

Henderson, NV Non-Residential Water Utility Scorecard

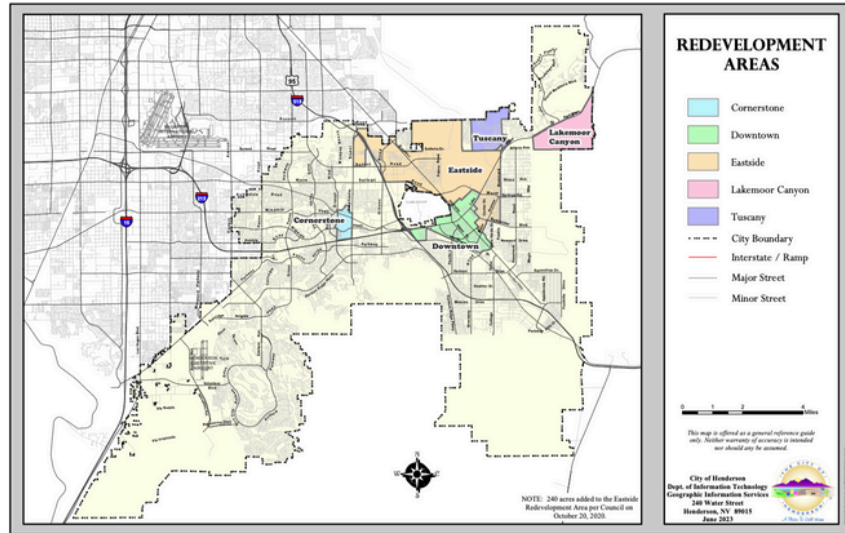


Project at-a-Glance

Community Overview

- Utility/Community: City of Henderson
- Location: Henderson, NV
- Population served: 331,415
- Service area: 107 square miles

Project Partners



Project Benefits

- Equips the City to understand the economic and water usage impact of new developments.
- Enables the City to attract businesses that will be consistent with its economic development goals and commitment to water resources.
- Supports the City's goals of supporting ongoing economic growth without over-burdening its water systems

Project Challenges



Drought



Changing
Population

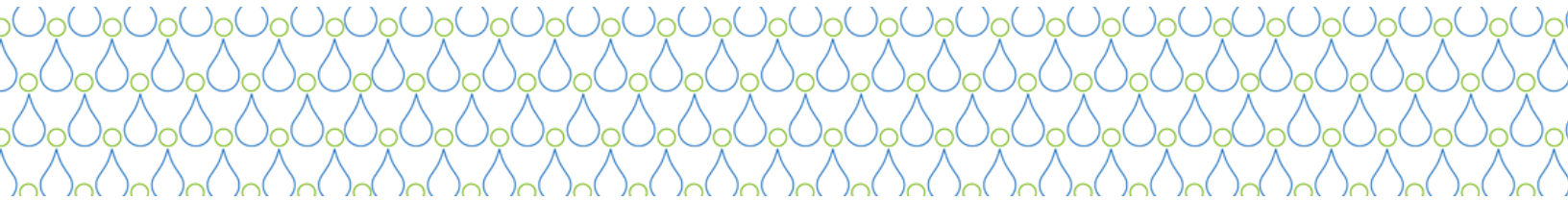


Equity and
Affordability

Strategies for Success

Develop a comprehensive Non-Residential Water Utility Scorecard to enable local decision makers to objectively compare the water impact of proposed new development. The Scorecard is designed to prioritize businesses that give the community the greatest return on its water investment. To accomplish this, the Scorecard provides data on a prospective development's:

- Water footprint (annual consumptive and total water use);
- Economic impact (such as jobs created, median and average wage, industry type, and capital investment); and
- Equity practices (e.g., job mobility; workforce training programs; skills-based hiring; diversity, equity and inclusion practices; and environmental, social, and governmental certifications).



Project Spotlight

The City of Henderson, a Las Vegas suburb, has historically been a bedroom community, made up of primarily single-family residential accounts. However, in recent years it has begun to attract interest from companies seeking to relocate to the City, a trend City leaders would like to continue. However, it is also keenly aware that its water resources to support new development are limited and developing new supplies will be both challenging and expensive. As Henderson revitalizes its urban core, and develops land in its western region, it has a crucial window of opportunity to determine how incoming companies will impact its water use, economy, and livability for years to come. The City is aiming to balance several key goals, including:

- Attracting businesses that diversify its economy and create more local jobs, lessening its reliance on resorts and casinos and attracting companies in advanced manufacturing and logistics; healthcare and life sciences; finance; technology; and hospitality, tourism and retail.
- Providing economic opportunities across diverse age groups, levels of work experience, and educational backgrounds.
- Ensuring a sustainable and responsible water footprint by minimizing consumptive water use.
- Fostering more sustainable, compact and connected development to reduce traffic and air pollution, encourage physical activity, and remove transportation-related barriers to accessing employment or educational opportunities.

Henderson's Accelerator project aimed to develop a business/development rating system that would both identify and attract industries and businesses that will help it achieve these goals. The Scorecard will better equip the City to understand the relative impacts of potential new developments, and to attract businesses that will be consistent with its commitment to conserving water resources.

The project included five phases that resulted in the creation of the Scorecard:

Phase 1: WaterNow developed a baseline outlining the community's water conservation programs as well as its processes for reviewing and engaging with businesses seeking to operate in Henderson. Key reports reviewed included the 2019 Las Vegas Global Task Force Blueprint 2.0, Henderson Economic Development Strategy, and Henderson Comprehensive Plan, to document the City's goals, context, and approach to collaborating with business entities. The project team interviewed 10 municipal staff across the City's Customer and Utility Services, Community Development, and Economic Development departments, as well as regional stakeholders.

Phase 2: WaterNow conducted a comprehensive review of over 20 scorecards in different jurisdictions to identify various approaches to assessing a company's water footprint, economic impacts, equity considerations or some combination of these elements. The project team also interviewed a number of experts on economic indicators and metrics, and a business certification program, to distill best practices and develop a solid metric selection process for comparing or ranking entities.

Phase 3: WaterNow reviewed best practices that local municipalities and utilities are using to require businesses to offset their water use to avoid over-burdening systems, and conducted informational interviews with several experts as well administrators of existing offset programs. These conversations yielded key information on how the offset programs were developed and implemented, along with key best practices and lessons learned.

Phase 4: WaterNow developed a prototype Scorecard and applicant questionnaire, along with an implementation guide outlining its indicators, calculations, and integration into the City's existing development process. WaterNow also prepared updates to the City's Sustainability Matrix Worksheet, a checklist of best practices included as part of the multi-family development process, to further encourage applicants to introduce strategies to reduce water use and increase economic equity in their site design features. These draft materials were shared with key stakeholders through a series of small group meetings, and further refined through a beta-testing process using anonymized data from existing businesses in Henderson.



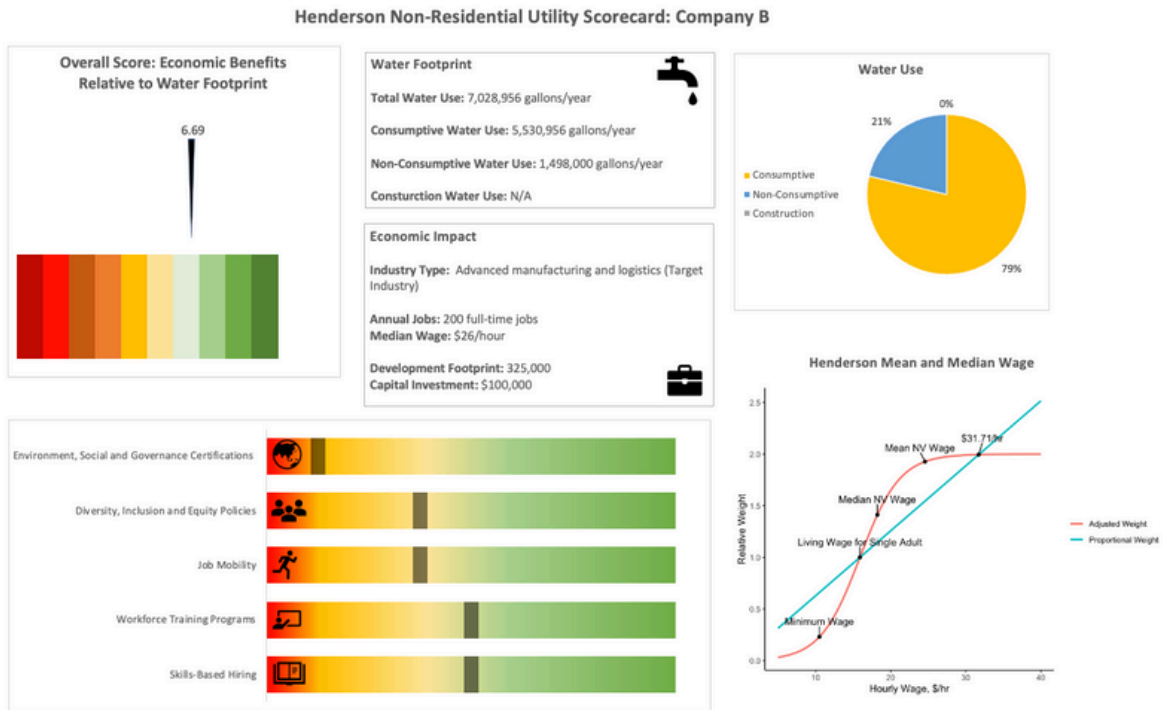
Images of a cooling tower and data center, two examples of CII activities that can have large water demands. Images from [CommScope](#) and [wikimedia](#).



Phase 5: WaterNow finalized the Scorecard, accompanying guide, and applicant questionnaire, as well as the suggested additions to the Sustainability Matrix Worksheet, reflecting the stakeholder feedback received during Phase 4.

Project Impacts

The Scorecard’s impact, once implemented, will focus on large commercial and industrial (CII) water users, seeking to operate in the City reflecting that these potential new water customers can have an especially large influence on both the City’s future water use and its economic development.



An example of the scorecard prototype. The quantitative score, 6.69, is shown in the upper left-hand corner, while other key information from the scorecard is shown in the other elements of the figure. This mock-up uses example data and does not reflect any existing companies operating in Henderson.

The Scorecard will provide two valuable services to Henderson going forward, in keeping with the City’s goals for this Accelerator project:

- Provide a single **numeric score** that encompasses the economic benefits and water use impacts of companies, to provide an objective basis for comparison. This will enable Henderson’s decision makers to quickly and easily compare and weigh applications from companies of different types and sizes, such as a business that employs relatively few people and has a large anticipated consumptive water use, and a company that has a

similar or lower water use, but a much greater economic benefit for the community.

- Quickly summarize a broader array of key considerations about the businesses seeking to operate in Henderson, such as their job mobility, workforce training programs, use of skills-based hiring practices, environmental, social, and governance certifications, and diversity, equity, and inclusion policies, to complement the quantitative score.

While the Scorecard was in development, and possibly inspired by this effort, the Southern Nevada Water Authority (SNWA) began work on a similar effort at the regional scale. SNWA is Henderson’s primary water supplier and serves seven member agencies, encompassing a population of about 2.3 million people in the Las Vegas region, and so the potential impact of employing the Scorecard approach at this scale could be quite significant. SNWA’s [Water Investment Rating Tool](#) is exploring a similar approach to reviewing the water use impacts, economic benefits, and community benefits of large commercial and industrial customers seeking to operate in the region. WaterNow and Henderson worked with SNWA to incorporate the insights and learnings developed through the Henderson Accelerator project. The region-wide Water Investment Rating Tool will, if implemented, supersede the local effort in Henderson, and so implementation of the Henderson Scorecard has been paused while development of the regional tool is completed.

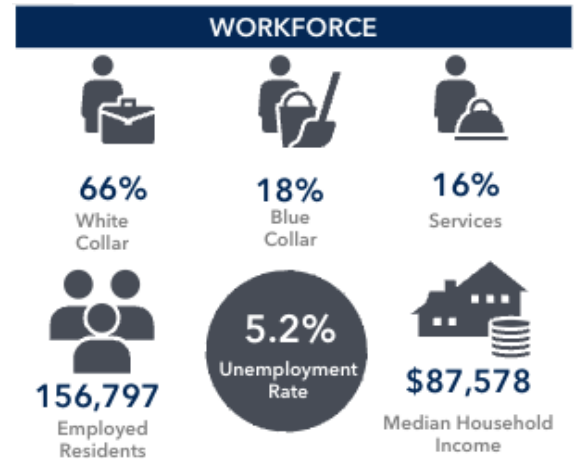


Lessons Learned

The project team identified several key lessons learned for communities looking to embark on similar benchmarking efforts:

Indicator Selection

- In terms of economic indicators, it important to define and track the number of good jobs, rather than focusing solely on the total number of jobs, likely to be created by a company. Good jobs can be defined in a variety of ways including but not limited to; long-term stability, compensation, fair working hours or schedules, and, match with the local labor pool. In contrast, poor-quality jobs include those with low pay, high turnover, and few opportunities for growth or advancement. Evaluating job quality can be subjective and difficult to parse from numbers alone. Considering job quality criteria, such as skills-based assessments, scheduling practices, and expected turnover in the company can be helpful in assessing the type of positions offered by a company.



A summary of Henderson’s workforce demographics. Image from the [City of Henderson](#).

- Consider how to balance quantitative and qualitative indicators. Many key criteria – such as measuring a company's commitment to inclusive hiring and promotion practices – can be difficult to measure quantitatively. However, qualitative data can be more challenging to standardize and compare, and to factor into a numeric score. The Henderson Scorecard



Business developments in West Henderson. Image from the [City of Henderson](#).

navigates this balance by gathering qualitative data, provided by the applicant, alongside quantitative data, to provide a fuller profile of a company's operations and likely impacts on the community.

- Keep a region's particular context in mind when evaluating indicators and establishing any scoring or benchmarking criteria. For instance, the average and median wage should be compared to local reference points, and efforts to evaluate the diversity of a workforce should take the diversity of the community's overall population into consideration.
- Select metrics with benchmarking goals in mind. This might take the form of prioritizing indicators that can be used to easily compare how a company stacks up to others operating in the region, or to other companies in the industry (e.g., by choosing data sources that include state or regional data).

Developing the Scorecard

- Consider the perspectives of a wide range of local stakeholders, from municipal staff to local businesses.
- Determine at the outset how the benchmarking process will be integrated into existing development processes helps to identify key opportunities or potential barriers, as well as stakeholders whose input can help inform the scorecard implementation process.
- Beta-testing the tool is worth the time to both refine and build confidence in the benchmarking effort, and to make its value proposition clear. This can be done using several anonymized existing companies, or data representative of typical applicants. Beta-testing can be especially helpful in considering how to weigh different indicators in the final scoring approach.

Implementing the Scorecard

- Incorporate benchmarking efforts, whether a Scorecard or related type of tool, into outreach and communication to prospective companies. Flagging the scorecard and its goals into business recruitment practices can help avoid any surprises for potential applicants. This can be done, for instance, by describing the benchmarking scorecard in FAQs or featuring it on the city's business application website. There may also be opportunities to highlight the advantages that low-water-use companies or industries may have in the process, as part of outreach done by a municipality's Economic Development Department or local Chamber of Commerce.
- The scorecard process should occur early in the development process to avoid either the applicant or the community spending significant time preparing and reviewing an application that may not meet the scorecard's criteria.
- Determine how the community will verify any self-reported data. This could include, for example, conducting random spot-checks or audits one to two years after the business begins operations, or to comparing a company's anticipated job and wages to similar companies operating in Henderson or in the industry.



A data center under construction in Henderson. Image from the [Las Vegas Review-Journal](#).