



Water Use Efficiency Subcommittee Report Executive Summary

April 2005

This report of the Water Supply Advisory Committee's (WSAC) Water Use Efficiency Subcommittee (subcommittee) provides advice to the Department of Health (DOH) to assist in the development of the new water use efficiency regulations required by the Municipal Water Supply – Efficiency Requirements Act, Chapter 5, Laws of 2003 First Special Session (Municipal Water Law).

The subcommittee was convened in March 2004 and met on a monthly basis until February 2005. As directed by the Washington State Legislature, the subcommittee included representatives from public water system customers, environmental interest groups, business interest groups, a cross-section of municipal water suppliers, water utility conservation professionals and the Department of Ecology. Representatives from the Tulalip Tribes and the Yakima Nation sat as observers to the process. DOH invited representatives from local governments, the Utilities and Transportation Commission, and water system technical assistance providers.

Early in the process, the subcommittee agreed that they were not seeking consensus but rather intended to provide a full array of options and recommendations to DOH. The subcommittee further agreed that all views should be documented even if that view is held by only one subcommittee member. This report is intended to capture the full range of views expressed by the subcommittee members throughout its deliberations.

The report focuses on the water use efficiency provisions of the Municipal Water Law (MWL). These provisions are only a part of a much broader piece of legislation. Other provisions of the MWL provide greater certainty and flexibility for water rights held by municipal water suppliers. These are accompanied by provisions designed to ensure stewardship of water resources by municipal water suppliers, specifically, requirements related to consistency with land use and water resource plans, and enforceable water use efficiency regulations.

The subcommittee process and this report followed the general outline of the law itself. The topics addressed in the report include:

- Legislative direction.
- Conservation planning.
- Data collection and reporting.
- Demand forecast methodology.
- Evaluation and selection of cost-effective conservation measures.
- Evaluation of conservation-oriented rates.
- Water distribution system leakage standard.
- Conservation goal setting and performance reports.
- Compliance.

Some of the major items discussed by the subcommittee are highlighted below.

Legislative Direction

The MWL directs DOH to “...establish water use efficiency requirements designed to ensure efficient use of water while maintaining water system financial viability, improving affordability of supplies, and enhancing system reliability.” The law goes on to state that the requirements “shall be tailored to be appropriate to system size, forecasted system demand, and system supply characteristics.”

Key topics discussed by the subcommittee included:

- The primacy of the objective of establishing water use efficiency requirements.
- The need for flexibility.
- The interpretation of “affordability of supplies.”

The subcommittee did reach a recommendation recognizing the priority expressed by the Legislature on ensuring the efficient use of water by all water suppliers. There was also considerable agreement on the approach DOH should take regarding financial viability with some optional approaches recommended on how that related to regulatory flexibility and the need for additional technical assistance.

While the legislative language lists “improving affordability of supplies” as an objective, some in the group read that as affordability of rates, a more typical concern of water purveyors.. Others said that DOH should assume the Legislature was concerned with avoiding capital costs associated with new supplies.

The subcommittee emphasized that all municipal water suppliers were included and that those with small systems may need help in complying but would be expected to comply with the law.

The subcommittee also discussed how the rule should be tailored around demand and supply characteristics. Some subcommittee members felt that municipal water suppliers with systems located in certain areas of the state where supplies are more limited should be required to do an “enhanced” level of conservation. Others expressed concern over how limited supplies would be defined and did not support the notion of enhanced requirements.

There was a great deal of emphasis on ensuring that regulations define reasonable performance objectives for municipal water suppliers, but allow the flexibility to help them to meet these objectives in the manner that is best suited for their water systems and the community they serve.

Conservation Planning Requirements

The MWL states that DOH must adopt rules for conservation planning that include requirements on the selection of cost-effective conservation measures, evaluation of the feasibility of implementing conservation-oriented rates, evaluation of water distribution system leakage, collection and reporting of water use data, and demand forecasting.

The issue of cost-effectiveness evaluations was a critical topic for the subcommittee, particularly in regard to the methods that could be employed to conduct these evaluations from different perspectives (*i.e.*, utility, customer, societal). A Cost Effective Evaluation Workgroup Report was prepared to provide an overview of issues related to cost-effectiveness evaluations. Some subcommittee members encouraged DOH to require the consideration of societal and environmental benefits of conservation in cost-effectiveness evaluations, although the lack of defined methodologies was raised as a concern.

The subcommittee generally agreed on the recommendations for data collection and demand forecasting. A Data Collection and Reporting Workgroup developed the basic outline of the water use data that the subcommittee agreed was needed to meet the intent of the law report for as well as the recommended requirements for the forecasting of both system production and consumption.

Distribution System Leakage Standard

A major component of the MWL is the requirement for DOH to set a distribution system leakage standard in the regulation. The subcommittee discussed the potential approaches for the leakage standard at length and generally agreed on establishing a distribution system leakage standard of 10 percent for all municipal water suppliers. The subcommittee noted that leakage is separate from other types of water losses, such as meter inaccuracy, fire fighting, and flushing. The subcommittee differed, however, on the scope of the system components subject to the leakage standard. Some subcommittee members suggested that the distribution system leakage standard should apply only to distribution systems as currently defined in DOH regulations. Others felt that the standard should include the transmission piping and facilities from the source to the service.

An issue that received significant attention was whether or not DOH should require service meters in addition to source meters. Many subcommittee members expressed that source and service meters are a fundamental component of any water use efficiency program, and that system leakage could not be credibly determined in the absence of meters. A minority of subcommittee members, however, encouraged DOH to be open to alternatives to service meters. Metering requirements were not defined within the MWL.

Goal Setting and Performance Reporting

A key provision of the water use efficiency requirements is for municipal water suppliers to set conservation goals through a public process and provide regular performance reports on their progress towards achieving those goals. A Performance Reporting and Accountability Workgroup Report was prepared to provide an overview of issues related to goal setting, performance reports, and compliance. The subcommittee provided a number of recommendations on public process requirements to ensure adequate public notice and input to the goal setting process. A large number of subcommittee members recommended that conservation goal setting be linked with the water system planning process and therefore be required every six years. Concern on how municipal water suppliers with small systems, not required to develop a water system plan, would set conservation goals was also expressed. Some subcommittee members recommended goal setting be conducted more frequently.

On the topic of performance reports, differing views were shared on the frequency of reporting, from annually for all municipal water suppliers to a more scaled approach that would allow less frequent reporting (up to every six years) for small systems. Differing views were also shared on the degree of prescription for the report content and method of reporting.

Conclusion

This report marks an important step in the development of new enforceable water use efficiency regulations. It provides specific options and recommendations that will greatly assist DOH in its efforts, as well as important insights into the concerns of specific stakeholders. DOH indicated its intention to ensure its efforts to maintain a high level of stakeholder involvement throughout the regulation development process and early implementation phases.