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ScottsdaleAZ.gov/Water

Date: June 10, 2024
To: The Honorable Mayor and City Council
From: Brian Biesemeyer, Water Resources Executive Director
Subject: Scottsdale Water Strategic Plan 2025 - 2030

A handwritten signature in blue ink, appearing to read "BB", is placed over the "From:" line of the header.

Honorable Mayor and City Council Members,

The presentation for the June 25th, 2024 work study session agenda item "Scottsdale Water Strategic Plan 2025 - 2030" is intended to facilitate a discussion on the plan to gather Council's feedback. The current Scottsdale Water Strategic Plan 2019 – 2024 expires this calendar year and Scottsdale Water's management team has been working for over a year, using the Effective Utility Management framework (<https://www.awwa.org/Resources-Tools/Programs/Effective-Utility-Management-Program>), to address long term strategic needs. Scottsdale and Arizona are entering into uncertain times regarding our Colorado River water supplies and the plan gives some actionable measures to secure additional sustainable water supplies for Scottsdale's future.

If I may be assistance to you, please contact me at 480-312-5685 or via e-mail at bbiesemeyer@scottsdaleaz.gov.



STRATEGIC PLAN 2025-2030

City Council
June 25, 2024

STRATEGIC PLAN PREPARATION

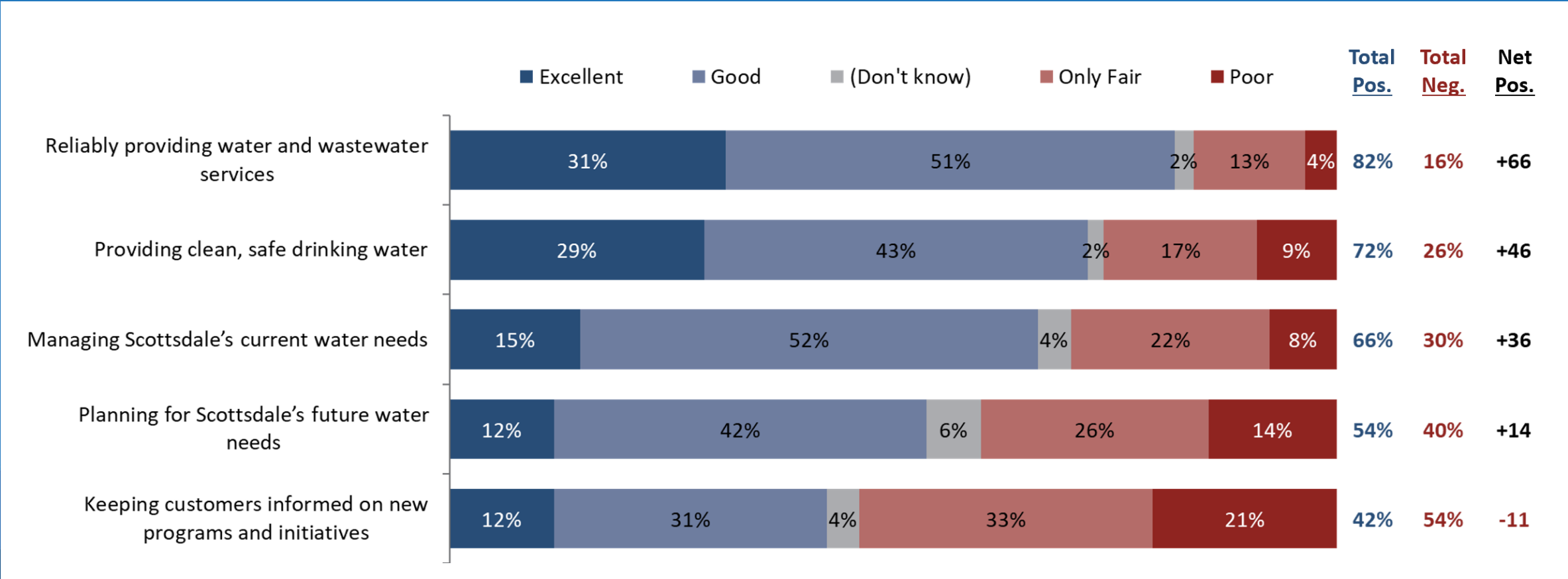
1. EMC Research – Community Survey
2. Effective Utility Management (EUM) Process
3. Key Drivers for Prioritization and Implementation

EMC RESEARCH – COMMUNITY SURVEY

- Determine baseline for where we are today
- To understand resident perceptions
- Identify opportunities to engage with residents

Perceptions of Scottsdale Water

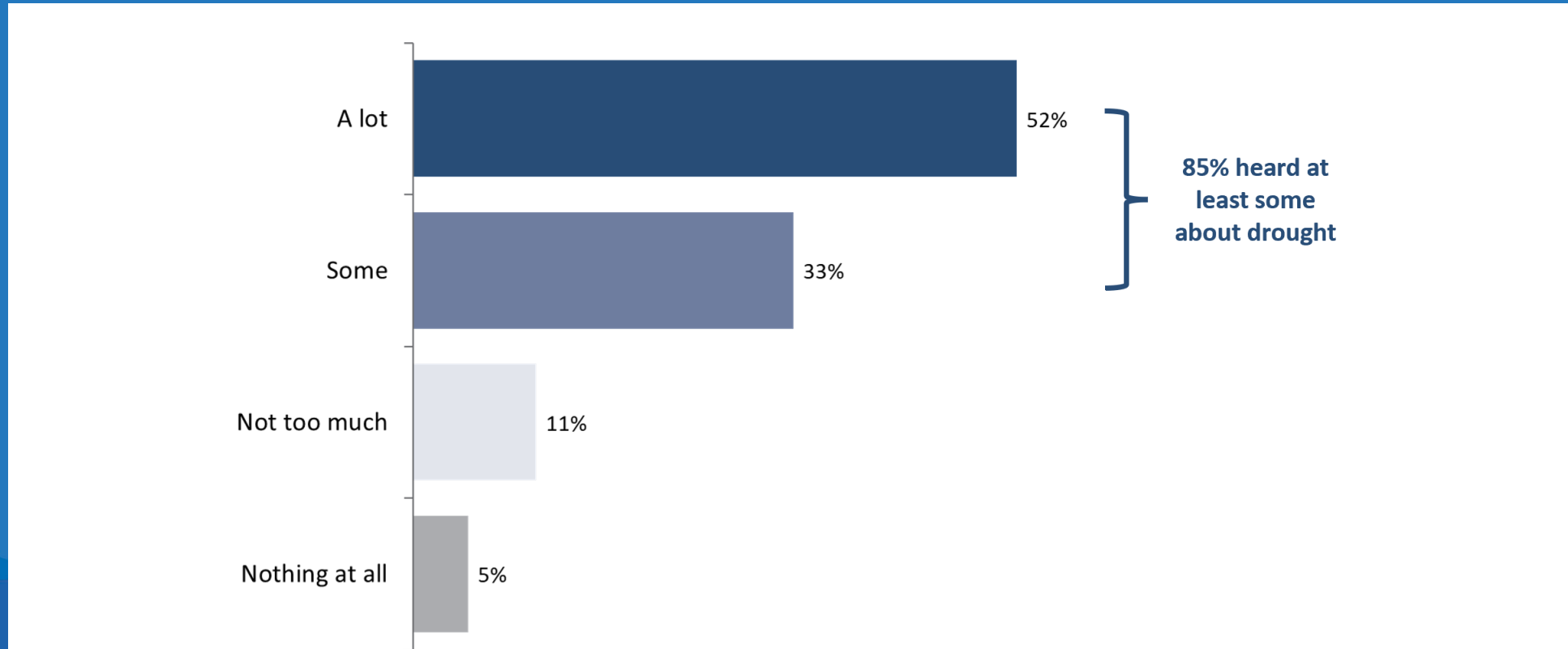
Residents rate Scottsdale Water positively on the essential functions of providing water services and clean drinking water but give lower marks for keeping customers informed.



Q4-9. Using a scale of excellent, good, only fair, or poor, please rate the job Scottsdale Water, the City's water department, is doing on each of the following.

Drought Awareness

A vast majority of respondents are aware of drought in Arizona and the Colorado River basin.

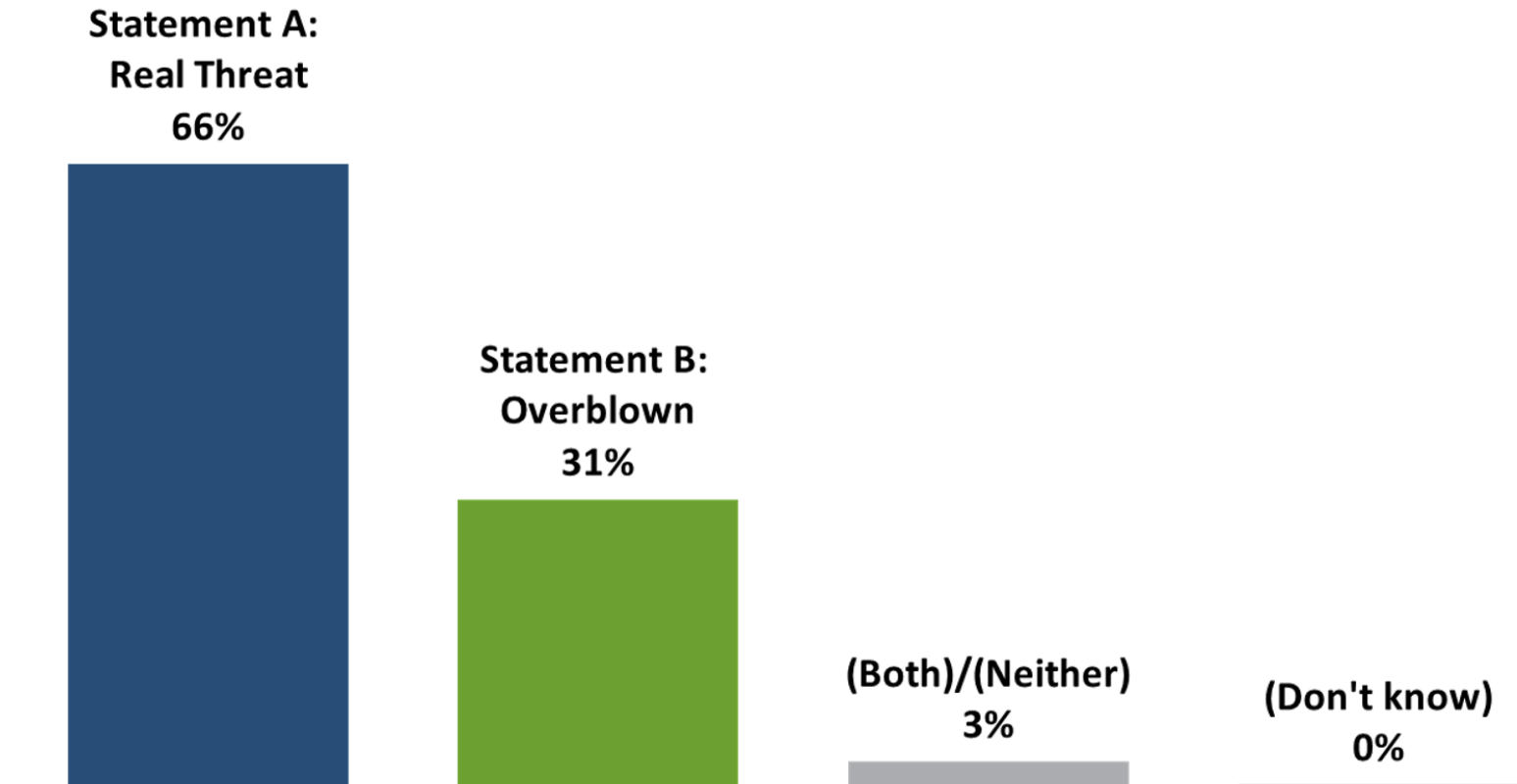


Water Supply Forced Choice

Two-thirds of Scottsdale residents believe that water shortages are a real threat to their way of life. Only around a third believe concern about water shortages is overblown.

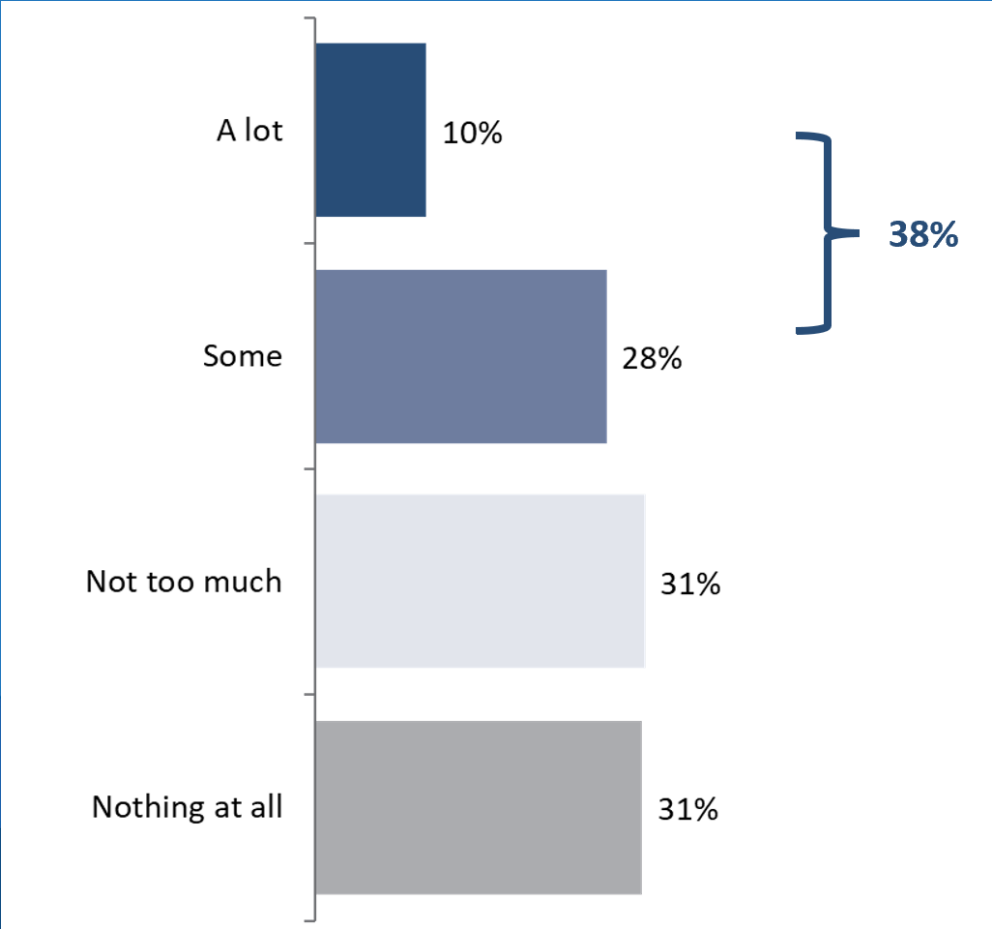
Statement A: The lack of adequate water supplies in our area is a very real threat to our way of life. We may simply not have enough water for everyone in Scottsdale in the future.

Statement B: The lack of adequate water supplies for our area is overblown. Scottsdale Water will do what they need to do to make sure we will always have the water we need.



Recycled Water Awareness

Just under four-in-ten Scottsdale residents have heard some or a lot regarding recycled water or water reuse. Among those who have heard, over a quarter recall hearing something non-specific about recycling or reuse efforts.

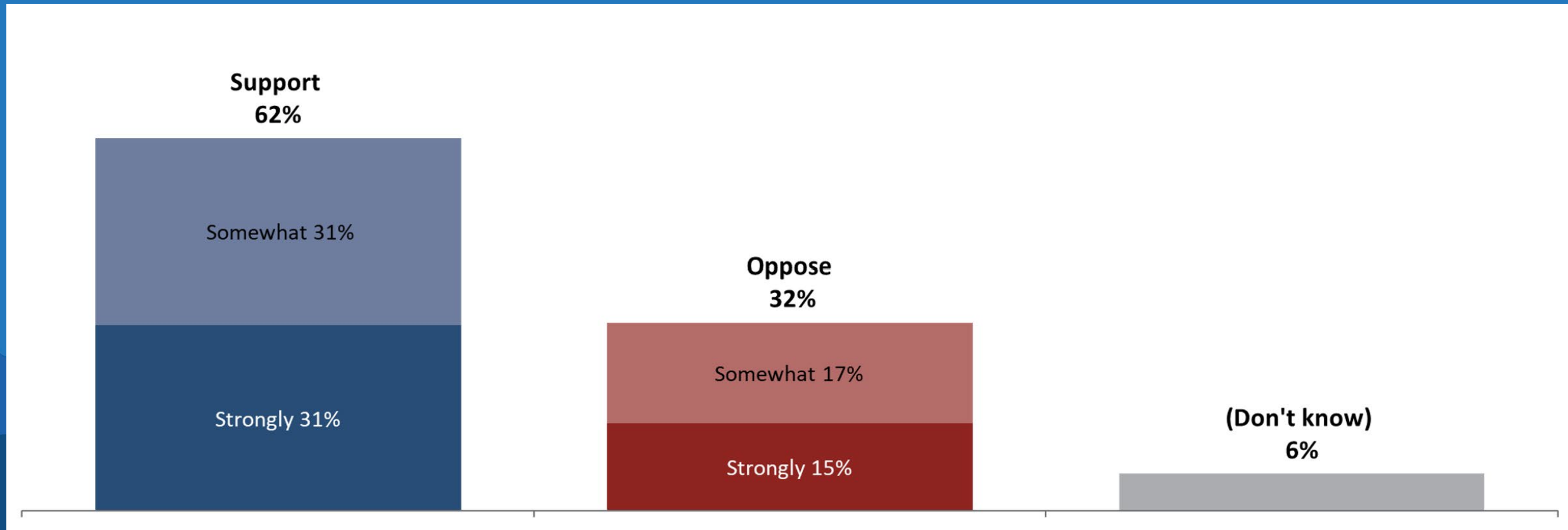


What have you heard or seen?	%
Recycling Efforts/Reclamation/Reuse	28%
News/Articles/Discussions	22%
Outdoor Usage/Irrigation/Golf	12%
Wastewater/Sewage/Water Treatment	8%
General Positive/Effective/Good Idea	8%
Conservation/Reduce/Water Shortage	3%
Non-Potable/Graywater/Not Safe for Drinking	3%
Purification/Clean/Drinking Water/Tap	2%
Other	7%
None/Don't know/No opinion	6%

Initial Support for Direct Potable Reuse (DPR)

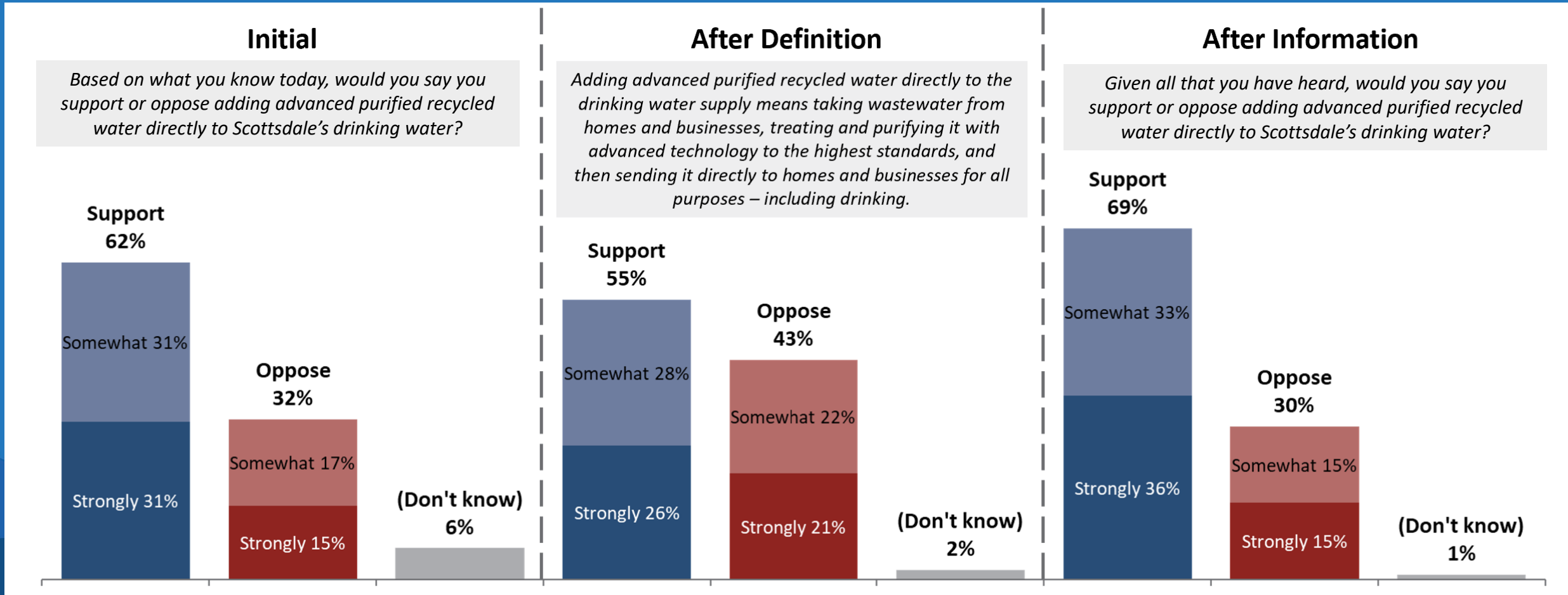
A majority of Scottsdale residents support adding advanced purified recycled water to Scottsdale's drinking water supply.

Based on what you know today, would you say you support or oppose adding advanced purified recycled water directly to Scottsdale's drinking water supply?



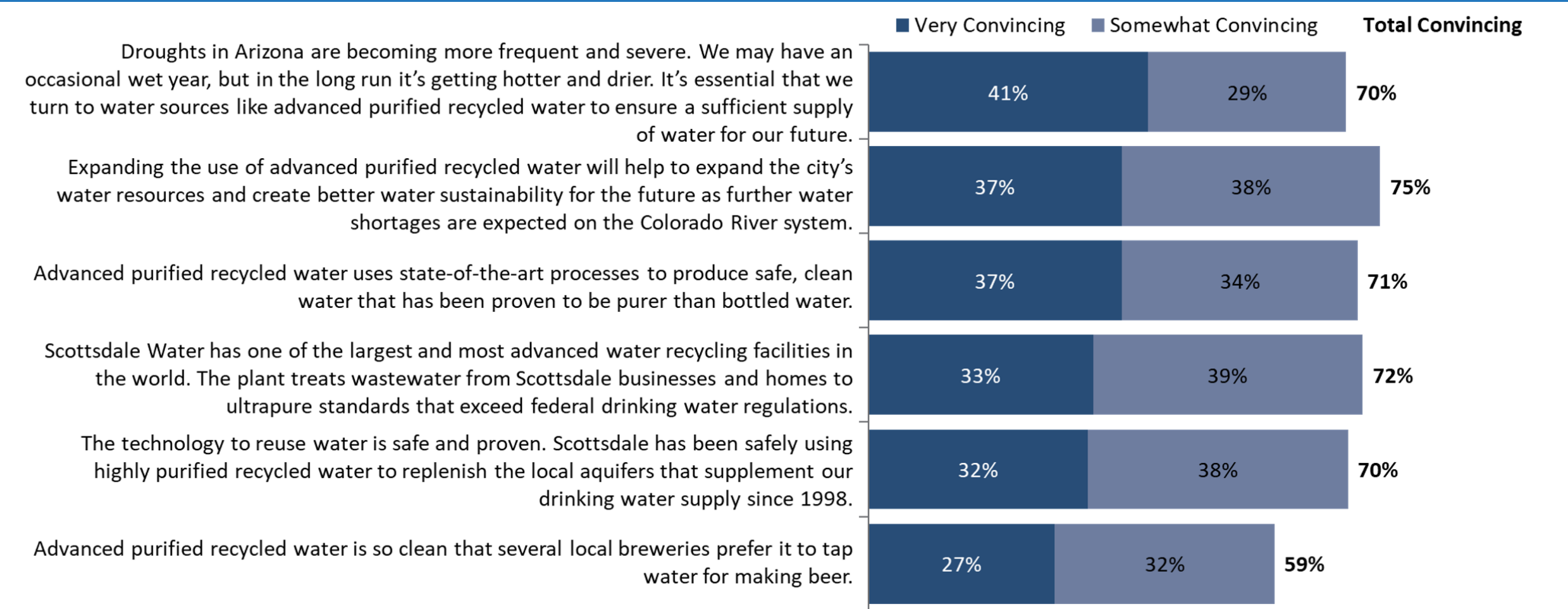
Support for DPR After Information

Support for adding advanced purified recycled water directly to Scottsdale's drinking water supply rises to over two-thirds after additional information on safety and need.



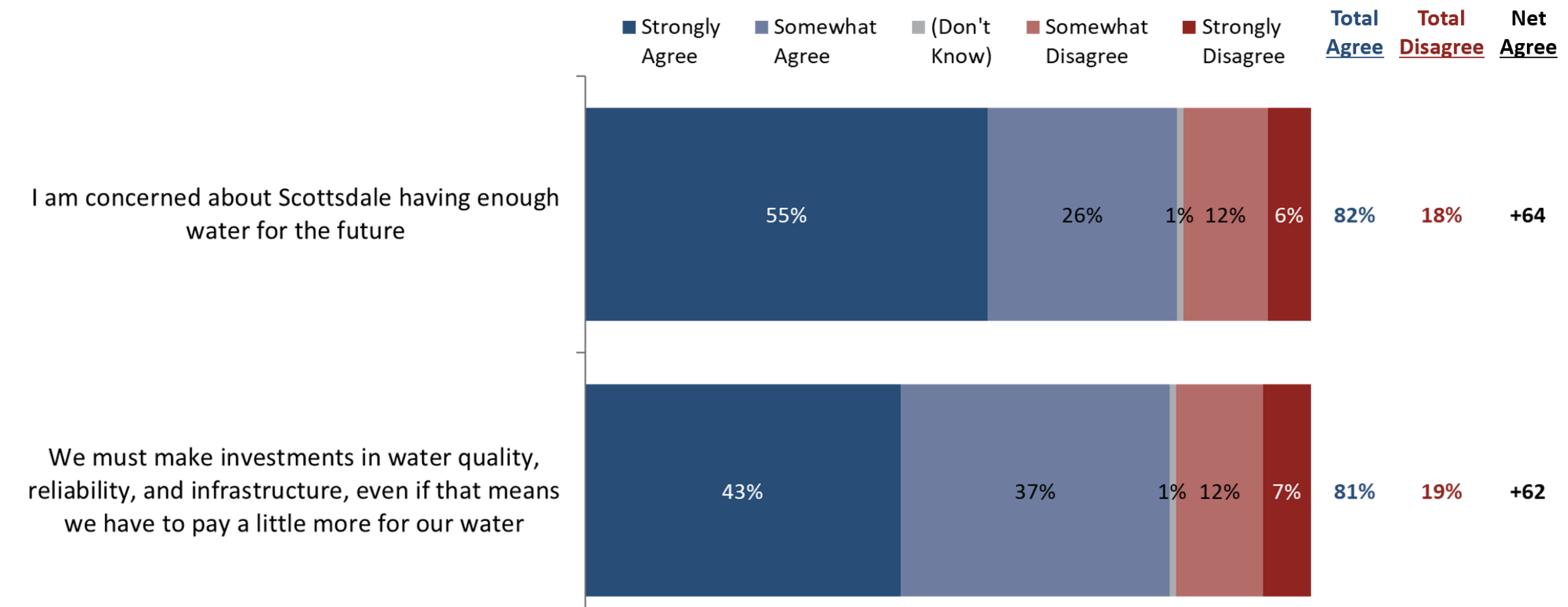
Additional Information

Residents are most convinced by information emphasizing the severity of droughts and the need for alternative sources of water in Scottsdale. Information on the purity and safety of advanced purified recycled water is also compelling.



Conservation Attitudes

Most residents are concerned about having enough water for the future and agree it's worth it to pay more for water to invest in reliability and quality.



Q10-16. Please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements.

Conclusions

- ▶ Most residents feel Scottsdale Water is doing a good job at its core responsibilities.
- ▶ Awareness of Scottsdale Water and our programs needs to improve.
- ▶ Scottsdale residents understand the gravity of the region's water supply situation and are aware that actions need to be taken to ensure there's enough water to meet future demand.

Conclusions

- ▶ Strong majority of Scottsdale residents are concerned about having enough water in the future (82%).
- ▶ Support for the use of advanced purified recycled water is strong.
- ▶ Strong majority of Scottsdale residents acknowledge the need to make investments in water quality, reliability, and infrastructure even if that means paying more for water (81%).



STRATEGIC PLAN



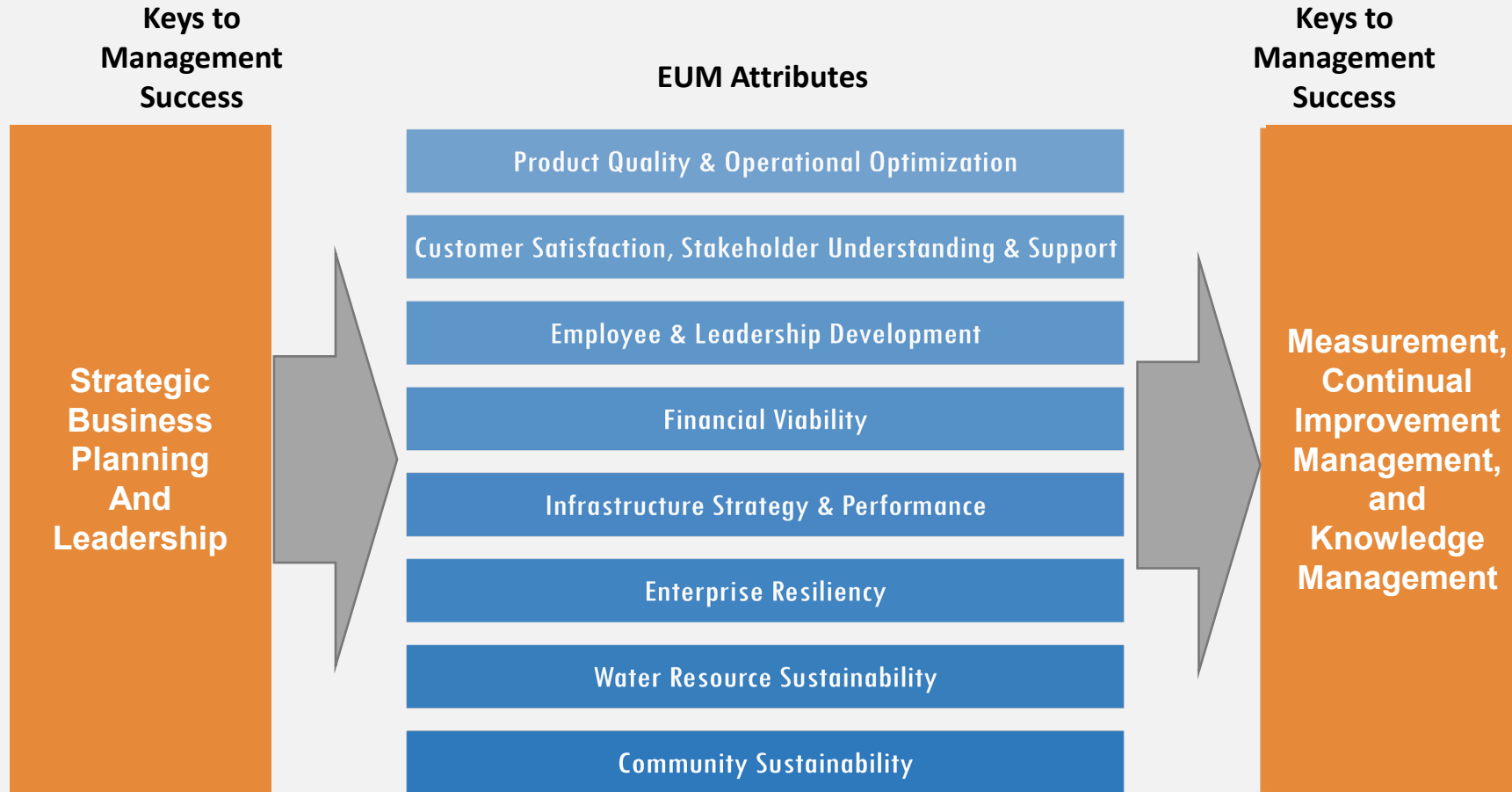
Effective Utility Management

5 Keys to Management Success that maximize resources and improve performance:

- Leadership
- Strategic Business Planning
- Knowledge Management
- Measurement
- Continual Improvement Management



Effective Utility Management



VISION

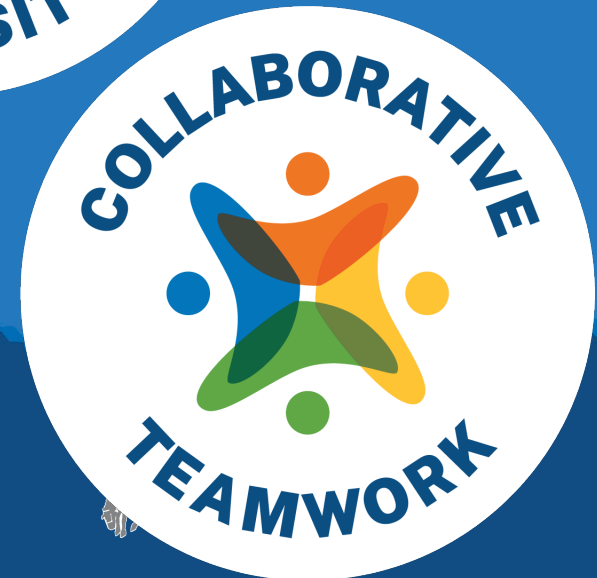
WATER SUSTAINABILITY THROUGH
**STEWARDSHIP
INNOVATION
AND PEOPLE**



MISSION

**PROVIDE SIMPLY BETTER
SUSTAINABLE WATER SERVICES
FOR A WORLD CLASS COMMUNITY**

VALUES



WORLD-CLASS WATER STANDARDS

Scottsdale Water used the 10 attributes of
an effectively managed utility
to ensure a balanced focus
on all important operational areas

WORLD-CLASS WATER STANDARDS



Product Quality

- ▶ Meet and exceed all water quality standards.
- ▶ Monitor and prepare for all future regulatory requirements.



Customer Satisfaction

- ▶ Ensure timely and accurate billing statements.
- ▶ Respond to after-hours emergency water calls in less than 90 minutes.

WORLD-CLASS WATER STANDARDS

➤ **Employee and Leadership Development**

- ▶ Attract, hire and retain best in class employees.
- ▶ Require and provide a minimum of 25 hours of annual training and professional development hours for each employee.

➤ **Financial Viability**

- ▶ Retain a balanced budget by proactively managing operating expenses.
- ▶ Utilize a strategy of annual incremental rate increases to meet long-term revenue requirements to avoid acute rate hikes and ensure predictable rates for our customers.

WORLD-CLASS WATER STANDARDS

➤ Enterprise Resiliency

- ▶ Provide an active emergency management program that includes annual operation exercises.
- ▶ Reduce our carbon footprint and increase our power source redundancy through increased utilization of alternative energy sources.

➤ Infrastructure Strategy and Performance

- ▶ Update the Integrated Water Resource Master Plan every five years.
- ▶ Develop and maintain an asset management system that maximizes the life cycle and value of capital assets.

WORLD-CLASS WATER STANDARDS

» Water Resource Sustainability

- ▶ Manage an assured water supply as designated by the State of Arizona.
- ▶ Cultivate a proactive and innovative conservation program.

» Operational Optimization

- ▶ Minimize cyber security risks for SCADA and technology systems through the implementation of active security measures and programs.
- ▶ Maintain non-revenue water below 7 percent.

WORLD-CLASS WATER STANDARDS

» Stakeholder Understanding and Support

- ▶ Conduct at least one Citizens Academy per year.
- ▶ Champion an active presence in local, regional, and national water advocacy and professional organizations.

» Community Sustainability

- ▶ Emphasize conservation through the rate structures and maintain financial assistance programs so that rates are affordable for all customers.
- ▶ Maintain a municipal utility assistance program.



STRATEGIC INITIATIVES

LAKE MEAD

STRATEGIC INITIATIVES

1 Implement Advanced Purified Recycled Water (direct potable reuse) system wide by 2027.



Significant reduction in Scottsdale's Colorado River water allotment when the Colorado River's drought response principles change in 2027.



The need for Advanced Purified Recycled Water is critical to maintaining Scottsdale's drinking water supply for our customers.



Scottsdale Water's legacy of being an innovator in water recycling places the city in a unique position to leverage our existing Advanced Water Treatment facility at the Scottsdale Water Campus to implement Advanced Purified Recycled Water.

STRATEGIC INITIATIVES

2 Increase system-wide well recovery capabilities by 5 million gallons per day by 2029.



Drought continues to be a concern and the risk of significant cuts in CAP water becomes a reality



The need to access the hundreds of thousands of acre-feet of stored water in our aquifers.



Scottsdale Water will continue to work for long-term aquifer stability but needs the ability to access groundwater in larger volumes to supplement short-term reductions in surface water.

STRATEGIC INITIATIVES

3 Fully Implement system-wide Automated Meter Infrastructure (AMI) Technology by 2030.



Scottsdale Water fully implement Automated Meter Reading (AMR) technology and created a real-time customer interface per Strategic Plan 2019 – 2024.



45% of our customers lack access to same day information on water use available with Automated Meter Infrastructure (AMI) technology.



Systemwide AMI technology by 2030 will ensure customers have sufficient information to proactively monitor and reduce water usage.

STRATEGIC INITIATIVES

4 Pursue additional future water resources and wastewater volume that can be reclaimed and reused.



Scottsdale needs to pursue new sources to ensure a long-term and sustainable water supply.



These sources include, but are not limited to, SRP's new Bartlett Dam expansion and the City of Phoenix regional APRW facility.



Scottsdale Water will be actively involved in these discussions and will propose investments in these resources when possible and prudent for the City's long-term prosperity.

STRATEGIC INITIATIVES

5 Expand capacity to move water north from SRP service area by 8 MGD by 2030.



Scottsdale currently has water available in the SRP service area that can be used “off project” or outside this area.



The City needs more ability to move this water north to fully utilize it.



With eight million gallons a day of additional capacity, Scottsdale Water can move up to 20,000 acre-feet of water per year from the SRP service area north into areas traditional using CAP water.

Long Term Water Solutions

Drought Deficit	New Water Initiatives	Volumes
20,000 Acre-ft ¹	Scottsdale APRW	5,000 Acre-ft
	Bartlett Dam Expansion	5,000 Acre-ft
	Harquahala INA	3,900 Acre-ft ²
	Phoenix APRW	6,000 Acre-ft
	TOTAL	19,900 Acre-ft

1: Lower Basin States proposed static zone cuts to Scottsdale's CAP supply

2: Short-term addition – already accounted for in Assured Water supply

QUESTIONS