Staff briefing regarding the July 23, 2026 Council resolution on large volume water users

Austin Water | 10/28/2026

Water Forward Task Force Question

- Request for background information with overall context regarding 7/23 Council Resolution. (Sarah Faust)

Timeline of Related Items

- **May 7, 2026:** City Council approved Resolution Number 20260507-24 establishing an economic development framework, directing the creation of a comprehensive economic development policy, directing action on the position of Director for Austin Economic Development, and directing actions to improve economic development projects.
- **May 14, 2026:** Austin Water provided Responses to Water Forward Task Force Large Volume Working Group Questions
- **May 18, 2026:** Austin Water briefing to Climate, Water, Environment, and Parks Committee of Council on large industrial and commercial customer water usage and conservation trends
- **June 9,2026:** Water Forward Task Force approved Recommendations to Council on Large Water Users
- **July 23, 2026:** City Council Approved Resolution 20260723-087 directing the City Manager to present annual usage reports, evaluate impacts, incorporate water savings considerations as part of economic incentives, and make recommendations concerning large volume customers.
- **August 27, 2026:** City Council Approved Resolution 20260827-061 - Approve a resolution initiating amendments to City Code Title 25 and other provisions of City Code or regulations necessary to establish land uses, site development regulations, and development processes, for data center use in certain zoning districts and to develop business regulations and permit requirements applicable to data center operations.

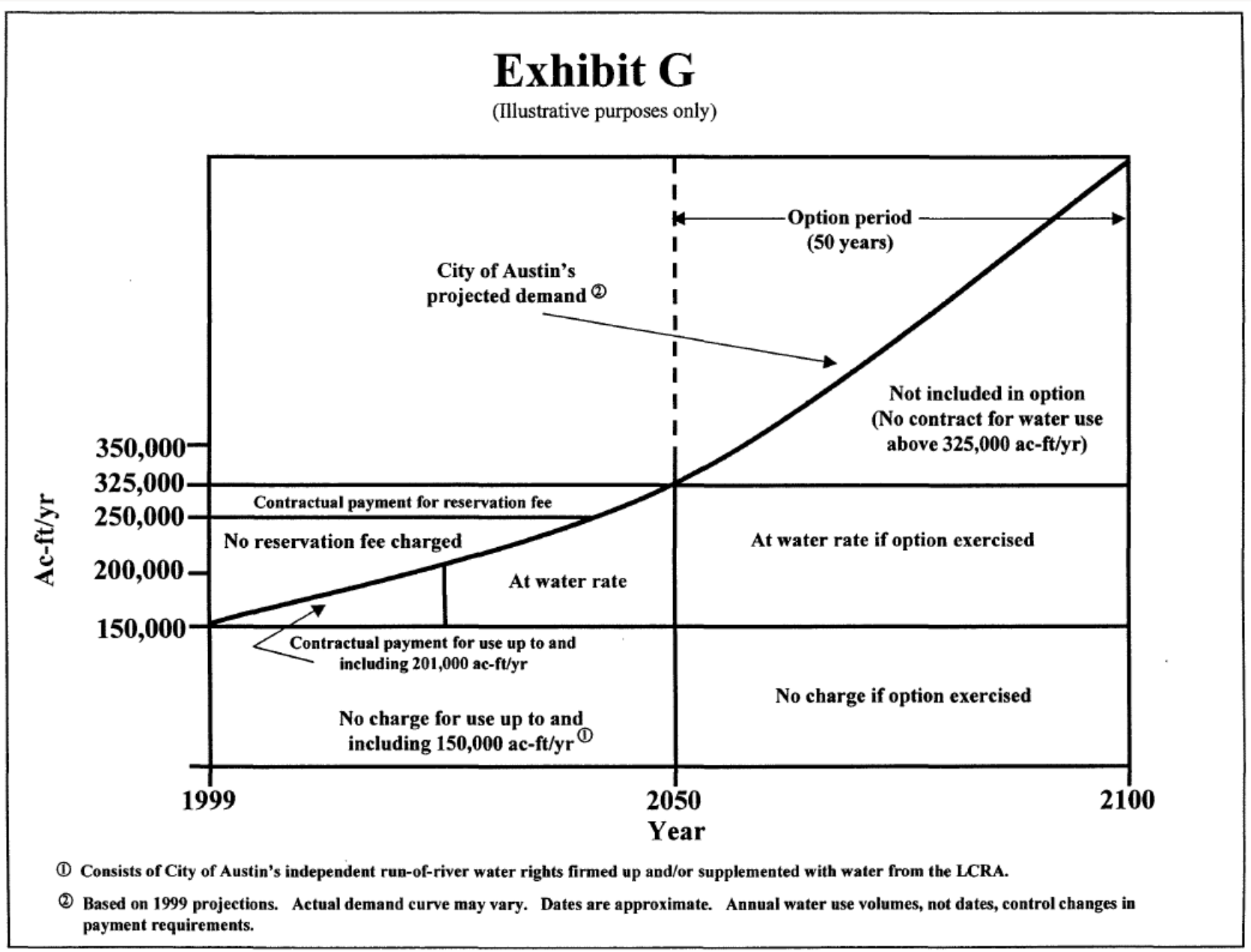
Council Resolution No. 20260723-087

- Council Resolution No. 20260723-087 directed staff to:
  - Recommend a large-volume water customer application process, including defining customer criteria; requiring water-use estimates, conservation and reuse plans, and wastewater accounting; and assessing the need for NDAs and a Council escalation process.
  - Recommend water conservation plan requirements for existing large-volume customers.
  - Recommend updates to the drought contingency plan related to large-volume customers.
  - Recommend how large-volume customer policy should inform the City's economic development policy and incentive process and address projects exceeding on-site reuse requirements.
  - Report to Council annually on large volume customer usage, with the first report due to the Climate, Water, Environment, and Parks Committee of Council no later than May 2027.
  - Propose a stakeholder input process to inform the development of standards for large volume user conservation plans and how to provide briefings to Council on upcoming applications.
  - Present how updates to the large volume water use policy will support Austin Water's cost of service studies and financial policies, to be used as a reference in developing Austin Water's 2029 rate case.

Water Forward Task Force Questions

Austin

- Request to talk more about the 201,000 AF LCRA trigger in the discussion about large volume water users. (Jennifer Walker)
- Is it correct that AW is currently pumping approximately 175,000 acre-feet per year and the LCRA payment trigger is 201,000 a-f per year, so we are approximately 26,000 a-f, or 8.4 billion gallons away from that trigger? (Sarah Faust)

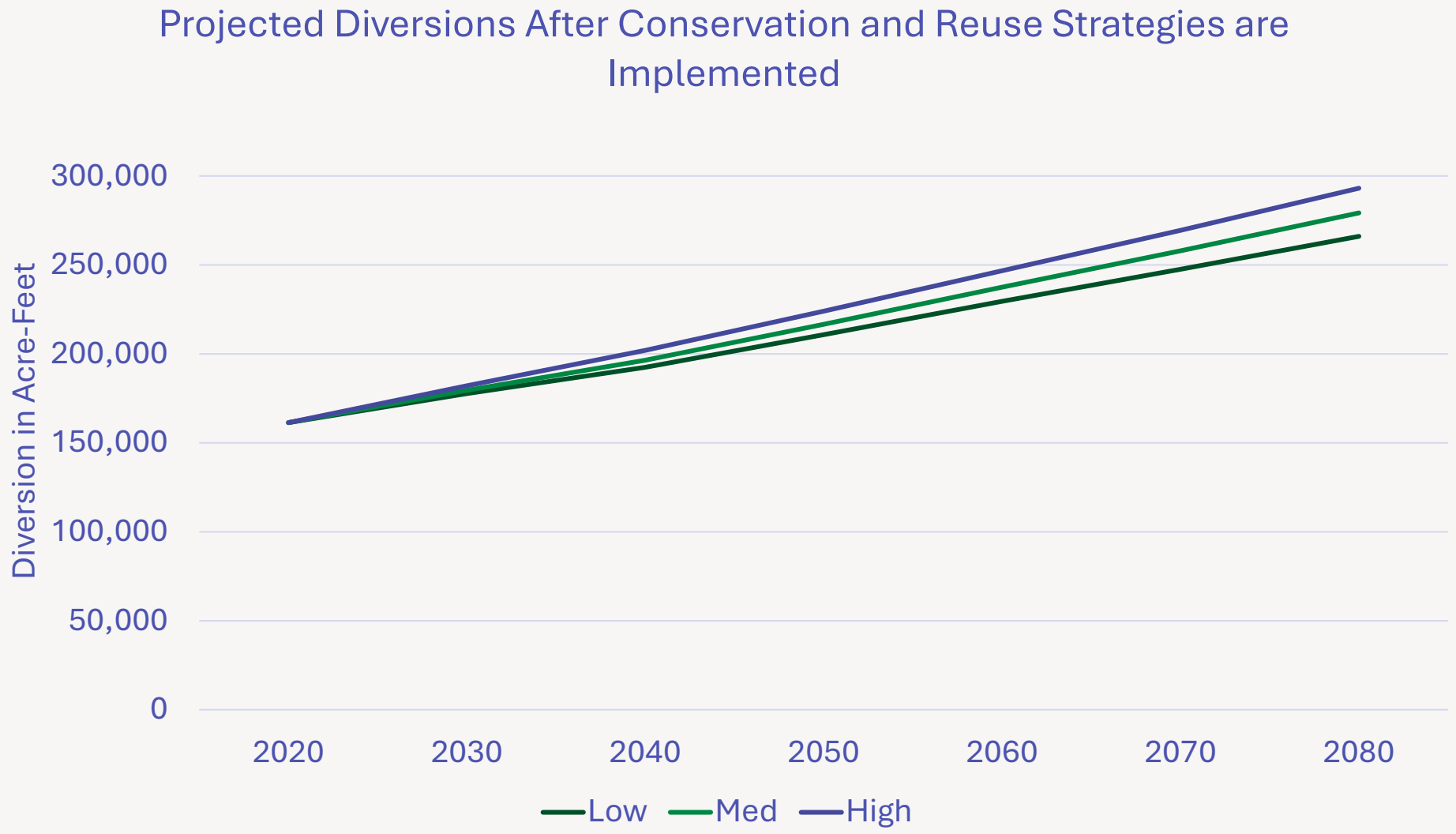


1999 LCRA Agreement and Trigger

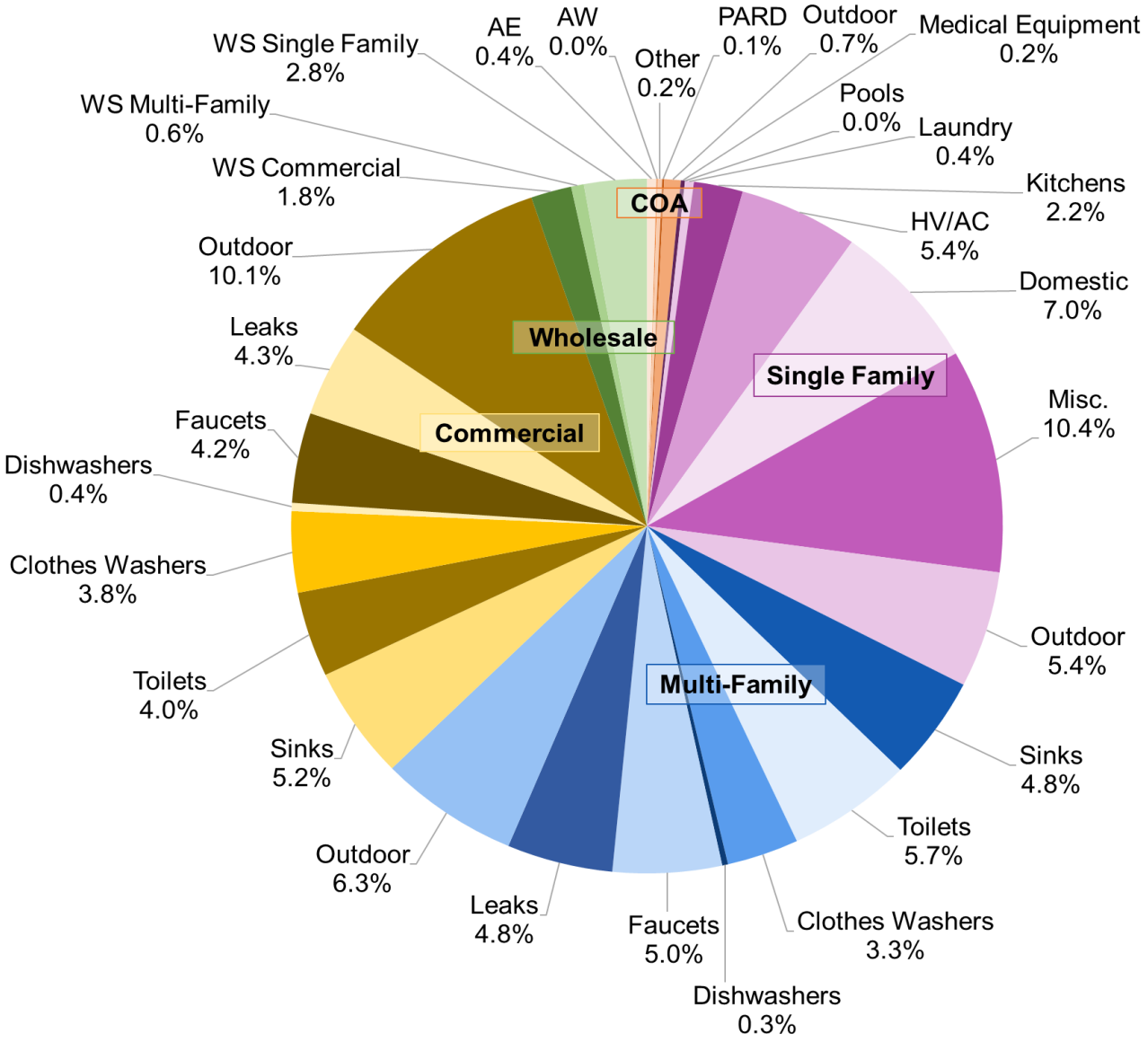
Water Forward Task Force Questions

- What are future use projections for potable water by sector over the applicable time period until the 201,000 a-f threshold projected to be met? (Sarah Faust)
- What does AW expect water use to look like in the future? (Sarah Faust)

Water Forward 2024 Projections



Water Forward 2024 Projections



Future Baseline Water Consumption Breakdown for 2040 in a Medium Projection Scenario

Water Forward Task Force Question

- How is Austin Water thinking about types of industry we haven't previously seen but have a larger per square foot thermal footprint and potential exponential water use? See page 4 and 5 of WFTF June 9 recommendation. (Sarah Faust)

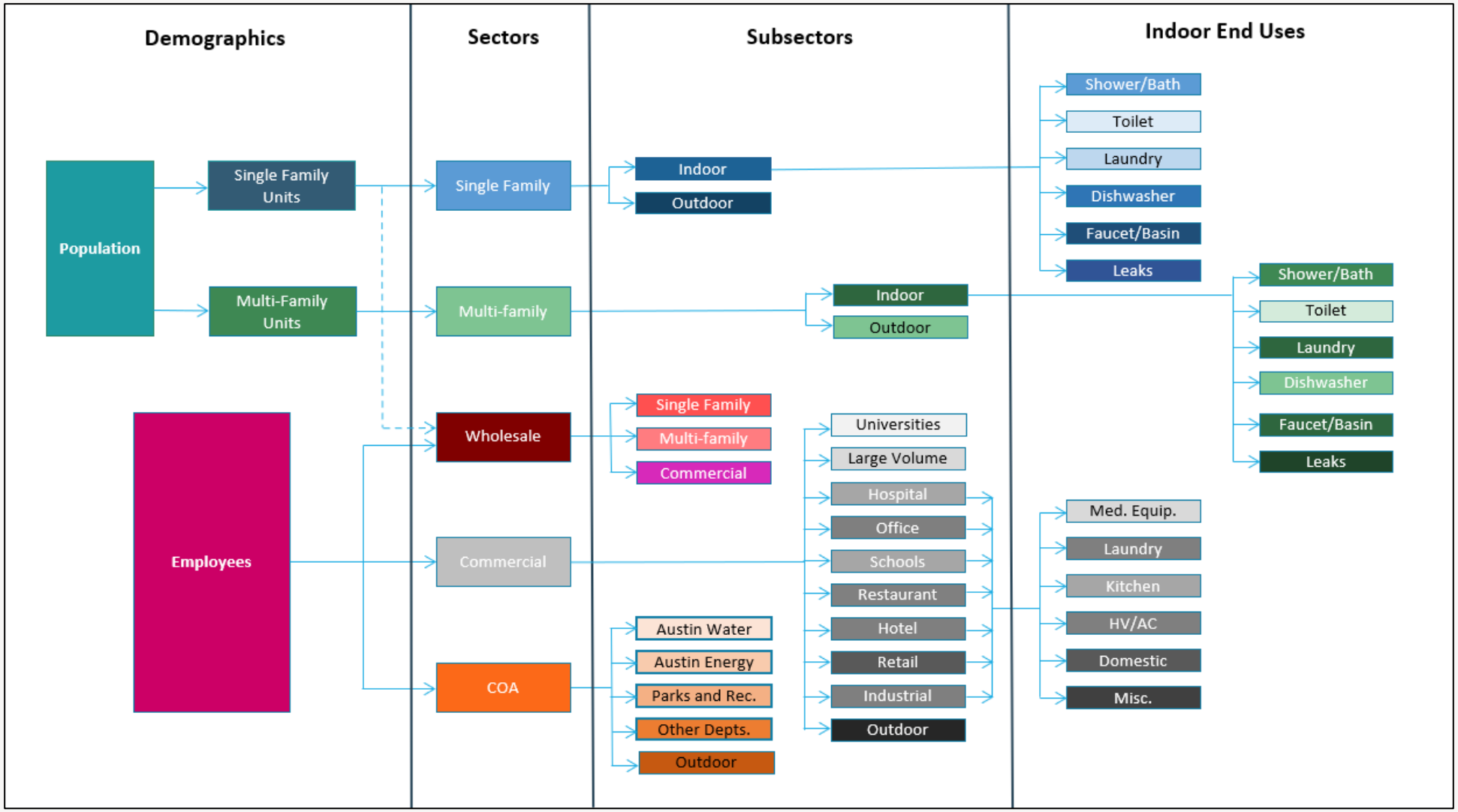
Water Forward 2028 Update Process

Update Water Demand Projections

- Austin Water has begun preliminary model script updates and input development work
- Staff will be ready to present on baseline demand projections in Spring 2027

Define our values and future water needs → Identify and characterize potential strategies → Develop and evaluate portfolios of strategies → Select the best portfolio and implementation approach

WF24 Demand Model Components



Water Forward Task Force Questions

Austin

- The Large Water Customers 5-year data slide presented to WFTF and CWEP shows 11 customers and the lowest volume user using 183,924 million gallons per year. How many additional customers meet the current 85 million gallons per year threshold? What are the use volumes? How many of these use non-potable and how much? (Sarah Faust)
- Request for list of the current customers that hit the current 85 million gallons per year threshold. (Sarah Faust)

Large Water Customers

Five-Year Comparative Data (2021-2025) (in thousands)

Customer	Customer Class	2021	2022	2023	2024	2025
		Gallons	Gallons	Gallons	Gallons	Gallons
Samsung Austin Semiconductor	Large Volume	2,209,533	2,383,134	2,475,074	2,361,100	2,230,946
Travis County WCID #10	Wholesale	753,560	908,379	897,142	835,371	899,768
University of Texas [1]	Large Volume	520,519	650,782	846,738	976,550	858,617
NXP USA INC (Formerly Freescale, Inc.) [2]	Large Volume	648,249	745,931	740,867	665,478	547,050
Tesla Motors, Inc. [3]	Commercial	1,258	128,143	318,332	374,982	544,342
Wells Branch MUD	Wholesale	456,577	488,547	383,265	426,074	466,788
North Austin MUD #1	Wholesale	400,097	461,390	379,901	413,129	431,373
Cypress Semiconductor (Formerly Spansion)	Large Volume	332,495	348,005	391,386	357,325	353,836
Austin Independent School District [4]	Commercial	224,754	296,899	312,320	302,906	334,779
Northtown MUD	Wholesale	317,037	318,331	314,571	337,180	329,625
Mid America Apartments LP	Multifamily	241,296	233,526	203,175	183,924	196,791
Total [5]:		**6,105,375**	**6,963,067**	**7,262,771**	**7,234,019**	**7,193,915**

(1) Totals for the University of Texas include all accounts.
(2) Totals for NXP USA, Inc. include their East Austin plant site and their West Austin plant site.
(3) 2023 was the first year that Tesla Motors, Inc. was a Top 10 customer. 2021 is the first-year data was collected.
(4) Totals for Austin Independent School District include all campuses and locations.
(5) Total may not add due to rounding.
Source: Austin Water.

Water Forward Task Force Questions

Austin

- How long has the current large volume threshold been 85 million gallons per year? What were the reasonings? (Sarah Faust)
- What was the rationale for the original 85 million gallon per year threshold? When was it adopted? (Sarah Faust)
- Has high volume water use threshold in the past (85 million gallons per year) included non-potable water or was this just potable users? (Sarah Faust)
- Does AW currently define the threshold as potable and non-potable? (Sarah Faust)

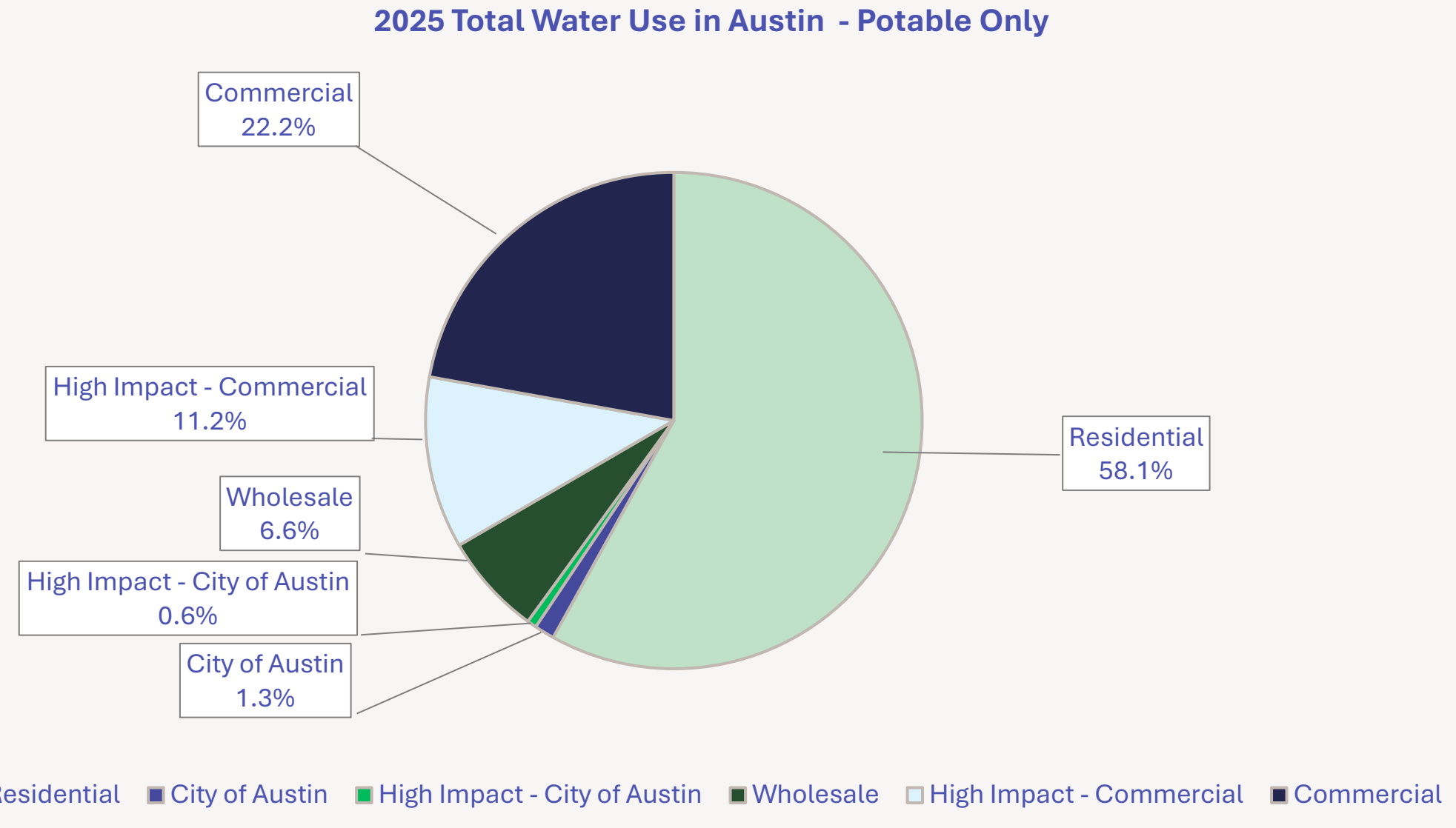
History of Large Volume Threshold

- Austin Water developed the large volume customer definition in the early 1990s when the rate class was created.
- Staff organized the annual potable water use for commercial customers from largest to smallest to analyze breaks and clusters in the data.
- Most customers used under 65 MGY, with a 30 MGY gap before the next group of high-use customers, which included chip manufacturers using around 100 MGY.
- Staff set the large volume threshold at 85 MGY, midway between the two groups.
- This threshold captured the top 10–11 customers whose usage differed significantly from the rest of the commercial base.
- The 85 MGY threshold was formally adopted in City ordinance with the creation of the rate class.

Water Forward Task Force Question

- Can you prepare the 2025 Total Water Use in Austin chart from the Open House Boards but with non-potable, so that we can compare users above the threshold at potable only? Also, break the chart down by number of users per category and use volumes per user (for the largest users). Rationale: if you have a customer using a large proportion of recycled water that over the 85 million gallons threshold, and a user with a large proportion of potable water over the threshold, the user maximizing recycled has already invested in additional infrastructure and effort and should not be considered in the same category as they are helping to conserve potable water. (Sarah Faust)

2025 Water Demands By Sector

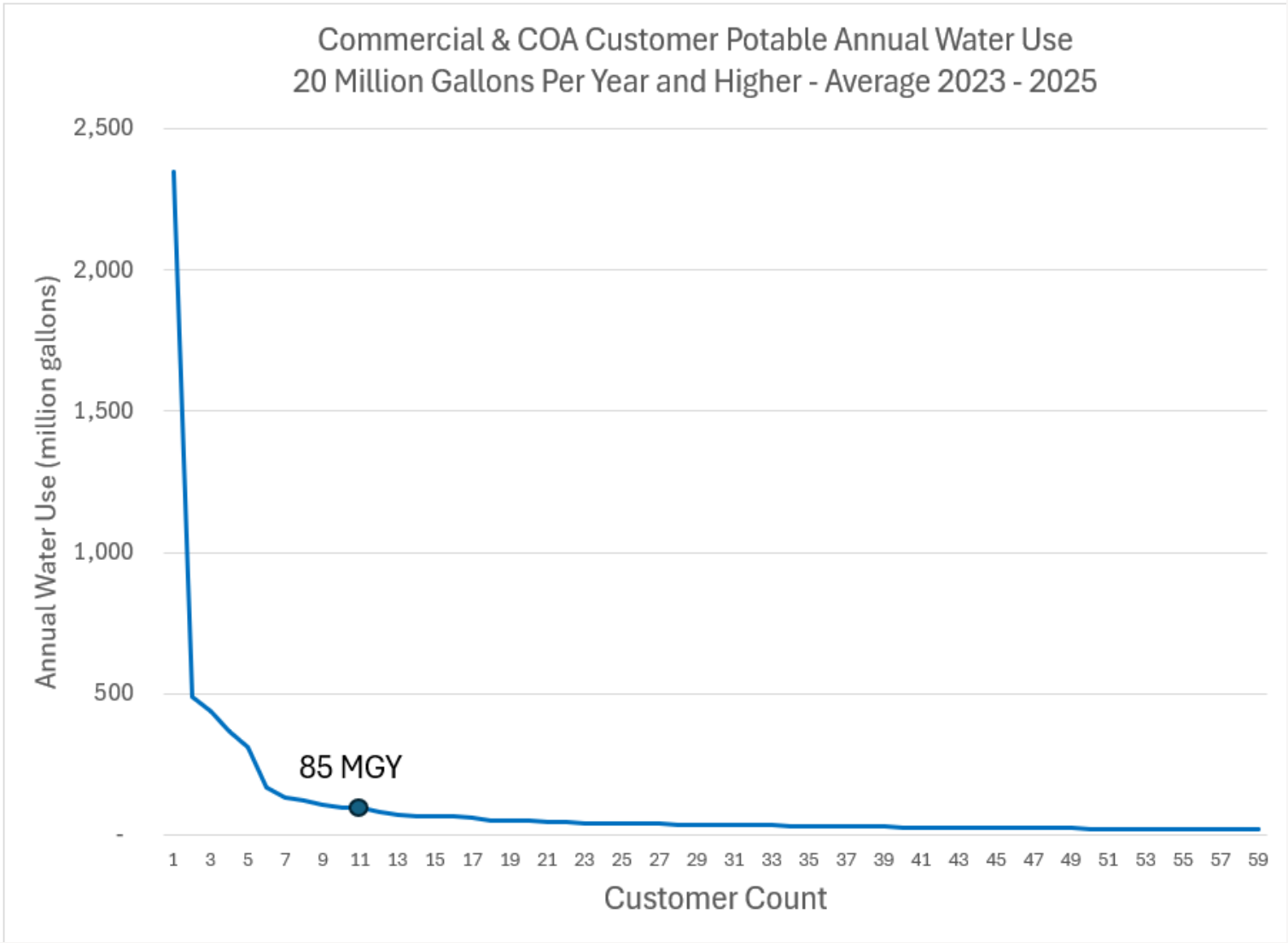


Water Forward Task Force Questions

Austin

- What are the goals for the AW proposed new large user threshold (draft definition)? Is the proposed definition of high impact water user and threshold designed to decrease reliance on potable water by new high water usage customers? How does it do that? (Sarah Faust)
- Suggest a lower threshold to catch those who may intentionally use just under the proposed threshold to get out of additional requirements. (Paul DiFiore)
- What other thresholds did Austin Water consider? (Sarah Faust)
- Can AW consider two thresholds, one for potable only and one for combined? In looking at the Open House Board 2025 Total Water Use in Austin, this is showing high impact as potable and non-potable. (Sarah Faust)

Evaluation of Customer Water Use



Water Forward Task Force Question

- As Tesla is the fastest growing water user, what are their future water use projections? Potable and non-potable? (Sarah Faust)

Water Forward Task Force Questions

Austin

- Recommendation to require closed loop cooling and to revisit all 6/9 WFTF recommendations to Council. (Sarah Faust)
- What is the standard that will be used to assess High Impact Waser User demand lowering? (Sarah Faust)

Questions and Discussion

Austin

Austin Water | 10/26/2026