Variance and Adjustment Provisions for Water Loss Performance Standards

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What if You Want or Need to Change Your Performance Standards?

• **Variance**: Extensions of the compliance dates

• **Adjustments**: Changes to the utility-specific quantitative values AWLV (Allowable Water Loss Volumes)
Need for Variances

• Disasters
• Bankruptcy

• Smaller unforeseen events
Need for Adjustments

- Better quality data
- High data variability
- Infrastructure limitations
General Approaches to Address Adjustments and Variances

• Unforeseen and substantial events
  • Determine possibility for compliance with AWLV and other requirements or the need for and alternative compliance schedule

• Improved data accuracy
  • Re-evaluate AWLV using economic analysis model

• Utility-specific impediments discovered during compliance activities
  • Review requests on merits

• Unforeseen smaller events
  • Consider as a compliance matter
Phase 1 Standards
Improved Data Collection and Quality

Adopt WLC standards

- Reporting date for pressure monitoring survey
- Allowable Water Loss Volume for Phase 2

July 1, 2020

Report first distribution pressure survey

August 1, 2021

Submit Leakage Component Analysis

- Compliance date for LCA*
- Allowable Water Loss Volume for Phase 2

Oct 1, 2022

Dec 1, 2022

Time period to request adjustment/ variance

*LCA: Leakage Component Analysis
Opportunities for Phase 1
Variances and Adjustments

- **AWLV adjustment**
  - Improved data accuracy that would substantially change calculated AWLV

- **AWLV variance**
  - Physical disaster or financial hardship that would adversely affect calculation of the AWLV

- **Leakage Component Analysis compliance date variance**
  - Physical disaster or financial hardship precluding data analysis

- **Distribution operational pressure annual survey compliance date variance**
  - Physical disaster or financial hardship affecting installation of equipment or data collection
Initial AWLV

• Variance: Physical damage or financial hardship
  • On an as-needed basis
  • Utility request must include impact assessment, proposed compliance schedule, documentation
  • Water Board staff will review and recommend decision

• Data-based adjustment to AWLV
  • Can be requested during specified periods
  • Utility request must include proposed data and documentation on their accuracy/ validity
  • Water Board staff will review data and recalculate AWLV
  • De minimus changes (+/- 5-10%) unlikely to be approved
Phase 2 Standards
Initial Implementation

Submit Leakage Component Analysis
Dec. 1, 2022

Submit two additional Leakage Component Analyses
Conduct water loss strategy, feasibility and pilot studies

Oct 1-Dec 1, 2025, to request Leakage Component Analysis and Allowable water loss variance
Variances for Phase 2

- Leakage Component Analyses
  - October 1- December 1, 2025, to make request for variance
  - As before, natural disasters or financial hardship may be acceptable reasons for a delay
  - Staff will review the utility’s request and documentation for an extension
Phase 2 AWLV Adjustments

Submit first Leakage Component Analysis
Dec 1, 2022

Submit second and third Leakage Component Analysis
Dec 1, 2022 – Dec 1, 2026

Sept 1, 2027 – Nov 1, 2027

- Allowable Water Loss Volume for Phase 3
- Uncontrollable year-to-year variability in AWLV
AWLV Adjustments in Phase 2

• Data-based adjustment to AWLV
  • Data from utility WLC studies and pilots could be used to revise AWLV
  • Utility request must include proposed data, and documentation on their accuracy/validity
  • Water Board staff will review data and recalculate AWLV by June 1, 2028

• Uncontrollable year-to-year variability in AWLV
  • Some utilities may have substantial and uncontrollable year-to-year variability affecting their AWLV
    • Changes in sources, cost
    • Could impact Phase 4, post-2035 compliance
  • Water Board will consider this case-by-case
Phase 3
System-Wide Implementation

Reassessment of initial standards

Reassessed standard for allowable water loss volume

Period to request adjustment in Phase 2
Reassessment by State Water Board
Phase 4
Ongoing Water Loss Control

Oct 1, 2035

Three-year average should comply with standard

Reassessed standard for Allowable Water Loss Volume

Annual variability within percentage or volume

Water loss volume

Annual water loss
What if Something Happens In-Between Adjustment Periods?

• Utilities may ask for variances resulting from significant adverse events affecting AWLV or other standards compliance on an as-needed basis

• For major disasters and economic hardships that may take years to address
  • Utility request must include impact assessment, proposed compliance schedule, documentation
  • Water Board staff will review and recommend decision

• For shorter-duration events that affect compliance
  • These will be treated as for other non-compliance issues, using progressive enforcement