than they did under Austin water. So when we -- when we look at individual meter, the counts, we see patterns where use was higher in previous years than it was this year. And you see it in this plant data. This plant data, the 2012, '13, and '14 plant production, that came from seven Trent. That's seven Trent data. And you can see the months of may, June, July and August, that that plant produced significantly more water over that summer than it has this summer. We've been much lower, plant production in river place, this summer. And you see that at an individual bill account. Not every bill. I don't want to overgeneralize, but as we look at the thousand, 1200, 1500 bills in river place, looking at these high bill complaints, at least at river place, we're seeing that historically, these customers have used a lot of water, more water none previous years, than they did this year. And that's not our data, that's seven Trent's data. This is very auditable. They have to file state filings in '13, '14, on on water use. It came from lcra. We know how much water they pulled out of the Lakes in those years. So, councilmember, these are, I guess, a little independent of just Austin water. Other systematic checks that we've been doing, as we get high escalations, we often order a reread where we tell our staff to go out and reread that meter because maybe something is going on, at least verify that the initial meter reading was correct.

[4:15:31 PM]

Go eyeball that meter. Maybe the guy that read it originally didn't get it right. And what we've been finding over about 150 of these over the last few weeks that we've reread, that there they're coming by and large matching up with the original meter reading. 98.5, of the checks that we've done have come back where the original read was correct. So it seems to be indicating that the meter reading system is, while not perfect, is operating in a generally accurate way. The other thing that we've been doing, and we do this as a matter of course, it isn't number, but we -- we periodically poll meters and do testing, not just reading them, but we take the physical meter off, we put a new meter in, we take that meter and put it on a bench and run a standard amount of water to it and we see if it meets awwa accuracy standards. And kind of by coincidence, we did a batch of those meters in an area served by the river place plant. And it's the Glenn lake Westminster Glenn area. There's 400 customers in that area that are served by the river place plant where we've been picking up more of these high bill calls. We randomly polled 65 meters earlier in the year, about 16% of that particular part of the system, and ran them on our test bench. Zero percent of those meters overregistered. 50% registered within the tolerances of the accuracy standards, and 50% were slightly underregistering, that is, they didn't register as much

water rent through. That's typically the way meters work, as they age, they slightly slow down, they don't work quite as efficiently, and they tend to underregister as to overregister. Now, we've been working with river place, my assist director over our pipeline services, Rick Coronado has been in touch with river place, and we're going to start some receptor -- somemeter replacement and sampling there. We want to do this in the river place area itself, not the Glenn lake place itself, and evaluate if we're seeing again any kind of trends in that area.

[4:17:36 PM]

It takes a little bit of time to actually physically pull a meeting, put a new meter in, bring the meter in and do the testing, but we do plan to do that. And if we see problems, you know, we'd like to accelerate meter replacement in river place. We might even look at river place as a test bed for more digital amr/ami meter reading technology that we want to learn more about. So we're going to be taking additional steps there. But the general kind of data, at least with river place here, we're not seeing a bust at the meter level or the meter reading level. I put this slide in, and I know council knows about our tiered rates, but it is very important for people to understand how our rates are set up on the residential side. Our rate design is -- its primary goal is to send a very, very strong pricing signal if you use a lot of water. We have the steepest residential block rate curve of any large utility in the nation. That's been by design design. That's been reviewed by over half a dozen task forces over the last years, it's been reemphasized by the city council numerous times, it's designed to send that pricing signal. And these are our tiers. We have a five-tier block system, very unusual. Most people, we have three. And the cost per thousand gallons goes up as you use more water. Just for example, the average austinite uses 5700 gallons of water. You might remember that from the recent budget discussions. So they fall in tier 2. Their volumetric charge is \$27.42. If you use a lot of water through irrigation and pools and possibly leaks and you climb into the upper tiers, it goes up very rapidly. You can see the cost for thousand gallons at block 5 is \$14 per thousand, versus less than three dollars per thousand at block one. So your bill can climb very rapidly and it's non-linear.

[4:19:38 PM]

That is, if you go from 5,000 gallons to 18,000 gallons, your bill anyway not go up two or three times, it might go up six or seven times because of this block rate structure. I know you could argue this isn't the right way to bill or I have a different philosophy, but that's the way we've been set up, that's what's been vetted, that's what's been approved over the years. This is the way we bill. And it could really hit customers that have high --water bills. I live in Navy ranch where there's been a lot of complaints. I turned on my irrigation system. I ran it every week to water some of my trees and landscaping and my bill from July went from 6,000 gallons to 18,000 gallons, and my bill went up accordingly. I know why it happened. I mean, my neighbors are yelling at me. They're upset. But, you know, I see a lot of watering in Navy ranch. This is an article that ran this week in the newspaper, and it really kind of goes into why have bills been going up. In this article you might have seen it, they interviewed Austin, they interviewed cedar park and they've interviewed round Rock. And I've reached out to my colleagues in cedar park and Round Rock, I talked to the utility director in round Rock extensively. They're experiencing the exact same phenomenon, very significant increase in high bills, a lot of customer complaints, extensive media coverage, customers

showing that they didn't use a lot of water, then they used a lot of water. Cedar park alone, a much smaller community, had 350 high bill calls to their council in a one-week period. And the three systems don't share anything in common. We don't use the same billing system, we don't use the same meter systems, we don't use the staple meter readers, we don't even use the same plants. I think in part we had some really unusual weather this year with really wet, really dry, and it's really spiked up water bills, and it's showing up across central Texas. And the other thing we're doing, we're looking at best fractures.

[4:21:40 PM]

The cedar park is doing something to verify their water bills, or they find something, or there's a different technique, you know, we're going to copy that and vice versa. We're going to continue to share techniques at getting as accurate as we can. That's? Systematic perspective. I want to speak now on individual accounts, and I want to emphasize again what I said in the beginning. It is sad for me, as utility director, to hear so many upset customers. That is not what we want. We do not want this. We don't want the extra money. We want customers that are happy with our utility. We provide high value water, we provide softened water, we provide it under any condition, if you have to fight a fire or use it to cook your meals, whatever it is, we want customers to feel good about Austin water. But we have to deal with the facts, and that's what we're trying to do. I will say, though, any call we get, we're going to escalate that, if they have a high bill, between us and Austin energy, we're working feverishly on that. We're going to talk to the customer. It might take us a little while because we've got a lot of this he is to work through. We're going to ensure that that bill was calculated correctly per the billing system and the math and, you know, we're not seeing any signs that the billing system is acting irregular, it's being very accurate, we believe. We're going to talk to that customer about their usage, do you have a pool, do you have an irrigation system, is it possible that you had a leak. We're going to walk them through that. We're going to show them our links on our conservation programs and talk to them about how we can assist them to reduce water. We're going to help these muds which are experiencing our tiered rates for the first time. I have no doubt that these tiered rates are throwing them for a loop. I mean, absolutely, these mud customers are not used to that. We're going to order rereads. If we feel that there is abnormalities in the reading and we need to get a reread, and if we see a leak or a read that was errant or something highly unusual, we're going to adjust their bills. I want to speak about the conservation systems that we can and do often.

[4:23:43 PM]

Irrigation audits, we go out free of charge and give advice on optimizing irrigation systems. We have pros -- is there a question? No? We have pros that do that every day and that's a service that we can offer, and as many customers as we can, we're going to try to service with that. And it's very useful. We have a mobile app. It's called drop council. It's experimental. We just added it. You can sign up. You can download it from the apple website or from the -- what's the Google operating system? Android, from the android website. See, I'm an apple person. And it'll give you your water bill month to month, it'll compare your water big, it'll alert you if your water bill jumped up, it'll give you data compared to your neighborhood, if you're higher or lower than your neighborhood. We have over 3,000 spots still left in drop counter. If you want to get more in tune with your water use. The other thing is, we water advice on landscapes. If you come in

and say I'm going to change out my St. Augustine grass and put xeriscape, peel help you with that I have a picture, I didn't get money from the city, but I tore out my park strip and put rocks in that helped reduce my water bill. I had banana trees, I don't have banana trees today. That's some of the things that takes time but it can make a real difference. And, again, I won't go through all this, but we want to work with customers through all these different things that they have available, including the customer call center. You know, we partner very closely with ae. They do a fabulous job. They're here today to provide some assistance to us here. That's their number, and we encourage people to reach out. So in conclusion, as I said, we care about customers and we want them to feel like they've had value and we're going to keep working at this. We'll continue to evaluate these concerns and correct issues as we find them and work with our customers.

[4:25:48 PM]

We're going to offer these additional services like I mentioned, and we encourage customers to contact us, to use our contact Numbers, to use the information on our website, and partner with us as much as possible to work through this. And, council, I'd be happy to answer any questions or Austin energy or any of the technical staff that we have here today. Mild mild.

>> I have a couple questions. Thank you for that presentation. There was a comment about leaks being -- being the explanation for -- you know, for high water bills, so my question is, is it possible for leaks -- for there to be spikes when there's -- if it's a leak? Is there -- I don't know, a thing, I don't know if that creates a situation like that.

>> I would answer in a few ways. One, let's talk about different kinds of leaks. If there's leaks on the public system, on the water mains that we own and operate, that water does not pass through meters, and that those leaks would not cause problems in terms of enhanced water, increased water use on the customer side. Leaks that would increase water use on the meter are leaks that occur on the customer side of the meter. Maybe their irrigation pipe is cracked, maybe they have a running toilet, sometimes we get people with a leak underneath their slab, the plumbing will be cracked in their slab, those kinds of things. Typically, when you have a leak like that, it's not intermittent, per Se, but there's possibilities of that. I mean, if you have a toilet that runs and maybe doesn't run, you might have -- I mean, I'll give you one example that happens a lot. People will have -- they'll return their lawn mower and inadvertently hack off the top of a sprinkler head and they don't know that their sprinkler head is cut off. So when the irrigation system runs at 3 o'clock in the morning and that irrigation head turns on, it'll be a guiser.

[4:27:50 PM]

That will pour out of there like nothing you've ever seen. We don't know that. We don't -- unless we do an irrigation audit. So those are some leaks that can be intermittent. If you're running your irrigation system and that water is gushing out of, say, broken sprinkler heads, that's only happening when you're running that system. And if you turn the system off, then it may not happen. So I can't answer your question, like it's not either/or. In general, a leak on a pipe is going to be running continuously, but some other leaks can be a little intermittent.

>> Garza: Okay. Thank you. The next question I had, I'm really concerned about people's bank accounts being overdrafted because of their bills. Is there -- would it be possible to put a -- like a stop on that until we get through this situation? Because that's -- I mean, I don't think that's a

good situation to be --

>> I might have to defer that one to ae.

>> [Inaudible] Customer account management, Austin energy.

>> Garza: Your mic is not --

>> I'm vice president of customer account manager at Austin energy. If a customer is on auto pay where it's drafted automatically out of their bank account every month, they can set an upper limit. They can contact us and we can set an upper limit so it will only withdraw, you know -- in case of an bill, it won't go past that amount. Then we can call and make arrangements. But we have electric billing customers, we have other customers who are experiencing issues that are on auto pay, and so, you know, I don't think -- we have some customers who don't have that problem and wouldn't want that turned off, so I could offer that upper limits are established, but it depends on the customer. A \$500 upper limit for a residential customer may not be appropriate upper limit for a small commercial customer so it would be up to each customer to determine that.

>> One of the options that are given to folks -- I mean, I guess if you're looking for that, you would see -- you might not even click on that -- I mean how is that presented to people, that option?

[4:29:56 PM]

>> Auto pay, or the limit?

>> Garza: Either. Both of them. >>UT pay is a program that you sign up for, and when you sign up, you can also establish an upper limit or if you know that you're an auto pay customer, you can also contact us and have that upper limit established on your account. Did that answer?

>> Garza: Yeah. I guess it's just -- I'm just wondering how it's presented, like is it very clear that they can set an upper limit, however it's presented on the bill or website?

>> Yeah. I know it's addressed in enrollment. I'm not quite sure it's presented on the bill. We can do some communication on that.

>> Garza: Okay.

>> In addition, the customer gets the bill. It's just like your standard bill. It would be due X amount of days later. And so we urge people that even though you're on auto pay, to continue to review your bill and make sure that everything looks accurate, especially if you're on auto pay.

>> Garza: Yeah. Unfortunately people put it on auto pay so they don't have to monitor their bill, but -- okay.

>> Kitchen: Yeah. I'd like to follow up on that a little bit. I have the same concern, particularly in the current -- with the current situation, you know. Normally, that all makes -- you know, normally, that all makes sense, you know, for the customer to -- you know, to be responsible for looking at their bill and -- and, you know, putting a max on auto pay, but by the time they -- in a situation like this with a spike that's unexpected, by the time that they realize that, the money is already out of their account. So what happens then? If it overdraws on their account? Just help me understand. So what happens to a person then and what do they do?

>> If they've signed up for auto pay and there's no upper limit, if the money comes out of their account --

>> Kitchen: Uh-huh.

>> -- You know, it's out of the account.

>> Kitchen: Okay.

>> We don't refund money or offer credits back.

[4:31:58 PM]

Certainly we would if it was a mistake on our part and we've had that through the years and that would get refunded and overdraft fees through the claims process, but as standard could have been, if the bill was valid and it was auto paid and the money was drafted, we don't offer a refund on that.

>> Kitchen: So how much of a problem is this? In other words, I think you indicated maybe you've gotten about a thousand calls so far. So how many of those have experienced this issue with auto pay, or perhaps have been -- had -- well, how many of them have experienced an auto pay issue?

>> I would have to ask the team if we've tracked those Numbers or if there was a way to look at auto pay customers who have called in about water bills.

>> Kitchen: Well, basically I have two question, and I'm sure you have to do some checking and follow up on it. First off, to what extent is this an issue, how many folks are we talking about? Then my question is, what can we do? What can we do about that in this unusual circumstance? Is there anything -- is there anything, and what would you guys suggest that we do to help avoid that problem?

>> I believe what we can do from Austin energy in conjunction with Austin water is, again, better communication so that consumers know that option is out there, to have the auto pay limit on there, if that's how they're paying the bill. The other is, we can also look at setting broad limits across certain sections of the customer base. We just need to make sure that we don't set someone on auto pay --

>> Kitchen: Sure.

>> Then they don't get their full bill paid and they're upset because they were expecting auto park land I to take care of it. So we need to look further into that.

>> Kitchen: Yeah. It's a tough issue, I understand that. That's why I wanted to understand to what extent -- you know, how big is the problem is what I was trying to understand, because if it's a smaller problem, maybe there are other ways to deal with it, but if it's a across the board more systematic problem, then perhaps it's worth thinking about reversing that a little bit.

[4:33:58 PM]

Right now, people have to choose to set a limit. Maybe they should automatically have a limit and choose to raise it. Just throwing out ideas. And so -- so my first question would be to what extent is it a problem and people are experiencing that. That goes back to my other question, because the related question in my mind, we've seen the problem that you're having right now, that we're having right now. Is that going to continue, and if it's going to continue, then we really need to think about the impact of this -- of the current practice on what happens with people where ard to auto pay. So is that additional information you guys can provide us, or --

>> Yes. And we can look at the percentage of the customer base that's on auto pay. I can tell you it's not the majority of customers.

>> Kitchen: Okay.

>> So we can look at the percentage of that, and like I would, daubers communication job, and then look at establishing some sort of limits, especially for customers with water service.

>> Kitchen: Is it possible to correlate the folks with auto pay with the problems that you're getting, with the high bill calls?

>> I believe that's something we could do, we could probably query customers who have called in with escalated calls or water issues and see how many of them are on auto pay.

>> Just a few other thoughts and we'll have to talk this through, but I think one of the things we could do and think about for the future, too, whenever we're incorporating a new mud in and they're falling under our tiered rates for the first time, it may be really actively managed like auto pay issues with them, because they just may not realize, you know, how their bill could be impacted. I don't know, we'll just have to talk that through. Other thing, one of the customers made a comment, like people are calling in, but what about the people that aren't calling in? We do have procedures in place at Austin energy and working with us where if a bill is generated that is outside certain parameters, if it doesn't fit the traditional pattern of their billing or if it's way higher than any month they've ever had in the last two years, that those -- those flag out, and we do --

[4:36:04 PM]

>> We'll attempt to obtain a reread and if we're still not able to get a valid read, we can estimate and sometimes, you know, it'll be a choice on maybe they've seen in really strange and they've done the reread and it's a high read, we let that bill go because they're not flags to the customer, that helps start the leak investigation process. Is it something on the city's end? Sometimes customers can have a leak and they want the high bill so they can know to get that investigation started.

>> Then we do give credits, and what I mean is, if, for example, we have a leak credit policy, we have one of the accounts -- I believe it was in lost creek I just read today, councilmember troxclair, it's one of the accounts I think you sent over to me. The individual was very you want about their bill. They end -- very upset about their bill. They did some extra work and found a cracked irrigation pipe. If they couldn't have reasonably foreseen that leak and show us they had it repaired, we'll give them a credit on their bill. If they don't show a leak, we can't -- I mean, it's against the law for me to authorize free services. Even though I may want to, I can't. So I can't give leak credits where there's not evidence of a leak credit. The other thing, and I have my consumer affairs division manager here, if a customer has a manner where, for months on end, you know, summer months they never use over five or six thousand gallons, then out of the blue they use 25,000 then it goes back down to five, those bizarre anomalies, we give credits for that too. But what we don't give a credit for is, you know, last summer I used 35,000 gallons in August, and this July I used 36,000 gallons but I don't want to pay that because I didn't use that water. You know, we go back and look, well, historically you do have a pattern of occasionally using a high amount of water during the summer, and that that -- to me, that's not an anomaly, that that's, you know -- again, I'm not calling the customer, that they're, you know, misleading us or anything, but we generally don't give credits for those kind of things.

[4:38:12 PM]

>> Zimmerman: Can I go next?

>> Garza: Councilmember Zimmerman, I just want to ask you to be nice.

>> Zimmerman: I will. I'll be nice.

>> Garza: We're all trying to find answers to this mystery.

>> He's my representative. I'm sure he'll --

>> I wouldn't want to be you, but I've done some of this professionally, I've been involved in strictly processing controls, control systems, and metering is my professional business. I want to put up the green slopes. The green slopes people had come if you could put that up, that one right there, I want to draw your attention to -- this is something I used to the professionally. I would audit, you know, metering performance. And when -- I want to draw your attention to the line of December 16th, 2014. And when I see that, I've got I've got about an 80% certainty that I have a metering measurement problem, because I've got, you know, relatively consistent usage.

>> That pink line there, is that --

>> Zimmerman: The pink line that says the prior month was 617,000 -- or let's go back up to the very top of the page, December 12th, 2013. 500 and -- sorry, if you can -- sorry, let me -- if you want to come grab one of these so we can -- sorry about that. So look at the top of the page.

>> Okay. All right, councilmember.

>> Zimmerman: You see we're doing 568,000 gallons in December, January 600,000, February, 553,000. So when I look at these Numbers, I see a usage trend or a pattern. And so when I see it suddenly jump to 1.2 million, I've got a measurement issue. This is what they were talking about earlier. If you go on down the page, I've circled June of 2015.

[4:40:13 PM]

You notice may, June -- 11th, June 18th, it looks like there was an adjustment made to the bill where I went from 132,000 to over a million gallons? That's somebody making adjustments to what they read on the meter or what they detected on the meter. That's not real usage changes, that's measurement changes. Would you agree with that?

>> Yeah, I think -- I don't know exactly what happened on all these months, but, yeah, you typically wouldn't go from 132.5 to one million. That wouldn't be --

>> Zimmerman: That's kind of common sense. You don't have to be an engineer to figure that out. I don't know, but we are going to keep digging into this. The other thing I want to draw your attention, my constituent services director Tim Kelly has been going out personally and looking at meters in river place and looking for wet spots on the ground, kind of doing his own investigation. Because I mean if your water usage went from -- some of the people here in river place are saying that their water, not their bill, but the gallons of usage -- we got it on the bill, they got the sticker shock a year ago about the graduated rates. Right? And how they didn't have that before, with the mud. You know, there was no graduation of rates. So they got that sticker shock a year ago, but what we're talking about is increased gallons. Okay? Where you go from 3,000 gallons to a hundred thousand gallons. Okay. Not the bill, but gallons. So I'd like you to put up the slide -- we took this photograph today, and -- I know you probably can't read it, but it's no better if you put your face on that period of time, it is impossible to read the meter. And this particular customer here, I actually knocked on his door when I was campaigning so I met this person. And this is a three-quarter-inch -- most of the houses have five eighths inch.

[4:42:16 PM]

This has three-quarter. You can read the manufacturer date, 1999 is when the meter was built.

>> It's probably when the mud started.

>> Zimmerman: You're right. It's when the house was built, this meter was put in so it's the original meter built with the house, that was put in with the house. But it looks to me like it's impossible to read it. So I don't know where the readings are coming from because the the screen is so badly obscured and damaged, I don't think you can read the meter. So I think we -- nose, I think we have an issue with either the software system or something with people trying to read meters. I don't think the problem is in consumption. I think the problem is confusion in the billing system or inability to read the meters. That's what it looks like to me. But we're going to keep working on this.

>> Garza: Well, thank you for being here and thank you for listening, and I know you and I have been meeting about this issue over the past couple weeks, and I appreciate you being responsive to the constituents who have e-mailed me. I have my list with me. I have over a hundred -- almost 150 people now who have contacted me over the past two weeks, and I know -- I know that you know now that it's not -- although lost creek does have major issues in their neighborhood, it really is, as you could see from the map that you showed earlier, it really is pretty widespread problem across the city. So I appreciate you helping us get to the bottom of this. I wanted to ask about the two graphs that you had earlier where you demonstrated kind of the river place historical consumption and the current daily pumpage that you had from the cities.

>> Uh-huh.

>> Troxclair: -- perspective. First of all, I guess I wanted to ask -- because you said on the city's chart that that spike that we see in August was unusual. I said if we had gone back to last summer, you know, yes, the usage tends to be more in the summer, but that this spike was unusual. But if you look at the river place mud graph, even though they fluctuate, depending on the month, the actual usage in the summer months has been pretty consistent, from 2013, 2014, 2015.

[4:44:39 PM]

So I'm just curious as to what your -- why you think there would be -- because it's interesting that we have this comparison; right? Because we have two separate water systems, and we can look at the history and see what the historical usage has been on historical pumpage has been. So what do you -- how would you -- what would you attribute that discrepancy to? Because if the river place usage is similar to the city of Austin's usage, as it should be, then this spike in August wouldn't be unusual for the city of Austin. You would see similar spikes in all the previous years.

>> I'm not sure if I'm following. I'll start with the river place. The red line is the river place --

>> Troxclair: Can you put that presentation back up? Thanks -- oh, no, not this one. But actually -- since he has this up, because I will probably make a comparison to this, I just wanted to point out this is a bill that another constituent e-mailed me, and first of all, thanks for putting the really -- this really great graph on all of our water bills so we can see our usage and compare it really easily. But I just wanted to point out that the gentleman who showed his water bill earlier, it's very similar to the ones that I'm seeing. It's not a little bit higher, it's not even double, it's quadruple. So thanks for showing that. And if you can go back to the -- to his powerpoint presentation.

>> Okay. Let me -- is that the one?

>> Troxclair: Yeah. I'm asking about this graph compared to the previous graph. So if you look at this graph, the usage actually in August is about the same every single year. Right?

>> Yes.

>> Troxclair: But if you look at the previous graph where you had the city of Austin's usage, you said that this spike that we see in August, that although we don't have last summer on this page, that you could get us that information, but you said the spike in August of this year was very unusual.

[4:46:51 PM]

That if we looked at summer of last year, we wouldn't see this similar spike.

>> Well, not necessarily -- let me make sure I'm clear that the may and June being so low, and then the July and August climbing so rapidly, that that is an unusual occurrence. Typically, the climb starts in may and climbs and gets into June, and the peak starts much earlier. You know what I'm saying? Like it stayed low a lot longer this year than Normal.

>> Troxclair: So if we look at August of last year, you think that we would see 207 million gallons?

>> I don't know about the exact number. That 207 is probably a higher use number. I mean, it hasn't been this dry, when we had that 50-day stretch without any rain this year, we haven't had that in the last few years. I mean, if you take this graph back to '11, you'd see spikes 2342, much higher than 207. I mean, there's some years where it's been much higher. Certainly when we were on two-day per week watering we had spikes much higher than that.

>> Troxclair: Right.

>> But this pattern right here, really low may and June, then rapid climb into July and August, is the same thing that happened at river place. We see it at the microlevel, individual plant level, and the macrosystem level.

>> Troxclair: And I'm not necessarily talking about the difference in may and June to July and August, I'm talking about the peak in August, and whether that peak that we see at the city's chart -- because in the peak month in the river place chart the pumpage is actually the same. So August is the same as August of last year, same as August of a year before that. So I'm asking if we look at August of last year and August the year before that from the city of Austin, will we see 200 -- that same level of usage?

>> It will -- the peak date, that's one peak day that, that number is one day, just that one day that is used. It might be 190 pun year, 210 another year, might be 230 another year, that's just that one single day, if that's what you're asking, yeah, so that varies from year to year.

[4:48:56 PM]

But this pattern of use climbing in the is it your -- in the summer Isa classic pattern.

>> Troxclair: Well, if you can get me this graph that goes back another two years or so, I think that it would be easier for me to articulate my question.

>> Okay. We could maybe follow up, you know, offline a little bit, maybe I could understand better.

>> Troxclair: And then I go ahead the second follow-up that I would have on the previous graph is -- I think that by showing this you were trying to demonstrate as, you know, someone from, I think, lost creek pointed out, that not only are people's consumption on their bills going up, or went way up, but you're saying that the water that came out of the city's tanks went up as well. But when you look at the spikes, at this spike, compared to the spikes of the bills that we're

seeing, it still doesn't add up. I mean, this is maybe -- so we're going from about a hundred million gallons in -- well, over a hundred million gallons in may and June, to, you know, at the very highest point, 200 million gallons, which would be doubling. But if you look at the bills, they're quadrupling.

>> Yeah. This graph isn't trying to emulate every single bill pattern. It's just one of the checks that we did to say, from the whole water utility system, 230,000 accounts, a million people, was there a systematic bust, was there a mass balance problem? Did we see meter consumption up to a really big number, but the plants produced a number that's a lot less than that? That would say there's a mass balance problem. Something is not working across the whole system. And what I'm simply trying to indicate with this is that from that high level check, that the plants did produce a lot of water, and we would expect to see elevated water use in the consumer side.

[4:51:00 PM]

Now, that's not to say if your water use went up ten times, at your individual house, that that's correct. I'm just saying across our entire system -- because that was one of the theories, maybe your whole meter billing system is busted.

>> Troxclair: Right.

>> We were trying to just eliminate variables, and this is one of the techniques we used to say we don't think it's a problem with the entire billing system. It's not to say that an individual customer may not be experiencing a problem. I think, you know, that certainly could be the case.

>> Troxclair: But if you look at -- I understand that the water that we're using went up, and people's bills went up, but I think that if you compare the percentage that both of those went up, it's still not equal. I think that the bills have gone up way more than the consumption has gone up.

>> Well also, remember that the tiered rates -- it's not a linear equation. If you use three times as much water, that doesn't mean that your bill goes up three times. It might go up six times.

>> Troxclair: So -- but what he showed previously, the guy showed his water usage, that's gallons of water. That's not the bill. That's not the dollar amount. That's the gallons of water.

>> That's right. That would be the bar graph.

>> Troxclair: So we're comparing apples to apples -- I'm sorry if I wasn't clear, I'm not talking about the dollar amount, I'm talking about the actual water usage which is what was demonstrated in the chart on the bills that people receive.

>> Yes. That is -- that's water usage. Yeah. I agree. Yeah, you know, that proportionality was greater than this proportionality. Yeah.

>> Troxclair: So I guess I'm just saying I would ask you to look at that again because it does seem out of proportion.

>> We're going to look at every account we get.

>> And I guess I would -- my understanding of this would be that this is -- this isn't the entire city, and there were probably bills that went down, some big, some bills. I was looking at my water usage and it was pretty consistent.

[4:53:05 PM]

Just because some people's bills spiked doesn't mean everybody's bill. This chart wouldn't be proportional to somebody's bill that totally spiked because --

>> Excuse me, councilmember.

>> Go ahead.

>> One other thing we're looking at is how closely this issue is tied to pools and irrigation systems. We haven't gone through everything, but almost invariably, if you have a high bill complaint, one thing you have in common, you have either an automatic irrigation system or pool. If you have a pool or automatic irrigation system, you're at high risk for a spike because you use a lot more water in general, but we often see -- just as an example, it didn't rain for 51 days. We had 24 days of water temperature. Evaporation, this summer, during that period, extraordinarily high. If you had a pool, your fill valve was running constantly. That is an unusual circumstance. You know, typically you get some rain to top off your pool or other kinds of things. You don't have that amount of pool evaporation without rain. You might use 500 gallons, a thousand gallons a day just on your pool. And so all I'm -- I'm not blaming those customers or saying having a pool is bad or having an irrigation system is bad. I have an irrigation system, but it does put you at higher risk for something bad happening. You have more opportunities for a leak. You have more opportunities for you to screw up your irrigation system timing. You have more opportunities for your fill valve to go crazy, that that is a higher risk circumstance.

>> Garza: Okay. Let's have a couple more questions, then we can discuss what action we want to take because we have to be out of here in an hour and we have about three more presentations. Go ahead, councilmember kitchen.

>> Kitchen: I'll be quick. My question is, if you could help me understand, maybe you could just summarize for me, the first question, there's basically two buckets, what you're looking at from a systemic or systematic or systemic question, and then there's having to do with the individual bill. So I just want to understand from the systemic testing, are you -- can you summarize for me what remaining, if any, systematic or systemic testing that you need to do or if you're done with that.

[4:55:20 PM]

>> I wanted to elbow Greg away from this to answer this. We have talked about a systemic. Greg and ae have already done a lot of work.

>> Kitchen: Yeah.

>> But the only thing we haven't done, we don't think it's malfunctioning, but should we have somebody come in and look at the billing system, just to verify that all the coding is correct, not the people who built it and not ae, but somebody else, and the manager has already said, yeah, let's do that. Let's check that box and make sure that the billing system is -- something's going wrong.

>> Kitchen: Okay.

>> We have no indication other than a lot of folks are awfully upset, we don't have any indication that the billing system is inaccurately sending bills out but we're going to verify that. So I just wanted to answer as to systemic. Greg is doing a lot of other things but we are going to take that step as well.

>> Kitchen: Okay. So basically you've done a range of systemic checks and none of those checks have revealed a systemic problem, and your remaining thing you'll be looking at from a systemic standpoint is this billing.

>> Billing. We're going to have a quick audit just to verify some random bills and Mike sure that's being done accurately.

>> Kitchen: Okay. My remaining questions I can ask offline, that is just to help me understand the details of how you proceed with someone individually, but I can follow that offline.

>> I think that's a good question to ask, though.

>> Kitchen: Are you okay? So, you've got a slide on -- and thank you very much. You've got a slide on how you handle the individual because I understand you're going --

>> You have a slide or I have a slide?

>> Kitchen: No, you do. I'm sorry, I'm looking for the page, the individual account review. Oh, there it is. Okay. Your actions to review accounts. So -- so I understand all this, and you talked to us about when you adjusted bills, and so my remaining questions were just, as we talked about the auto pay, if you all could follow up on the questions about that.

[4:57:21 PM]

Then the last question I had was, when you flag unusual patterns, and you talked about this a minute ago, but I just wanted to follow up. So I understood that you would flag unusual patterns, and when you discover an unusual pattern, can you tell me what happens then?

>> Probably need to let --

>> If it's with regard to a read, there are several things the system will look at, this time last year, last month, others in the same bill pool. And if it's flagged through there, it does go through a manual review.

>> Kitchen: Okay.

>> Someone does go and look through and compare to see, you know, notes on the account, historical usage, other things. And if there's something that is still not aligning, we do go through the reread process and verify the meter read. And so that can go through a variety of steps, either through the vendor or reread through a supervisor, then those come back, and the bill is either rebuilt with the correct reads, if there was an incorrect read and it had been estimated, or the read is validated, and we're good to go with that.

>> Kitchen: So but I guess my question is, so then does it -- how do you alert the customer? Or do you alert the customer? So you've gone through the due diligence check, and it appears to be a valid bill, but it's still a spike. So that goes out to the customer, but is there any kind of alert given to the customer, particularly if they're on auto pay, that, hey, you're about to get a bill that's really spiked? Or are we at that point just relying on the individual to check?

>> There are --

>> There a leak process that also happens between ae and water. If we verify an extremely high read and a bill is going out, part of the reread process is to do what's called a leak review and our field folks go out and do the initial glance to see if there's a visible leak and or if there's a leak on the city side, if it's a leak on the city side we immediately get water involved.

[4:59:30 PM]

If there appears to be a leak on the customer side like the meter dial continues to spin and there doesn't appear to be anyone at home or there's no visible signs of usage or see external signs of a leak, we do send a letter to the customer. I know it's a letter, yes, a letter to the customer to notify them that high usage has been identified on their account and to please contact us so we can walk through the process.

>> Kitchen: Is that only if there's a leak review or is that in all circumstances then?

>> In any circumstance where the read is coming back extremely high versus any sort of historical patterns and where we think there's a leak, where there's an Carter that indicator that there's a -- indicator there's a leak on the premise.

>> Kitchen: What if there's not a leak.

>> At that point the bill goes out and work with the customers on an individual basis. We don't contact the customers individually, because especially with irrigation systems those bills, valid.

>> Kitchen: I'm sorry. I don't mean to imply you should be doing that I'm just trying to understand the steps and what the process is in understanding that a -- that a customers that getting the spike, you know, -- they're just going to have to read their bill. Otherwise they may not notice they have a spike until later. Okay.

>> We will animal look at the auto pay and again a percentage, especially for the water customers.

>> Kitchen: Okay. Thank you.

>> This is into the future, but the other thing, if we're here a few years from now, we would like to move towards a more digital communication system for meter reading. Meter readings once a month that you would have a full ami, automated meter information system, where you could get data from your meter everyday and you might spot a leak or, hey, why did my bill speak in my sprinkler system must have went crazy during the night.

[5:01:32 PM]

That's a big investment to convert a quarter million meter, probably 50 to 75 million but that is something we're planning to do over the long run. We've got experimental pilot projects ongoing now. We might remember we talked about this a couple meetings ago. We do see in the future enhancements to the communication and transparency that we bring to customers with regards to water billing but we're not quite there yet. We're still on the monthly system.

>> Garza: Okay. Thank you and I guess I'll entertain any discussion on -- if anybody wants to take any action. I will ask, director muzaros, if we could address the concerns of the green slope? You said that could you look into sending a city person out there, is that right?

>> Yes, we'll follow up on that.

>> Garza: Okay. And I would -- I would like some kind of report at our next meeting as acm did mention -- right now there's no systemic -- there's no proof of big error but there is going to be an audit or some kind of check of that so I --

>> We'll make sure it's on the agenda so we can continue to follow up with the committee.

>> Garza: Okay. Does anybody else have any. . . Go ahead.

>> Troxclair: I also just wanted to say thank you to your customer service staff and I know Nicky Abbott at ae has been helpful in making sure we're getting good responses back to our constituents and I know you have dedicated like you said a lot of additional time and staff resources to this issue and I've dedicated a lot of time and extra staff resources in my office as well. So I appreciate you at least identifying that a lot of people are having problems with this issue and I hope that, yeah, we can get updates, I guess, in the future. And I was going to ask, is it possible, I know you said because you had so many complaints coming from, wherever place you did a little more in-depth analysis of their historic water use, is it possible to do the same thing for lost creek?

[5:03:32 PM]

>> Yes. Although lost creek isn't served by a separate stand alone planting it's a part of our blended central plants but I think we could certainly aggregate the meter reading in lost creek and look at it this year, through some previous years. That's something I'll talk to my staff about what kind of options we have to do that.

>> Troxclair: I think it would be helpful to provide that community with that information. Thank you.

>> Zimmerman: One final quick question, if I could. So are there -- we -- I guess the utility contracts out for meter readers, right? For people who physically go around and read the meters? Who is that? Are there several companies or one company that we contract out to --

>> Ae,.

>> Zimmerman: The boots on the ground. Who are the boots on the ground that physically read the meter.

>> Our contract currently is corix meter reading.

>> Speaker2: Corix, right?

>> Yes.

>> Zimmerman: Do you know policies-wise, what do they do when they find one that's obscure and impossible to read? What's the --

>> There are actually meter read codes that send back through the system, scratch meter, glass broken and things like that. Some of those scratched meters are actually a little bit deceiving. There is -- some of them are easier to read at an angle so they may have a comfort level in getting that reading. But there is a way to communicate issues back and those go to water, to the meter maintenance department.

>> Zimmerman: -- How could I follow up with that to really understand what's happening there? Because we -- Tim got down on hands and knees and we looked at that thing every way. It's just impossible.

>> We've notated the address so we'll follow up.

>> Zimmerman: But they still got a bill with a dramatic increase. If it didn't come point meter, it came from somewhere. What I'm getting 59 is I think what's happening -- it's all speculation, but it's very easy to have software systems that estimate what your billing would be based on past usage so if you can't read the meter you could estimate it based on past usage.

[5:05:39 PM]

>> Yes.

>> Zimmerman: Yeah, it's a possibility. It's also a possibility because a lot of smart people in this business, they could look at the aggregate that's being produced and they could make their Numbers adjusts so they 50 up to what the plant is producing. That's pretty trivial to do. In my field, engineering field, we have all this data and it would be very easy to do estimates on meters when you can't read them. Anyway, I would like to follow up with the corix people. I appreciate your help and being here.

>> We can follow up on that meter address, yes.

>> Garza: Thanks. Tim -- your Tim is like Erin brokevich out there.

>> Kitchen: Yes. One last suggestion. I don't know the extent to which it's possible so it might be something for y'all just to think about. I'm wondering if -- I think it might be helpful for us to bring some kind of summary information back to our fellow councilmembers and so we can do

that. I really appreciate the work that y'all have done, councilmembers trox and Zimmerman with our water staff. We're a little behind y'all in terms of working on that. I think if we bring information back to our fellow councilmembers on what they can be doing with their constituents if they have nobody's their areas. Then I don't know if it's possible for y'all to do this or not, but since you do some kind of analysis of high bills, I don't know if it's possible for y'all to let us know the extent to which there are issues in our districts. I don't know enough about, you know, how you -- if you're even able to track the high bills that you've identified through the process that you just told us about. But if there were some way to track those and let us know by district or if there's a number of districts, you know, like -- I would like to know for district 5.

[5:07:39 PM]

I know who contacted me but there may be a lot of people who haven't contacted me and there may be some residents -- not my residents but residents in my district who I might be able to play the role of reaching out to them. So is that something y'all could just look at, to see if there's anyway -- I don't expect you to answer right now but see if you might have some way to share information with us?

>> Yes. We can look into it, yes.

>> Kitchen: Okay.

>> Councilmember, we'll write a committee report up for this discussion today. Do you think that would be adequate, if we were to distribute that to the rest of the council, to keep them in tune with what we talked about today?

>> Kitchen: I think that would be helpful. I would also like to know, to the degree to which you can tell me, for example, in district 5 you had, you know, 200 customers who had an unusually high bill.

>> Sure.

>> Kitchen: They're only speak -- generally speaking they were in these neighborhoods. I'm not asking for names and addresses. Just give me a scope if that's possible.

>> Garza: Sir, you can meet with my staff. So if you have any additional questions or any of the water utility. Laura is right here. Laura, can you raise your hand? And I just want to let the public know that this -- we're going to continue asking questions. When you have an office getting 150 emails about a certain issue, this is not something that is going to quickly go away, just to let the public know, we will continue to ask questions and get you some answers. And get a briefing at next month's committee meeting. So thank you for the time, water utility and Austin energy has devoted to giving us this report. We are going to move on to the next item, which is action item number 4.

[5:09:42 PM]

Actually, I don't think it is an action item. I don't know why that's not an action item. Is there somebody from staff going to present were right there.

>> I'm Bart Jennings with the Austin water utility about short presentation for you. Actually, I think you pulled up the wrong presentation. I'm sorry. P.u.c. Legends way, there we go. Much better. This particular request for council pertains to a tract that we call legends way and the proposed development is single family homes and that property is located in the city's full-purpose area. The desired development zone and in our wastewater ccn. The development,

because the last time we came to you and talked about whisper valley and I had M.U.D.S, this is not a P.I.D., not a M.U.D., just land that's being developed. In terms of our request, back in 2012, city council authorized cost reimbursement agreement, in accordance with that time that particular set of cost reimbursement policies. The agreement was executed in 2014 and there's been significant increased costs which is probably a question that we have gotten from water and wastewater commission. So at the time that -- in 2012 that we brought the cost reimbursement agreement to city council, it was the assumption that there would be mostly boring done so that's where you have an auger and you're digging a hole and that's where you put the pipe in. After they've done additional engineering, it's not a boring. It's a tunnel.

[5:11:43 PM]

So you're going to be using a huge amount of equipment. You're going to make a massive hole in the ground, essentially where people will be in. You're having encasement pipe of 54 inches and then run the 30-inch line through that. So because of that, that's why you have a significant increase in cost. And that's the reader's digest condensed version of the particular item for you.

>> Zimmerman: Any questions on this?

>> Kitchen: So the action you're asking is just for us to move forward to council with the additions to the contract, right?

>> Yes, ma'am.

>> Kitchen: Okay. And the reason for that is just the costs have gone up since we approved the original?

>> Because the methods have changed and also some of the materials themselves have gone up in price.

>> Kitchen: Okay.

>> Primarily the biggest thing is the methods that have changed.

>> Kitchen: Okay.

>> The pricing.

>> Zimmerman: So you're basically asking for this committee to move it forward to full council. Would you make that motion.

>> Kitchen: I move that we move this item forward to council with our recommendation to approve it.

>> Zimmerman: Is there a second on that?

>> Yeah.

>> Zimmerman: Go ahead. You have a question. That motion has been made and seconded.

>> Troxclair: I guess my question is so this is not a change order?

>> No, it's not.

>> Troxclair: So it's not sun to the same -- I know when we do a change order you can only -- it's a minimum of 25%.

>> 25%, right.

>> Troxclair: Or the original substituting this is not subject to that.

>> No.

>> Troxclair: But you feel like this -- because it's pretty much doubled in costs.

>> That's correct. We changed significantly the methods, whether you're just doing -- think of it in terms of this -- of this, it's a snake through your toilet or you're essentially knocking out your whole toilet, digging a big hole and put a huge pipe in there.

[5:13:48 PM]

So it makes a difference in terms of the cost.

>> Zimmerman: Any other questions on that? We'll take a vote on the motion to move this forward to the full council with a recommendation to approve. She's back.

[ Laughter ] We were just getting trod take a vote floodplain was a motion made to move it forward.

>> Garza: Okay.

>> Zimmerman: All in favor? It's unanimous with all members on the dais.

>> Thank you very much.

>> Garza: Thank you. The next -- I think we have time forever both but I'm going to grab 61st only because we have a -- speakers from the public ton and I want to respect their time. So the first speaker for six is Stan fields. Sorry, Larry.

[ Laughter ]

>> Item number 6, as I understand, is a proposition of making stage two water restrictions permanent, is that correct?

>> Garza: Yes, sir.

>> My name is Stan fields. I'm a homeowner in southwest Austin. And I'm here today to encourage you to not make stage two water restrictions permanent. Stage two water restrictions are an enormous handicap for homeowners. It impacts not only the affordability of living in Austin but even the sustainability of being in Austin. And if you -- let's see what I've got. We've just endured two of the driest -- months in Austin's history and if if you restrict outdoor watering it only one day a week, that's not enough water to prevent the devastating impact on lawns, landscapes, shrubs, what have you.

[5:15:57 PM]

And if you are out there trying to sustain your landscape watering by hand, that's a -- both a physical handicap and a financial one. Austin's water is the highest of any city in the state. And the fourth highest in the nation. At the same time, our Lakes are well above the seasonal average. Lcra has said they've got plenty of waterfront to meet all their fixed contracts and still have uncommitted water to sell. Prior city city councils set an aggressive goal to reduce water consumption by 20%. And over the same period of time the cost of water to Austin ratepayers has increased 100%. And if you're trying to sustain a landscape like I am with supplemental watering that could be as much as 800%. I think that could be part of the spikes people are seeing in their bills. Water restrictions are not only a financial burden for aye homeowners, but it's depressed demand to the point that the water department can't cover its fixed costs, can't produce enough water to do that. And that's brought about a series of homeowner fees and surcharges to offset the loss of revenue. And that's just -- that's a model that's not sustainable, to try to augment the -- for inefficient operation of the water department. It's time to retool the drought management fee. Austin doesn't manage the water resource nor the lake levels.

[5:17:57 PM]

Is simply manages that part that's allocated --

[ buzzer sounding ] Okay. I guess I should have checked the time before I started.

[ Laughter ] All right. At any rate, I'll try to wrap up that. It's time to -- we have a drought management plan, and we need to execute that with more agility effective immediately we should be reducing the water restrictions to level one and with no more than two rate tiers. Water productions that results from that would make homeowner fees and surcharges unnecessary. And, finally, we have to end the process of transferring the water department's retained earnings into the city's general fund. At least until such time that the water rates in Austin are on par with the rest of the state. So from my perspective, making stage two water restrictions permanent is just wrong thinking. And if you're a homeowner in Austin, it's nothing to be proud of.

>> Garza: Okay. Thank you, sir.

>> Troxclair: Sir? Sir?

>> Garza: Sir? Mr. Fields?

>> Zimmerman: Can you come back?

>> Oh, I'm sorry.

>> Garza: Mox has a question.

>> Which hearing aid do you want to talk to 1/2 1/2.

>> Troxclair: Thank you for being here. You're in southwest Austin, nature my district?

>> Yes, I'm in your district, south of circle C, off of 45 southwest about.

>> Troxclair: Thank you for being here. Since you mentioned the transfer from Austin water to the general fund I wanted to let you know I did offer that as a budget amendment last week during our budget discussions because that was part of my concern when we have a water utility struggling to maintain financial viability because of decreased consumption we should not be transferring money out of that utility to the general fund.

[5:20:06 PM]

So I just wanted to let you know that that was something that I pushed for last week.

>> Okay.

>> Troxclair: And I would be curious to know if there was -- objection, we haven't talked about this as a committee yet and we haven't talked about it as a council yet but I would be curious to know if there was something that we were going to change about the phase two water restrictions but we weren't going to go back to phase one, are there things that you think are particularly onerous or that you could -- would you want more flexibility in without making the entire jump from phase two to phase one?

>> I've thought about that and, you know, making the ability to water your scar fountains outside, those kinds of things would be nice. The whole issue is the whole drought management plan was set up at a time to discourage outdoor watering, period, to get it down to one day and even less. You cannot water -- you cannot get enough water to sustain your landscape with one day a week. And the only way to change that is to allow yourself to water twice a week. Even if you do that twice a week, the punitive rate tiers are so high that you're talking about spikes, people go crazy because they're using the water now, the water department is not going to be able to make enough money to pay its -- offset its fixed costs but you can't really afford to use the water. So we've got to reduce those rate tiers and there's no reason for Austin to be the highest cost water in the state. That's just crazy. We have plenty of water in the reservoirs, it's not like we don't have the water. But the 20% of the water that's in that reservoir we didn't use because we saved it was lost to the homeowners if was never banked. There was never any credit

given. It was just lost.

[5:22:07 PM]

So I think we should go back and revisit the whole conservation issue from the standpoint of what it actually costs to do that. And the unattended -- unintended costs of impact on the water department and the rate tiers. I don't doubt people coming from other parts of the country to Austin who are used to a single tier water structure are just blown away by how high and how quickly it can get expensive to buy that's right Austin.

>> Troxclair: Thank you.

>> Garza: Ty, sir. The next speaker is David foster.

>> Thank you, committee members. My name is David foster. I'm here to speak on behalf of clean water action and to speak in favor of making once a week watering restrictions permanent. I do want to thank Austin water and our city manager for putting this idea on the table as well. There's one simple reason we should do this, and that is that it's actually working. The gentleman showed earlier in his presentation that household water consumption on average is 5600 gallons per month. We set a goal five or six years ago of lowering per capita to 140 gallons per day, down from 170 at the time and done better than that, by 2020 that was the goal and here it is five years early, we've done that and better. So I think this program is probably the single biggest reason for the success on this front. I think that having this once a week restriction sends the message to the public that water is scarce and it's going to be more expensive probably as we move forward. We know our population is going to continue to grow. The climate models models are telling thus region is going to be dryer than historically and we need to prepare for that.

[5:24:09 PM]

So that's one reason to do this, is because it works. The other reason is because it's cost effective. It costs basically nothing to implement what is the most successful water conservation tool we have. It doesn't involve bates, doesn't involve -- rebates, aquifers from the east, investing in reclaimed water. All those might be something we have to do at some point but this doesn't cost anything other than the cost of enforcement and most of that is recovered through the fees or fines when people violate the rule and public education but we put an insert in our monthly bill anyway. I think this is working. I think by and large austinites have embraced water conservation. I give credit to the utility for its suite of conservation programs that are having a measurable impact and I also think that the environmental community deserves some of the credit because we've done outreach to our members on how and why to conserve I think it's all adding up to something that we need to do. Happy to answer any questions.

>> Zimmerman: Just a quick thing. I've got a couple of business owners in district 6 in northwest Austin they do landscaping for a living. And they've told me that the water conservation has cost millions, millions of dollars of losses and dead vegetation and destroyed landscaping. So when you say the conservation has no cost, my constituents say it costs millions of dollars of dead landscaping vegetation.

>> I think what we're seeing here is that there are lots of landscapes that don't do until this climate and what we need to do is move towards a different kind of landscaping and I'm happy to say Austin water will partner with households and businesses to

[indiscernible] Scape, for example, I think that's the way forward. I understand it might cause hardship in some cases but I have not heard anything like the outcry due do once a week lawn watering with all due respect to the previous speaker that we heard on the previous item, item 7. I haven't heard anything like that.

[5:26:10 PM]

I don't think this is by and large causing people pain. I think austinites have embrace aid culture of water conservation and I think that's --

>> Zimmerman: Was that your testimony. Thank you for coming.

>> Thank you very much.

>> Zimmerman: Giving us that point of view. I'm giving you the exact opposite point of view, which is the public wants to send a message to the bureaucracy that not everybody agrees with this radical conservation and unbelievably high water bills for a small amount of water consumption. People are Aaron about it so I need to give you that point of view.

>> Noted.

>> Thank you.

>> Garza: Next speaker is Jennifer walker.

>> Good afternoon. Any name is Jennifer walker. I work on water resources for the Sierra club in Texas and I'm a member of the integrated water resource planning task force here in Austin. And I also serve on the regional water planning group for this region that we put together a 50-year water plan as part of a statewide process that goes into the state water plan. I work a lot on water planning and water resource management with a focus on central Texas. I just wanted to say that I support the decision by Austin water and the city manager to stay in stage two watering restrictions over the summer and to take a serious look at whether or not year-round stage one watering is appropriate for Austin. We have future water challenges in Austin. This population -- I mean, our population is growing rapidly. We have water supply issues and one of the best things that we can do is use water efficiently in our community. It makes us more resilient. It keeps costs low for customers. We've heard a lot of people struggling with costs today. The alternative to conservation is building additional water supplies, bringing in infrastructure, bringing in expensive items.

[5:28:17 PM]

So if we can make our current water supply go farther, serve more people, that is a good thing for this community and a good thing for downstream communities and, you know, in the end hopefully we'll have a little bit left to support fish and wildlife habitat and bay environment. So I think that the Austin water is taking thoughtful action to look at water use through the integrated water resource planning process and through examining what's appropriate for Austin and I am just here to support that.

>> Garza: Thank you.

>> Thanks.

>> Garza: Next speaker is David king.

>> Thank you, chair, councilmembers. My name is David king. I live in the zilker neighborhood and I support continuing the stage two water restrictions. I think that's the smart thing to do for this city. I myself have changed the landscaping in my yard to be really more consistent with

where I live. We are in the northern edge of a desert, essentially. And so that's the right thing to do. It doesn't make sense to use all this water on landscaping. So I think this is the right thing to do, and I'm glad that this item came forward and I hope that you will support this unanimously. And I think the fact that I spend less water, you know, on my landscaping, that actually saves me money. So it is a positive thing for me in multiple ways. Plus I get more wildlife because it's vegetation that they like too. So I think it helps our environment. It's best -- it's a good thing for news the long run. It does help keep bills down, otherwise they'd be high Ferri continued to use more water outdoors. So I think this is the wise, smart thing to do. It helps makes Austin sustainable and more affordable so thank you very much and I hope that you will support this.

[5:30:18 PM]

>> Garza: Thank you. And the last speaker is Pam Thompson.

>> Hi, thanks, council. This is the first time I've spoken to you so I'm very happy about 10-1. Anyway, I just heard the word bureaucracy and I had to tell you I don't think our water use has anything to do with bureaucracy. I think our water use plan is sustainable and not just for humans but for everyone that lives -- all the creators that live in this environment. So when you think of costs, please don't just think of the cost on a line item in the budget. Please think of the cost to the environment and think of the sustainability of our little piece of the planet. Because it's really important that we have an equitable cost for people, but it is also very important that we sustain what we have. So I understand that people have high bills. Their usage is part of sort of an old-school of living in a place of plenty, where we've had so much water. I have a girlfriend who lives in San Antonio, and we were kind of brainstorming during the drought, maybe we device a shower where you could have how long la hoops and turn a shower to different parts to another, if you have trees or plants. There are a lot of things we can do without saying it just costs money and -- so, therefore, we shouldn't do it. I just think the bureaucracy idea over the sustainable idea is something that I really would like for you to consider and also remember that we're very innovative in Austin and maybe we can figure out some solutions for these high bills.

[5:32:23 PM]

Maybe we can help those people be educated about zero scaping. We can help them on their water bills. I know that you do this already. But perhaps on the water bills we could send more information that would explain. So thank you very much.

>> Garza: Thank you. I think we have a presentation from staff. And assistant director Slusher, is there a way to make it as short as possible so we can get to --

>> I've tried to make it short to start with so feel free to cut me off.

>> Garza: Thank you.

>> I'm Daryl Slusher, assistant director, Austin water here today in case you have any questions, our water conservation division manager and our assistant planning manager. So while he's putting that up I'll say we're here talking about the potential of staying in a stage -- not in -- staying in stage two permanently but keeping the one day a week watering component of stage two permanently. Then we would look at other parts of it and we would have a stakeholder process before we bring that to the council and then any changes in the code or the drought contingency plan, that would hit both of those, those would have to come to the council. So I'll dive right into it here. This is a sort of a busy slide but let me explain to you what this is. This is

the combined storage in Lakes Buchanan and lake Travis since the Lakes were built or started providing water in 1942. And I'm going to call your attention to a few things there. The 1947 to 1957, that's the drought of the 1950s called the 1950s doubters even though it started in the '40s and until this drought was considered the drought of record, the worst drought of record at least since the Lakes were built. If you look at that you'll see in 1952 where that first blue error is, there was big rains like we had this may and it's spiked up almost -- Lakes almost got full but then we went back to dry conditions.

[5:34:39 PM]

And the droughts weren't officially over until 1957. And you can see we had a few things like that but then in 1952 that's the lowest the Lakes ever got. And they almost got that low during this drought, but really because of our watering restrictions, our water conservation programs and the citizen response they didn't. In the interests of time I'll take it to 2010. That was a wet year. The drought started in 2008 but in 2010 it was a wet year, nothing like this year but we did get a lot of rain. The next year after that was the driest year we've had in a long time, that was when we had 90, 100-degree days and you can see to be totally candid that 2011, that big drop you see there, that's also all the waterfront that was released to rice farmers which hasn't happened since that year. Just one more thing I'd call your attention to on this slide. If you look at that, that -- where it's down so low after 2011, that's the longest stretch that has occurred that we've seen here. So on to the next one. We're -- I want to talk about el Nino because we're hearing things like godzilla el Nino, the biggest there's ever been. That and we certainly hope we'll get more rain. I want to point out in 2012 there were similar predictions. I don't think they were using the term godzilla el Nino yet then but there were similar predictions and here's what happened. That's where the drought begins. This is the period from spring 2012 when we started hearing that until you see we did not get the rains from el Nino. We didn't get really significant rains until this may. Now, this is some things that if you look, April, first one on the left, that's the drought that -- a U.S. Drought monitor.

[5:36:45 PM]

You can see about July, almost nothing left in the drought. And it's starting to creep back in. You can see that there. So now we're going to look, reasons we're considering this, is looking to the future and to the distant past. You can look at both of those or pick which one you want to do. But climate change, I won't go deeply into this, but numerous reports, including the one I'm quoting here is from Katherine hired by the sustainability office, the regional shift to a -- likely shift to a hotter, dryer climate with more extreme weather is. And then if you want to go back in time, there's Texas water journal in 2011 of -- published a three ring study which analyzed data back to 1500, looking at balanced cypresses in this area and just -- bald cypresses in this area. I changed the quote out but both are from the study. It says there have been periods when drought was more severe and more protracted than the 1950s. Remember that's the drought of record. And the impact might have been considerably worse. So, you know, 1542 to now, that's a very narrow window time. You go back to 1500 and we've had several droughts in this area that were worse than -- worse than that. So moving forward, here's what we're going to, do remain in stage two for the foreseeable future, that's our plan. We think that makes sense. We're going to continue providing conservation information, tools that we have rebates, you've heard some

about that already today. And then we're going to start this process to consider the staying in stage one and -- excuse me, consider keeping it one day a week and as part of that we would look at rolling back some other things like councilmember troxclair, I think, asked a minute ago, the -- Mr. Messers, fountains, car washing at home.

[5:38:53 PM]

I think I left one out. I got three. We would consider that. Like I said it would have to come to the council before any changes would be made. I mean, the -- as far as staying in stage two now, that's the city manager's call but before we make changes in the code or drought contingency plan that would come back to the council. Couple more slides here, I think. Just to show you here's why we would consider that the -- of all our watering -- of all our conservation programs, watering restrictions are by far the biggest saver that we have and then the Orange or red on that graph is the stage two, what we think we've saved from stage two and what we think -- these are actually the estimates of the lcra. If you total up, those are cumulative. They're each one year to the next. If you look at that 185,000 estimated that's been saved through the citizens of Austin conserving since 2011, that's more -- you're at more than Austin use Naz year. So it would be good to have that much water retained in the lake. And so I've covered some of these already, but the reasons we would consider this one day a week very effective in conserving and protecting the lake levels, it will help us lay the trigger payments on the lcra, which we're still a number of years from getting %-@to that. Originally it was predicted that would be about 2019. We're looking now at at least ten more years and probably more than that, excuse me, this would stretch it out father. I think it strengthens our position in the water management plan pending before the pcq, it protects our long-term investments in the Colorado river, just, for example, one thing about that, if we had to go get new water supplies that would be very expensive and expensive for our customers. And also if we do get back into the lower lake levels, then we would eventually if it got down around 500,000 feet we would have to go to no watering at all and that would be very extreme for this region, but if we -- we're able to put that off as long as we can, then that's a good thing.

[5:41:07 PM]

And we think a lot of people, as we heard some of the citizens talked about it, switched to drought tolerant landscapes and we think doing this would encourage people to continue doing that, and we do have rebates as people have mentioned. So just a little bit about what we can -- considerations we would have during any kind of stakeholder process. One, we would work hard to get broad participation. We would want to enhance the 2012 plan with lessons we've learned from this drought because we think the 2012 plan actually worked very well and kept the Lakes from going down to the emergency levels. It was really essentially in keeping those Lakes to the levels they were -- they stayed at. We worked with lcra to make sure the city doesn't get penalized in any way. If we do, this for instance if they reset the base year, the pro rata curtailment is counted on, then we would have to cut 20% off of that. We've already exceeded the 20% if it was to happen now, and so we want to make sure -- we'll talk -- we're putting it on the -- the executive management committee for this month and we've had some preliminary discussions with them already. We want to continue, make sure we continue to protect our tree canopy and, like I said, we would consider easing some non-irrigation restrictions, fountains,

power washing, misdemeanors and car washing. I think that it.

>> Garza: Anybody have any questions? I encourage us to be brief because we have a meeting in here at 6:00 and we have one more presentation.

>> Zimmerman: I think this will be brief. You talked quickly about this Icra payment trigger, if you could back up to that.

>> Okay.

>> Zimmerman: And is this connected to the idea that the city of Austin -- we prepaid, right, millions of dollars for water.

>> A hundred million.

>> Zimmerman: A hundred million, quite a bit of money to prepay.

>> It is.

>> Zimmerman: Is Icra -- has other commitments right?

[5:43:10 PM]

What's overlooked is Icra has commitments upstream and downstream, it's not just build Austin?

>> That's absolutely true.

>> Zimmerman: What happens if the rice farmers say, the downstream rice farmers used to get these releases of hundreds of thousands of acre feet at \$8 an acre foot and we pay \$150 a acre foot so those numbers are shocking there, but wouldn't the rice farmers come back and say, Austin has done such a great job of rashing water, give us our rice water at eight bucks a acre distribute that's one thing we would make sure we were not penalized, we wouldn't water usage the situation that because we saved water that more than that gets released downstream so that's something we would discuss with them during this process but we want want to get in a situation like has happened in some of the states further west of here where use it or lose it. We don't think that's good for us, the rice farmers or the region as a whole.

>> Zimmerman: Just a heads-up though if Icra ends up releasing water because we've been under these restrictions, be prepared for the outrage that's going to come your direction, right? Because we've done a great job conserving and then they release water for a fraction of the price of what we paid for downstream users.

>> Yes, sir. We're aware of that. That's a valid concern and one of the reasons this -- I don't have time to go into the detail now but this water management plan puts us in a stronger position. But that's still a real issue.

>> Zimmerman: One more very quick question. Why don't you back up on the slides to where you had millions of acres feet or hundreds of thousands of acre feet. Keep going back here. You - - well --

>> First slides?

>> Zimmerman: Where do you show the millions of acre feet? You have a slide -- right there, go back. Sorry. Go back. You were right there.

>> One more?

>> Zimmerman: Back one more. That one, there it is.

>> Okay.

>> Zimmerman: There's a couple of lines missing and please add those.

[5:45:12 PM]

This is a useful graph here. We're missing the 1.1, 1.1 million-acre feet and 1.4 million-acre feet. Do you remember what those are for.

>> You're talking about the drought contingency.

>> Zimmerman: The drought contingency.

>> This is a difference slide. I understand what you're saying.

>> Zimmerman: I want to see those lines in here because the fact is under the plan that we agreed to in 2012, that we're still operating under, we ought to be out of these restrictions. The commitment was made in August of 2012, right, that we're going to go into these restrictions under these conditions. It also said how we're going to get out of the restrictions. So my constituents are saying the city hasn't kept its end of the bargain. We went into a bargain if the levels fall to this level, 900,000, 600,000, we'll take these actions if it rises we'll take these other actions like going out of restrictions. So to me the city water utility is in default on keeping its word according to the August 2012 plan.

>> Yes, I understand what you're saying. That's a fair point as far as the plan does. It does say we would consider that at that point and when we considered it and looked at a lot of these things that I have in this presentation are reasons why we decided to stay in, because historically we've seen -- and we saw that right after all that rain in may and June, we went into I think it was 54 days with no rain at all. So that was the kind of thing we're concerned about, why we said to stay in this. That's why because of that plan, that's why we take it to stakeholders and have a thorough discussion. Fair point. I understand what you're saying.

>> Garza: I.

>> Troxclair: I have it had quite a few constituents contact me about this issue. For those who want to tip to be involved, can you remind me what the process is from here?

>> Well, we would convene a stakeholder process. I can give you an example. For instance in 2012 councilmember Zimmerman is talking about we had a number of ways to contact us through, you know, electronically but we also had three stakeholder meetings.

[5:47:17 PM]

I think two of them had more than 100 folks. We would reach out to all the folks and various interests involved in that and just broadcast it out as many ways as we can that we were having this process so people would have a chance to discuss it from not just people on each side, one day a week, but for instance car wash owners, irrigators, just various folks and interests. That would take a few months then we would take it to boards and commission it's bring it to council.

>> Troxclair: If you'll keep me posted. We're not voting a recommendation today. If you'll keep me posted. I know that y'all had us -- a previous stakeholder group and I know there are people in my district who maybe weren't involved in that one but want to be involved this time so that I can get that information to them. I would appreciate it. Then on a side note, I hear you saying that you're going to look at some of the other restrictions regarding car washing, et cetera. I would also ask y'all to take a look at possibly allowing more flexibility in -- if we aren't -- if you aren't going to recommend that we allow watering two days a week, then look at what kind of flexibility we can offer people with the one -- with the specific day that they're required to water. I had, I mean, for example, I have a constituent who contacted me because his -- I think the manual sprinkler day is Sunday and, you know, he goes to church, spends time with his familiar, he doesn't want to spend all day Sunday moving the sprinkler around his yard so he said I don't have a problem with one day a week but I really wish I could do it Monday instead of the day

that my family is here to spend with me. So if you could also look at just flexibility, potential flexibility in the watering exiles, I would appreciate it. I know you have to balance that with enforcement, but --

>> With enforcement and with trying to keep the system even as far as what we're pumping each day but, yes, we can look at that councilmember and we'd welcome all the councilmembers to send -- encourage folks to come to those stakeholder meetings and participate in the process.

[5:49:20 PM]

>> Troxclair: Thanks so much.

>> Garza: Okay. Thank you.

>> Thank you.

>> Garza: Thanks for making it brief. And our last item, item 5, come on down. Thank you, Texas gas for being patient. I know you're on the agenda last time and we pushed you off last month, I think, so thank you.

>> That's quite all right. Good evening, councilmembers, Larry graham with Texas gas service and I have joule Hatfield here, the manager of our conservation program. We're going to have a number of items come before you the next couple of years. We're most likely going to file a rate case in may and so what we would like to do is come before you this committee to educate you a little bit about our business to let you annoy little bit more about how we operate so you'll be in a position to understand some of these issues. Today just to start it off we have a short presentation from Julie on on on our conservation program. We give rebates on natural gas appliances to incent them to purchase efficient appliances and we work pretty closely with the folks at Austin energy. That's why we're here. It's a short presentation, want to answer questions and start a dialogue with you. Hopefully we'll come back every few months to kind of talk to you about some of our issues. With that I'm going to turn it over to Julie.

>> Garza: Thank you. I promise you won't be last every time.

>> Hello. Thank you for having us tonight. Or today. I'm going to see if I can operate this correctly. Oh, so easy. Okay. Just wanted to run through this. I know we have, like, eight minutes. So I'm going to do my best here.

[ Laughter ] But just to give you kind of an overview, like Larry sid, we're a program that is rate payer funded. It's been around for, I believe the next slide we'll see about 20 years.

[5:51:26 PM]

We have 220,000 customers who are eligible for the rebates and those are the ones that live inside the city limits of Austin, sunset valley, rollingwood, cedar park, bee cav, lakeway, dripping springs. It really incentivizes commercial customers, new construction like he said to install that next step up from code level of appliance. Trying to get them over that hump because sometimes gas appliances can be a little more expensive on the front end to purchase than electric appliances. Obviously, they save a lot of money and a lot of energy. So, you know, that's why the program has been around since -- it was created in '86, funded in -- created in '86, funded in '99. Everyone is gone. I have eight people here. So we're funded by a conservation adjustment cause or rate so that's added to our delivery charge in the central Texas service area. It's about 3 cents per ccf of gas on the monthly utility spoil that's about 1.21 per month and 14.50 per year for the average residential denominator pays into the program -- pays into the program.

Our annual budget is reviewed and approved by the city of Austin, the telecommunication and regulatory affairs office. So they -- we get with Rondel Hawkins here today regularly but have the budget approved by that office. Then we provide quarterly updates to the resource management commission. We just did that last night. And then as Larry said we'll come in front of you guys periodically to give you updates if you would like. But what -- as Larry said we really try to partner a lot, in addition to having our natural gas rebates but partnering with Austin Energy. We understand that there's a very large demand reduction goal they have for electricity, and so where natural gas comes in, there's only a couple gas appliances in the home.

[5:53:34 PM]

If we can get those appliances to be used with natural gas it relieves the electric grid as well. So we partner with them and they've been very receptive to that as well. So the next slide just shows for an average appliance how much electricity is used for the appliance. Obviously, a gas appliance is -- uses gas but also many N many cases uses a little electricity. What this slide shows is the difference there relieving on the grid. So that's another way that we kind of dove tail with the Austin Energy demand reduction goals. This is tough to see. I think you probably have it on your handout up there. You can look at it later. I'm not going through all of these because we only have a couple minutes but the red boxes around the rebates that are really the most popular rebates that we give, we have a gas drier rebate, we have a gas dryer stubout rebate to install that because they save so much energy compared to an electric counterpart. We also have the gas furnace turnup, gas furnace rebates, high level gas furnace rebate this year and water heating progresses for tank and tankless water heaters are quite popular and then we have other ones on here which I won't go into a lot of detail unless you have questions on it but we have commercial rebates for commercial businesses. We try really hard to get the word out, but we need to get more participation there because we have great rebates. So we're trying our best. We have a pretty small staff to get the word out. We do a lot of grassroots kind of activities to target everybody. And then this is one of our programs, free equipment program. You might be familiar with this. But it's where we replace appliances for low-income or mobility challenged or elderly customers.

[5:55:35 PM]

We partner with Nager's low-income weatherization program, also meals on wheels weatherization program, also a number of programs that roll up to the neighborhood housing community development department of the city of Austin. So we get referrals from them on old, inefficient, sometimes unsafe appliances and then we go in and replace those with a higher level efficiency and it won't be any cost to that customer. It's been well received, we've done 750 appliances over the last five years to Austinites in need. That helps them lower their energy usage, helps them lower their utility bills if they can get a more efficient gas appliance in their home. So it works on many levels. The next slide here is about partnering with Austin Energy, again, on their home performance with Energy Star weatherization rebate program. They have done this for years, and they asked us to join them within the last decade. When they go in and do the weatherization updates to these retrofit homes then we will pay a portion of the attic insulation and duct ceiling measures because if they have a natural gas furnace in that home it's going to save more energy if they have those attic insulation and duct ceiling measures. So that

has been a really successful progress. We gave about 3800 rebates last year to shared Austin customers, our customers, and then we gave about 595,000 in rebates in 2014 to -- via that program. To wrap it up really for 2014, there were -- close to being done with tweak but these were our 2014 progress highlights to give you the scope or overview we gave \$2.1 million in rebates, residential, commercial, new construction last year, we had a 15 month fiscal year because we were trying to get on a calendar year, we had prior been on an October to September time frame.

[5:57:39 PM]

So we had a couple of additional months, but we gave out 2.1 million and 14,000 rebates. And then in 2015, so far we have a total of \$3 million budget. We are -- there's a picture of councilmember Garza up here. Before she got her haircut, I guess, before she had a baby, but we -- we're really trying.

>> Garza: I was going to say I look fat there. That's because I was pregnant.

>> This was where we attended your town hall meeting. And so we're really trying to work within the individual districts that maybe have more of a need for the free program, where we need to get at the grassroots level to get the word out. We understand there are a lot of Spanish speakers, that might be low-income, that maybe don't get -- they don't get on the internet to check for rebates. And so we're trying to find out from districts 1 and 2 in particular how we can sort of reach your constituents with the free equipment program, not saying other districts don't need that but then we would like to, next year, get in front of all the different districts at your town hall meetings and, you know, make sure that we're reaching folks where they want to get that information. We're -- as we said we try to go above and beyond code level to incent that next step. Oh, that's it. So so far, this year, we have given \$1.1 million in rebates and I think we're at about 7,000 rebates so we have a couple months left. So obviously we'll be lower than last year because last year we had three extra months but we're about on track with 2013, maybe a little higher than that. So that's kind of where we're trending. So am I within deny -- are we at 6:00? So wrap it up. Do you guys have any oxygens I know I raced through that.

>> Garza: I don't have any questions. I want to thank you all for being at my town hall and if -- they were -- if any other councilmembers want to have them there, I'm sure they'll be willing to show up.

[5:59:48 PM]

>> Sinus up. We're available to come.

>> Kitchen: We'll fop up.

>> Okay.

>> Garza: Thank you.

>> Thank you.

>> Garza: Thank you for your patience. And those are all our items so we are adjourned at 5:59.

>> Zimmerman: 5:59.

>> Garza: A minute to spare.