

Fiscal Note

BILL # HB 2428

TITLE: no-water urinals required; public buildings

SPONSOR: Thorpe

STATUS: As Amended by House NREW

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Description

The bill would require the state to replace all flushable urinals with water-free or ultra-low flow urinals in state buildings within 2 years. The state would be required to replace the urinals on the first floor of the House of Representatives and Senate buildings in the first year.

In addition, counties, cities, and towns would be required to install water-free or ultra-low flow urinals in all new buildings or when a building remodeled project is greater than \$10,000.

Estimated Impact

The bill would cost the state approximately \$19,700 in FY 2020 to replace the urinals on the first floor of the House of Representatives and Senate. In FY 2021, the JLBC Staff estimates estimate the one-time cost to replace urinals statewide to be \$4.3 million. The universities have not yet provided a cost estimate, but the JLBC Staff estimates the cost may be similar to the state cost based on their building system's size.

The Arizona Department of Administration (ADOA) estimates the state will reduce its water usage on the Capitol Mall by 12,800 gallons per year. ADOA estimates the savings on the Capitol Mall to be \$(16,500) annually which would be \$(81,200) annually for all state buildings in the ADOA building system.

Analysis

ADOA reports that there are approximately 264 urinals in ADOA owned and maintained buildings on the Capitol Mall. The Capitol Mall accounts for approximately 21% of the state's building system inventory, excluding the universities. Assuming the same proportion of urinals to square footage as the Capitol Mall, the state would need to replace approximately 1,300 total urinals in the state's building system. ADOA estimates that the average cost to replace a urinal is \$2,300, which includes the fixture and installation. The fixture and installation costs statewide, excluding the universities, would be approximately \$3.0 million.

Construction projects often include a contingency for unforeseen conditions such as mold, asbestos, plumbing, and electric issues. In addition, large projects may include funding for project management. ADOA reports that bathroom projects are difficult to estimate and therefore ADOA recommends a contingency of 87%. The JLBC Staff believe that estimate is too high as construction contingencies are usually between 10% and 20%. However, a contingency of 43%, or half the ADOA estimate, may be appropriate given the extensive issues related to bathroom remodels. Assuming a contingency of 43%, the total project costs would increase by \$1.3 million.

For FY 2020, the bill only requires that the 6 urinals in the House of Representatives and Senate first floor restrooms be replaced. Total cost to replace these urinals is approximately \$19,700 which includes a 43% contingency.

Water-free and ultra-low water urinals save water and therefore would reduce water costs. The Environmental Protection Agency (EPA) estimates that replacing inefficient fixtures could save 0.5 to 4.5 gallons per flush. However, savings estimates vary depending on each fixture, usage, and water prices.

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ADOA estimates the state will reduce its usage by 2.85 gallons per flush with an average of 18 flushes per business day or 12,800 gallons per year. Savings could be higher for publicly accessible urinals such as those on the first floor of the House of Representatives and Senate buildings. At an average cost per gallon of \$0.0049, ADOA estimates the savings on the Capitol Mall to be \$(16,500) annually, which, assuming the same ratio applies statewide, would be \$(81,200) annually for all state buildings in the ADOA building system.

The FY 2019 budget included \$11.0 million from the Capital Outlay Stabilization Fund (COSF) for building renewal projects at ADOA. COSF receives revenue from rent charged to agencies on the Capitol Mall and is primarily used for building renewal projects on the Capitol Mall. State agencies outside the Capitol Mall and the universities typically pay for building renewal with operating funds or capital outlay appropriations. Expenditures from COSF to install urinals could reduce ADOA's ability to fund other projects; water savings would reduce COSF operating expenditures.

Local Government Impact

The bill requires water-free or ultra-low water urinals to be installed in all new city, town, or county public building construction. The JLBC Staff assumes that the cost to install a water efficient urinal in a new construction project would be negligible as the cost per fixture is similar to a traditional urinal.

In addition, the bill requires urinals to be replaced when a city, town, or county remodels a public building if the construction cost is over \$10,000. The bill does not specify that only bathroom remodeling projects apply and therefore all building renewal projects over \$10,000 such as roofs and HVACs would require the urinals in the building to be replaced.

The local cost to replace urinals in public buildings will vary significantly. For example, Coconino County reported an average of 10 qualifying projects a year while Maricopa County reported an average of 100 projects.

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