



## Recommendation for Action

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**File #:** 20-3596, **Agenda Item #:** 6.

12/10/2020

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### **Posting Language**

Approve an ordinance establishing City Code Chapter 15-13 relating to treatment, monitoring, and reporting regulations for Onsite Water Reuse Systems, creating an offense, establishing civil and criminal penalties, and amending City Code Chapter 2-13 relating to administrative penalties.

### **Lead Department**

Austin Water.

### **Fiscal Note**

Funding for the administration of these Code changes is included in Austin Water's Fiscal Year 2020-2021 Approved Operating Budget.

### **Prior Council Action:**

November 29, 2018 - City Council approved the Water Forward Plan on a 10-0 vote.

### **For More Information:**

Inquiries should be directed to the City Manager's Agenda Office at 512-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov) <<mailto:AgendaOffice@austintexas.gov>>.

### **Council Committee, Boards and Commission Action:**

November 17, 2020 - Recommended by the Resource Management Commission on a 7-0 vote with Commissioners Johnson, Smith and Babyak absent.

November 17, 2020 - Recommended by the Water and Wastewater Commission on a 6-0 vote with Commissioner Penn off the dais and with Commissioners, Michel, Parton and Fisher absent.

### **Additional Backup Information:**

The 2018 Austin Integrated Water Resources Plan - Water Forward - includes strategies that require adoption of ordinances and incentives that would encourage and eventually require development of local, sustainable water supplies using alternative source waters (including rainwater, stormwater, A/C condensate, foundation drain water and graywater) for large commercial buildings for non-potable uses.

The proposed ordinance language establishes regulations for the treatment, monitoring, and reporting requirements for onsite water reuse systems. These regulations are based on the model local ordinance from the National Blue Ribbon Commission for Onsite Non-potable Water Systems, which is supported by a risk-based public health framework that was developed by an expert panel of researchers, practitioners and public health officials. The proposed regulations are necessary to ensure the reuse systems are designed, operated and maintained in a manner that is protective of public health, thereby increasing their acceptance and adoption in new development.

Along with these regulations, Austin Water is planning to administer a pilot onsite non-potable reuse incentive program. Grant awards are intended to help offset the installation costs of systems for development projects that voluntarily install and use onsite water reuse systems for non-potable water uses such as toilet flushing,

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cooling tower make-up water and irrigation. Through a proposed incentive program, projects that are able to offset at least 1,000,000 gallons of potable water each year will be eligible for \$250,000 in grant funding and projects that are able to offset at least 3,000,000 gallons per year will be eligible for \$500,000 in grant funding. The objectives of the pilot incentive program are to:

- 1) collect data on the costs to install and maintain an onsite water reuse system;
- 2) encourage adoption of onsite water reuse in new development under the new regulatory framework;
- 3) help to establish an efficient permitting process within the City's development review process in anticipation of future ordinances requiring on-site non-potable reuse in large commercial buildings.

In accordance with City financial policy, for grant awards exceeding administrative authority levels, Austin Water will seek future Council approvals for individual grant awards under this pilot grant program.

Separately, staff anticipates future Land Development Code (LDC) revisions that would include provisions to require large development projects to install an Onsite Water Reuse System. The proposed ordinance that is the subject of this RCA would establish Chapter 15-13 of the Austin City Code regarding treatment, monitoring, and reporting regulations for Onsite Water Reuse Systems. In addition, the planned pilot grant that is the subject of this RCA would establish an incentive program for large development projects to voluntarily install an Onsite Water Reuse System prior to implementing mandatory requirements for large-scale developments.

Two public stakeholder workshops were held in the Summer of 2019 to develop a phased regulatory approach. Phase 1 includes a voluntary, incentivized program to address stakeholder concerns related to system costs, streamlined permitting and successful project implementation prior to entering Phase 2. Phase 2, anticipated to be implemented three years after Phase 1, includes a mandatory program where development projects over 250,000 square feet in gross floor area will be required to install and use an Onsite Water Reuse System. Phase 2 is dependent on adoption of the Land Development Code revisions, or another ordinance specifying future mandatory use of Onsite Water Reuse Systems.

A more recent virtual stakeholder workshop was held on September 23, 2020, to present the proposed code changes and solicit feedback from affected parties. The workshop was attended by over 50 individuals. Additionally, the proposed code changes were posted to a Speakup Austin website. Staff received only limited feedback and input through these events and have addressed the questions presented in the outreach.

**Strategic Outcome(s):**

Health and Environment.