

# 5MP Municipal Proposals Questionnaire Responses

These are responses were collected from a questionnaire distributed on April 5, 2021.

(\*Note: Different colors are diffent reponses)

## Please provide any feedback and/or questions you have regarding the 5MP GPCD Proposal:

The proposed Default Target Calculation is note worthy compromise by the Department to simplify the GPCD program. Mesa recommends retaining the effluent incentives as they exist without modifications for the Fifth Management Plan. In addition, taking into consideration changing water demands, Mesa recommends the Flex Account provisions be adjusted to +45/-20. This would allow a "backstop" for providers to address swings in Total GPCD. Overall, this proposal appears to be going in the right direction and provides more transparency to this program. One question is, why would spill water be used in calculating GPCD? This water would otherwise be released and sent downstream not for beneficial use.

### Total GPCD Target Calculation

AMWUA understands that ADWR is committed to retaining a Total GPCD conservation program to satisfy the "reductions in per capita water use" statutory provision of the Management Plans. With this approach fixed for the 5MP, we acknowledge that the annual 1% GPCD reduction from the previous 3-year average is an improvement over the methodology for the 4MP. Nevertheless, this improvement does not address all of the issues inherent in trying to utilize Total GPCD as an instrument for driving conservation. We would like to reiterate a number of points that AMWUA has made previously throughout the 5MP stakeholder process. Namely, that Total GPCD calculations are often erroneously utilized to compare water use between different entities and that this metric is frequently misconstrued as a measurement of a resident's average water use within a water provider's service area. ADWR's Total GPCD Program adds more complexity into the mix, utilizing this metric as a regulatory mechanism. Considering this context, and the fact that the Total GPCD Target and Compliance calculations have changed between every single Management Plan, we ask that ADWR continue to pay special attention to the way in which the 5MP Total GPCD Program is described within the Management Plan and how those calculations are used elsewhere.

### Total GPCD Compliance Calculation

Since the 1st Management Plan, ADWR's Total GPCD calculation has encouraged the utilization of reclaimed water as a renewable supply alternative to groundwater. This latest proposal would modify the Total GPCD calculation in a way that would disincentivize Direct Potable Reuse (DPR) while maintaining the existing provisions for direct-use reclaimed water. Discouraging advancements toward DPR is not the appropriate direction to take the regulatory framework for water management. Additionally, the language as proposed on 4/6/21 raises other questions. Would effluent recovered within the area of impact that was distributed for potable use now be included in the GPCD calculation? If so, this would change the Total GPCD Program to penalize responsible recovery of effluent near the location of storage. In light of these and other potential issues, ADWR should maintain the compliance calculation for Total GPCD as it currently is. There is ample opportunity for further, more in-depth discussions on this topic in the 5th Management Period.

### GPCD Flex Account Modifications

As ADWR notes in its 4/6/21 proposal and the 4th Management Plan, the Flexibility Account provision of the Total GPCD Program was designed to provide water providers with flexibility to "borrow or bank water [in years with] variation in use caused by weather or other unforeseen circumstances." It is not clear why the Flexibility Account provisions need to be adjusted in the 5th Management Plan. In fact, Arizona has recently experienced a year of record heat and is still enduring a pandemic that many certainly consider an "unforeseen circumstance" which warrants regulatory flexibility. The Flexibility Accounts should not be changed solely for the sake of consistency. Each of the five AMAs has its own unique considerations, including differing climate, water resources, and demand profiles and do not necessarily need alignment in every aspect of their conservation programs. At a minimum, the debit limit in the Phoenix AMA should not be reduced from -20, as that threshold provides an appropriate cushion for water providers to absorb highly variable year-to-year changes in water demand.

Although not currently regulated under the GPCD program, Arizona Water Company would like to comment on the GPCD program to show our support of other providers regulated under the GPCD program and provide suggestions that AWC

believes could improve the current program. The proposed GPCD calculation includes an expectation that providers reduce GPCD by 1% each year, however, there is a point where GPCD reductions are no longer feasible for a service area. We suggest that there should be a minimum threshold below which providers will no longer be required to reduce GPCD by 1% per year. Additionally, it should be considered that GPCD reductions be tiered based on the current GPCD rating for a provider. For example, instead of having all providers reduce GPCD by 1%, have providers with a GPCD of 120 reduce by 1% and providers with a significantly smaller GPCD only reduce by 0.5%. The threshold for GPCD requiring different percent annual reductions would have to be determined by ADWR, however, we believe that a tiered reduction requirement would be more equitable than what is currently proposed.

Scottsdale Water appreciates the effort to move toward a more straight-forward GPCD calculation that will be more responsive. We support the new minimum, default, and maximum metrics. While Scottsdale Water understands why the Department will continue to use GPCD calculations in the 5th Management Plan, using GPCD as a metric still presents challenges. To help combat these challenges Scottsdale Water strongly encourages the following:

- use of a more responsive population metric, such as Maricopa Associations of Governments (MAG) estimates;
- a disclaimer on all documentation and published GPCD metrics that GPCD is not an industry standard, it is not indicative of what a typical resident uses per day, and it is important not to take these metrics out of context;
- and finally, a change in rhetoric around the GPCD and NPCCP to better highlight that they are equal programs designed to achieve equivalent water use efficiency in the municipal provider's service area.

We understand that the Department is currently required to use census data. However, organizations like MAG also use census data plus additional data sets to achieve a more realistic population count in the interim between the decadal accounting of census. We encourage the Department to understand how MAG accounts for population, and in the pursuit of more accurate data, look at the possibility of finding ways to update the mandate that could assist flexibility with a more accurate representation of population. Scottsdale Water does not support the extinguishment of the effluent exemption. This exemption was put in place to incentivize the beneficial use of reclaimed water and we believe this is still applicable. We also believe the implications of extinguishing this program have a wider breadth of consequences and warrants a larger conversation. If it is decided to table this concept for future considerations, this idea would also need to be consistent and coupled with programs like conservation allotments for turf facilities, and that also would need to be a larger stakeholder process.

### **Please provide any feedback and/or questions you have regarding the 5MP NPCCP Proposal:**

The proposed revisions to the NPCCP appear more focused and quantifiable. The addition of allowing private water companies to partner with local governments is a positive solution. Need to ensure the benefits stay local and not spread across separate service areas.

#### General feedback

Global Water Resources has found the 5MP NPCCP proposal to be acceptable. However, there is concern about the requirement that BMPs be implemented from multiple categories. Considering that every BMP is designed with the same goal to reduce water consumption, selecting BMPs from different categories should have no bearing on the desired result of reduced water use/consumption. The transition between provider tiers based on service connections (especially the transition from Tier 2 to a Tier 3) already requires a very large increase in resources for the conservation program. Doubling the points required and adding in another required category could result in undue burden, especially for those providers who have service connections that are very close to the Tier thresholds. A relatively small city with a population under 100,000 will likely have 30,000 water connections, whereas the largest several cities are from five to over ten times the size. Adding more gradation, particularly between the requirements for 5 and 10 points would more adequately reflect the vast differences in size and needs of Arizona water utilities. All BMP reporting requirements that mention city ordinances should also include the option of referencing ACC tariffs for private water utilities. For example, every BMP in Category 4 should say: Each water provider must submit the requirement's ordinance number OR tariff. This is also relevant to the description of BMP 7.5 section 8.

#### BMP 2.1 – New Homeowner Outreach

- We support this BMP, however, the new reporting requirement of separating materials delivered to newly constructed homes and existing homes may be difficult or impossible for some billing systems. If there is not great benefit to separating these data points, we suggest that providing the lump sum of materials provided would be sufficient.

#### BMP 2.2 – Residential Audit and Landscape Consultation

- Under the description of this BMP it is stated that after consultation that the utility employee who conducted the audit may offer a follow-up visit or interview. We would like to suggest that an online survey should be included as a follow-up option for audits.

#### BMP 2.4 – Residential Water Budget

- Under the description, can you please include the water-use efficiencies/targets described in the 5MP (e.g., how much a residential house should be using) in this BMP for clarity?

#### BMP 3.5 – Approved Comprehensive Water System Audit Program

- Can you please explain what 'Approved' means? Will this BMP require pre-approval (or retroactive approval) of this audit program by ADWR?

#### BMP 7.2 – Staff Education or Training

- Does this BMP only cover education or trainings that are specific to "integrated land use planning and water management"? Is the intent for education and training to only be for courses that integrate both land use planning and water management in one course? This seems exceptionally limited. Can you please elaborate on what types of educational events may qualify?

Arizona Water Company appreciates ADWR's hard work in creating the updates to the 5th Management Plan and incorporating some of the ideas we proposed for an Integrated Conservation Program. We suggest that the 3rd paragraph on the front page of Draft Appendix 5C, needs to include the phrasing "BMP points implemented and managed by either the water company or the municipality or local government count as BMP points for the regulated water provider." We also support ADWR's changes to the reporting requirements for Category 4: Sustainable Water Governance. Requiring direct links to the digital municipal code and requiring the ordinance number within this category will help hold providers accountable, motivate cities to finalize codes, and help encourage enforcement of codes. We suggest, however, that there should be BMP points awarded for the enforcement of codes and ordinances. A methodology for point accrual for enforcement would have to be developed, but overall we believe that providing incentive for enforcement of codes will improve the efficacy of Category 4 BMP implementation. Due to the extensive time, resources and effort required for proper code enforcement, we suggest adding a code enforcement BMP worth at least 2 BMP points. We also suggest that the Public Engagement Program that is mandatory for all large municipal providers require relevant and topical updates to literature and conservation materials on a yearly basis. It would benefit residents and water users if new conservation information were added into circulation and outdated information were removed. This will encourage providers to seek new and relevant information, and water users will be provided with the best conservation resources. Regarding BMP's 3.3 and 3.4, it is unclear if a provider can achieve four points from these two BMP's within a single year by installing and maintaining AMI. If the intention is that a provider should get two BMP points one year for AMI installation and two BMP points every subsequent year for AMI maintenance and utilization, then we suggest that it should be explicitly mentioned that a provider cannot get four points with these two BMP's in one year. To achieve four points from these two BMP's does not seem proportionate to the other BMP's and AWC believes that the suggested breakdown of BMP's seems fairer. Additionally, since the 5MP will be in place without specific guidance for updated MP in the future, a revision should be included to require that NPCCP providers replace BMPs that cannot be proven effective at reducing water demands. Another option to incentivize large providers to implement the most effective conservation measures would be to make BMP 8.5 a requirement for fourth tier providers. We also believe it should be considered to add in a component to the 5MP where the number of required BMP's increases for every tier after a period of time to keep providers continuously looking to grow their conservation programs. Finally, regarding the Section II: Additional Best Management Practices, we agree with requiring providers to try BMP's from different categories encourages a more wholistic conservation program, but we suggest that if after a period of time, certain BMP's are determined not to be effective, ADWR may waive the requirement for BMP's to be implemented from "X" number of categories. This will allow providers to keep effective BMP's and terminate ineffective BMP's.

The improvements in the NPCCP are numerous, including an emphasis on creating measurable, targeted reporting requirements from industry standard metrics. The program is not only equal in conservation requirements to the GPCD, in many ways it is more rigorous. When properly utilized, it creates water savings from programs designed for precise and accurate tools that target known inefficiencies in a customer base rather than a blanket metric reduction. This type of precision conservation targets that excess, and not only reduces the reliance on groundwater, but also helps customers mitigate waste and maximize performance. However, this system relies on targeting the correct customers for various Best Management Practices (BMPs). The Department's previously maintained a matrix that guided water providers in selecting BMPs that will be the most effective for their customer classes. This is a guiding principle in all good conservation programs. Without an updated matrix, providers in the NPCCP are at risk of putting energy into executing comprehensive programs that will be ineffective due to misguided BMP selection. For instance, a provider that is nearing build out may not receive the same results of enacting an ordinance as a provider that is at the beginning of growth. Without an updated matrix the NPCCP will not be as strong as providers need it to be when moving into the 5th Management period. Scottsdale Water urges the matrix be updated and included in the 5th Management Plan, not maintained as a separate document, and is willing to create a draft for stakeholder review. Scottsdale Water also believes that the NPCCP should also have the same responsiveness that is proposed in the GPCD Program. Additional new BMPs can be added through the existing procedure outlined in Section III, however we propose that all BMPs can also be modified or deleted each year under the same Section III. Finally, the new Category 7: Planning, is a welcome addition and brings some innovative ideas to the table. Since the new category was added to the 5MP in the last six months, the text has not had the opportunity to undergo the same stakeholder review as other categories. One notable difference in relation to other categories is the amount of text in each BMP as well as some crossover between BMP requirements and existing Management Plan requirements. This may result in duplicitous points or the suggestion that providers are not already obligated to meet those requirements. Suggested edits for this category are emailed in a separate document along with other edits to the entirety of the BMP program. The standardized reporting requirements built into the NPCCP, ideally with measurable water savings or informative findings, helps create a suite of vetted measures to utilize to achieving water conservation in Arizona. This recorded, public knowledge will prove invaluable as the Colorado River System moves deeper into drought and faces the potential of shortages. The integrity of the BMPs is reliant on selecting the right program for the right customer; remaining flexible to changing conservation goals; and collecting meaningful reporting requirements. Scottsdale Water urges the integration of the provider matrix, addition of modifications and deletions to the established Section III for adding BMPs, and the separately sent edits to maintain that integrity.