



City of Austin

Recommendation for Action

File #: 24-4074, **Agenda Item #:** 4.

3/7/2024

Posting Language

Approve a resolution authorizing Austin Water to continue a pilot program and issue incentives on a pilot basis during Fiscal Year 2023-2024 for alternative onsite water reuse systems and reclaimed water connections for new commercial, mixed use and multi-family developments in the total amount of \$5,600,000, not to exceed \$500,000 for each project.

Lead Department

Austin Water.

Fiscal Note

Funding in the amount of \$1,500,000 is available in the Fiscal Year 2023-2024 Operating Budget of Austin Water. Additional funding is contingent upon pending Council adoption of the proposed GoPurple Community Benefit Charge (CBC).

Prior Council Action:

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

December 11, 2019 - City Council voted to approve the Land Development Code Revision directing Austin Water to establish a regulatory program and an incentive program for Onsite Water Reuse Systems on first reading, on a 7-4 vote.

February 13, 2020 - City Council voted to approve the Land Development Code Revision directing Austin Water to establish a regulatory program and an incentive program for Onsite Water Reuse Systems on second reading, on a 7-4 vote.

December 10, 2020 - City Council approved an ordinance establishing City Code Chapter 15-13 relating to treatment, monitoring and reporting regulations for Onsite Water Reuse Systems, on a 10-0 vote.

April 22, 2021 - City Council voted to initially approve the Pilot Incentive Program for Onsite Water Reuse Systems for Fiscal Year 2021 for the installation of alternative Onsite Water Reuse Systems up to a total aggregate amount of \$1,000,000 and not to exceed \$500,000 for each project on a 10-1 vote.

September 30, 2021 - City Council voted to reauthorize the Pilot Incentive Program for Onsite Water Reuse Systems for Fiscal Year 2022 for the installation of alternative Onsite Water Reuse Systems up to a total aggregate amount of \$1,000,000 and not to exceed \$500,000 for each project on a 10-1 vote.

September 29, 2022 - City Council voted to reauthorize the Pilot Incentive Program for Onsite Water Reuse Systems for Fiscal Year 2023 for the installation of alternative Onsite Water Reuse Systems up to a total aggregate amount of \$1,000,000 and not to exceed \$500,000 for each project on a 10-1 vote.

For More Information:

Inquiries should be directed to Blanca Madriz, Austin Water Program Coordinator at 512-972-0115 or

blanca.madriz@austintexas.gov.

Council Committee, Boards and Commission Action:

February 14, 2024 - Recommended by the Water and Wastewater Commission on a 7-0 vote with Commissioner Pandurangi recused and Commissioners Navarro, Angoori and Musgrove absent.

February 20, 2024 - No recommendation by the Resource Management Commission due to a lack of the affirmative vote.

Additional Backup Information:

This action is one of four proposed Council items related to implementing Austin Water's new "GoPurple Program" to accelerate the expansion of Austin's centralized reclaimed system and onsite reuse. These are essential strategies in Austin's Water Forward plan to meet long-range needs for a secure and sustainable water future.

The requested authorization will allow Austin Water (AW) to continue to administer the Pilot Incentive Program for onsite water reuse systems and reclaimed water system connections without additional Council approval and to issue reservations of incentives to commercial, mixed use and multi-family customers during Fiscal Year 2023-2024 for the installation of alternative onsite water reuse systems and reclaimed water system connections up to a total of \$5,600,000, not to exceed \$500,000 for each project. The incentives will be paid out over multiple years if projects meet program guidelines and deadlines for the design, construction, and operation of the onsite water reuse systems or connection to the City's reclaimed water system.

On April 22, 2021, Council authorized the initial Pilot Incentive Program for onsite water reuse systems for Fiscal Year 2020-2021 and it reauthorized the program annually through Fiscal Year 2022-2023. The purpose of this enhanced incentive program is to promote affordable development and to gather additional information on the design, engineering, installation, operation, maintenance, cost, permitting, and application of the regulatory guidance needed for the successful implementation of these onsite systems and reclaimed water system connections.

As per current practice, AW staff will continue to provide the requested quarterly reports to the Resource Management Commission summarizing AW's water conservation, rebate, and other incentive programs, including incentives for the installation of alternative water reuse systems for large new commercial, mixed use and multi-family development under this program. For all projects for which the incentive amount will exceed \$72,000, the reports will also include measures installed, expected savings, potable water offsets, and other relevant data.