

**Posting Language**

Recommend approval for an ordinance amending Exhibit A to the Fiscal Year 2023-2024 City Fee and Fine Ordinance (Ordinance No. 20230816-007) to add an Austin Water Reclaimed Water Utility fee in lieu of providing an onsite water reuse system.

**Lead Department**

Austin Water

**Client Department**

Austin Water Assistant Director of Financial Services, Joseph Gonzales

**Fiscal Note**

Fiscal note is attached.

**Prior Council Action:**

August 16, 2023 – Council approved Ordinance No. 20230816-007 authorizing fees, fines, and other charges to be set or charged by the City for Fiscal Year 2023-2024, beginning on October 1, 2023, and ending on September 30, 2024.

March 7, 2024 – Council approved, as amended, Ordinance No. 20240307-037 amending Chapter 25-9 (Water and Wastewater) that included the establishment of a fee in lieu for certain onsite water reuse requirements.

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

March 13, 2024 - To be reviewed by the Water & Wastewater Commission.

**Additional Backup Information:**

Austin Water continues to expand its centralized reclaimed water infrastructure (known as “purple pipe”) throughout Austin. This system delivers non-drinking water for irrigation, cooling towers, toilet/urinal flushing, and virtually any use not requiring higher-quality drinking water. Expanding the use of reclaimed water builds the City’s resilience against drought and climate change by diversifying our water supply. Reclaimed water is a renewable resource that is less expensive to treat, and users are charged lower rates. All customers benefit from the expansion of the reclaimed water system, which is a key strategy in Austin’s Water Forward 100-year water supply plan.

City Code Chapter 25-9 specifies the types of properties that are required to connect to Austin Water’s centralized reclaimed water system or, if they are located beyond the required connection distance, to construct an onsite water reuse system. Onsite water reuse systems collect alternative water from sources such as rainwater and condensate from heating and air conditioning systems for non-drinking water uses. Qualifying projects required to install an onsite water reuse system as of April 1, 2024, will be eligible to apply for this fee, to be approved by the Austin Water Director.

This action proposes the amount for the fee in lieu to be equivalent to the cost to install 500 feet of reclaimed pipeline. This fee will provide funding to extend Austin Water's centralized reclaimed pipeline network. The proposed calculated amount of the fee is the current average installation cost of \$40.16 per inch diameter per linear foot of pipe, as shown in the table below. The pipe diameter will be calculated in accordance with Austin Water's purple pipe size requirements to connect to Austin Water's centralized reclaimed system, based on the usage demands of the proposed project, under the City's Utilities Criteria Manual. If needed, the fee in lieu for other pipe sizes will be calculated as Austin Water's cost per inch-foot times the pipe diameter times 500. The unit cost per inch-foot will be reviewed annually and updated as needed in Austin Water's fee schedule as approved by Council.

Area	Pipe Diameter	\$/inch-foot	Cost Per Linear Foot	Linear Feet	Resulting Fee in Lieu
Citywide	6 inch	\$40.16	\$240.96	x 500'	= \$120,480.00
Citywide	8 inch	\$40.16	\$321.28	x 500'	= \$160,640.00
Citywide	12 inch	\$40.16	\$481.92	x 500'	= \$240,960.00