

**WHEREAS**, on November 29, 2018, City Council approved the adoption of Water Forward, Austin’s Integrated Water Resources Plan; and

**WHEREAS**, Austin Water held a series of public stakeholder meetings in 2019 to develop the regulatory framework for alternative water ordinances in the Land Development Code Revision; 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**, Ordinance No. 20201210-006 established City Code Chapter 15-13 relating to treatment, monitoring, and reporting regulations for Onsite Water Reuse Systems; 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

**WHEREAS**, Onsite Water Reuse Systems help develop local water supplies using technologies that are new and innovative to the water industry; and

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

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

32           **WHEREAS**, on April 22, 2021, in order to expedite the review and  
33 approval of incentives for systems prior to 2023, staff recommended and City  
34 Council approved for Fiscal Year 2020-2021 a total of \$1 million for a pilot  
35 incentive program with not more than \$500,000 per project without the need for  
36 additional City Council approval; and

37           **WHEREAS**, in order to continue expediting the review and approval of  
38 incentives for systems prior to 2023, staff recommends that City Council approve  
39 for Fiscal Year 2022-2023 a total of \$1 million for a pilot incentive program with  
40 not more than \$500,000 per project without the need for additional City Council  
41 approval; and,

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

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

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

1. Given the potential for more severe and frequent drought conditions in Central Texas as a result of the impacts from climate change, it is essential that new policies to conserve water continue to be developed to support the sustainable growth of the City of Austin.
2. Water conservation efforts, including incentives for onsite water reuse systems, help maximize limited resources as population grows, while ensuring supply for critical public health and safety needs including adequate supplies necessary for emergency fire-fighting, fire suppression, and natural disaster or other emergency management or disaster response.
3. The reuse of alternative on-site water avoids or reduces the costs of new water supply and related infrastructure for the treatment, storage and distribution of potable water that is charged to Austin Water customers.
4. Prior to the implementation of mandatory installation of alternative on-site systems, a pilot incentive program for large new commercial and multi-family facilities will help obtain information on the cost, installation, operation, maintenance, and regulatory guidance for alternative onsite water reuse systems needed for the successful implementation of the mandatory installation requirement in 2023.
5. The City: (1) through use of a pilot financial incentive program to support the development of Onsite Water Reuse Systems accomplishes an important public purpose; (2) through its oversight of the development and use of an Onsite Water Reuse System supported by the City's pilot financial incentive program retains public control

74 over the funds to ensure that the public purpose is accomplished and  
75 to protect the public's investment; and (3) through its oversight of the  
76 Onsite Water Reuse System pilot incentive program ensures that the  
77 political subdivision receives a return benefit;

78 **BE IT FURTHER RESOLVED:**

79 The City Council approves a pilot incentive program with a reimbursement  
80 limit of \$500,000 per project and an aggregate limit not to exceed \$1,000,000 for  
81 the pilot incentive program to encourage the voluntary use of Onsite Water Reuse  
82 Systems in new multi-family and commercial development projects.

83  
84 **ADOPTED:** \_\_\_\_\_, 2022 **ATTEST:** \_\_\_\_\_  
85 Myrna Rios  
86 City Clerk  
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