



BizFed Institute's third annual **Water Resiliency Forum** convened diverse industry leaders, policymakers, and experts at Metropolitan Water District of Southern California headquarters in downtown Los Angeles to zero in on the critical nexus of water access, infrastructure investments, and policy frameworks in shaping California's economic tides.

We're especially proud of the bright spotlight we shined this year on urban-rural partnerships. I want to thank our BizFed Central Valley partners for leaning in with us to ensure regulators, legislators, and water agency leaders have a better understanding of the agriculture sector's unique water needs. I'm confident the conversations we started and the scenarios we unpacked will set the stage for innovative, sustainable, affordable, future-forward solutions that keep California thriving as a globally competitive economy.

Special thanks to our featured speakers and the sponsors listed below for making this forum possible. Metropolitan Water District, the nation's largest wholesale water supplier, stepped up once again as the exclusive title sponsor and host of this annual forum. We're grateful for their continued partnership and support.



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— “
Metropolitan isn't just adapting to climate change as it comes. We're taking important steps to keep it from worsening.
” —

-DEE ZINKE, Metropolitan Water District of Southern California

Dee Zinke, Metropolitan Water District's assistant general manager and chief external affairs officer, emphasized the significant challenges posed by climate change in her opening remarks. The southwestern region of the United States is particularly impacted by climate-related challenges and has the country's most volatile hydrology. Zinke highlighted the urgency of investing in new infrastructure, updating policies, and establishing programs to help California adapt to these changing conditions, adding that she "feels secure" in the amount of work underway right now to improve the state's water resiliency.

"We are challenged right now with climate change. Our Colorado River supplies are directly impacted," Zinke said.

Every watershed that Southern Californians depend on is becoming less dependable. Metropolitan Water District adopted an "Integrated Water Resources Plan" in the 1990s to get ahead of these supply stressors, but long-term projections must now be updated to account for the uncertainties of climate change. The new "Climate Adaptation Master Plan for Water" takes more curveballs and climate change complexities into consideration, as well as expanded water delivery and storage capabilities.

Metropolitan Water District also has joined forces with state and local leaders to help minimize the effects of climate change by committing to the long-range goal of cutting greenhouse gas emissions. In May 2022, Metropolitan Water District leaders adopted a Climate Action Plan to set a pathway to achieving the state's target goal of reducing GHG emissions by 40% below 1990 and to reach carbon neutrality by 2045. It's all directly linked to water resiliency!

One of the biggest challenges in recent years? Zinke said Metropolitan Water District leaders were counting on the State Water Project to consistently deliver 20% of water. It was a "game changer" for these allocations not to come through, she said, underscoring the urgency of adapting to climate change and maintaining a more diversified portfolio of water supplies.



— “
We have more water rights in California than actual water.

” —

—DR. CHRIS THORNBERG, Beacon Economics

"Dude, I'm an economist. You want me to talk about water?" That was Dr. Christopher Thornberg's response when BizFed Institute President Kevin Harbour first invited the founding partner of Beacon Economics to speak at our Water Resiliency Forum. Turns out there's significant overlap between economics and water policy – especially when it comes to infrastructure investments, future-forward supply solutions, and understanding the difference between water value and price.

Consider the phenomenon known as the "water-diamond paradox." Diamonds are pricier than water because of their rarity. But one is essential to life while the other is not. Debates about the cost of water investments should be filtered through this lens. As cheap as tap water is in California, you go two days without a drop and you're dead, Thornberg reminded the room.

So where and how can we make smart investments to maintain access to this non-negotiable resource? Old management systems comprising canals, dams, and reservoirs have been hit by cost increases; new strategies including reducing, recycling, reinvesting, and trading represent the future of water resiliency, Thornberg said. Rethinking non-essential usage and running replacement costs analyses are crucial steps. For example, Las Vegas has effectively slashed water usage by moving away from lawns. Should watering grass continue to be among California's top water usage priorities?

"We're not even two years away from terrifying headlines... So we all have to appreciate that while we're okay right now, the problem hasn't gone away," said Thornberg.

Could some of the problems be self-imposed? We have "more water rights in California than actual water," Thornberg explained. We need to clarify these rights and firm up ownership, and then make them more fungible and tradable. It's water economics 101.

We invite you to explore Thornberg's full slide deck breaking down data behind California's water supply challenges, urban vs. agricultural water usage, efficiency-focused allocation strategies, and why he's spent a decade fighting to advance the Delta Conveyance Project.

SCAN CODE





— “

It doesn't matter what side of the aisle you're on when the water goes out.

— ”

—KARLA NEMETH, California Department of Water Resources

How can California build big things faster to help deliver water to more people? California Department of Water Resources (DWR) Director Karla Nemeth used her keynote remarks to address that question from multiple angles. No matter which lens you look at California's water crisis through, the challenges are the same. Supply issues cut across political divides and affect every community in California.

California is in dire need of "fundamental programmatic approaches to dealing with the environment" that are largescale and support watershed ecosystems, Nemeth said.

She leads the agency that oversees the State Water Project and plays a pivotal role in ensuring water reliability and safety across the state. She highlighted challenges exacerbated by climate change and population growth, as well as the importance of sustainable water management practices. Solutions are multifaceted and require buy-in from diverse stakeholders.

Nemeth called for large-scale, programmatic approaches to addressing climate change and a more organized system of groundwater management and flood protections. If we don't craft implementable solutions that can be translated into legislation, we'll continue grappling with drought declarations and emergency orders every few years. We can't afford inaction – or overly complicated proposals that are impossible to implement.

California's numerous water managers and entities can create additional hurdles. Getting organized at the watershed scale will help us get ahead of man-made challenges when Mother Nature acts unpredictably. Shoring up backup infrastructure, pulling together groundwater management and flood protection systems, and tapping into floodwaters as a water supply source will all help bolster our resiliency.

Water policy transcends politics and "should not be drawn by political boundaries," Nemeth said. Continuing to manage water primarily at the local level in California will slow our response to drought. Rather than issuing knee-jerk emergency orders every few years to address drought, Nemeth voiced support for legislative solutions crafted with a long-range, statewide approach.

Top of mind for Nemeth? Addressing the Sacramento-San Joaquin Delta's long-term sustainability. It supplies fresh water to two-thirds of California's population and millions of acres of farmland. But this supply is threatened by floods, rising sea levels, earthquake damage, aging levees, invasive species, contaminants, and other ecosystem disturbances. Maintaining the conveyance of water from north to south is a water management challenge with high stakes for millions.

Water Flash Poll Takeaways

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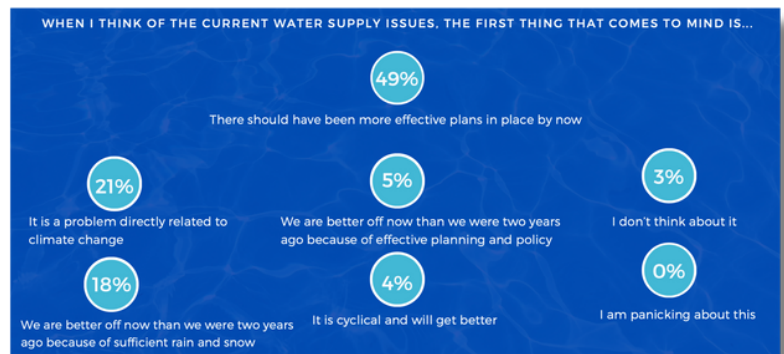
A total of **91 professionals** from **19 industries** shared their perspectives on California's water crisis and strategies to increase drought resiliency. Poll participants shared a plethora of potential solutions to stretch the state's available water supply to better serve all communities through periods of imbalanced precipitation. Poll findings confirm and underscore our hypothesis that most Californians believe a combination of solutions, rather than aggressive conservation alone, is necessary to comprehensively address the long-term impacts of climate change and aging infrastructure.



We conduct a "Flash Poll" ahead of each of our forums to gather data quick-takes from our diverse network of business and civic leaders on specific issues. This time, our timely topic impacting all Californians generated a record number of responses that we were able to compare with data collected from our first and second annual Water Flash Polls in 2021 and 2022. Special thanks to Employers Group's **Bill Stephens** for presenting key findings.

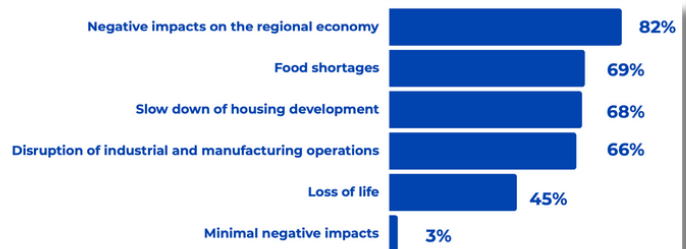
Water planning, management, and distribution continue to be major hurdles. Few people feel California's water situation is better off now than a few years ago. Even fewer believe the problems will fix themselves.

An overwhelming 93% of respondents strongly agree or generally agree that water access will have a significant impact on California's ability to increase housing.



The anticipated consequences of inaction in addressing water shortage, access, and infrastructure issues affect all areas of life. This year's pool of respondents were keenly aware of the economic impacts, and also pointed to potential food shortages and stalled housing production.

Only 3% of people polled said water inaction would lead to "minimal negative impacts."



PANEL 1: Expanding Urban-Agricultural Partnerships Moderated by Clint Olivier - BizFed Central Valley

Panelists:

William Bourdeau - Harris Farming
Nina Hawk - Metropolitan Water District, Bay-Delta Initiatives
Mike Wade - California Farm Water Coalition



PANEL TAKEAWAYS

- California's agricultural market value (encompassing crops and livestock) was estimated at \$59 billion in 2024, led by dairy, grapes, cattle, and almonds. California has approximately 76,400 farms and ranches that generate \$100 billion in related economic activity and export products to much of the country, as well as internationally. We must take California growers' water needs into consideration before drought emergencies.
- Metropolitan Water District's efforts to better understand the business of agriculture – including which crops need more water and when they're more water intensive – have led to more effective allocation strategies impacting agriculture and other sectors.
- The Central Valley's F-word? "Following." Forcing agricultural communities to forgo water to make up for supply deficits elsewhere can have serious economic consequences and some overlooked environmental costs.
- Making business decisions purely on the basis of water flow is a mistake. Agricultural leaders must adapt their management, lean on sound science, and advocate for policies that balance rural and urban priorities.
- Cutting off or curtailing supply lines as part of a knee-jerk reaction will make Californians vulnerable in water shortage emergencies. Shoring up infrastructure, establishing emergency systems and processes, and planning proactively with all stakeholders at the table will keep our communities and industries – including farms that produce essential food – thriving.
- Breeding things to be more drought resistant such as pistachios is a sound strategy, along with increasing investments in green and gray infrastructure. Water retention and purification systems such as pipes, ditches, culverts, and retention ponds are key for stormwater management

PANEL 2: Keeping Water Safe, Reliable, and Affordable Moderated by Scott Houston - West Basin Municipal Water District

Panelists:

Maria Mehranian - Cordoba Corporation
Robert Sausedo - Community Build & Groundswell
Anatole Falagan - Long Beach Utilities
Dr. Greg Pierce - UCLA Luskin Center & UCLA Water Resources Group



PANEL TAKEAWAYS

- The nuanced concept of "water affordability" and everyday Californians' hyper-sensitivity to price acceleration can dramatically impact our ability to advance vital infrastructure projects. Water infrastructure advocates would be wise to remind people that "affordability" debates about essential resources boil down to one argument. Water access is non-negotiable for human life.
- A large swath of Californians – nearly 1 million! – still lack access to clean, safe drinking water. That's despite California stepping up as the first state in the nation to legislatively recognize the human right to water.
- Infrastructure is what connects humans to resources. Think about the ways we access the most vitally important resource that supports all life. We'd have no potable water access without infrastructure.
- So what funds some of our most important water infrastructure? YOUR monthly water bill. It's one of the least expensive bills most of us pay, compared to electricity, transportation, housing, and other living expenses.
- Policymakers could take a closer look at industries that get large government subsidies and have high profit margins. Should some of those subsidies be redirected to critical areas like water?
- Dwindling water supplies will significantly increase costs. Rather than resigning ourselves to shifting from locally sourced water to imported water, embracing a variety of strategies to diversify our supplies will help keep costs down.



We'd like to conclude by thanking **Sarah Wiltfong**, BizFed's newly promoted Chief Advocacy Officer and leader of BizFed's Water Committee, for delivering closing remarks that succinctly captured salient points from our third annual Water Resiliency Forum. Wiltfong quoted a memorable quip from Southern California Water Coalition's Charley Wilson:

"Get into water or get out of business."

The importance of business community engagement in shaping, passing, and implementing sustainable water policy cannot be overstated. We hope attendees are well-equipped to build upon our forum's momentum, driving forward initiatives that promote water security, economic resilience, and environmental sustainability – even in the face of climate variability and water scarcity.

Interested in learning more about BizFed's water advocacy? Please email sarah.wiltfong@bizfed.org with your questions.

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