

Presented by BizFed Institute

Hosted by BizFed Member Metropolitan Water District of Southern California



BizFed has proven through its 14 years of advocacy success that broad-based coalitions with coordinated goals and a unified voice can move mountains. Here at BizFed Institute, we believe we can harness the same power of public-private partnerships to fill dams. Our Water & Climate Resiliency Forum marked an important milestone in the state's urgent, ongoing, and too often overlooked work to address the historic mega-drought. And by "state," I don't mean state government agencies. I'm referring to all Californians. We are all stakeholders in this rapidly worsening water supply, storage, and conservation emergency. I couldn't be more grateful that BizFed Institute staffers, Board members, partners, and programming leaders were able to convene a diverse group of water policy experts, water agency leaders, and private sector innovators to speak at our forum. The exchange of intel we facilitated marks an important step forward. I have no doubt powerful decision makers will learn from the conservation lessons shared by golf course representatives, water usage comparisons detailed by building industry leaders, and questions posed by business advocates laser-focused on restoring California as a beacon of opportunity

Kevin Harbour
BizFed Institute President

Gloria Gray, Chairwoman of the Metropolitan Water District of Southern California (MWD), reminded attendees to stay optimistic, lean on public-private partnerships, and invest simultaneously in water supply, storage, and conservation in her opening remarks. Her own optimism about the sustained efficacy of multipronged solutions – and confidence in MWD's bold and unprecedented action to address drought – was palpable. Collaboration was the cornerstone of her call to action. Gloria cited MWD's partnership with BizFed and thanked Founding CEO Tracy Hernandez for years of policy-shaping advocacy mobilization on behalf of the water district.

— “ —

We are partners. That's what I want to leave you with. We have to get through this together.

” —



Gloria Gray
Metropolitan Water District
of Southern California

— “ —

What we're going through today is a wake-up call and we can't survive it if we don't adapt.

” —



Adel Hagekhalil
Metropolitan Water District
of Southern California

Adel Hagekhalil, General Manager of MWD, laid out his vision for an abstract “fourth aqueduct” in his opening remarks. It would encompass a collection of coordinated activities supercharging water supply, storage, recycling, conservation, and management. The most important element? People and their attitudes toward water. He expanded upon Gloria's call for strategic partnerships and spoke to the power of inclusion. We must figure out how to harness the water we have, put it into savings accounts, and distribute it far and wide so nobody is left behind, he said. U.S. Sen. Alex Padilla is bolstering MWD's efforts to serve disadvantaged and water insecure communities by authoring a bill to address leaky pipes. The water district is also advocating for federal funding for targeted water reclamation efforts. But the road ahead is littered with obstacles. Adel said relying on the shrinking snowpack alone is a nonstarter, called for accelerated cleanup of PFAS-contaminated groundwater, and warned about progress-stalling litigation.

Matt Klink and Ruth Drizen-Dohs, BizFed Institute's 2022 Program Chairs, delivered eye-opening but largely unsurprising **Water Flash Poll** results.

- More than half of poll respondents said California should have had more effective drought solutions and resiliency strategies in place by now.
- A quarter of respondents blamed our current water supply crisis on "insufficient focus on infrastructure and sustainable practices," while 17% pointed to "inaction by government and public agencies."
- Nearly a third of respondents said water restrictions will have either a "significant" or "moderate" economic impact on businesses.
- The sectors respondents said were likely to experience the most significant drought impacts are construction, emergency response (fire departments), commercial landscaping, and agriculture.
- Nearly two-thirds of respondents said long-term solutions should include incentivizing water conservation. 53% said expediting new technologies could help address drought in the long run. We're heartened to see only 3% of respondents answered, "Nothing. It is cyclical and will end."



Joaquin Esquivel, Chair of the State Water Resources Control Board, shared alarming data that underscored how quickly the drought intensified and the inability of our "system of systems" to keep pace. He said State Water Project and Central Valley Project leaders underestimated and modeled water needs by about 1 million acre-feet. The state is now curtailing water rights for the first time in its history. Accurate data is essential, as well as "21st-century system" that modernize our water recycling, stormwater capture, water storage, and groundwater cleanup capabilities he said. Echoing Adel's remarks about inclusion, Joaquin spoke at length about the importance of reconciling water inequities across the state. We must develop ways that fit within our budget to haul water to Californians who need it most.

We thank BizFed leader **Steve Bullock** for asking Joaquin about differences in water conservation progress across various regions of California. His question sparked constructive conversation about the politics of water distribution and different sectors' unique needs. California's agricultural success would not be possible without sufficient irrigation.

We also applaud **Tracy Hernandez** for stepping up to ask Joaquin about the state's long-term approach to water budgeting and resiliency. Are state water leaders operating under the belief that fewer people and less enterprise are easier to sustain and, therefore, preferable? Or are State Water Resources Control Board members committed to pursuing drought relief for all Californians, plus more? Joaquin zoomed out to focus on reconciliation in his response. The "California way," he said, is to decouple water from water use and find equitable solutions that serve Californians for generations to come without exceeding our budget.

Maria Mehranian, Managing Partner for Cordoba Corporation, doubled down on the importance of corporate water stewardship and California's growing need for expanded water supply. We cannot weather this drought and implement long-term fixes without the private sector's participation, she said. Business can – and now must – be an ally in the state's battle to quench its worsening thirst. She also spotlighted the ever-important nexus between water and energy. Between 2008 and 2018, energy companies produced 1.3 trillion gallons of wastewater in California, according to a 2021 Earthworks report cited by Maria. That's enough wastewater to fill more than 17 million standard bathtubs. Engineers are developing new methods and exploring emerging technologies such as membrane distillation that can treat this wastewater. Both regulators and private sector stakeholders should take note.



PANEL 1: Drought Solutions & Climate Resiliency

Moderated by Jonathan Parfrey, BizFed Institute & Climate Resolve

Panelists:

Nancy Sutley, LA Department of Water & Power
 Joone Kim-Lopez, Moulton Niguel Water District
 Adan Ortega, Ortega Strategies Group
 Mark Pestrella, LA County Department of Public Works
 Robert Ferrante, LA County Sanitation Districts



PANEL 1: KEY TAKEAWAYS

- We're currently importing 1.5 million acre-feet of water (down from the projected 3.2 million) thanks to Metropolitan Water District of Southern California's move to build the Diamond Valley Lake reservoir.
- Lack of public trust in drinking water safety is a key obstacle to achieving "resiliency." People of all income levels consistently choose to pay 100x more for bottled water in California.
- Much of our groundwater is unusable due to contamination dating years back. Cleaning and better managing groundwater basins must be in our portfolio of resiliency strategies.
- Water levels have dipped so low at Lake Mead, skeletal remains and the ghost town of St. Thomas have appeared. Worsening drought conditions have also revealed the necessity of recent agency action to conserve or redirect available water.
- Incentives, rebates, and technical assistance for customers are a key piece of the conservation equation. Keep an eye on S.2430, introduced in 2021 by U.S. Sen. Dianne Feinstein, which would make rebates homeowners receive from water utilities for water conservation exempt from federal taxes; and AB 2142, introduced by Asm. Jesse Gabriel, which would re-establish California's exemption for traditional landscaping and turf replacement rebates from gross income, incentivizing the installation of drought-tolerant landscaping.
- Data-poor water agencies that invest in big data initiatives can overhaul their supply and demand modeling, potentially saving millions each month.
- We need collaboration across water districts and equity at the decision-making level. When numerous small purveyors are involved, as is the case with the city of LA's "One Water LA 2040" Plan, we must identify the collective priorities of various water retailers.
- Climate change has resulted in increased sedimentation that has made it more difficult to retrofit dams and clean out reservoirs.
- LA County Sanitation Districts saw their wastewater flows decrease by 30% in 22 years, thanks in large part to businesses and residents that installed modernized equipment.

PANEL 2: How Can Business Be A Partner? Moderated by Jon Switalski, Rebuild SoCal Partnership

Panelists:

Craig Kessler, Southern California Golf Association
Aaron Taxy, Building Owners and Managers Association Greater Los Angeles
Kayla Johnson, Anheuser-Busch



PANEL 2: KEY TAKEAWAYS

- Effective public policy incentivizes investments in conservation. This is what empowered local golf courses to achieve water use reductions of up to 45%.
- We can't conserve our way out of this drought. We must build infrastructure to expand supply and storage.
- Home water consumption is significantly less efficient than office water consumption, especially in urban buildings that are increasingly occupied by companies seeking LEED-certified space. Incentivizing people to return to offices in denser, urban spaces will quickly reduce water consumption.
- The private sector drives the adoption of new technologies that can reduce water consumption. Think back to water-saving digital x-rays. Public agencies need to listen to, learn from, and coordinate with private partners.
- Thanks to partnerships between MWD, DWP, and BOMA, rebates for installations in the office landscape have lowered water use and increased reclamation.
- Anheuser-Busch has invested millions in launching and fast-tracking sustainability projects that reduce the environmental impact of their 120+ facilities nationwide. 100% of their facilities and breweries are engaged in water efficiency efforts.

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