Agenda

Public Involvement Committee
February 26, 2024, | 3:00 – 5:00

3:00	**Question and Answer Update –** Joseph Gonzales, AW Assistant Director, Financial Services
3:05	**Wastewater Allocations –** Eric Callocchia, Partner, NewGen Strategies and Solutions
4:20	**Water Forward Reuse Strategies –** Joseph Gonzales, AW Assistant Director, Financial Services
4:55	**Next Meeting -** Joseph Gonzales, AW Assistant Director, Financial Services

Notes:

Austin Water

2024 Public Involvement Committee

Meeting 3: Wastewater Cost Allocations

Joseph Gonzales
Asst. Director, Financial Services
Austin Water

February 26, 2024

Agenda

- Question and Answer Update
- NewGen – Wastewater Cost Allocations
- Water Forward - Reuse Strategies

Question and Answer Update

- Questions and responses posted on SpeakUp Austin

NewGen

February 26, 2024

AUSTIN WATER
PIC MEETING #3 – WASTEWATER ALLOCATIONS

NewGen Strategies & Solutions

DISCUSSION TOPICS

- Revenue Requirement Recap
- Wastewater Cost of Service (COS) Process
- Revenue Requirement Functionalization
  - Functions to Cost Pools
- Allocation to Cost Causative Components
- Distribution to Customer Classes
  - Direct Contribution vs. I/I
- Draft Wastewater COS Results

Note: All figures are subject to change. The material contained herein is for information and discussion only and does not reflect the final results of the study.

KEY TAKEAWAYS

- The study Test Year is still a work in progress.
  - Future known and measurable adjustments will be made
- Certain system and customer information is still under review and will be updated.

WASTEWATER REVENUE REQUIREMENTS UNDER CURRENT POLICY

Wastewater Revenue Requirements	FY 2023 Actuals	FY 2024 Budget	Preliminary Test Year
O&M Expense			
Operations	$ 82,202,415	$ 87,936,768	$ 87,936,768
Support Services	20,250,634	22,120,498	22,120,498
Environmental, Planning, and Development Services	10,399,112	6,613,272	6,613,272
Customer Experience	6,237,836	4,994,105	4,994,105
Engineering Services	2,685,722	14,036,904	14,036,904
Other Utility Program Req	4,334,154	5,291,461	5,291,461
Other Requirements	8,198,576	13,741,399	13,741,399
Total O&M Expense	$ 134,308,449	$ 154,734,407	$ 154,734,407
Debt Service			
All Principal & Interest	$ 77,161,029	$ 84,674,838	$ 72,668,701
Total Debt Service	$ 77,161,029	$ 84,674,838	$ 72,668,701
Transfers			
Trf to Wastewater CIP Fund	$ 43,778,001	$ 49,000,000	$ 90,685,665
TRF CRF to Debt Defeasance	10,930,634	11,000,000	-
Trf to General Fund	22,128,734	23,044,775	23,044,775
Administrative Support	7,744,620	7,684,889	7,684,889
Other Transfers	7,194,196	10,482,817	10,482,817
Total Transfers	$ 91,776,185	$ 101,212,481	$ 131,898,146
Total Revenue Requirements	**$ 303,245,663**	**$ 340,621,726**	**$ 359,301,254**

WASTEWATER NET REVENUE REQUIREMENTS UNDER CURRENT POLICY

Wastewater Net Revenue Requirements	Preliminary Test Year
O&M Expenses	$ 154,734,407
Debt Service	72,668,701
Transfers	131,898,146
Total Revenue Requirements	359,301,254
Less: Non-Rate Revenue	15,792,141
Net Revenue Requirement	343,509,113

WASTEWATER REVENUE REQUIREMENTS UNDER CONTEMPLATED CHANGE TO FINANCIAL POLICY

Wastewater Revenue Requirements	FY 2023 Actuals	FY 2024 Budget	Preliminary Test Year
O&M Expense			
Operations	$ 82,202,415	$ 87,936,768	$ 87,936,768
Support Services	20,250,634	22,120,498	22,120,498
Environmental, Planning, and Development Services	10,399,112	6,613,272	6,613,272
Customer Experience	6,237,836	4,994,105	4,994,105
Engineering Services	2,685,722	14,036,904	14,036,904
Other Utility Program Req	4,334,154	5,291,461	5,291,461
Other Requirements	8,198,576	13,741,399	13,741,399
Total O&M Expense	$ 134,308,449	$ 154,734,407	$ 154,734,407
Debt Service			
All Principal & Interest	$ 77,161,029	$ 84,674,838	$ 72,668,701
Total Debt Service	$ 77,161,029	$ 84,674,838	$ 72,668,701
Transfers			
Trf to Wastewater CIP Fund	$ 43,778,001	$ 49,000,000	$ 70,214,550
TRF CRF to Debt Defeasance	10,930,634	11,000,000	-
Trf to General Fund	22,128,734	23,044,775	23,044,775
Administrative Support	7,744,620	7,684,889	7,684,889
Other Transfers	7,194,196	10,482,817	10,482,817
Total Transfers	$ 91,776,185	$ 101,212,481	$ 111,427,031
Total Revenue Requirements	**$ 303,245,663**	**$ 340,621,726**	**$ 338,830,139**

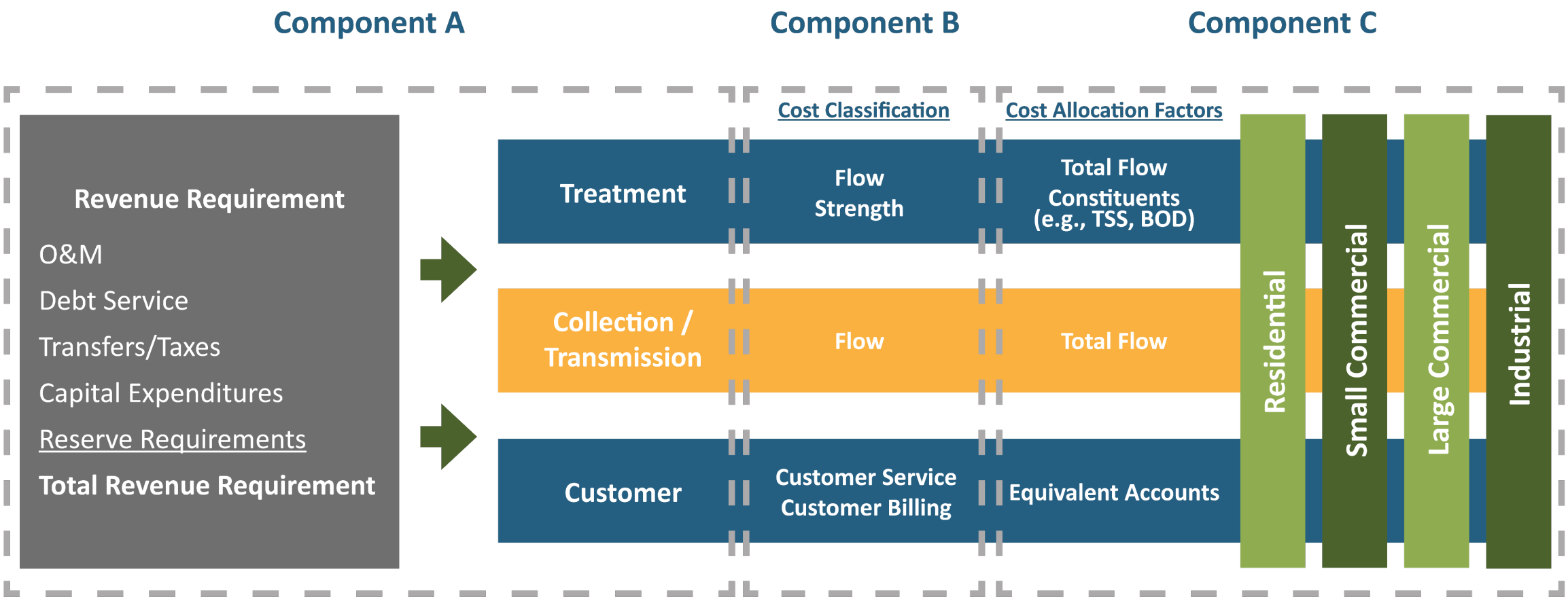
WASTEWATER NET REVENUE REQUIREMENTS UNDER CONTEMPLATED CHANGE TO FINANCIAL POLICY

Wastewater Net Revenue Requirements	Preliminary Test Year
O&M Expenses	$ 154,734,407
Debt Service	72,668,701
Transfers	111,427,031
Total Revenue Requirements	338,830,139
Less: Non-Rate Revenue	15,792,141
Net Revenue Requirement	323,037,998

WASTEWATER COST OF SERVICE PROCESS

- **Functionalization** answers **how** much money is spent running the system and **what** the money is spent on.
  - Example: It costs $6.3 million per year to run the system's aeration basins.
- **Allocation** answers **why** the money is being spent, that is, what are the "cost causative components" that drive the need to spend money.
  - Example: The aeration basins treat Biochemical Oxygen Demand (BOD).
- **Distribution** answers **who** is causing the costs to be incurred, that is, who is contributing (and in what amount) to the total "cost causative components" of the system.
  - Example: Residential customers contribute 45 million pounds (28%) of BOD to the system each year.

SAMPLE WASTEWATER COST OF SERVICE PROCESS



Note: For illustrative purposes only. Functions and allocators may change to align with utility operations/services.

COST FUNCTIONALIZATION

Wastewater Service Functions	
Collection	Flow Equalization Basins
Interceptors	Aeration Basins
Lift Stations	Secondary Clarifiers
Plant Raw WW Pumping	Return Sludge Pumping
Preliminary Treatment	Waste Sludge Pumping
Industrial	Filters
Industrial Waste Control	Disinfection and Outfall
Bar Screens	Sludge Thickening
Grit Removal	Sludge Pumping
Primary Clarifiers	Biosolids Management
Wholesale & Industrial Services	Customer Service

STEP 1A: FUNCTIONALIZATION (IN MILLIONS)

Function	O&M Expenses	Other Costs	Capital Costs	NNR - O&M	NNR - Capital	Transfers	Preliminary Net Revenue Requirement
Collection	45.64	1.63	27.20	(6.26)	(2.69)	49.11	114.63
Interceptors	23.91	0.93	15.59	(1.03)	(1.51)	27.61	65.49
Lift Stations (Conveyance)	10.56	0.17	2.92	(0.46)	-	5.14	18.34
Plant Raw WW Pumping	1.82	0.15	2.53	(0.08)	-	0.76	5.19
Preliminary Treatment	1.17	-	-	(0.05)	-	-	1.12
Industrial Waste Control	2.88	-	-	(0.12)	-	-	2.75
Bar Screens	-	0.02	0.37	-	-	0.22	0.62
Grit Removal	-	0.01	0.09	(0.00)	-	0.07	0.16
Primary Clarifiers	2.05	0.03	0.48	(0.09)	-	0.33	2.80
Flow Equalization Basins	2.14	0.04	0.63	(0.09)	-	0.41	3.13
Aeration Basins	6.37	0.28	4.66	(0.28)	-	2.78	13.82
Secondary Clarifiers	3.49	0.06	0.94	(0.15)	-	0.63	4.97
Return Sludge Pumping	0.23	0.03	0.42	(0.01)	-	0.30	0.96
Waste Sludge Pumping	0.17	-	-	(0.01)	-	-	0.16
Filters	4.62	-	-	(0.20)	-	-	4.42
Disinfection and Outfall	21.45	0.16	2.59	(0.93)	-	1.68	24.94
Revenue Allocated Costs	-	-	-	-	-	23.04	23.04
Sludge Thickening	0.96	0.21	3.52	(0.04)	-	1.83	6.47
Sludge Pumping	-	-	-	-	-	-	-
Biosolids Management	16.00	0.40	6.62	(0.69)	-	4.53	26.86
Wholesale & Industrial Services	0.11	-	-	(0.03)	-	-	0.08
Customer Service	16.66	-	-	(0.72)	-	-	15.93
Indirect Treatment	0.54	-	-	(0.02)	-	-	0.52
Indirect	7.40	-	-	(0.32)	-	-	7.08
Total	**$ 168.18**	**$ 4.11**	**$ 68.56**	**$ (11.59)**	**$ (4.20)**	**$ 118.45**	**$ 343.51**

FUNCTIONS TO COST POOLS

Function	Joint	Retail Only	Wholesale Only	Commercial & Industrial	Surcharge Customers
Collection		X			
Interceptors	X				
Lift Stations	X				
Plant Raw WW Pumping	X				
Preliminary Treatment	X				
Industrial	X				
Industrial Waste Control				50%	50%
Bar Screens	X				
Grit Removal	X				
Primary Clarifiers	X				
Wholesale & Industrial Services	X				

FUNCTIONS TO COST POOLS

Function	Joint	Retail Only Costs	Wholesale Only Costs	Commercial & Industrial Monitoring	Surcharge Customers
Flow Equalization Basins	X				
Aeration Basins	X				
Secondary Clarifiers	X				
Return Sludge Pumping	X				
Waste Sludge Pumping	X				
Filters	X				
Disinfection and Outfall	X				
Sludge Thickening	X				
Sludge Pumping	X				
Biosolids Management	X				
Customer Service	X				

STEP 1B: FUNCTIONS TO COST POOLS

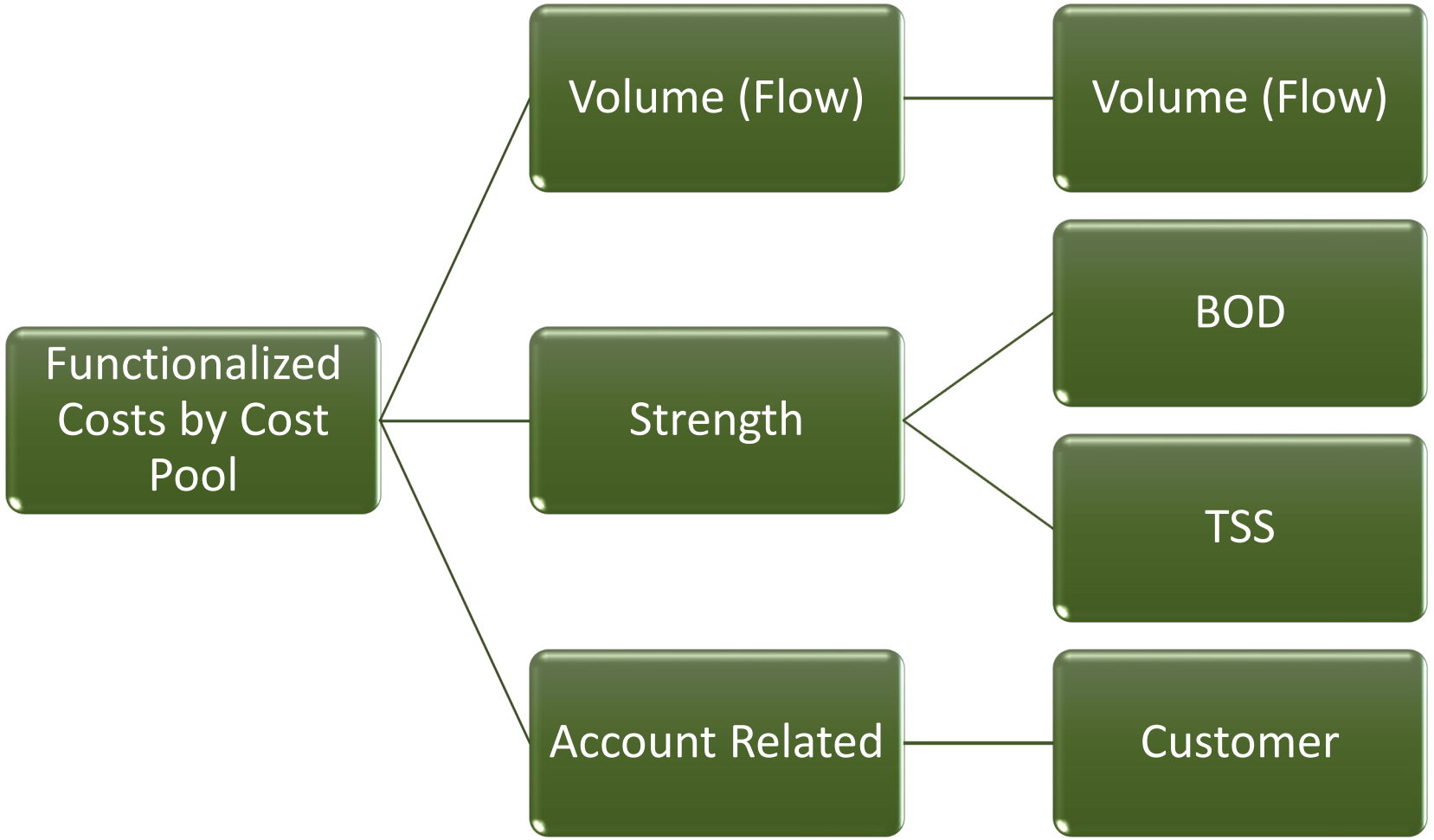
Functional Category	Joint	Retail Only	Wholesale	Commercial & Industrial Monitoring	Extra Strength Surcharge Customer	Preliminary Net Revenue Requirement
Collection	-	114.63	-	-	-	114.63
Interceptors	65.49	-	-	-	-	65.49
Lift Stations (Conveyance)	18.34	-	-	-	-	18.34
Plant Raw WW Pumping	5.19	-	-	-	-	5.19
Preliminary Treatment	1.12	-	-	-	-	1.12
Industrial Waste Control	-	-	-	1.38	1.38	2.75
Bar Screens	0.62	-	-	-	-	0.62
Grit Removal	0.16	-	-	-	-	0.16
Primary Clarifiers	2.80	-	-	-	-	2.80
Flow Equalization Basins	3.13	-	-	-	-	3.13
Aeration Basins	13.82	-	-	-	-	13.82
Secondary Clarifiers	4.97	-	-	-	-	4.97
Return Sludge Pumping	0.96	-	-	-	-	0.96
Waste Sludge Pumping	0.16	-	-	-	-	0.16
Filters	4.42	-	-	-	-	4.42
Disinfection and Outfall	24.94	-	-	-	-	24.94
Revenue Allocated Costs	23.04	-	-	-	-	23.04
Sludge Thickening	6.47	-	-	-	-	6.47
Sludge Pumping	-	-	-	-	-	-
Biosolids Management	26.86	-	-	-	-	26.86
Wholesale & Industrial Ser	-	-	0.07	0.02	-	0.08
Customer Service	15.93	-	-	-	-	15.93
Indirect Treatment	0.52	-	-	-	-	0.52
Indirect	4.94	2.01	0.00	0.06	0.06	7.08
Total	**$ 223.90**	**$ 116.64**	**$ 0.07**	**$ 1.46**	**$ 1.44**	**$ 343.51**

STEP 1C: COST POOL FUNCTIONALIZATION

Functional Category	Mains	Lift Stations	Preliminary Treatment	Primary Treatment	Aeration	Secondary Treatment	Sludge Pumping	Other Sludge-Related
Joint	66.55	18.81	10.49	2.91	14.16	6.13	0.17	6.52
Retail Only	116.64	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-
Commercial & Industrial Monitoring	-	-	-	-	-	-	-	-
Extra Strength Surcharge Customer	-	-	-	-	-	-	-	-
Total	**$ 183.19**	**$ 18.81**	**$ 10.49**	**$ 2.91**	**$ 14.16**	**$ 6.13**	**$ 0.17**	**$ 6.52**

Functional Category	Effluent Disposal	Biosolids Management	Services	Industrial Waste Control	Customer Services	Revenue Allocated Costs	Preliminary Net Revenue Requirement
Joint	30.74	27.71	-	-	16.67	23.04	223.90
Retail Only	-	-	-	-	-	-	116.64
Wholesale	-	-	0.07	-	-	-	0.07
Commercial & Industrial Monitoring	-	-	0.02	1.44	-	-	1.46
Extra Strength Surcharge Customer	-	-	-	1.44	-	-	1.44
Total	**$ 30.74**	**$ 27.71**	**$ 0.09**	**$ 2.88**	**$ 16.67**	**$ 23.04**	**$ 343.51**

ALLOCATION TO COST CAUSATIVE COMPONENTS



COST CAUSATIVE COMPONENTS

1. Volume – Costs associated with conveying wastewater flow through the system, including collection and treatment assets
2. BOD – Costs associated with treating biochemical oxygen demand (BOD)
3. TSS – Costs associated with treating total suspended solids (TSS)
4. Customer – Costs associated with serving customers

STEP 2: ALLOCATION TO COST CAUSATIVE COMPONENTS

Causative Components	Flow	BOD	TSS	Customer	Preliminary Net Revenue Requirement
Mains	183.19	-	-	-	183.19
Lift Stations	18.81	-	-	-	18.81
Preliminary Treatment	10.49	-	-	-	10.49
Primary Treatment	-	1.02	1.89	-	2.91
Aeration	-	14.16	-	-	14.16
Secondary Treatment	-	6.13	-	-	6.13
Sludge Pumping	-	0.09	0.09	-	0.17
Other Sludge-Related	-	3.26	3.26	-	6.52
Effluent Disposal	30.74	-	-	-	30.74
Biosolids Management	-	13.85	13.85	-	27.71
Services	0.09	-	-	-	0.09
Industrial Waste Control	1.44	1.18	0.26	-	2.88
Customer Services	-	-	-	16.67	16.67
Revenue Allocated Costs	13.55	4.02	2.05	3.42	23.04
Total	**$ 258.30**	**$ 43.71**	**$ 21.41**	**$ 20.09**	**$ 343.51**

DEVELOPMENT OF BOD/TSS: INFLOW AND INFILTRATION (I/I)

- Contribution of BOD and TSS determination:
  - Direct flow for most retail customers (i.e., non-sampled) is 200 mg/L
  - Sampled industrial customers based on actual strength
- I/I for all customer classes:
  - 40 mg/L for BOD
  - 95 mg/L for TSS
- System I/I percentage is 10.5%
- I/I distributed to customer classes based on billed flow

UNITS OF SERVICE - FLOW

Wastewater Flows by Customer Class	Annual Billed Flow (kGal)	Flow Allocated (kGal)	Total Contributed Flow (kGal)	% of Total Flow
Retail				
Residential	11,534,239	1,211,095	12,745,334	32.90%
Multi-Family	11,912,306	1,250,792	13,163,098	33.98%
Commercial	8,135,034	854,179	8,989,212	23.21%
Cypress	187,499	19,687	207,186	0.53%
NXP - Ed Bluestein Blvd	233,901	24,560	258,461	0.67%
NXP - W William Cannon	222,783	23,392	246,175	0.64%
Samsung	1,425,595	149,687	1,575,283	4.07%
University of Texas	244,798	25,704	270,502	0.70%
Wholesale				
Mid Tex Utilities (Avana Sub)	65,311	6,858	72,169	0.19%
Comanche Canyon (WCID17)	7,030	738	7,768	0.02%
North Austin MUD	187,964	19,736	207,701	0.54%
Northtown MUD	186,028	19,533	205,561	0.53%
Rollingwood	56,126	5,893	62,019	0.16%
Shady Hollow MUD	132,345	13,896	146,241	0.38%
Sunset Valley MUD	78,927	8,287	87,214	0.23%
Steiner Ranch (WCID17)	146,626	15,396	162,022	0.42%
Wells Branch MUD	246,679	25,901	272,580	0.70%
Westlake Hills	53,189	5,585	58,774	0.15%
Total System	**35,056,378**	**3,680,920**	**38,737,298**	**100.00%**

UNITS OF SERVICE - BOD

Wastewater BOD by Customer Class	Billed Flow lbs/day	I&I lbs/day	Total	% of Total lbs/day
Retail				
Residential	44,143.86	927.02	45,070.88	29.47%
Multi-Family	45,590.80	957.41	46,548.21	30.43%
Commercial	31,134.42	653.82	31,788.24	20.78%
Cypress	158.77	15.07	173.84	0.11%
NXP - Ed Bluestein Blvd	505.78	18.80	524.58	0.34%
NXP - W William Cannon	729.00	17.91	746.91	0.49%
Samsung	1,391.29	114.58	1,505.87	0.98%
University of Texas	824.47	19.67	844.14	0.55%
Extra Strength Surcharge	21,795.44	-	21,795.44	14.25%
Wholesale				
Mid Tex Utilities (Avana Sub)	249.96	5.25	255.21	0.17%
Comanche Canyon (WCID17)	0.74	0.57	1.31	0.00%
North Austin MUD	719.38	15.11	734.48	0.48%
Northtown MUD	711.97	14.95	726.92	0.48%
Rollingwood	214.80	4.51	219.32	0.14%
Shady Hollow MUD	506.51	10.64	517.15	0.34%
Sunset Valley MUD	302.07	6.34	308.41	0.20%
Steiner Ranch (WCID17)	15.46	11.78	27.24	0.02%
Wells Branch MUD	944.09	19.83	963.92	0.63%
Westlake Hills	203.57	4.27	207.84	0.14%
Total System	**150,142.37**	**2,817.52**	**152,959.89**	**100.00%**

UNITS OF SERVICE - TSS

Wastewater TSS by Customer Class	Billed Flow lbs/day	I&I lbs/day	Total	% of Total lbs/day
Retail				
Residential	44,143.86	2,201.68	46,345.54	33.56%
Multi-Family	45,590.80	2,273.84	47,864.64	34.66%
Commercial	31,134.42	1,552.83	32,687.25	23.67%
Cypress	78.94	35.79	114.73	0.08%
NXP - Ed Bluestein Blvd	189.11	44.65	233.76	0.17%
NXP - W William Cannon	251.53	42.53	294.05	0.21%
Samsung	422.84	272.12	694.96	0.50%
University of Texas	950.95	46.73	997.67	0.72%
Extra Strength Surcharge	4,779.20	-	4,779.20	3.46%
Wholesale				
Mid Tex Utilities (Avana Sub)	249.96	12.47	262.43	0.19%
Comanche Canyon (WCID17)	0.45	1.34	1.80	0.00%
North Austin MUD	719.38	35.88	755.26	0.55%
Northtown MUD	711.97	35.51	747.48	0.54%
Rollingwood	214.80	10.71	225.52	0.16%
Shady Hollow MUD	506.51	25.26	531.77	0.39%
Sunset Valley MUD	302.07	15.07	317.13	0.23%
Steiner Ranch (WCID17)	9.46	27.99	37.44	0.03%
Wells Branch MUD	944.09	47.09	991.18	0.72%
Westlake Hills	203.57	10.15	213.72	0.15%
Total System	**131,403.89**	**6,691.62**	**138,095.51**	**100.00%**

UNITS OF SERVICE - CUSTOMER

Based on equivalent meters

Wastewater Accounts by Customer Class	Equivalent Accounts	% of Total Accounts
Retail		
Residential	222,239	93.19%
Multi-Family	4,873	2.04%
Commercial	11,343	4.76%
Cypress	1	0.00%
NXP - Ed Bluestein Blvd	1	0.00%
NXP - W William Cannon	1	0.00%
Samsung	1	0.00%
University of Texas	14	0.01%
Wholesale		
Mid Tex Utilities (Avana Sub)	1	0.00%
Comanche Canyon (WCID17)	1	0.00%
North Austin MUD	1	0.00%
Northtown MUD	1	0.00%
Rollingwood	1	0.00%
Shady Hollow MUD	1	0.00%
Sunset Valley MUD	1	0.00%
Steiner Ranch (WCID17)	1	0.00%
Wells Branch MUD	1	0.00%
Westlake Hills	1	0.00%
Total System	**238,483.00**	**100.00%**

STEP 3: DISTRIBUTION TO CUSTOMER CLASSES

	Flow	BOD	TSS	Customer	Preliminary Net Revenue Requirement
Retail					
Residential	85.80	12.53	7.10	18.72	124.15
Multi-Family	88.61	12.94	7.33	0.41	109.29
Commercial	61.77	8.84	5.01	0.96	76.57
Cypress	1.41	0.05	0.02	0.00	1.48
NXP - Ed Bluestein Blvd	1.76	0.15	0.04	0.00	1.94
NXP - W William Cannon	1.68	0.21	0.05	0.00	1.93
Samsung	10.73	0.42	0.11	0.00	11.25
University of Texas	1.84	0.23	0.15	0.00	2.23
Extra Strength Surcharge	-	7.24	0.99	-	8.23
Total Retail	$ 253.60	$ 42.61	$ 20.78	$ 20.09	$ 337.07
Wholesale					
Mid Tex Utilities (Avana Sub)	0.27	0.07	0.04	0.00	0.38
Comanche Canyon (WCID17)	0.03	0.00	0.00	0.00	0.03
North Austin MUD	0.76	0.20	0.12	0.00	1.08
Northtown MUD	0.75	0.20	0.11	0.00	1.07
Rollingwood	0.23	0.06	0.03	0.00	0.32
Shady Hollow MUD	0.54	0.14	0.08	0.00	0.76
Sunset Valley MUD	0.32	0.09	0.05	0.00	0.45
Steiner Ranch (WCID17)	0.60	0.01	0.01	0.00	0.61
Wells Branch MUD	1.00	0.27	0.15	0.00	1.42
Westlake Hills	0.22	0.06	0.03	0.00	0.31
Total Wholesale	$ 4.71	$ 1.10	$ 0.63	$ 0.00	$ 6.44
Total System	**$ 258.30**	**$ 43.71**	**$ 21.41**	**$ 20.09**	**$ 343.51**

SUMMARY OF UNITS OF SERVICE

Cost Causative Component		Preliminary Net Revenue Requirement	% of Total
Flow	$	258.30	75.20%
BOD	$	43.71	12.72%
TSS	$	21.41	6.23%
Customer	$	20.09	5.85%
Total	**$**	**343.51**	**100.00%**

DRAFT WASTEWATER COST OF SERVICE RESULT

	Preliminary Net Revenue Requirement	% of whole
Retail		
Residential	124.15	36.14%
Multi-Family	109.29	31.82%
Commercial	76.57	22.29%
Cypress	1.48	0.43%
NXP - Ed Bluestein Blvd	1.94	0.57%
NXP - W William Cannon	1.93	0.56%
Samsung	11.25	3.28%
University of Texas	2.23	0.65%
Extra Strength Surcharge	8.23	2.40%
Total Inside City Retail	337.07	
Wholesale		
Mid Tex Utilities (Avana Sub)	0.38	0.11%
Comanche Canyon (WCID17)	0.03	0.01%
North Austin MUD	1.08	0.32%
Northtown MUD	1.07	0.31%
Rollingwood	0.32	0.09%
Shady Hollow MUD	0.76	0.22%
Sunset Valley MUD	0.45	0.13%
Steiner Ranch (WCID17)	0.61	0.18%
Wells Branch MUD	1.42	0.41%
Westlake Hills	0.31	0.09%
Total Wholesale	6.44	
Total System	**$ 343.51**	**100.00%**

Note: All results are subject to change. The material contained herein is for information and discussion only and does not reflect the final results of the study.

QUESTIONS?

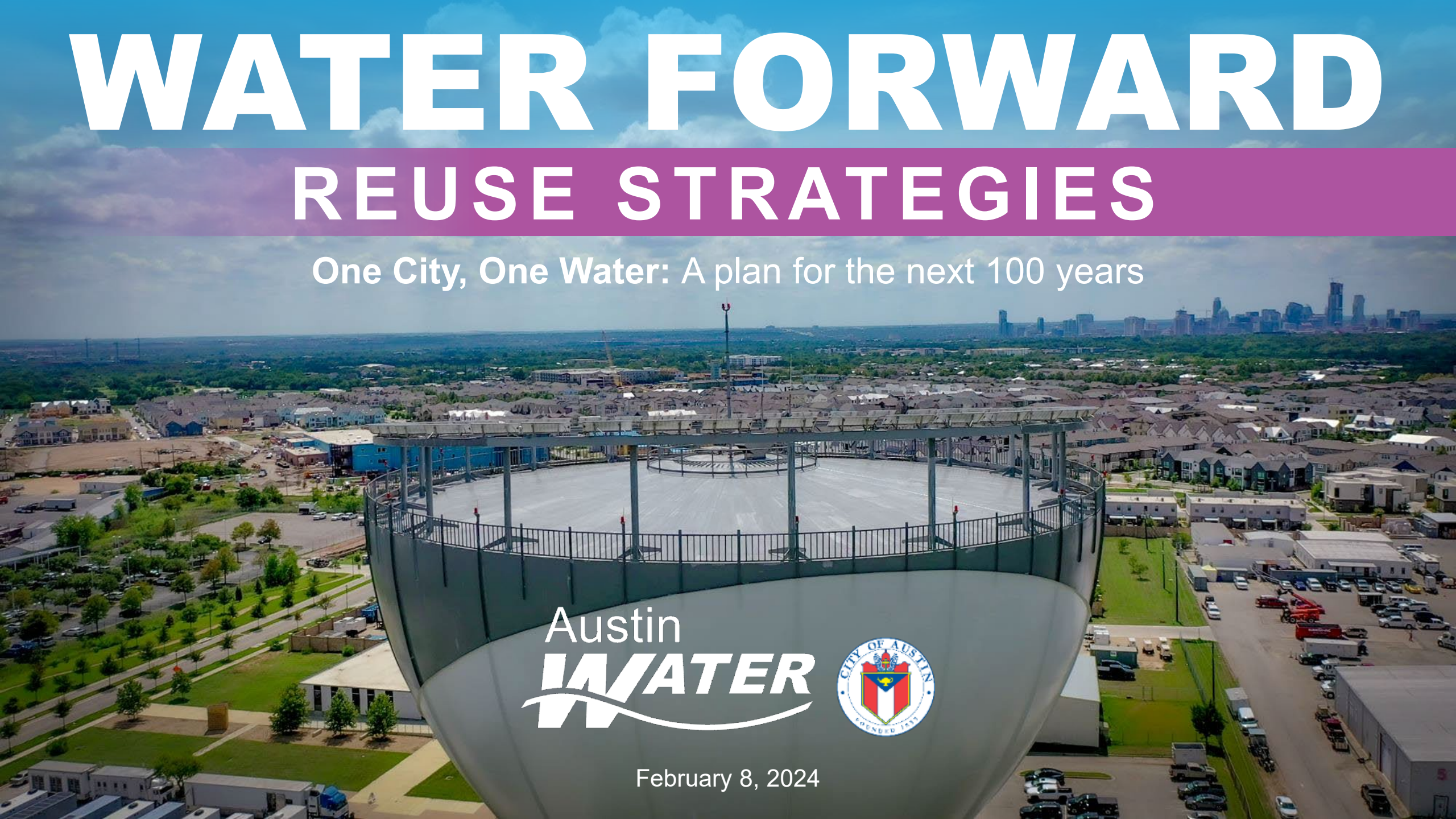
NEWGEN STRATEGIES AND SOLUTIONS
8140 NORTH MOPAC EXPY, SUITE 1-240
AUSTIN, TX 78759

ANDY MCCARTNEY
ERIC CALLOCCHIA
GRANT RABON

WATER FORWARD

REUSE STRATEGIES

One City, One Water: A plan for the next 100 years



Austin WATER

February 8, 2024

Water Forward

Water Forward is **Austin's 100-year integrated water resource plan,** unanimously adopted by Council in November 2018. Water Forward identifies diverse and environmentally conscious water management strategies to **adapt to growth, drought, and climate change** and ensure a sustainable, resilient, equitable, and affordable water future for our community.

Water Forward Guiding Principles

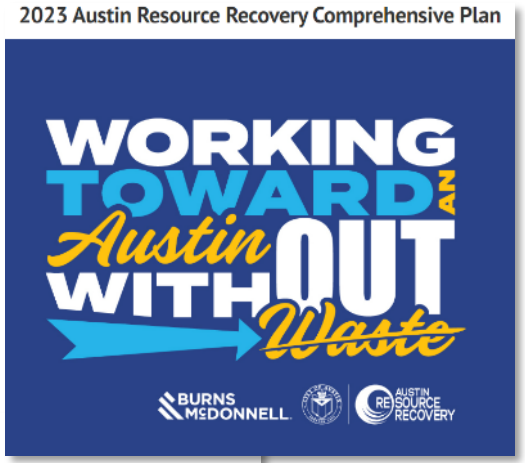
Water Forward is updated on a 5-year cycle. The updated plan will be submitted for Council Approval in November 2024.

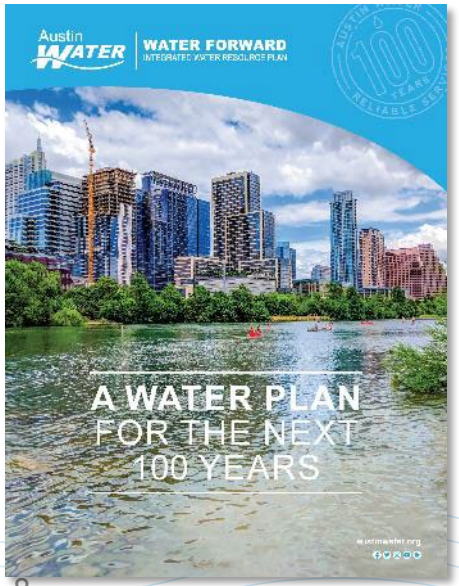
- Resiliency
- Inclusive approach + Community values
- Diverse strategies
- Equity + Affordability
- Protect the Colorado River
- Reduce operational risks
- Focus on local supplies

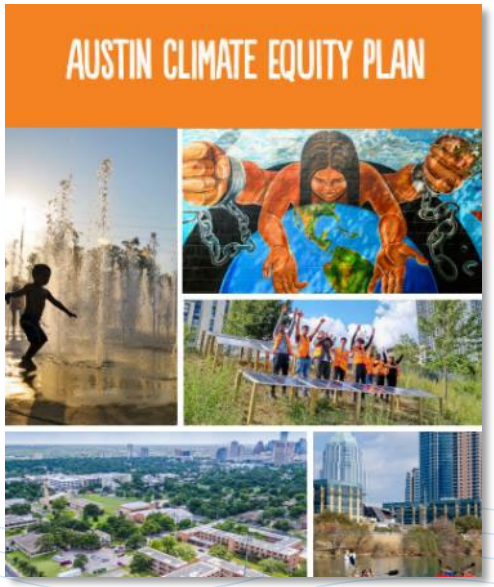
WATER FORWARD

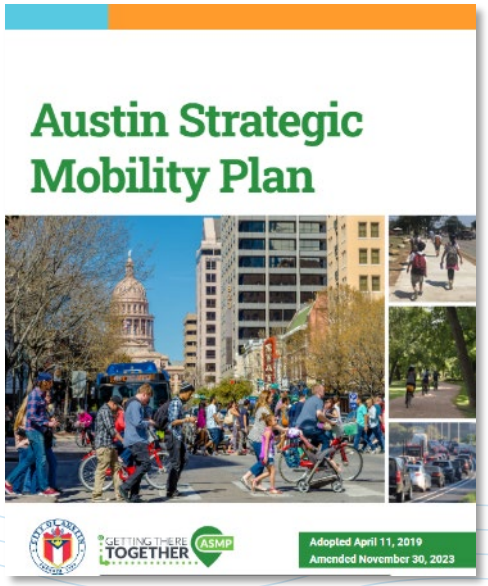
One City One Water One Approach

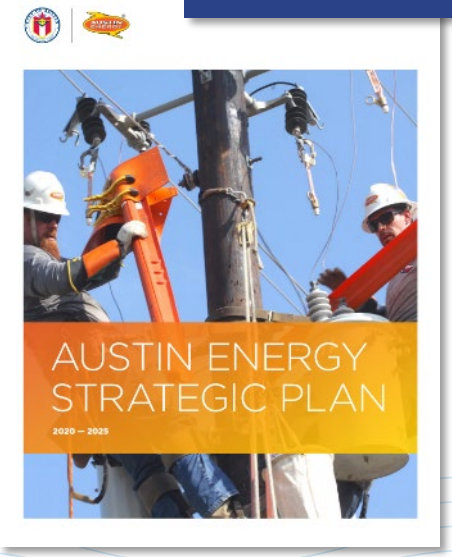
- **Environmental Sustainability & Climate Equity**
- **Affordability**
- **Reliability & Resiliency**



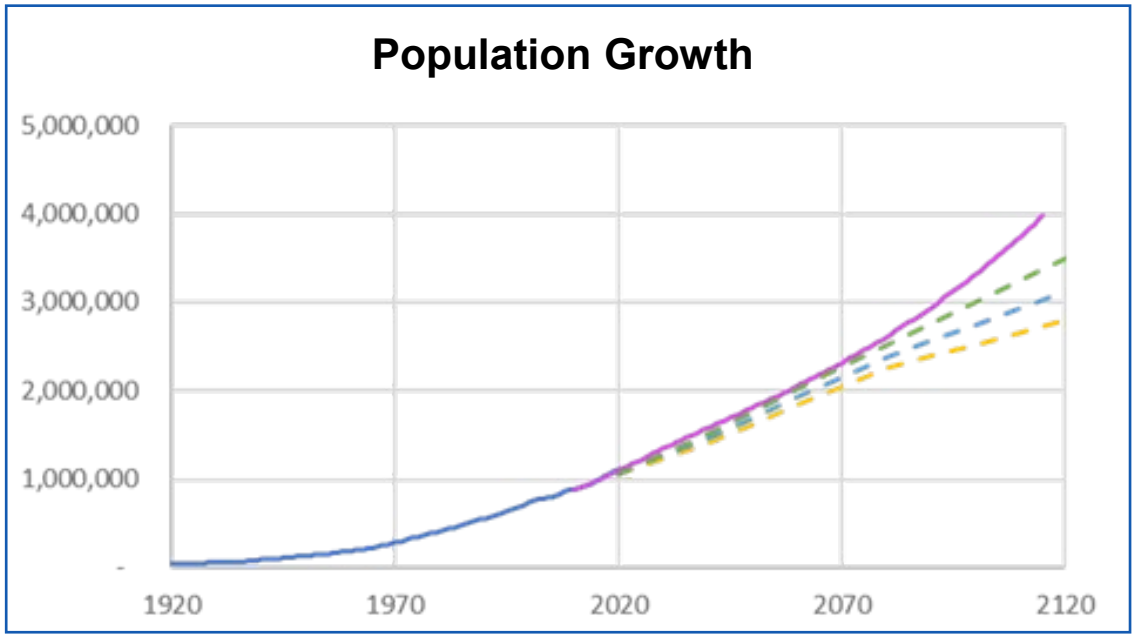


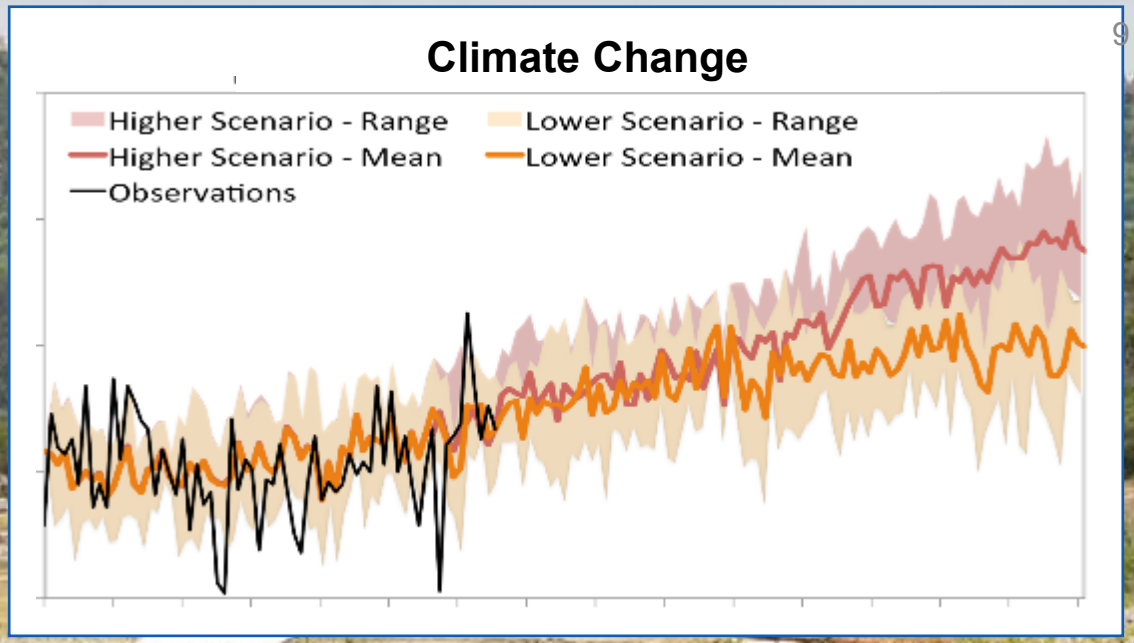






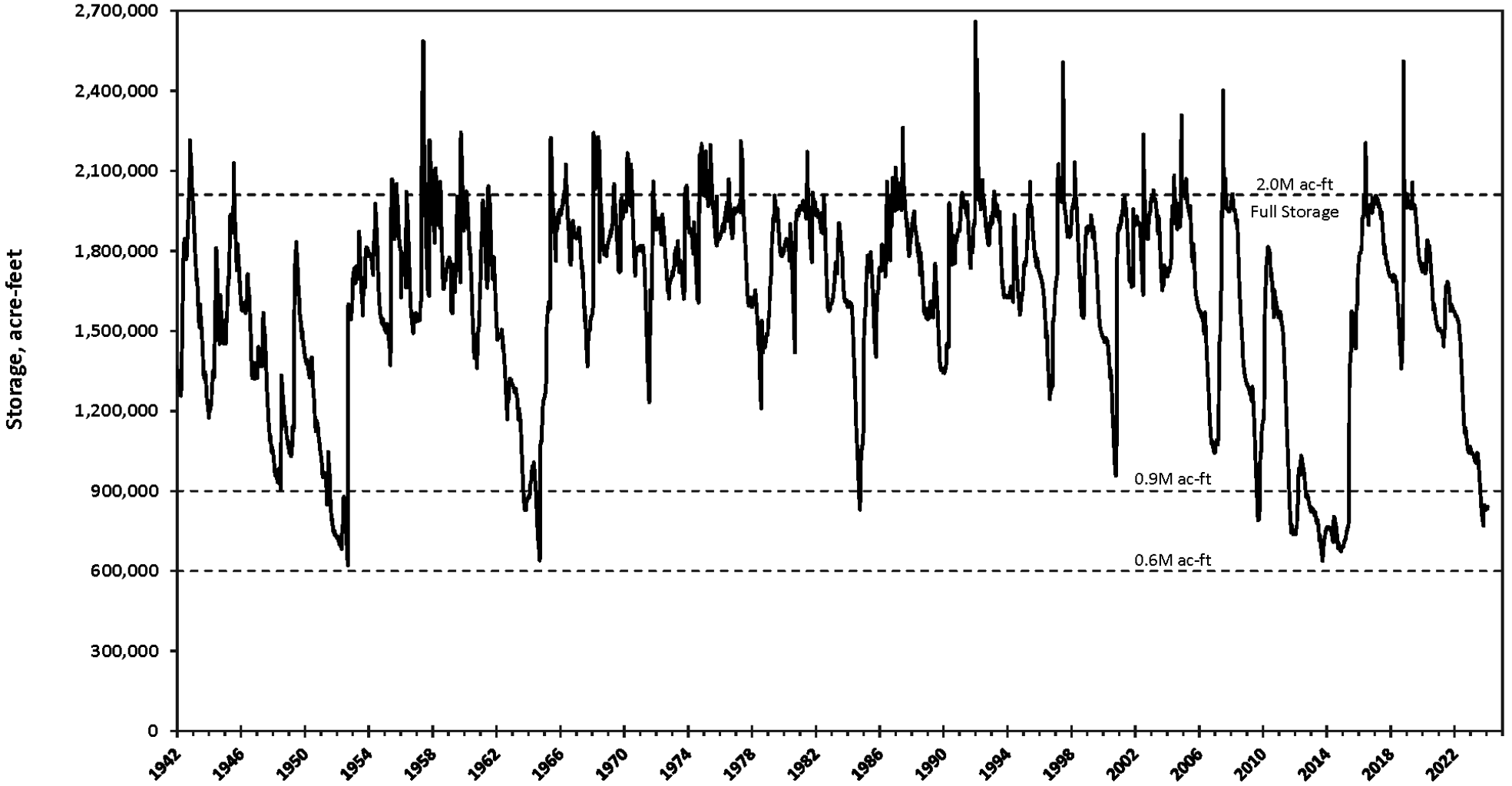
Planning for Uncertainty





Combined Storage

Lakes Buchanan and Travis



Water Forward Strategies

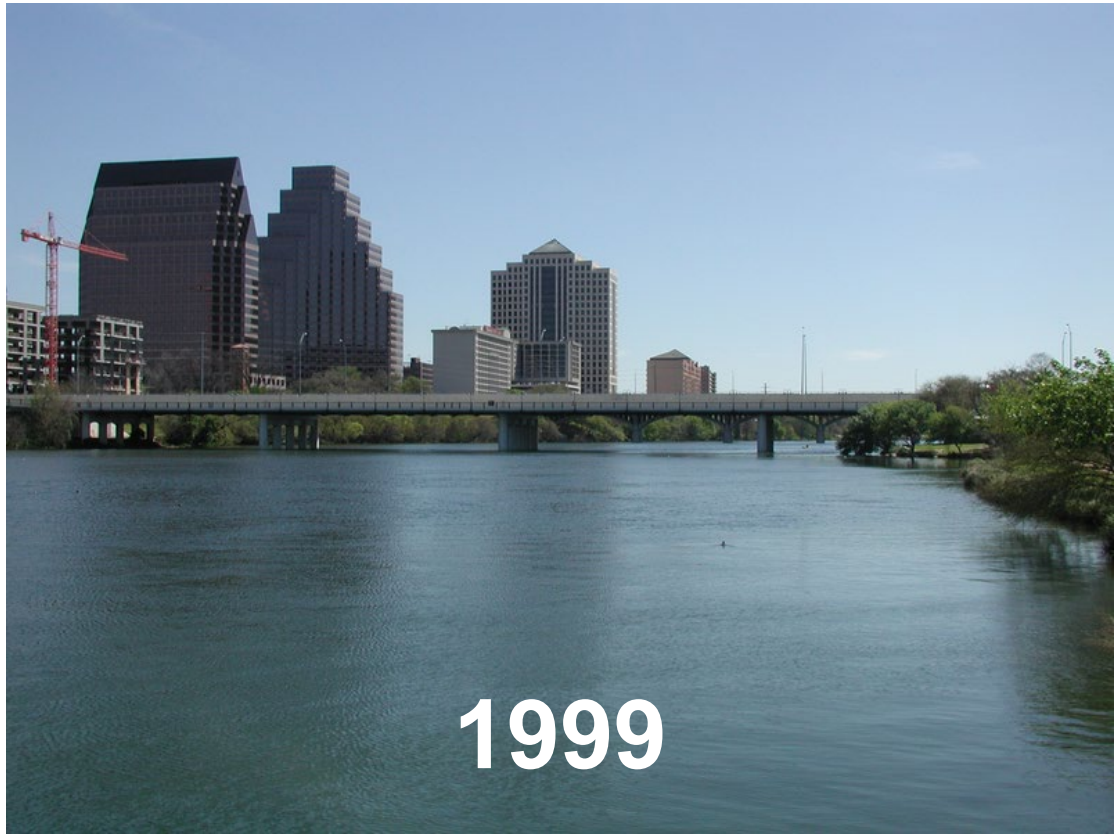
Reuse

Conservation

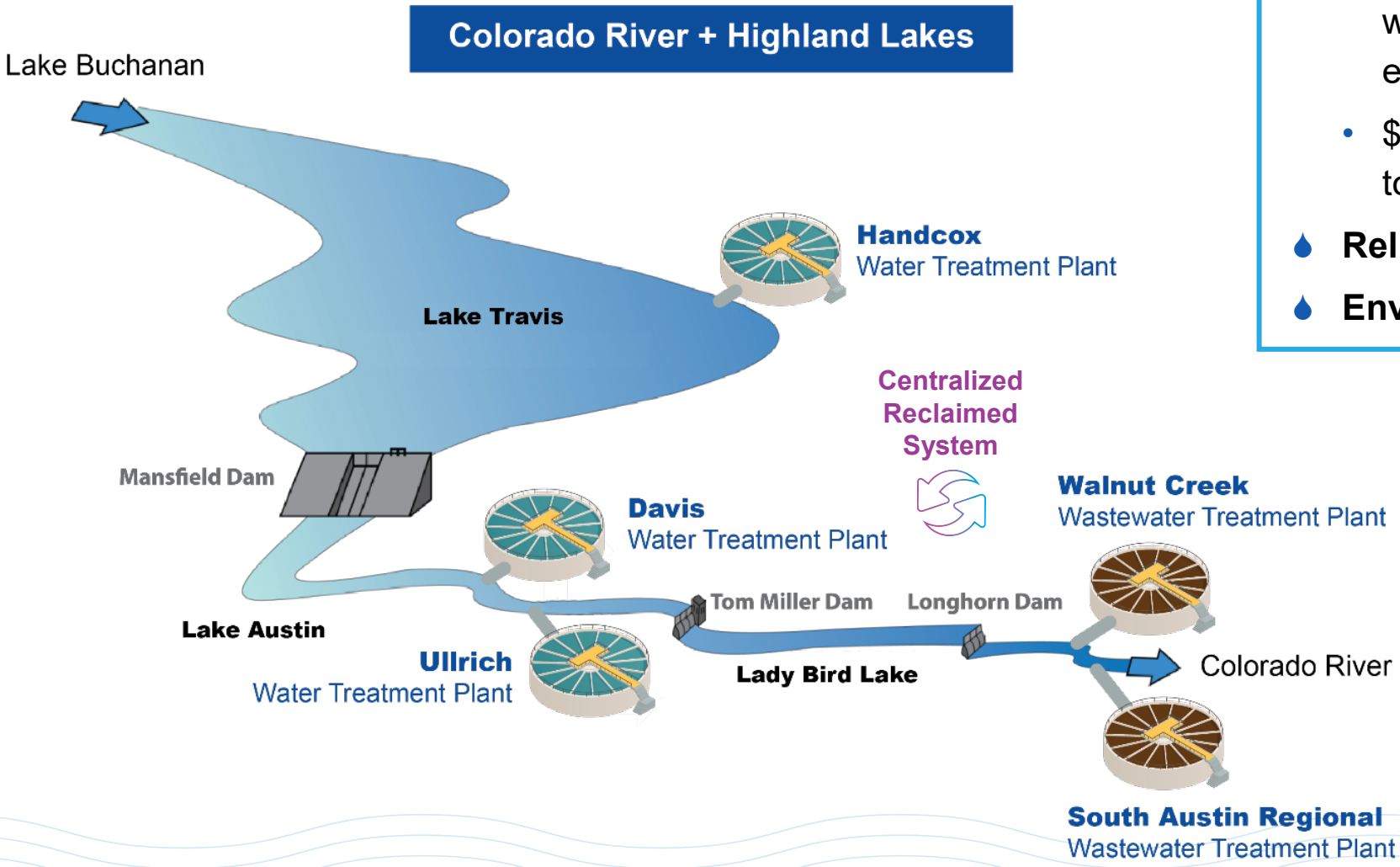
Supply

Partnerships

Why Now? Why Reuse?



Value of Reuse



- **Affordability**
  - LCRA dditional use payments trigger when average for 2 consecutive years exceeds 201,000 afy
  - $10M+ Annual Cost Savings to Customers
- **Reliability & Resiliency**
- **Environmental Sustainability**

AW & COA Leading the Way

Advancing Reuse

- **Central Library**
- **Permitting & Development Center**
- **Austin Energy Headquarters**
- **Other Developments**
  - **Austin Peace Academy**
  - **Waterloo Park Restrooms**
  - **Mueller Visitor Center**
  - **Travis County Community Center**

Reuse Strategies

Water Forward
Reuse & Conservation
Implementation Highlights

Reuse

- ✓ Onsite Water Reuse System (OWRS) regulatory framework and incentive approved by Council
- ✓ New Voluntary Reclaimed Water Connection incentive developed

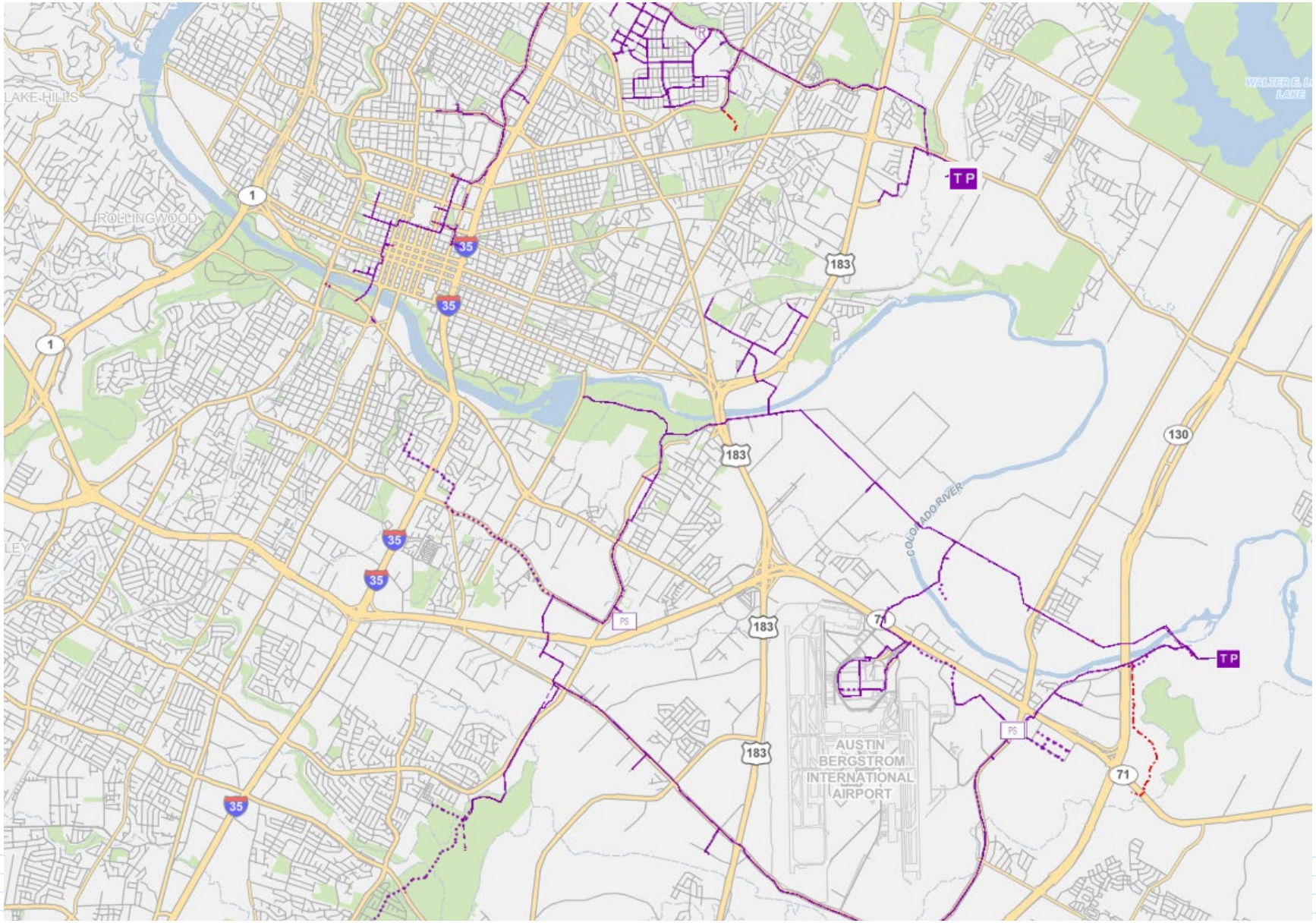
Conservation

- ✓ Water benchmarking, onsite water reuse, and extension of reclaimed water connection requirements approved by Council

Investments to Advance Reuse

1995	2005	2015	2025	2035
Walnut Creek WWTP Reclaimed Water Initiative Phase 1A&B	Central Zone Projects 51st Street Tank Bulk Fill Stations	Montopolis Tank & Pump Station Planning and Development Center On-Site Reclamation Facility	South Austin Regional WWTP Pump Station Walnut Creek WWTP Metering Surge Analysis	Indirect Potable Reuse Planning Decentralized WWTPs Design Criteria Montopolis Elevated Storage Tank
$100 million		$94 million		$203 million
Reclaimed Water Mains Montopolis Downtown Capital Complex Red River University of Texas Austin-Bergstrom Airport	**Reclaimed Water Mains** Decker Lane Onion Creek District Park Krieg Fields Seaholm Street	**Reclaimed Water Mains** Onion Creek Oltorf Street South 1st Street West Riverside ABIA North Loop 3rd St: Guadalupe to Nueces	**Reclaimed Water Mains** Travis County Courthouse SAR WWTP to SH71 8th St: Congress to West Lake and Rattan Area Planning	**Reclaimed Water Mains** SH71 to US183 SH71 to Lady Bird Lake Downtown Toomey Road

Advancing Reuse across Austin



Reuse Strategies

New Affordability Incentives

Incentives to support expansion and adoption of reuse strategies

Reclaimed Water System

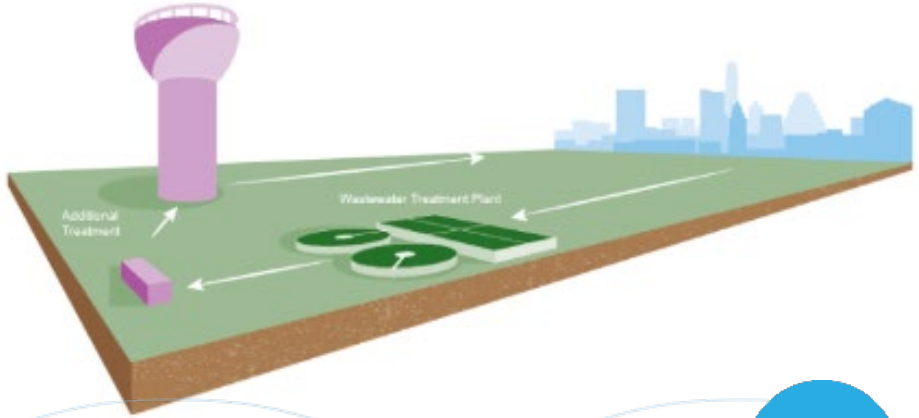
Expanding AW's centralized reclaimed water system

Community-scale Reclaimed Water

Localized treatment facilities and distribution systems

Onsite Water Capture and Reuse

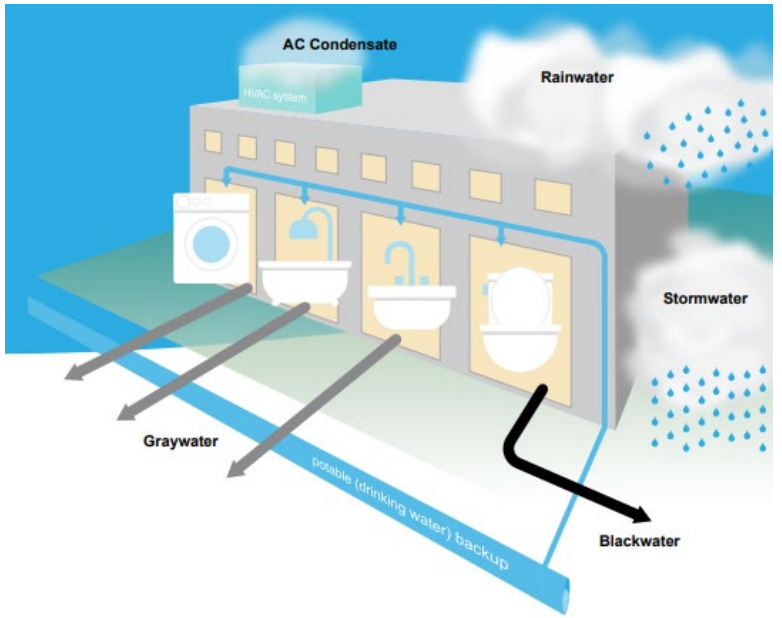
Commercial and multifamily rainwater, stormwater, graywater, and air conditioning condensate



Addressing Affordability

Advancing Reuse

- Incentives and grants for reuse and conservation
- Reduced monthly fixed charges
- Expedited building permit review process
- Low interest loan program
- Cost sharing
- Travis County PACE Loan Program



Funding Strategies
Advancing Reuse

- **Community Benefit Charge (CBC)**
  - Add an extra $0.15 per thousand gallons to AW's CBC to fund reclaimed water system expansion and onsite reuse programs
- **OWRS Alternative Fee**
  - Large developments greater than 500 feet from centralized reclaimed will install dual plumbing and pay a fee to support reclaimed system expansion in place of implementing OWRS
- **Purple Choice and Purple Choice Plus**
  - Voluntary rate program for AW residential and commercial customers to fund reclaimed system expansion and programs
- **Excess Usage Fees**
  - Fees applied when potable water allotments from Water Benchmarking are exceeded

Development Size	Current Requirements Effective 12/1/2021	Proposed Updates to Requirements Effective 4/1/2024
Small <250,000 square feet	• Water Benchmarking • Connect to centralized reclaimed water within 250 feet	• No Change
Large ≥250,000 square feet without multifamily	• Water Benchmarking • Connect to centralized reclaimed water within 500 feet	• Water Benchmarking • Connect to centralized reclaimed water within 500 feet; or • Install an onsite water reuse system; or • Install dual plumbing, make ready to connect to centralized reclaimed water, and pay a fee to support reclaimed system expansion, for developments greater than 500 feet from centralized reclaimed water
Large ≥250,000 square feet with multifamily (E***xclude projects accredited for Affordability Unlocked or State Low Income Housing Tax Credit)***	• Water Benchmarking • Connect to centralized reclaimed water within 250 feet	• Water Benchmarking • Connect to centralized reclaimed water within 500 feet; or • Install an onsite water reuse system; or • Install dual plumbing, make ready to connect to centralized reclaimed water, and pay a fee to support reclaimed system expansion, for developments greater than 500 feet from centralized reclaimed water

Key 2024 Activities

Advancing Reuse

March 7: PURPLE PIPE DAY!

- **Council considers** Code changes for Onsite Water Reuse Systems and Reclaimed Water System Connections
- **Council considers** reauthorizing existing incentive program
- **Council considers** Community Benefit Charge increase ($0.15 per thousand gallons) to fund Reclaimed Water System expansion and Onsite Reuse programs
- **Council considers** reclaimed water Interlocal Agreement with Travis County.

August

- Budget adoption, including new rates and incentives for reclaimed water system expansion

Questions?