

**WHEREAS**, on November 29, 2018, City Council approved the adoption of Water Forward, Austin’s Integrated Water Resources Plan; and

**WHEREAS**, Austin Water held a series of public stakeholder meetings in 2019 to develop the regulatory framework for alternative water ordinances in the Land Development Code Revision; and

**WHEREAS**, in December of 2019 and February 2020 City Council voted on first and second readings to approve the Land Development Code Revision with requirements for Austin Water to establish a regulatory program and an incentive program for Onsite Water Reuse Systems to achieve alternative water target goals adopted in Water Forward; and

**WHEREAS**, Ordinance No. 20201210-006 established City Code Chapter 15-13 relating to treatment, monitoring, and reporting regulations for Onsite Water Reuse Systems; and

**WHEREAS**, Austin Water has determined that the proposed incentive program is necessary for implementing the mandatory Onsite Water Reuse System regulations proposed in the Land Development Code Revision for new multi-family and commercial developments 250,000 square feet or greater; and

25           **WHEREAS**, Onsite Water Reuse Systems help develop local water supplies  
26 using technologies that are new and innovative to the water industry; and

27           **WHEREAS**, market penetration of Onsite Water Reuse System technology  
28 for multi-family and commercial buildings is low; and

29           **WHEREAS**, Austin Water will use cost and other project data collected  
30 from the incentive program to inform the mandatory Onsite Water Reuse System  
31 for new multi-family and commercial developments 250,000 square feet or greater;  
32 and

33           **WHEREAS**, on April 22, 2021, in order to expedite the review and  
34 approval of incentives for systems prior to 2023, staff recommended and City  
35 Council approved for Fiscal Year 2020-2021 a total of \$1 million for a pilot  
36 incentive program with not more than \$500,000 per project without the need for  
37 additional City Council approval; and

38           **WHEREAS**, in order to continue expediting the review and approval of  
39 incentives for systems prior to 2023, staff recommends that City Council approve  
40 for Fiscal Year 2021-2022 a total of \$1 million for a pilot incentive program with  
41 not more than \$500,000 per project without the need for additional City Council  
42 approval; and,

43           **WHEREAS**, Austin Water will report to applicable boards and  
44 commissions the incentives and details of approved projects; **NOW**,  
45 **THEREFORE**,  
46

47 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

48 The City Council makes the following findings that support the use of a pilot  
49 financial incentive program by the City in the development of Onsite Water Reuse  
50 Systems:

- 51 1. Given the potential for more severe and frequent drought conditions in  
52 Central Texas as a result of the impacts from climate change, it is essential  
53 that new policies to conserve water continue to be developed to support the  
54 sustainable growth of the City of Austin.
- 55 2. Water conservation efforts, including incentives for onsite water reuse  
56 systems, help maximize limited resources as population grows, while  
57 ensuring supply for critical public health and safety needs including  
58 adequate supplies necessary for emergency fire-fighting, fire suppression,  
59 and natural disaster or other emergency management or disaster response.
- 60 3. The reuse of alternative on-site water avoids or reduces the costs of new  
61 water supply and related infrastructure for the treatment, storage and  
62 distribution of potable water that is charged to Austin Water customers.
- 63 4. Prior to the implementation of mandatory installation of alternative on-site  
64 systems, a pilot incentive program for large new commercial and multi-  
65 family facilities will help obtain information on the cost, installation,  
66 operation, maintenance, and regulatory guidance for alternative onsite water  
67 reuse systems needed for the successful implementation of the mandatory  
68 installation requirement in 2023.
- 69 5. The City: (1) through use of a pilot financial incentive program to support  
70 the development of Onsite Water Reuse Systems accomplishes an important

71 public purpose; (2) through its oversight of the development and use of an  
72 Onsite Water Reuse System supported by the City's pilot financial incentive  
73 program retains public control over the funds to ensure that the public  
74 purpose is accomplished and to protect the public's investment; and (3)  
75 through its oversight of the Onsite Water Reuse System pilot incentive  
76 program ensures that the political subdivision receives a return benefit;

77 **BE IT FURTHER RESOLVED:**

78 The City Council approves a pilot incentive program with a reimbursement  
79 limit of \$500,000 per project and an aggregate limit of not to exceed \$1,000,000  
80 for the pilot incentive program to encourage the voluntary use of Onsite Water  
81 Reuse Systems in new multi-family and commercial development projects.

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83 **ADOPTED:** \_\_\_\_\_, 2021 **ATTEST:** \_\_\_\_\_  
84 Jannette S. Goodall  
85 City Clerk  
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