

**Posting Language**

Recommend approval of a resolution authorizing Austin Water to continue a pilot program and issue incentives on a pilot basis during Fiscal Year 2024-2025 for alternative onsite water reuse systems and reclaimed water connections for new commercial, mixed use and multi-family developments in the total aggregate amount of \$4,000,000, not to exceed \$500,000 for each project.

**Lead Department**

Austin Water

**Client Department Lead**

Austin Water Assistant Director of Environmental, Planning and Development Services, Kevin Critendon

**Fiscal Note**

Funding in the amount of \$4,000,000 is available in the Fiscal Year 2024-2025 Operating Budget of Austin Water.

**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.

March 7, 2024 - City Council voted to reauthorize the Pilot Incentive Program for onsite water reuse systems and reclaimed water connections for Fiscal Year 2024 up to a total aggregate amount of \$5,600,000 and not to exceed \$500,000 for each project on a 11-0 vote.

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

September 11, 2024 - To be reviewed by the Water & Wastewater Commission.

**Additional Backup Information:**

This action is a continuation of Austin Water's "GoPurple Program" authorized by Council on March 7, 2024 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 2024-2025 for the installation of alternative onsite water reuse systems and reclaimed water system connections up to a total aggregate amount of \$4,000,000 and not to exceed \$500,000 for each project. The incentives will be paid out over multiple years if projects can 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 2023-2024. The purpose of this enhanced incentive program is to help promote affordable development and 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.