

# MINUTES OF THE EXECUTIVE WATER FINANCE BOARD

Tuesday October 1, 2019

9:00 a.m.

Utah State Capitol, 350 N. State Street, Room 450

## **Members Present:**

Phil Dean, Chairman

Laura Briefer

Evan Curtis

Jon Bronson

David Damschen

Eric Millis

Juliette Tennert

## **Staff Present:**

Miranda Jones Cox, Board Staff

## **1. Call to Order**

Chair Phil Dean called the meeting to order at 9:07 a.m.

### **a. Approval of minutes**

Phil indicated that the August meeting minutes would be approved at the November meeting.

## **2. Regional Water Conservation Goals**

Phil moved the regional water conservation goal item to the top of the agenda to facilitate presenter schedules.

Phil shared a recent Deseret News article detailing smart water controller upgrades made at meetinghouses and seminaries of the Church of Jesus Christ of Latter-day Saints, in collaboration with the Central Utah Water Conservancy District. The article indicated that installation of the smart controllers reduced outdoor water use in a single year by between 14% and 23% and that the financial savings would result in the controllers paying for themselves within a 1-2 year period.

Phil introduced the presenters from Bowen Collins and Hansen Allen Luce, the third-party consultants that worked with the Division of Water Resources on the regional water conservation targets - Steve Jones, Keith Larson, and Dr. Robert Sobey.

Steve shared some history on Utah's water conservation goals, including the development of the 25 percent improvement goal from Governor Leavitt and the 2025 timeframe added by Governor Herbert. He also discussed the 2015 legislative water audit and the purpose for these current regional conservation goals. Steve explained that nine water conservation regions were identified and that the proposed regional water conservation target water use reductions vary from 11 percent to 20 percent by the year 2030.

He explained the goal setting process, which included public involvement and input from stakeholders. He also explained that the goals include factors such as landscaping practices, water use culture, funding, water rates and price signals, population growth, development density, fixture and appliance conversion, landscape changes, and climate change.

Their recommendations were to convert fixtures, fix indoor leaks, and change usage habits. For outdoor use, they recommended comprehensive secondary metering, smart irrigation and drip irrigation system conversion. They also recommended converting existing landscaping, encouraging new water-wise construction, and smaller lot sizes.

The consultants indicated that water use data in Utah is not directly comparable to that of other states and that within the state regions differ from each other in various factors that influence water use. They also stated that achieving the proposed goals would require concerted efforts of policy leaders, water suppliers, and water users.

Phil asked what portion of the proposed water use targets would come from baseline water use changes already taking place, such as market trends toward smaller lot sizes, compared to intentional policy efforts to change water use. The consultants replied that they had built into their model baseline water use changes, which were over half of the reduction targets, and that achieving the regional targets would also require intentional policy changes.

Phil and Jon asked clarifying questions about why water use data shouldn't be compared to year 2000 usage data. Rob indicated that the older data was underestimated and that beginning with year 2015 data should be more reliable.

Jon asked who is responsible for the goals. Phil replied by stating that each individual party involved in the process may have concerns with some aspects of the goals but should support improved water efficiency and stated his support for the goals as meaningful targets to work toward even though they're not exactly what he would recommend. Keith echoed that some believe the goals are too aggressive or not aggressive enough, but that there was some level of buy-in from most stakeholders.

Laura stated that industrial use wasn't focused on much in the report, but that there are great opportunities to work with those water users and effectuate reductions. Keith and Laura discussed the difficulty of obtaining industry data statewide.

Laura also noted that the project did not include available water supply, and raised the issue of non-resident populations. Phil and Juliette discussed the inclusion of non-resident populations in the regional targets. Juliette then stated her appreciation for the regional approach with the targets.

Phil closed by asking how these targets play out realistically, to which Steve stated that it would take a concerted effort from all parties. He noted that there would need to be policy interventions to achieve the targets.

### **3. Open Public Meeting Act Training**

Scott Cheney from the Attorney General's Office introduced himself to the board.

Scott explained that statute requires an annual training for the board on the Open and Public Meetings Act, and that the objective of the board is to conduct their business in an open and transparent way for those who want to actively participate in the governmental process.

Scott shared the importance of timely notice requirements, agendas outlining action items, and keeping a record of the proceedings of the meeting.

He also explained procedures for closed meetings, board members refraining from texting each other during meetings, and the Government Records Access and Management Act (GRAMA).

Scott explained conflicts of interest and disclosure statements.

Eric Millis asked a clarifying question regarding the text and email discussion, to which Scott responded.

Following the presentation, Phil called for a brief recess.

#### **4. Water Efficiency**

The board resumed at 10:32 a.m.

Phil introduced Alane Boyd, the executive Director of the Intermountain Section of the American Water Works Association. She brought with her Todd Stonely from the Division of Water Resources and Pam Gill from the Kearns Improvement District.

Alane explained AWWA's water loss and water control audit program, noting its nationally recognized methodology as the standard tool in the industry. Todd Stonely noted that Utah is one of a few states with no statewide water loss policy, and that leaks and losses end up not metered.

Alane referenced two pilot programs in 2016 and 2018 with a handful of Utah city utilities, with Kearns Improvement District being one of them. Pam Gill explained the process of implementing AWWA's software and program and reducing their system water losses from 15 percent to 7 percent with an increased validity score of 87%. Todd explained that this type of reduction has significant benefits to the water system.

Alane proposed a statewide program that they recommend be implemented and funded. It targets utilities serving more than 3,300 people, which includes than 92% of Utah's population. The program would provide funding to the utilities to implement the software, validate data, certify employees, and develop standards. She continued to explain further the costs and benefits of the program.

Phil asked if any water entities in the state planned on requesting the funding in the Governor's budget, and that there was potential for support for a request like this.

Representative Melissa Ballard spoke in support of the request.

Jon Bronson also spoke in support of the proposal and stated that some entities have had more than 40% water loss in their systems, which at times can impact bond ratings. He asked a clarifying question regarding where in the distribution process the water is measured.

Jon and Todd discussed which individuals within an agency would be certified to perform the water system audits.

#### **5. Financing Recommendations**

Phil explained to the board that he would like to discuss water affordability in the context of state financing recommendations, and did not plan to take action at this meeting. He provided possible recommendations on water affordability guideline changes from the National Academy of Public Administration.

Laura referenced an updated recommendation from the National Academy of Public Administration (NAPA), which uses combined household cost of water. She also discussed how fixed fees impact affordability, and referenced understanding high-density residential use. She recommended better

understanding fixed fees, and considering the combined household financial impacts of water and sewer when considering affordability.

Phil asked if Laura could provide the updated report from NAPA.

Jon mentioned that looking at sewer and water together would be a beneficial approach, and asked if there was a good way to separate the two. Jon and Laura continued to discuss if sewer should be included in the affordability discussion.

Phil noted that fixed rates can provide certainty for a government entity, but can also provide challenges for household affordability.

Marie Owens from the Division of Drinking Water stated that most municipalities only provide drinking water without wastewater, and that wastewater is provided by a separate entity.

Phil indicated the board should follow up on this item in a future meeting.

## **6. Public Comment**

Phil opened up the meeting for public comment.

Zach Frankel from the Utah Rivers Council discussed the regional water conservation goals. He criticized the goals through 2065 by stating that he did not believe they were ambitious enough, noting a 0.5% improvement for various regions, which is well below the cited annual water use reductions in recent decades.

He also stated that he disagreed with the claim that Utah cannot compare its water use with other states and cities, explaining that experiences from other states should not be disregarded because they aren't an 'apples-to-apples' comparison.

Zach called for a version of the goals that is more aggressive.

Phil asked Steve Jones if the 2065 projections were the same as the 2030 goals, assuming that they would be reset in the future. Steve affirmed that the charge was to create 2030 goals for the immediate focus, and that the 2065 long-term projections are anticipated to be revisited in the future.

Phil stated that he hopes everyone can unite and broadly support the basics of the conservation conversation that there should be broad-based agreement on, even if there are disagreements on more aggressive measures.

## **7. Other items/adjourn**

Evan moved to adjourn. The motion passed unanimously. Phil adjourned the meeting.