



ACCELERATING INNOVATION

March 28-29, 2018 | Salt Lake City, UT

REPORT BACK

Dear Colleagues,

At the end of March, WaterNow Alliance was joined in Salt Lake City by over 100 local decision makers, innovators and thought leaders for our dynamic 2-day Water Summit: Accelerating Innovation. We're very pleased to present you with this Report Back on the event, highlighting key insights from the presentations, discussions and engagement that took place.

Special thanks our conference sponsor, Rachio, and to the University of Utah for hosting us on their beautiful campus, as well as our primary partners for the event, the Utah League of Cities and Towns and the National League of Cities. We're grateful as well for the participation of our inspiring keynote speakers, Salt Lake City Mayor Jackie Biskupski, University of Arizona Law Professor Robert Glennon, and Founder and President of Moonshot LLC, George Hawkins, and of course, all who attended.

Since our Inaugural Summit just two years ago in Tempe, AZ, WaterNow's membership has grown to more than 230+ water leaders in 26 states. As we reflect on the incredible energy and commitment that attendees brought to the room, it is clear that there is growing excitement around sustainable water strategies, how they can address local needs, and the power of this Alliance to bring water leaders together to create change.

And creating change is what WaterNow is all about. You are the "secret sauce" that facilitates new opportunities and ensures success. Building on our theme of "Accelerating Innovation," the Summit focused on tangible opportunities for leaders to engage in policy initiatives, learning workshops, local projects and other collaborations. By the end of the 2 days, we had volunteers signing up, standing up and committing to next steps to move these critical strategies forward.

Stay tuned for opportunities to engage with us and as always, please feel free to be in touch directly if you have questions, comments or recommendations about how we can continue to support your work as a water leader.

Thanks for all you do,

A handwritten signature in black ink that reads "Cynthia Koehler". The script is fluid and cursive.

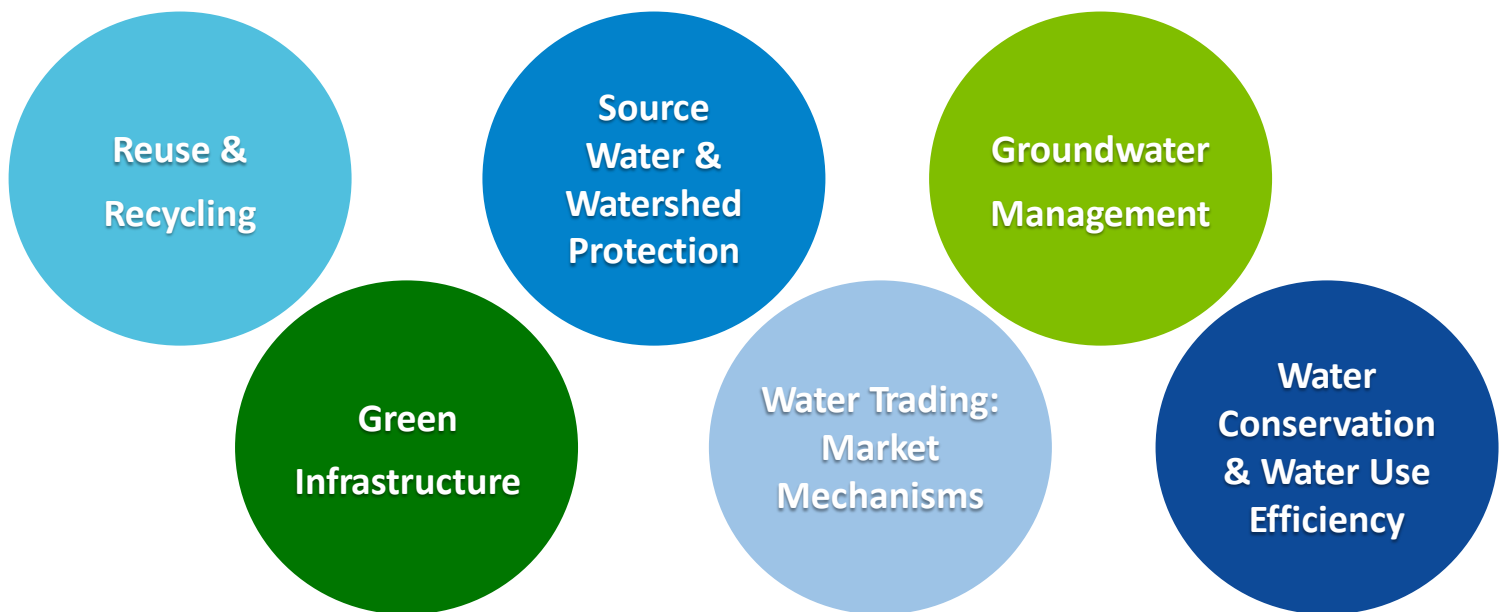
Cynthia Koehler, Executive Director
WaterNow Alliance

P.S. Detailed information on the presentations can be accessed from the Member Portal: waternow.org/member-portal

WATERNOW ALLIANCE

Our Mission is to achieve high impact, widespread adoption of local sustainable water solutions compatible with a healthy environment for the future.

What do we mean by sustainable? Methods of providing clean, affordable, and accessible water to people without using up or destroying water resources, now and into the future.



IN 2017-2018, TOGETHER WE...

Achieved a major victory with the imminent finalization of new GASB policy that can unlock new investment opportunities for sustainable distributed water innovation and green infrastructure

Expanded into 10 new states

Grew our membership by almost 100%

Launched our 1st Project Accelerator

Co-hosted a major data summit at
Stanford University

Recognized 3 incredible visionaries with
our Impact Award & Leadership Award

Held 4 communications workshops and
webinars for water leaders

Brought together over 90 local elected
officials to support federal funding for
the WaterSmart Grants program

Mentored 7 research associates from
universities across the nation

ACCELERATING INNOVATION

BY THE NUMBERS

Who's in the room?

13

Different states represented from across the nation

72%

Elected or appointed officials who run their local utilities

37%

Incorporating climate change in water planning

75%

Concerned about the reliability of their future water supply

77%

Identify financing as a limiting factor to water conservation and efficiency programs

68%

Interested in exploring sustainable water projects in their local community

70%

A successful summit means gaining new information about sustainable water opportunities

69%

Very focused on making water management more equitable and affordable

WaterNow Alliance consists of

235

forward-thinking public officials committed to sustainable water solutions

Nationally

85%

of water spending occurs at the local level



ACCELERATING INNOVATION

“WHAT HAPPENS ON MONDAY” OPPORTUNITIES

Many of us attend conferences that are fun and interesting, but on Monday it's back to work and those paper takeaways pile up on our desks until they get recycled. WaterNow is changing that dynamic so that the connections, insights and ideas generated at our Summits and Workshops lead to ongoing engagement with members, partners and stakeholders.

Throughout the Accelerating Innovation Summit we introduced topics that WaterNow will be exploring as priorities for the coming year – from scaling up investment in distributed infrastructure to data to local project implementation. Below are some of the initiatives for further action that we explored.

We want your input: Take the **What Happens on Monday Survey**: <http://bit.ly/WHOMSurvey>

PROJECT ACCELERATOR

Does your water agency have a project that could use a shot of adrenaline? If you have a sustainable water project that is struggling to get started, or has hit a roadblock where some outside expertise or additional capacity can make a difference, consider applying to the WaterNow Project Accelerator at <http://bit.ly/WNAProjectAccelerator>.

SCALING UP DISTRIBUTED INFRASTRUCTURE

WaterNow has developed a coalition of experts and organizations working to support utilities in investing at higher levels in green and “distributed infrastructure” (DI). Studies are showing that DI can be an important part of how water resource agencies of all kinds can meet their communities' needs – often at lower costs and with critical co-benefits. We'd like to develop some pilot projects around the country. Let us know if you'd like to be part of this conversation: reach out to info@waternow.org

COMMUNICATIONS FOR WATER LEADERS: Getting Past “Paying More for Less”

WaterNow is bringing its unique Communications Workshop to communities nationwide focusing on successes as well as utility misadventures in messaging. The workshop includes a detailed toolkit, resources, and curates the great work of others working in this space as well. Let Sarah Musiker, Communications Manager, know if you'd like to participate, host or learn more. sm@waternow.org

WATER DATA ROADMAP

Big data has the potential to provide huge new capacity and understanding, driving water decisions in more affordable and resilient directions. In collaboration with various partners, WaterNow is developing a roadmap for water utilities to sort through the opportunities. Let us know if you'd like to participate! info@waternow.org

WATERNOW IS YOUR 1-STOP SUSTAINABLE WATER RESOURCE

Check out the Member Portal on the WaterNow website! It will not only have presentations and materials from this and prior summits, but also contains a wealth of information about sustainable water solutions, success stories and opportunities. Go to waternow.org/member-portal.

Take the What Happens on Monday Survey today: <http://bit.ly/WHOMSurvey>



Congratulations to Our Winners!

IMPACT AWARD WINNERS

Francesca Vietor, Commissioner

San Francisco Public Utilities Commission

Commissioner Vietor is a leader in sustainability, collaboration and water reuse. She was a key driver behind San Francisco's Non-Potable Water Ordinance, the first of its kind in the nation. The program established local oversight and management to allow for the use of alternate supplies like rainwater, graywater, stormwater, and blackwater in buildings, vastly expanding access to alternative water sources. As the program has evolved, Commissioner Vietor has played an instrumental role in advocating for and supporting policies that help share this program and lessons learned with others, while ensuring the protection of public health.

Board of Directors

Moulton Niguel Water District

The MNWD Board of Directors has demonstrated visionary leadership and unrivaled innovation. During California's historic drought, MNWD partnered with senior data scientists from Netflix to use "big data" predictive modeling to create a water demand forecasting tool. This tool allowed MNWD to better understand and reduce their recycled water peak demand from their largest recycled water customers. In doing so, MNWD was able to avoid investing in a \$20 million recycled water reservoir. They have been instrumental in developing a long-term portfolio of demand management strategies, and local and statewide opportunities for innovation and public-private collaboration.



LEADERSHIP AWARD WINNER

Matthew Appelbaum, Former Mayor

Boulder, CO

Matthew Appelbaum has demonstrated excellence in sustainability leadership throughout his long and impactful career. Matt served on the City Council of Boulder, Colorado for 18 years, including five years as Mayor and four as Deputy Mayor. He has continually championed environmental stewardship and sustainable water initiatives. Regionally, Matt served on the Board of Directors for the National League of Cities and as a long-term member of NLC's Energy, Environment, and Natural Resources Committee. He also served on the Colorado Municipal League's Executive Board and has been a distinguished member of the WNA Steering Committee since its founding.

Eye-Opening Perspectives

Mayor Jackie Biskupski – Economic Prosperity Requires Sustainable Water Strategies

The Mayor of Salt Lake City opened the Summit with an overview of the water challenges facing Western communities. Decreasing snow pack, prolonged drought, increasing wild fires and extreme weather conditions are impacting water resources and essential economies. Climate resilient cities, the Mayor emphasized, are essential to ensuring local prosperity. *“The future is green, the future is clean.”*



George Hawkins, Moonshot – Innovate All The Time



The intrepid former CEO of DC Water brought a buoyant optimism to Salt Lake even as he was clear-eyed about the water industry's challenges. George's gospel is that utilities will succeed when they're willing to embrace innovation and position themselves as effective community partners: *“It's easy for water utilities to be invisible, do everything in the background, not innovate, not change. But stagnation is a fist.”*

Professor Robert Glennon – Business as Usual is no Longer an Option

Professor Glennon presented an international perspective on water and the history of water conflicts, but focused on the essential solutions, including water reuse, market forces, price signals and water saving technologies that will help us move beyond traditional infrastructure solutions. *“We've built all the dams worth building – one each day since the declaration of independence was signed. So where do we go now?”*



World Café

WHAT ARE WATER LEADERS THINKING ABOUT?

The WaterNow Alliance World Café, which we have used to open all of our Summits, provides a unique opportunity to connect, talk, share experiences and generate new ideas. By exploring questions, concerns, successes, and challenges that our attendees are facing, we afford a window into **what is top of mind for water leaders**. Below is a summary of the what attendees shared.

WE ASKED: What is the primary issue that brought you here today?

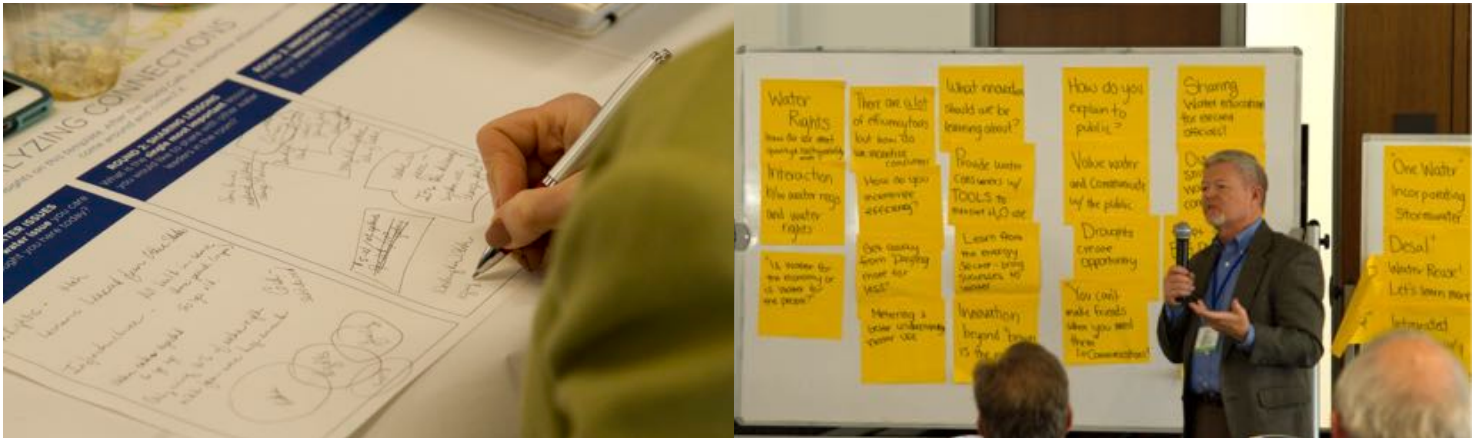
Several clear themes emerged from the table conversations.

- **Communication Challenges:** Limited public understanding re: value of water
- **Sustainability Opportunities:** From tech to watershed health to “one water”
- **Resilience and Reliability:** How to adapt to a new normal/extreme weather
- **Efficiency and Innovation:** Reuse, net-zero solutions, options for residences
- **Creative Financing:** How to pay for needed improvements: impact bonds, capital
- **Affordability:** How to address growing affordability gaps in communities
- **Retention of Local Control re: Water:** Balancing state/federal mandates
- **Growth:** Competition for water resources; how to incentivize new consumer behavior



World Café

Additionally, we found that water leaders are facing a number of key intersectional priorities:



WE ASKED: What is the **single most important** lesson you would like to share with other water leaders in the room?

- We need to change the framework to breakdown silos; this is key to **sustainability**.
- Water is free; it's the delivery system that costs money.
- Water utilities need to stop being invisible. It's **vital to engage the public and other end users** to enable impactful changes.
- We need to convey that conservation is not just for drought periods.
- The key is figuring out how to **integrate tech opportunities** into communities.
- "Conservation is the new supply."
- "It's all about protecting these resources for our kids."

WE ASKED: Are there **innovations** in the water space that you want to learn more about?

Incentivizing
Change

Improving
Water Data

Communicating
with
Stakeholders

Building
Partnerships
and Integrated
Planning

Resilient
Systems for
Changing
Climates

Financing
Solutions

Fixing Aging
Infrastructure

Ensuring Equity
and
Affordability

Communicating with Ratepayers

Successful efficiency programs generally lead to lower rates over the long-term, but can create short-term revenue shortfalls leading to higher rates and the perception that people are being asked to “pay more for less.” With case studies, a robust tool kit and pictures of Patagonian Toothfish, this panel kept the focus on how to best build a long-term “Reservoir of Trust” between leaders and ratepayers.

Speakers:

Matt Collings, Moulton Niguel Water District

Melissa Elliott, Raftelis Financial Consultants

Michelle Maddaus, Maddaus Water Management

Bart Forsyth, Jordan Valley Conservancy District

Sarah Musiker & Cynthia Koehler, WaterNow



THE MESSAGE

Use a clear, localized message that speaks to ratepayers “where they live:”

- **Know Your Audience:** Use polls to understand ratepayer priorities, concerns
- **Use Smart Frames:** Retain control of not just the message, but the frame
- **Keep it Simple:** Use words that resonate; focus on 3-5 top messages

THE TIMING AND FREQUENCY

Consistent outreach is essential to ensure efficacy of your messages:

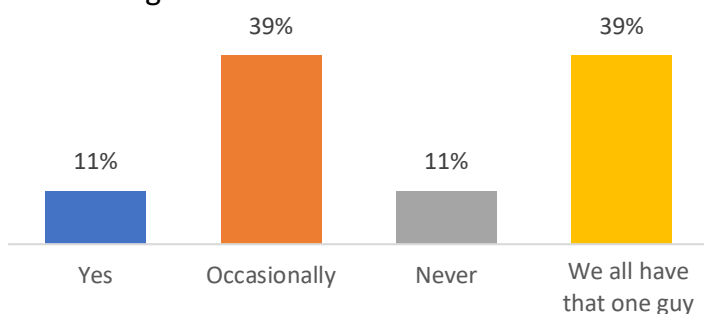
- **Know what’s going on locally:** Coordinate your communications with other local activities so you don’t overwhelm your ratepayers
- **Make friends before you need them:** Plan for challenging decisions
- **Keep a Steady Drum Beat:** Be visible, be frequent, be on social media

THE VEHICLES OF MESSAGE DELIVERY

Employ a diversity of messengers and channels of communication:

- **Beyond bill inserts:** Use the internet, free media, community events
- **Recruit outside validators:** Use local leaders, celebrities and relatable citizens to carry your message
- **Tailor your outreach:** Understand who you’re talking to and how to share information with them specifically

We Asked: Have you had experiences with disgruntled ratepayers showing up at your meetings?



Remember: Building trust (and brand) takes time!

To most effectively tackle any communication challenge with your ratepayers, a foundation of trust is critical.

Breakthrough Financing for Water Innovation

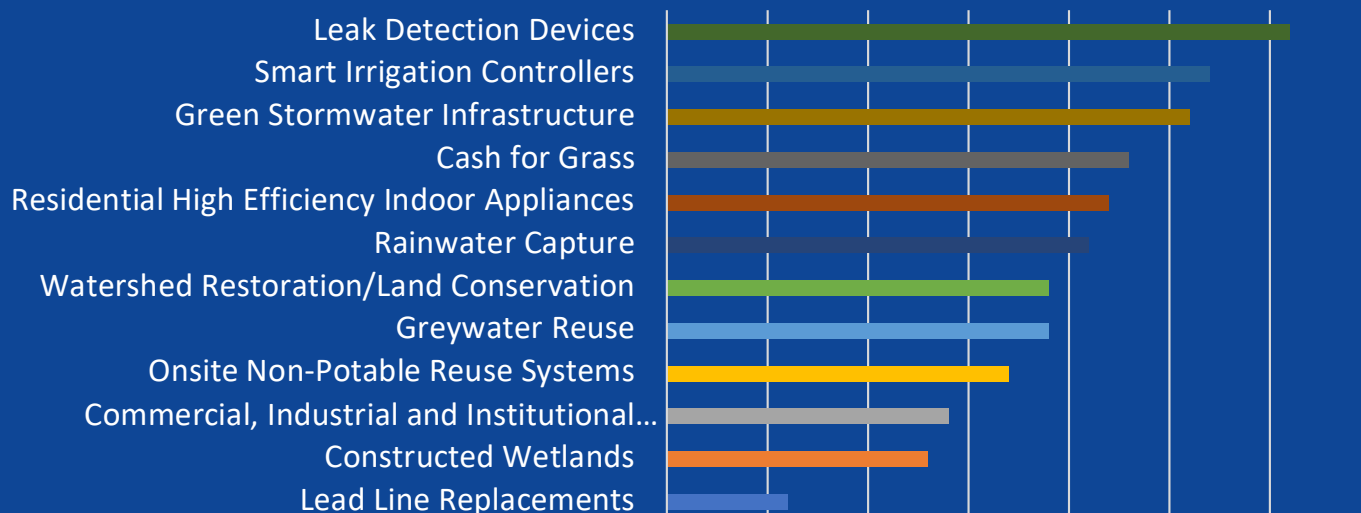
Green and “distributed infrastructure” (DI) programs can be an important part of how water agencies meet their communities’ needs. We asked participants to identify distributed solutions that could work in their community if funding were available. Surprisingly, all 12 options provided were given high marks.



WE ASKED: What would you need to open the door to expanding DI options in your communities?

- Support in creating public awareness of opportunities/benefits of these programs
- Proof of concept, success stories
- Access to resources
- Addressing challenges with adverse board/staff members
- Perceptions re: legal barriers

Most Popular DI Options for Attendees



Did we forget any? Email us at info@waternow.org for more information and to share how DI has benefitted your community.

Breakthrough Financing for Water Innovation

For many water resource agencies the challenge to scaling up – or even initiating – DI projects is how to pay for them. WaterNow and a coalition of partners have been working to obtain policy guidance making it clear when and how water utilities can invest their capital dollars in DI innovations on par with other large-scale, long-term spending.

How do I use capital instead of cash for DI?



GASB 62 says an **entity with rate setting ability can book 'business-type activities,'** that could otherwise be expensed, as **"regulatory assets"** and amortize their cost over time.

- This allows utilities to access debt-financing for consumer rebates and other forms of DI.
- GASB is about to finalize authoritative guidance on this in May 2018
- This opens the way to **substantial upscaling utility investment in decentralized programs** where these strategies can provide community benefits.

Wait – What is my CFO and/or Auditor going to say about this?

Julie Desimone, a prominent auditor who runs Moss Adams' utility practice confirmed that GASB 62 can be used by public utilities as an alternative to standard accounting for DI.

"The ability to recover the cost through rates creates the asset, not what the utility spent the money on."

MOSS
ADAMS
LLP

But what about my bond counsel?



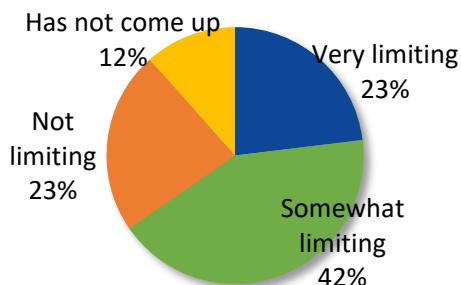
Cliff Gerber, a nationally renowned tax lawyer at Norton Rose Fulbright LLP and past President of the National Bond Lawyers Association, stressed that there are **no innate legal barriers to debt financing non-traditional, decentralized assets**. Counsel's focus will be to ensure that bond issuance is consistent with federal, local and state rules as well as tax law.

Can I really do this?



We can help you make this happen! If you're looking for more information on this, contact us at info@waternow.org.

WE ASKED: Is the ability to finance water conservation or efficiency a limiting factor in your community?



Our Partners



American Water Works
Association



Alliance
for Water
Efficiency



Ceres



ASSOCIATION OF
METROPOLITAN
WATER AGENCIES



NATIONAL
LEAGUE
OF CITIES



EARTH
ECONOMICS

the green infrastructure
leadership exchange

How Big Data Can Save Money & Water

Data is an essential tool to help municipalities and water agencies understand water - from where it goes to how it's used. 'Big Data' presents the opportunity for a fundamental shift in the market of understanding water and predictive data to help us understand and alter future outcomes more sustainably and affordably.

Speakers:

David Sunding, UC Berkeley, Moderator
Newsha Ajami, Stanford University, Water in the West
Shadi Eskaf, UNC's Environmental Finance Center
Frank Loge, UC Davis, Civil & Environmental Engineering

"Data allows for greater resilience and the ability to prepare, plan for, and successfully adapt to future scenarios."

– Newsha Ajami



- Data is not just for staff – it's also crucial for governing boards to understand how data analytics can help utilities save money, become more efficient, and plan smart.
- We can now use data to understand motivating factors and get a fuller picture of ratepayer behavior.

Stanford Water in the West

- The panel agreed that there needs to be an inherent shift in the way governments handle and manage data.
- The exclusivity mindset ("MY data, MY rules") dominant in the public sector has stifled innovation and information sharing.



- The water space has a lot to learn from the energy sector in performance mapping and demand management.
- CA households are actually paid to use electricity at certain times of the day. There are huge opportunities to participate in demand response from a water perspective.
- Having a diverse portfolio of water sources is key for building more climate adaptive and resilient cities and towns.

Data in Action



- Moulton Niguel Water District was planning to spend \$20 million to build a recycled water reservoir.
- DataKind, an NGO that connects data organizations with those who can use data to guide solutions; paired MNWD with a data analyst at Netflix.
- Using predictive algorithms, together they found that a small change in usage behavior of MNWD's largest customers, mainly golf courses, would offset the need for the proposed reservoir and avoid a massive expenditure, saving water and money for MNWD ratepayers.

Water and Climate Resilience

The panel addressed the challenges the changing climate mean for communities, and shared success stories, tools, and solutions.

Speakers:

Walt Wadlow, WaterNow, Moderator

Seth Arens, Western Water Assessment

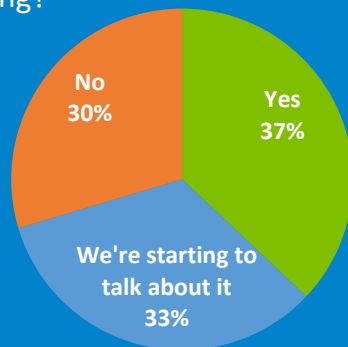
Laurie Wayburn, Pacific Forest Trust

Vicki Bennett, Salt Lake City Dept. of Sustainability



- Planning for the future is a huge challenge for public entities.
- Information can be complex and imprecise.
- WWA supports these entities with reports on how climate change, variability and droughts can impact water in specific areas.
- Focus on “usable science” and real-time climate data.

We asked: Is your water utility incorporating climate change impacts into water resource management planning?



PACIFIC FOREST TRUST

- Water policy and financing focused primarily on built infrastructure in urban areas often ignores the impact of watershed health on urban water resources.
- Funding for watershed conservation and restoration is insufficient and inconsistent.
- PTW is creating economic incentives to reward private forest owners for conserving land and practicing sustainable forestry. Financial return makes forest sustainability easier and more rewarding.

3 Key Take-Aways:

1. We need to start thinking about climate change holistically. “Changes affecting water are already happening and the longer we wait, the more expensive it will be.” -Seth
2. Working with nature is an essential part of climate mitigation and adaptation. “Water leaders need to appreciate that built Infrastructure alone will not solve the problem.” – Laurie
3. “Visit Climate Mayors (climatemayors.org) where they discuss issues in a nonpartisan manner and share actionable knowledge for all communities.” - Vicki



SLCgreen

- Salt Lake is heavily impacted by changing climates and warming weather by causing disruptions to the ski tourism industry, increases in the numbers of floods and extreme storms, and more wildfires.
- Salt Lake has committed to use 100% renewable energy by 2040 and reduce carbon emissions by 80%.
- Salt Lake doesn’t “hide behind vague language,” they use the term ‘climate change’ to grow public awareness and convey what people can do to mitigate impacts.

Bridging Silos to Protect Watersheds

Through the lens of Salt Lake, this panel highlighted how local, collaborative efforts can work in protecting and managing watersheds for water resource purposes, and explored the replicability of these strategies in other communities

Speakers:

Walt Wadlow, WaterNow, Moderator

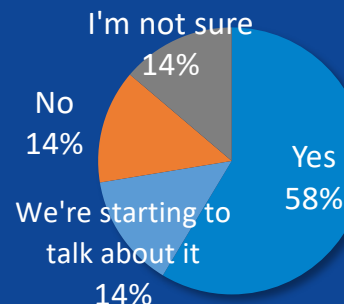
Teresa Gray, Salt Lake County Health Dept.

Marian Rice, Salt Lake City Public Utilities

Robert Thompson, Salt Lake County Watershed

Dave Whittekiend, Uinta-Wasatch-Cache National

WE ASKED: Is your water utility exploring watershed or source water protection?



- Health departments are overlooked but valuable resources to advance water quality issues with the public.
- Emerging concerns: opioids, toxins, and algae blooms
- SLC's public awareness campaign: *"What you see in the watershed today, you may drink tomorrow."*



- SLC Utilities is addressing new water challenges by focusing on watershed health.
- Working across government agencies and with NGOs, SLC Utilities has been purchasing parcels of land in the watershed to preserve priorities.



- The County is focused on public involvement in watershed health.
- They host symposiums on the state of the watersheds, and other learning opportunities.
- The County has developed partnerships with the Forest Service, schools, after school programs and the County Sheriff's Department, who also contributes to education efforts.



- Forested lands provide 50% of the US water supply.
- USFS works with private property owners within their watersheds to explain conservation easements and inform them about the tax benefits from donating development rights.
- "We're from the federal government, and we are here to help. (Really!)."

3 Take-Aways for Successful Watershed Collaboration

- 1. Focus on shared goals rather than disparate missions.** In the Salt Lake area, as in many other areas, these are clean water, properly maintained infrastructure & sustainable conditions.
- 2. Breakdown silos.** Enable interagency personnel to meet with one another and propose mutually beneficial solutions.
- 3. Advocate for change.** Start planning for the future now, partner to bring expertise, legislation, and money to these areas.

WATERNOW ALLIANCE STEERING COMMITTEE

Matt Appelbaum, Former Councilmember, Boulder, CO
Peter Ives, Councilmember, Santa Fe, NM
David Iwanski, Executive Director, Arizona Water Assn.
Gerry Horak, Mayor Pro-Tem, Fort Collins, CO
Mike Kasperzak, Former Mayor, Mountain View, CA
Steve Elie, President, Inland Empire Utilities Agency
Tia Lebherz, Founder, Madrona Solutions
Cameron Diehl, Executive Director, Utah League of Cities and Towns
De'Sean Quinn, Councilmember, Tukwila, WA
Tim Worley, Executive Director, AWWA – CA/NV Section
Richard Sykes, Dir. of Natural Resources, East Bay Municipal Utilities District
Cooper Martin, Program Director, National League of Cities
Pat Showalter, Mayor, Mountain View, CA
Audrey Finci & Cynthia Koehler, Co-Founders, WaterNow Alliance

ADVISORY COUNCIL

Adam Davis, Partner, Ecosystem Investment Partners (EIP)
Alan Viterbi, President/CEO, Liquid Environmental Solutions
Anne Zimmermann, Director for Watershed, Fish, Wildlife, Air, & Rare Plants, U.S. Forest Service (ret.)
Brad Udall, Senior Water and Climate Research Scientist/Scholar, CSU Colorado Water Institute
Chris Frahm, Shareholder, Brownstein, Hyatt, Farber, Schreck, LLP
Clifford Gerber, Partner, Norton Rose Fullbright LLP
David Aladjem, Partner, Downey Brand LLP
David Richins | Former Councilmember, Mesa, AZ & WaterNow Alliance Charter Member
David Sunding, Thomas J. Graff Professor, College of Natural Resources, UC Berkeley
George Hawkins, Founder and President, Moonshot LLC
James H. Gibbs, Principal, Sperry Capital
Jill Kauffman Johnson, Director of Sustainability, Solazyme
Johanna Wald, Senior Counselor, Natural Resources Defense Council (ret.)
Kathy Holian, Former County Commissioner, Santa Fe, NM & WaterNow Alliance Charter Member
Kevin Powell, Green Proving Ground Program Manager, U.S. General Services Administration (GSA)
Mary Ann Dickinson, President/CEO, Alliance for Water Efficiency
Mitch Tobin, Owner, Sea to Snow Consulting
Phyllis Faber, Biologist and Educator
Randall Sosnick, President/CEO, NEXT Lighting Corp.
Robert Wilkinson, Adjunct Prof., Bren School of Environmental Science & Management, UCSB
Sam Mamet, Executive Director, Colorado Municipal League
Wes Henderson, Executive Director, Nevada League of Cities and Municipalities

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