

Work Study: Large Water User Ordinance

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Current Policy – Approved June 21, 2022

Principle 4: Water and Land Use Management

To ensure decisions on land use are made with consideration for the impact on water resources, the City will develop policies that require any General Plan amendment or rezoning request that shows a water use above 100,000 gallons per day (excluding fire flow).

This level of water user would be required to produce a Water Demand Exhibit.

Current Policy – Water Demand Exhibit Requirement

Principle 4: Water and Land Use Management

Water Demand Exhibit will include:

1. Total estimated water use per day on a sustained basis (Water Use)
2. Net water use (NW) as defined as $NW = \text{Water Use} \times (1 - (\text{daily sewer flows} / \text{daily total water use}))$
3. Water conservation measures above those required by City code
4. For commercial or mixed-use development, the annual economic value of the development on a per gallon of use basis.

Current Process

- Development Review (General Plan or Zoning change)
 - Users over 100,000 gallons per day based on their submitted Water Basis of Design Reports
 - Submit Water Demand Exhibit
 - Water Use
 - Conservation Measures
 - Reviewed by Water Resources Staff
 - Accepted conservation measures incorporated into the project stipulations
 - Reviewed by Economic Development
 - Determine annual economic value of the development on a per gallon of use basis

Large water user industries

Daily use	Most likely Phoenix-area sectors
100,000– 250,000 gallons per day	Food/beverage manufacturing (dairies, beverage bottling), medium data centers, some manufacturing, hospitals, some HOAs (landscaping)
250,000– 500,000 gallons per day	Large data centers, food/beverage, manufacturing, some semiconductor facilities, large turf (golf courses, sports complexes if not on reclaimed)
500,000+ gallons per day	Semiconductor fabs, major data-center campuses, power generation, very large industrial facilities

Scottsdale Large Commercial Users

Water Use Tier	Number of Current Accounts
100,000 - 250,000 gallons per day	12
250,000 - 500,000 gallons per day	2
Larger than 500,000 gallons per day	0

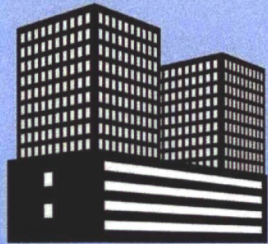
Scottsdale users 100,000- 250,000 gallons per day

Business type	Quantity
Hospital	2
Multifamily and HOAs	6
Resort	1
Large Industrial	1
Large Commercial Retail	1
Large Mixed-Use Development	1

Scottsdale users over 250,000 – 500,000 per day

Business type	Quantity
HOA	1
Resort	1

User Comparison



250,000 gallons per day
91.25 million gallons per year
~280 acre-feet per year
~2,800 acre-feet over 10 years

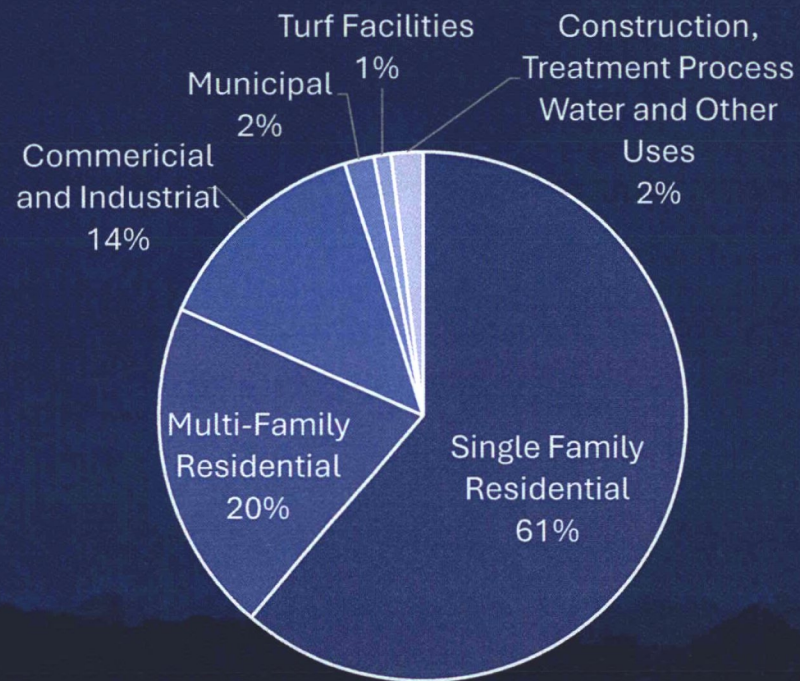


Based on Scottsdale's
benchmark of
1 acre-foot supplying about
2 households for one year.

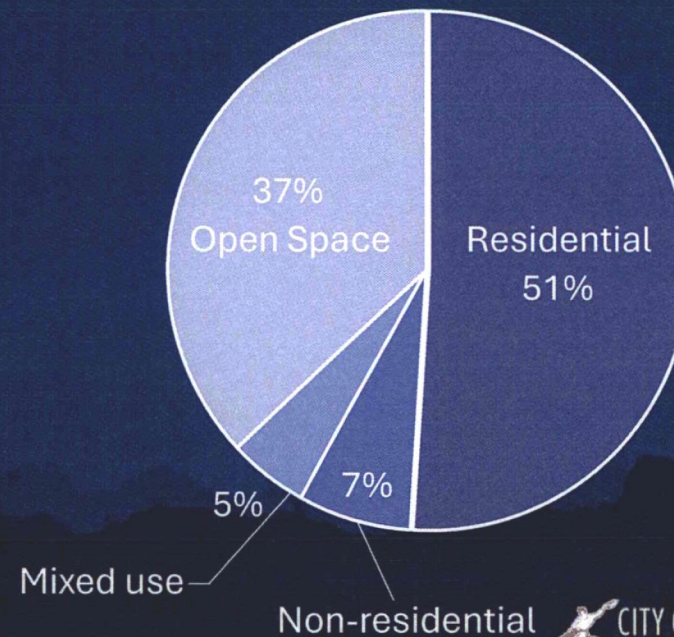


560 households per year
5,600 Household-years
over 10 years

2025 Potable Water Usage



Scottsdale Land Use Composition



Community Impact

Water use is one of many important factors contributing to community impact:

ECONOMIC VALUE

- Jobs
- Taxes
- Investment
- Infrastructure

COMMUNITY AMENITIES

- Recreation
- Dining
- Entertainment
- Events

VISITOR ECONOMY

- Visitors
- Spending
- Business travel

COMPETITIVENESS

- Headquarters
- Innovation
- Talent
- Investment

Neighboring City Ordinances

- **LWU Defined** range from 25,000 – 250,000 gpd; extreme user 500,000 gpd
- **Applicability** new customer, existing that increases usage; commercial, mixed use
- **Water Service Application** approved by director or council
 - **Conservation Plan**, update every 5 yrs; demonstrate that water used efficiently as practicable and not wasted; maximize use of recycled water and on-site recycling, best available technologies
 - **Project Specifications**, proposed water use, sewer return flows, indoor/outdoor use, cooling
- **Physical Water Supply** conveyed to city to offset usage
- **Economic Benefit & Impact on DAWS** considered in whether to approve LWU/extreme user
- **Failure to Comply** with water conservation plan – fines, suspend water service
- **Penalty** for using more water than 120% of approved amount – fines, increased rates, suspend water service

Legislative Impacts to Local Master Planning

- HB2297(2024) & HB2110(2025) – Adaptive Reuse
Requires allowance for the conversion of certain commercial, office, and mixed-use buildings to multifamily residential uses
- HB2720 – Accessory Dwelling Units (ADUs)
Requires allowance of ADUs on residential lots (up to 2 per lot under 1 acre in size and potential for 3 on properties over 1 acre)
- HB2721 – Middle Housing
Requires allowance of duplexes, triplexes, fourplexes, & townhomes in specified areas including locations surrounding downtown and portions of larger new residential developments

Staff Recommendation

Escalate review with demand

As projected water demand increases, additional review requirements apply.

100K+ GPD

Water Demand
Exhibit +
conservation plan

250K+ GPD

Additional project
information
+ economic impact
analysis

500K+ GPD

Additional review +
Council approval

Recommendation

- Ordinance to require a conservation plan binding to terms of service.
- All proposed developments with 100,000 gallons per day and greater use.
- Annual review of large water users over 250,000 gallons per day.
- 5-year conservation plan review.

Discussion