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WHEREAS, on May 2, 2019, City Council provided policy direction and guidance relating to the Land Development Code Revision to include regulatory requirements adopted as part of Water Forward, including alternative water ordinances; and

WHEREAS, in December of 2019 and February 2020 City Council voted on first and second readings to approve the Land Development Code Revision with requirements for Austin Water to establish a regulatory program and an incentive program for Onsite Water Reuse Systems to achieve alternative water target goals adopted in Water Forward; and

WHEREAS, Austin Water has determined that the proposed incentive program is necessary for implementing the mandatory Onsite Water Reuse System regulations proposed in the Land Development Code Revision for new multi-family and commercial developments 250,000 square feet or greater; and

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25 **WHEREAS**, market penetration of Onsite Water Reuse System technology
26 for multi-family and commercial buildings is low; and

27 **WHEREAS**, Austin Water will use cost and other project data collected from
28 the incentive program to inform the mandatory Onsite Water Reuse System for new
29 multi-family and commercial developments 250,000 square feet or greater;

30 **WHEREAS**, In order to expedite the review and approval of incentives for
31 systems prior to 2023, staff recommends that City Council approve a total of \$1
32 million for a pilot incentive program with not more than \$500,000 per project
33 without the need for additional City Council approval;

34 **WHEREAS**, Austin Water will report to applicable boards and commissions
35 the incentives and details of approved projects; **NOW, THEREFORE,**

36 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

37 The City Council makes the following findings that support the use of a pilot
38 financial incentive program by the City in the development of Onsite Water Reuse
39 Systems:

- 40 1. Given the potential for more severe and frequent drought conditions in Central
41 Texas as a result of the impacts from climate change, it is essential that new
42 policies to conserve water continue to be developed to support the sustainable
43 growth of the City of Austin.
- 44 2. Water conservation efforts, including incentives for onsite water reuse
45 systems, help maximize limited resources as population grows, while ensuring
46 supply for critical public health and safety needs including adequate supplies
47 necessary for emergency fire-fighting, fire suppression, and natural disaster
48 or other emergency management or disaster response.

- 49 3. The reuse of alternative on-site water avoids or reduces the costs of new water
50 supply and related infrastructure for the treatment, storage and distribution of
51 potable water that is charged to Austin Water customers.
- 52 4. Prior to the implementation of mandatory installation of alternative on-site
53 systems, a pilot incentive program for large new commercial and multi-family
54 facilities will help obtain information on the cost, installation, operation,
55 maintenance and regulatory guidance for alternative onsite water reuse
56 systems needed for the successful implementation of the mandatory
57 installation requirement in 2023.
- 58 5. The City: (1) through use of a pilot financial incentive program to support the
59 development of Onsite Water Reuse Systems accomplishes an important
60 public purpose; (2) through its oversight of the development and use of an
61 Onsite Water Reuse System supported by the City's pilot financial incentive
62 program retains public control over the funds to ensure that the public purpose
63 is accomplished and to protect the public's investment; and (3) through its
64 oversight of the Onsite Water Reuse System pilot incentive program ensures
65 that the political subdivision receives a return benefit.

66 **BE IT FURTHER RESOLVED,**

67 The City Council directs the City Manager to establish a pilot incentive
68 program with a reimbursement limit of \$500,000 per project and an aggregate limit
69 of not to exceed \$1,000,000 for the pilot incentive program to encourage the
70 voluntary use of Onsite Water Reuse Systems in new multi-family and commercial
71 development projects.

72
73 **ADOPTED:** _____, 2021

ATTEST: _____

74 Jannette S. Goodall
75 City Clerk