

## Do Residential Water Use Restrictions Reduce Water Consumption?

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## Presentation Outline

- Background
- Research Question
- Previous Literature
- Methodology
- Empirical Results
- Future Work
- Conclusion



- In 2022, Spokane implemented a city ordinance on water use restrictions called the "Drought Response Measures Ordinance".
- Information website for Spokane residents.
- Full text of the <u>ordinance</u>.

### Watering Rules and Drought Response Measures



Source: City of Spokane: https://my.spokanecity.org/publicworks/water/water-wise-spokane/watering-rules-and-drought-response-measures/

## **Research Question**

 Did the City of Spokane's Drought Response Measures Ordinance reduce average water use in July and August of 2022 and 2023 compared to prior years?

## Previous Literature

- Case studies:
  - Browne, Gazze, and Greenstone (2021) Case study from Fresno, CA
  - Survis and Root (2012) Case study from Southeast Florida
  - Barnes, Yue, and Watkins (2021) Case study from Minneapolis-St. Paul about perceptions
  - Finley and Basu (2020) 15 Canadian cities studied
- Price and non-price approaches:
  - Olmstead, Hanemann, and Stavins (2007) evaluate increasing block pricing
  - Olmstead and Stavins (2008) discuss price and nonprice approaches
  - Sedlak (2023) <u>Water for All</u> chapter on ways to reduce water use in wealthy communities

## Methodology

- Use 5 years of residential water data from the City of Spokane at the household level
  - Look at patterns and trends of water consumption behavior in Spokane city and county residents over five-years
  - Control for temperature, precipitation, yard size and other factors using a regression framework
- Panel data
  - Monthly data over 5 years
  - Residential users homes and duplexes
  - Use Maintenance Number for a specific location regardless of the owner

## Methodology

- Model specification:
- Water Consumption<sub>it</sub> =  $\beta_0 + \beta_1$ City Ordinance +  $\beta X + \mu_{it}$ 
  - X is a vector of control variables such as price, temperature, precipitation, size of yard, sprinklers in use, city ordinance in effect

#### • Use random-effects GLS estimation

- Use random effects instead of fixed effects so that I can include parcel size (which is a time invariant variable)
- Coefficients and significance do not change too much when using fixed effects
- Sensitivity analyses

# Data and Preliminary Empirical Results

## Water Consumption



## Average Water Consumption, in gallons, per household



## Summary Statistics

VARIABLES	Ν	mean	sd	min	max
Consumption Gallons	2,961,364	13,952.4	22,972.38	0	4,155,543
Parcel Acreage	2,907,184	.195	.234	.01	28.55
Precipitation	2,961,364	1.22	926	0	3.59
CDD (Cooling degree days – temperature)	2,961,364	63.715	107.59	0	394
Water Service Charge (Inside City)	2,961,364	17.875	.7141	16.73	18.76
Number of MaintNum	62,697				

## Water Consumption

Year	Average Water Consumption in July (per residential unit in sample)
2019	31,695
2020	24,805
2021	35,994
2022	18,146
2023	21,029

Dependent Variable: Water Consumption in Gallons		Panel Data Model		
Water Service Charge (Inside City)		-4,599***		
		(25.42)		
Parcel Acreage		11,153***		
		(3,240)		
Sprinklers (April thru Sept)		3,963***		
		(31.94)		
Precipitation		-919.3***		
		(12.31)		
CDD (Cooling degree days – temperature)		60.41***		
		(0.247)		
City Ordinance in Effect (June – Aug 2022 & 2	2023)	-3,609***		
		(42.12)		
Constant		90,277***		
		(771.7)		
Observations		2,907,184		
Number of MaintNum		62,697		
Random Effects		Yes		
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## Future Work

- Price Variable: Consider how to incorporate price in a better way
  - Add tiered prices
  - Add lagged prices (after people receive a bill, do they reduce water use?)
- Right-skewed distribution for water consumption
  - Need to find the best model for data with a long tail
- Review outliers
- Analyze the impact on the highest users
- Compare with county users in the data and with duplexes



- I find that average water use declined in 2022 and 2023 in July and August compared to previous years and that corresponds with the city ordinance
- Yes, the ordinance appears to be helping to reduce water consumption, on average



- Thank you!
- Questions and comments are welcome.
- Feel free to contact me at johnsone@gonzaga.edu