AGENDA

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE
UTAH LEGISLATURE

Wednesday, May 18, 2016 • 8:30 AM • Room 30 House Building

1. Committee Business

- Call to order
- Approval of the minutes of the November 18, 2015, meeting
- 2016 required reports – Brian Allred
- Open and Public Meetings Act review – Ruthanne Frost

2. Long-Term Planning

Interim rule 2-2-103 requires each interim committee to devote part of its May interim meeting to long-term planning for the areas over which the committee has jurisdiction. The three main departments the committee oversees will make a brief presentation on the top issues facing the department in the future.

- Alan Matheson, Executive Director, Department of Environmental Quality
- Mike Styler, Executive Director, Department of Natural Resources
- LuAnn Adams, Commissioner, Department of Agriculture and Food
- Public Comment
- Committee discussion

3. Follow Up on Recent Legislative Audits on Water Issues

- Review and Overview – Brian Allred

Report 2015-01: A Performance Audit of Projections of Utah's Water Needs

- Water System Infrastructure Funding
  - Panel Discussion
    - Richard Bay, Chief Executive Officer, Jordan Valley Water Conservancy District
    - Gene Shawcroft, General Manager, Central Utah Water Conservancy District
    - Ron Thompson, General Manager, Washington County Water Conservancy District
    - Representative of Weber Basin Water Conservancy District
    - Representative of the Bureau of Reclamation
  - Public Comment
  - Committee Discussion

- Collection and Use of Accurate Water Use Data
  - Panel Discussion
    - Eric Millis, Director, Division of Water Resources
    - Ken Bousfield, Director, Division of Drinking Water
    - Kent Jones, State Engineer and Director, Division of Water Rights
    - Walt Baker, Director, Division of Water Quality
  - Public Comment
  - Committee Discussion

Report 2014-13: A Performance Review of the Division of Drinking Water's Minimum Source Sizing Requirements

- James Behunin, Audit Supervisor, Office of the Legislative Auditor General
- Ken Bousfield, Director, Division of Drinking Water
- Public Comment
- Committee Discussion

4. Other Committee Business

5. Adjourn

May 18, 2016, Legislative Interim Committee Meeting Information on DDW's December 2014 Legislative Audit

Background: The December 2014 Legislative audit report contained six recommendations relating to revisions of the Division's rules. The Division has implemented four of the recommendations. The unimplemented recommendations are as follows:

- **Recommendation 1**: "We recommend that DDW re-evaluate its indoor source sizing regulations and issue a set of revised standards that are based on actual indoor use data provided by Utah water systems."

- **Recommendation 2:** "We recommend that DDW review its outdoor source sizing requirements and establish new requirements based on current research that are consistent with actual outdoor water use data."

Issues: These two specific recommendations govern DDW's rules related to the engineering design of drinking water delivery systems. The goal of the regulations is to ensure that every public drinking water system is able to provide, through the delivery system, sufficient water to meet all the utility's customer needs. This ensures that water users are able to use water for any indoor and/or outdoor use at any time. It also means that fire hydrants have sufficient water to fight fires.

To accomplish the goal, the Division must determine the "peak day" demand for every water system. Further, the Division must distinguish between indoor and outdoor water demand, as required by the two Audit recommendations. Another challenge the Division faces is the fact that the peak day demand will vary from system to system. This means that the Division must look at various factors that influence the respective demands.

Some factors that may affect the water demand include: a) lot size, b) house size, c) the number and type of plumbing fixtures in the home, d) location within the State, e) the existence of an outside irrigation system, f) metered water users vs. unmetered water users, g) a rate structure that is increasing with increased water use, and h) various landscaping patterns.

Due to the large number of residential community water systems (472 water systems) it is unreasonable to gather daily water use data for each system because the data are not collected and recorded by most water systems. Consequently the Division proposed collecting data from a representative number of water systems (46 water systems) at an estimated cost of $13,250,000. The estimated funding covers the purchase and installation of necessary "smart" meter equipment. Smart meter equipment is capable of automated data recording and reporting of flow measurements. Further, residential smart meters must be able to measure flow rates on a short-interval frequency to enable the Division to distinguish between indoor and outdoor usage. The

Division will also need funds for an independent consultant to evaluate the data and investigate the factors causing the variance in water use among water systems.

With the beginning of FY 2017, the Legislature authorized the Division to use its State ($ 0.5 Million) and Federal ($1.0 Million) construction funds to conduct a study. The federal money comes with federal restrictions. Specifically it can only be used for construction projects. The State money has more flexibility associated with it. The legislature further counselled the Division to involve water systems that currently have the necessary "smart" meters in place.

Statisticians with the State Health Department advise us that when we specifically select water systems within a certain group or category the conclusions from the study will be skewed and the data will be unrepresentative.

Solution: An alternative to making the results of a study of a limited number of water systems applicable to all systems is to begin to fund individual systems and to keep the current source sizing requirements for all remaining water systems. Then over time each water system could conduct its own water use evaluation as it obtains the needed metering equipment. Further, systems that have completed the data collection and analysis phase may be able to adjust their source capacity requirements if there are corresponding changes to water use factors such as: landscaping changes, water rate changes etc.

This system-by-system approach could be initiated by using the State and federal construction funding authorized by the legislature. The Division could invite all community water systems to apply for funding to upgrade metering and recording equipment. In turn, the Division would select water systems based on the criteria mentioned in the paragraph below. The Division could use the federal monies to install the equipment, and the State monies to fund an independent consultant to oversee equipment installation and data collection and analysis.

Funding preference would be given to water systems that have metering and recording equipment in place and are willing to supply water use data for analysis. Funding of water systems with only some of the needed equipment in place would be based on the cost of required additional equipment and the availability of funds. The invitation to participate in upgrading equipment to collect water use data would ask each water system for information about: a) the existing metering equipment, b) the identified needed equipment, c) the cost of needed equipment, d) a commitment to provide data the Division, and e) a commitment to accept the results of the data obtained.