



## MEMORANDUM

**To:** Mayor and Council Members

**From:** Greg Meszaros, Director, Austin Water 

**Date:** November 18, 2021

**Subject:** **Response to Council Resolution 20210520-065 and Resolution 20210520-063 Regarding Water Forward**

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The purpose of this memorandum is to provide an update on status and outcomes of actions related to Council Resolution No. [20210520-065](#) and Council Resolution No. [20210520-063](#).

### **Implementation of Council Resolution 20210520-065**

Council Resolution No. [20210520-065](#) initiated amendments to City Code Chapter 25-9 to implement development project requirements for water benchmarking and water balance calculations, implement mandatory onsite water reuse system requirement for large development projects, and expand reclaimed water connection requirements. The resolution also waived Planning Commission review for these requirements and directed the City Manager to provide recommendations to mitigate the impacts to affordability of these new building requirements.

In response to this resolution, Austin Water staff worked to bring an ordinance for Council consideration at their September 30, 2021 meeting. At that meeting, Council held a public hearing and approved an ordinance ([Ordinance No. 20210930-117](#)) to establish the requirements summarized below:

- Water Benchmarking
  - New developments submitting a site plan will also be required to submit a water benchmarking application. Large developments (>250,000 square feet) will also be required to meet with utility staff to discuss water efficiency requirements and rebates and incentives for alternative water use. This code change will take effect December 1, 2021.



- Onsite Water Reuse Systems (OWRS)
  - An onsite water reuse system will be required for new large developments (>250,000 square feet) for which a site plan is required. This code change will take effect December 1, 2023.
- Reclaimed Water Connection
  - New large developments (>250,000 square feet) located within 500 feet of a reclaimed water line will be required to connect to the system and use reclaimed water for irrigation, cooling, toilet flushing, and other significant non-potable water uses identified in the water balance calculator. This code change will take effect December 1, 2021.
  - New large development projects with a multifamily component will be granted a variance from the above requirement until December 1, 2023.
- Affordability Report
  - By September 28, 2023 staff will deliver a report and possible actions to Council regarding the impact of the OWRS and expanded Reclaimed Connection requirements on housing affordability.

In addition, Austin Water has developed the following approach to address affordability considerations. Prior to the December 1, 2023 mandatory effective date of the OWRS and expanded Reclaimed Water connection requirements, AW will incentivize adoption of these water-saving techniques via the currently active [OWRS Pilot Incentive Program](#) and [Voluntary Reclaimed Water Connection Pilot Rebate](#). The OWRS incentive provides up to \$250,000 for projects that replace 1,000,000 gallons or more of AW potable water per year or up to \$500,000 for projects that replace 3,000,000 gallons or more of AW potable water per year. The Reclaimed Water Rebate provides up to \$100,000 per eligible property that voluntarily connects to and uses reclaimed water from Austin Water's reclaimed water system.

Austin Water will use this incentivized phase to gather data from participating developments on the actual cost of these systems. Austin Water will use this data when working with the Housing and Planning department to develop the Affordability Report for the OWRS and expanded Reclaimed Water connection requirements that will be delivered to Council by September 1, 2023. The report will include evaluation of costs and potential savings related to meeting these requirements and potential strategies to mitigate possible impacts to housing affordability.

Council Resolution No. 20210520-065 also directed the City Manager to address the increased need for flood protection along with water supply needs through implementation of the Water Forward alternative water ordinances and incentives strategy, examination of implementation issues for



community stormwater harvesting, and assessment of existing needs for rainwater harvesting at multi-family sites.

There is a limited relationship between onsite stormwater reuse and flood mitigation. The flooding we experience in Austin is the result of large rainfall events that exceed the storage capacity of onsite reuse systems. Additionally, flood mitigation controls are required to discharge their full volume within 24 hours of a rainfall event and this significantly limits the time period in which water is available for reuse. However, there are important water quality benefits from these strategies. By capturing stormwater runoff and reusing it onsite, these strategies reduce the amount of pollutants and bacteria in Austin's creeks. Watershed Protection also prepared a summary of efforts related to flood resilience in response to Council Resolution No. 20210127-056. This response is available online at the following [link](#).

### **Implementation of Council Resolution 20210520-063**

A related Council Resolution, No. [20210520-063](#), directed the City Manager to consult with Austin Water staff and seek input from the Water Forward Task Force regarding the implementation of a subset of strategies from the 2018 Water Forward plan. The resolution further directed the City Manager to follow the approved Water Forward 2018 implementation plan and to provide recommendations to mitigate affordability impacts of the strategies while considering the long-term benefits of reducing water bills, water supply costs, upfront infrastructure costs, and other relevant considerations.

- Dual plumbing ordinance for new larger commercial and multifamily development
  - Addressed through code changes to City Code Chapter 25-9 approved by Council September 30, 2021.
- Expansion of current reclaimed water system connection requirements
  - Addressed through code changes to City Code Chapter 25-9 approved by Council September 30, 2021.
- Water benchmarking and budgeting for new development
  - Water benchmarking addressed through code changes to City Code Chapter 25-9 approved by Council September 30, 2021.
- Landscape transformation ordinances and incentive programs
  - Austin Water staff have created a preliminary project plan to develop a landscape transformation ordinance for single family residential developments. While the 2018 Water Forward plan includes an implementation timeline targeting 2025 for adoption of this ordinance, Austin Water is targeting adoption by 2023. Development of the ordinance will include stakeholder engagement and evaluation of possible affordability impacts through the standard Housing and Planning Affordability Impact Statement process.



## **Next Steps**

Austin Water is committed to considering affordability impacts in the implementation of these strategies and will continue to engage other City departments and stakeholders in addressing affordability issues. This will include ongoing collaboration with the Housing and Planning department on affordability assessments and considerations relevant to proposed and/or adopted code changes. Austin Water will also continue its close collaboration with Watershed Protection and Housing and Planning, as well as other departments, during the Water Forward 2024 plan update process. As part of the 2024 plan update, plan strategies and recommendations will be evaluated through an equity and affordability lens, while continuing to balance the need for long-term water supply reliability and resilience for the Austin community.

For questions about progress thus far or next steps, please contact me at 512-972-0108 [greg.meszaros@austintexas.gov](mailto:greg.meszaros@austintexas.gov) or Water Resources Program Manager Marisa Flores Gonzalez at 512-972-0194 [marisa.flores@austintexas.gov](mailto:marisa.flores@austintexas.gov).

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