



NEW ONSITE WATER REUSE PILOT INCENTIVE PROGRAM

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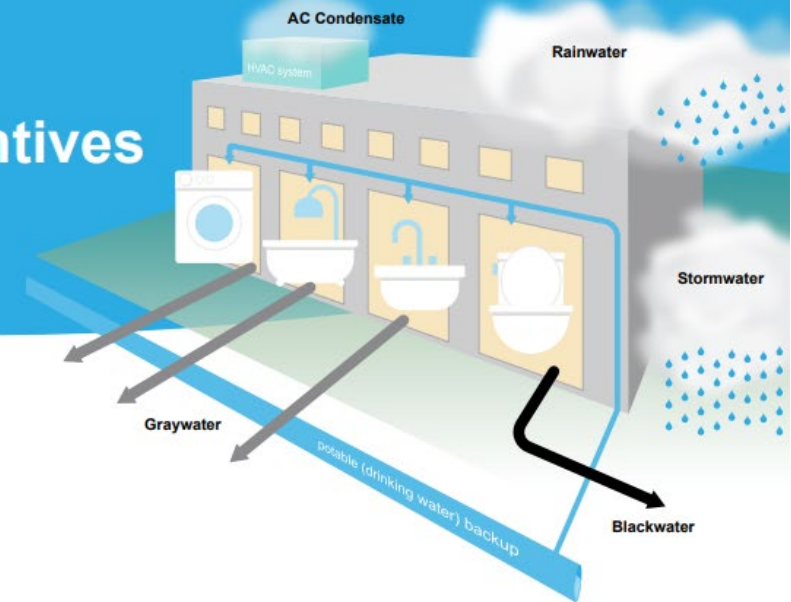


WHY THE NEW INCENTIVE PROGRAM?



Alternative Water Ordinances and Incentives

Require or incentivize, on-site (building-scale) alternative water use (for rainwater, stormwater, blackwater, graywater and AC condensate)



- Austin Water received Council direction in May of 2019 to include Water Forward regulations into the LDC Revision
- AW was specifically asked to address onsite reuse in commercial developments $\geq 250,000$



PUBLIC STAKEHOLDER MEETINGS

June 25th 2019

Alternative On-Site Water Use Workshop #1

Morning Focus: Case Studies in Alternative Onsite Water Systems

- Heard first-hand experiences with designing and building alternative onsite water systems

Afternoon Focus: Water Forward Ordinance Development Workshop

- Gave input to shape future City of Austin ordinance requirements regarding alternative water systems

July 23rd 2019

Alternative On-Site Water Use Workshop #2

Morning Focus: Testing Example Developments

- Walked through typical development projects seen in Austin to provide feedback on the proposed ordinance approach and requirements

October 16th 2019

LDC Open House Events



KEY TAKEAWAYS FROM PUBLIC INPUT

1

Concerns about system costs and effects on affordability



2

Would like to see developer incentives to offset costs



3

Want to avoid increasing project review time due to new regulations



4

Need for clarification on mandatory installations



ONSITE WATER REUSE SYSTEMS IN THE LDC

23-9D-1050 Onsite Water Reuse System Rules and Incentive Program

(A) An onsite water reuse system is required for a large development project for which a site plan application is submitted under Division 23-6B-2 (Site Plan Review) on or after December 1, 2023.

(B) By December 1, 2020, the director shall:

- (1) Adopt rules to implement, administer, and enforce this article, including rules to regulate the treatment, monitoring, and reporting requirements for onsite water reuse systems; and
- (2) Develop an incentive program for onsite water reuse systems.



PHASED IMPLEMENTATION APPROACH

Phase 1 took effect December 20, 2020

Voluntary OWRS Program

- New OWRS regulations in Title 15 (Utility Regulations) for the design, permitting and operation and maintenance of multi-family & commercial systems
- Incentive program implemented to encourage voluntary adoption of OWRS in new development to test out the new regulatory framework

Phase 2 to take effect late 2023 (pending adoption)

Mandatory OWRS Program

- Mandatory installation of OWRS for commercial and multi-family developments $\geq 250,000$ sq. ft. in Title 25 (Land Development Code)
- Updated regulations for Title 15 on the applicability for the mandate along with provisions for enforcing the mandate



OTHER INCENTIVE PROGRAMS FOR ONSITE REUSE

SFPUC PILOT GRANT PROGRAM



Incentive Amount

- **450,000** gallons per year are eligible for **\$100,000**; or
- **1,000,000** gallons per year are eligible for **\$250,000**; or
- **3,000,000** gallons per year are eligible for **\$500,000**.

Stated Funding Justification

The grant amounts are targeted at the system costs, not the associated water savings. Initially the program was voluntary so they were looking for early adopters to help develop the local program.

Effectiveness

To date, SFPUC has approved grants for 6 projects totaling \$2.5M (\$416,666 average per project).

NYC DEP PILOT REIMBURSEMENT PROGRAM



Incentive Amount

\$10/GPD x 5,000 GPD system = \$50,000

or

Eligible for **\$27,400** per **1,000,000** gallons per year

Stated Funding Justification

The funding amount is consistent with their other municipal efficiency programs, but on the higher end due to a hard-to-penetrate market.

Effectiveness

To date, no onsite reuse projects have applied for funding.



AUSTIN WATER'S PILOT INCENTIVE PROGRAM

PILOT INCENTIVE PROGRAM

Incentive Amount

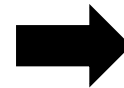
- **1,000,000** gallons per year are eligible for **\$250,000**; or
- **3,000,000** gallons per year are eligible for **\$500,000**.



Minimum of 1 MGY per project is in line with 250,000 square-foot developments

Funding Justification

These incentive amounts target installation of large onsite reuse systems that will help develop the local program. AW will collect system cost and O&M data for projects, and will establish streamlined project approval procedures.



AW will get:

- Project cost data
- Benefits to developers (reduced water bills, etc.)
- Integration with current development review process
- Successful project implementation & continued use
- Establish system operator proficiencies

Effectiveness

AW is targeting 2-4 systems per year over 3 years, \$1M budgeted per year



The pilot program will end when the mandatory program begins



PROGRAM REQUIREMENTS & GUIDELINES

- ◆ Multi-family and commercial projects must install an onsite water reuse system on a voluntary basis (not solely to fulfill the current beneficial condensate reuse requirement)
- ◆ Program applicants must submit all project cost, work plan and schedule information
- ◆ Program participants must agree to use the onsite water reuse system for a minimum of 10 years
- ◆ Project must be constructed within three years of the dated Pilot Incentive Program Agreement and must begin to offset AW potable water use within six months after construction is completed
- ◆ Program participants must submit annual status reports to AW, documenting the project water savings



PROGRAM FUNDING

💧 Funding Requirements

- 1) evaluation of each application and the estimated water savings identified in the water balance documentation
- 2) delivery of the project's documentation required under the application and supplemental materials
- 3) availability of program funds at time of approval
- 4) final Council approval

💧 Items Eligible for Funding

- 1) project costs paid limited to materials, supplies, and payments on construction contracts directly relating to the design, permitting, installation, operation, and maintenance of the reuse system

💧 Return of Program Funds

- 1) If a project violates the terms of the Pilot Incentive Program Agreement, AW may demand that the program participant return any previously disbursed program funds that have been claimed or expended by the program



PROGRAM DISBURSEMENTS

- 💧 Program Participant must submit a Request for Partial Reimbursement for eligible expenses up to the amount of funds specified in the Reservation Letter
- 💧 Program funds will be provided to the Program Participant in three disbursements:
 - 1) **40% of the total funding will be made upon approval of the project's engineering report**
 - 2) **50% of the total funding will be made upon validated completion of construction of the reuse system**
 - 3) **10% of funds will be made after the project complies with all permitting requirements and the OWRS is operational**



KEEPING PROJECTS ON SCHEDULE



ENERGY

Thursday, October 31, 2019 by Jo Clifton

Austin Energy seeks change in rebate approvals

AW is seeking pre-authorization for the new Pilot Incentive Program from Austin City Council

- ◆ Council authorized aggregate approval of Austin Energy's commercial and multi-family rebate programs in 2019 (\$4,455,000 budgeted for programs with a \$300,000 per project cap)
- ◆ The added wait time for obtaining commission recommendations and City Council approval made it difficult to capture hard-to-reach markets and resulted in customers not participating in the programs



AFTER THE PILOT PROGRAM

AW will be implementing an Impact Fee Service Unit Credit process for Onsite Water Reuse Systems for the Mandatory Program

- Onsite water reuse projects will be able to apply for a 'credit' to their overall water and wastewater impact fees based on their reduced water and wastewater demands placed on the City's infrastructure
- The SFPUC has implemented a similar crediting process for their mandatory program
- Stakeholders asked for this type of crediting to be implemented

AW will continue to work with other city departments and stakeholders during the Voluntary Program to identify other benefits to developers for incorporating Onsite Water Reuse Systems

- Currently working with WPD on dual credit for rainwater and stormwater harvesting



QUESTIONS?

