Governing California's Urban Water in the 21st Century

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> California Water Boards Science Symposium: Adapting in the Face of Disruptive Landscape Change June 20-21, 2018

Early 20th Century Urban Water Use Cycle

Principles of Urban Water Cycle:

- Enable growth and economic development
- Build large scale centralized assets
- Deliver clean potable water
- Manage Wastewater
- Drain stormwater and floodwater
- Design a *once through system*
- Assume <u>abundance</u>
- Develop a *top-down governance structure*

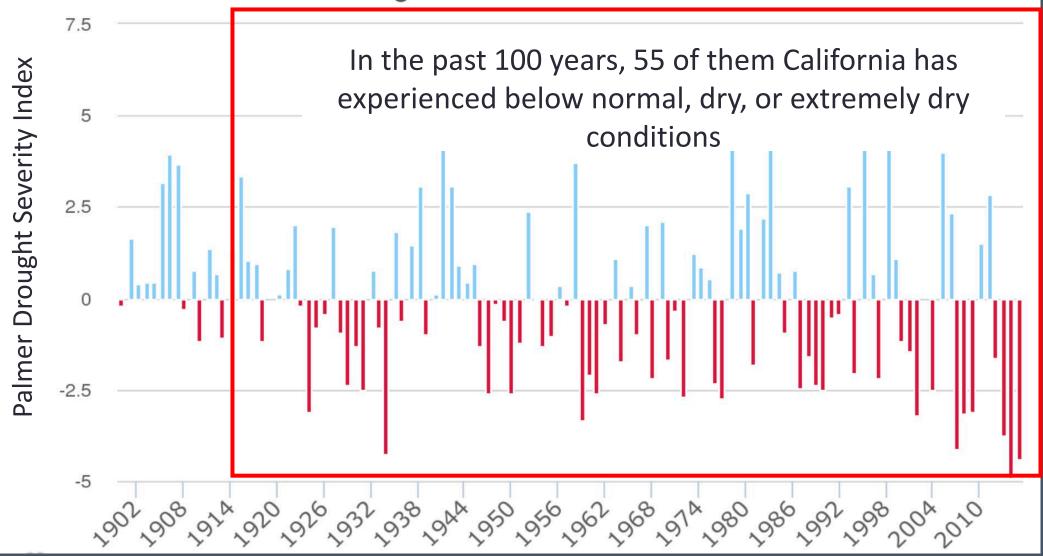
Water Supply

Drainage (Storm and Flood Water Management)

Wastewater

History of Droughts in California

Source: West Wide Drought Tracker



Climate Change

Urbanization

A changing urban water cycle requires new approaches to urban water management

To reinvent our systems, we must know how much water is needed when and where

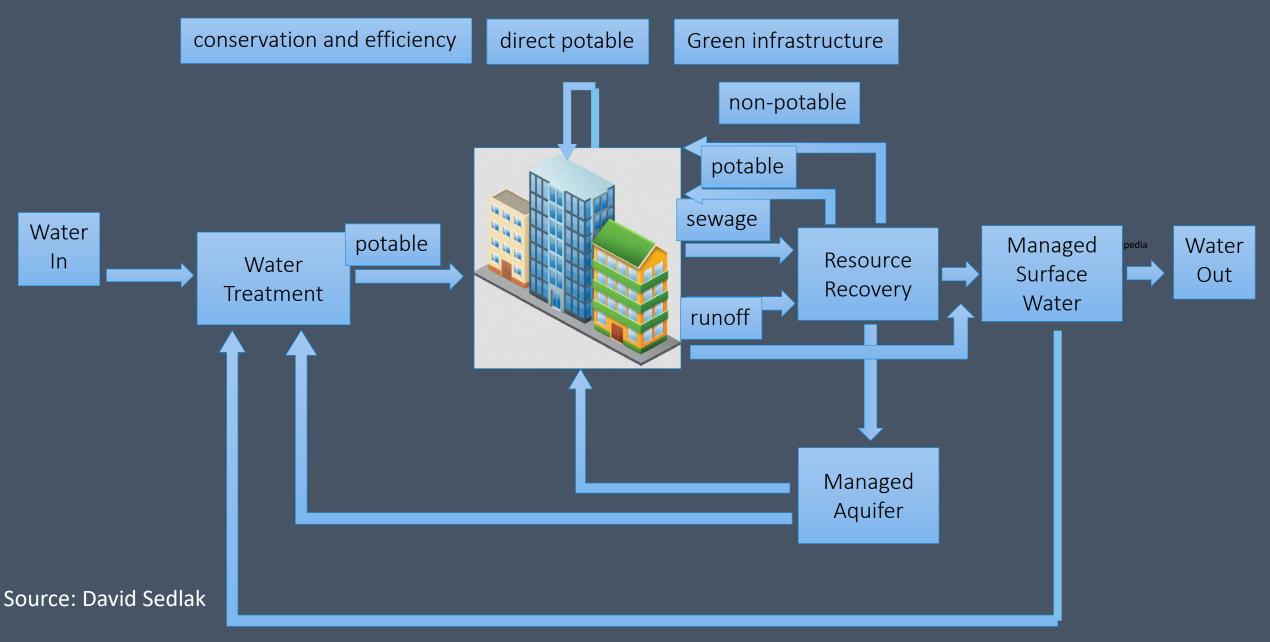
Aging Infrastructure

Environmental Externalities

The Paradigm Shift



21st Century Urban Water Use Cycle



Distributed Water Solutions

- Flexibility ullet
- Resiliency ullet
- ullet



Paradigm Shift in the Water Sector

Diversify supply portfolios and incorporate innovative solutions

Hybrid Infrastructure

Centralized

Traditional top-down management strategies are no longer appropriate

Decentralized

Customer behavior is changing, endusers are playing a more vital role Role of utilities is shifting both within the water sector and with their customers

A New Governance Regime for the Evolving Urban Water Infrastructure

Smart decision support tools and platforms to support the new hybrid infrastructure model

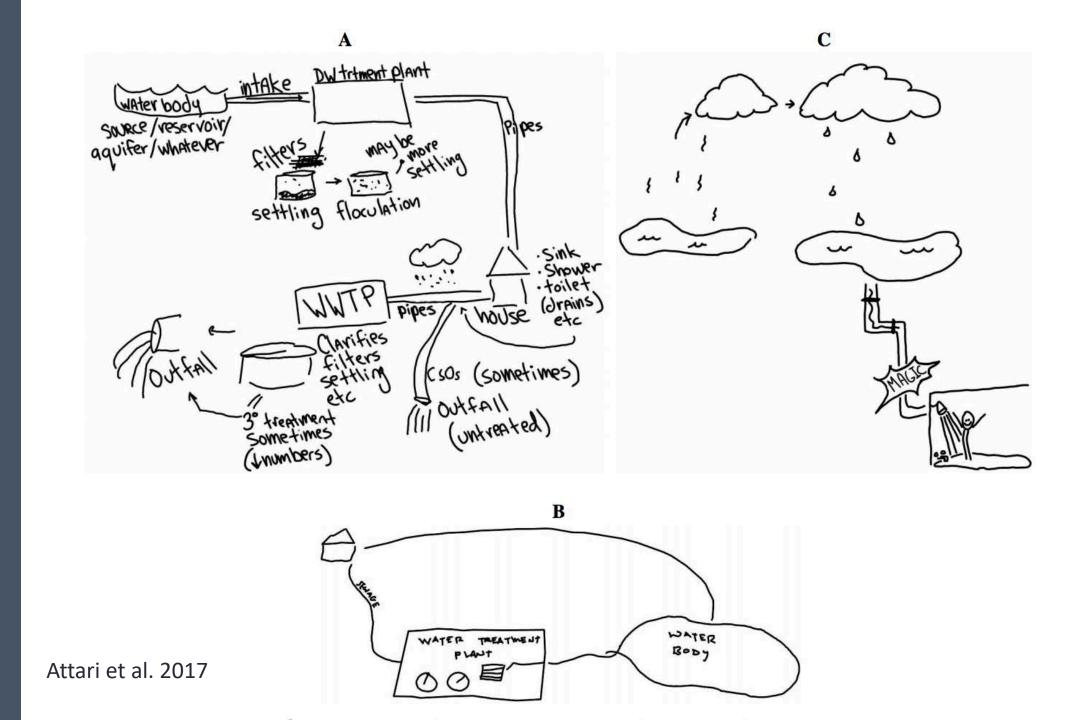
Innovative financing mechanisms

Data

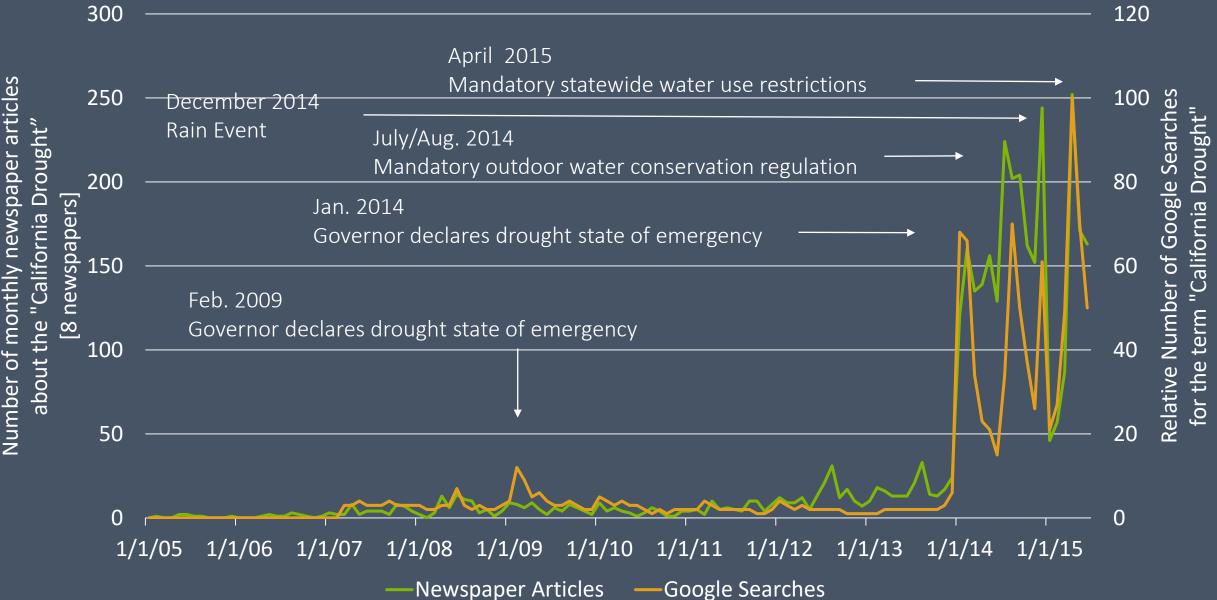
Strategic and continuous customer engagement and communication

Modern and adaptable permitting process

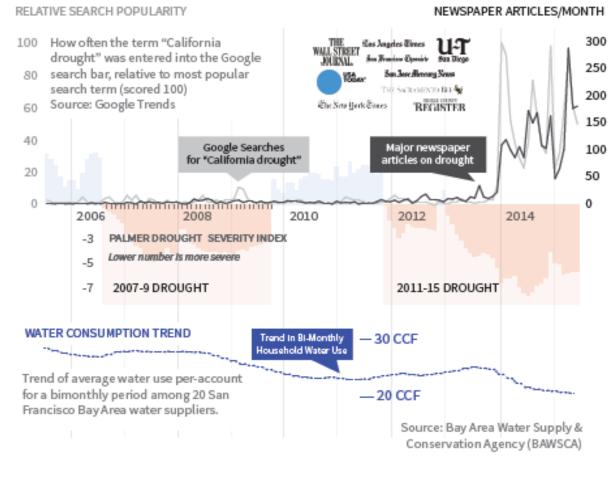
Communication



News Media Coverage and Public Interest



Looking at Two Droughts, Models Suggest That News Media Coverage Is a Driver of Water Conservation



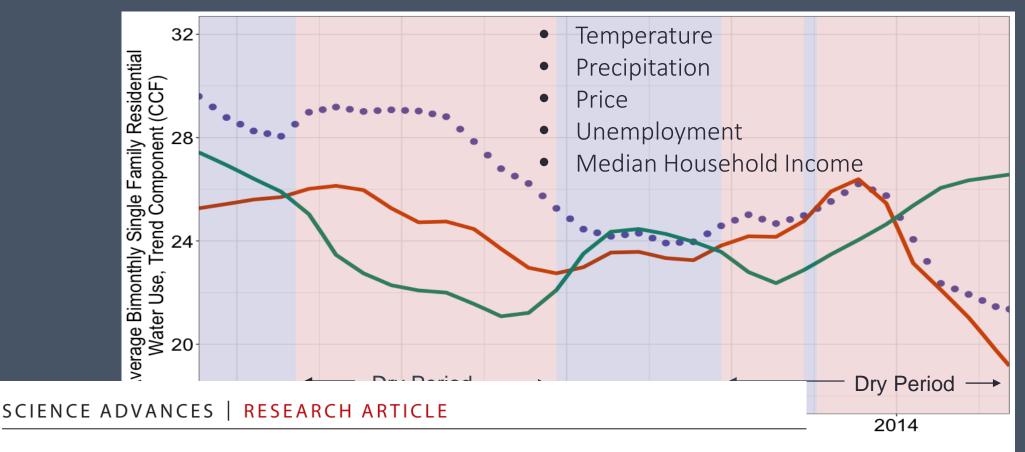
OTHER VARIABLES IN THE MODELS, NOT SHOWN



Research Paper: K. J. Quesnel, N. K. Ajami, Changes in water consumption linked to heavy news media coverage of extreme climatic events. Sci. Adv. 3, e1700784 (2017).

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A counterfactual scenario shows that media has a significant impact:



ENVIRONMENTAL STUDIES

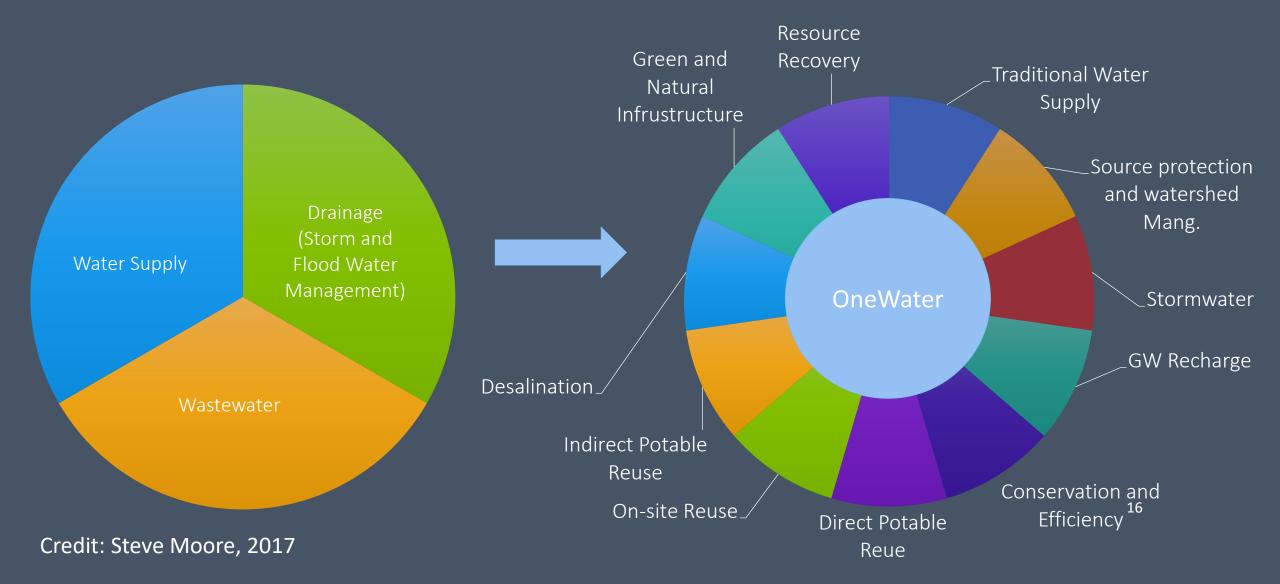
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Changes in water consumption linked to heavy news media coverage of extreme climatic events

Kimberly J. Quesnel^{1,2} and Newsha K. Ajami^{2,3}*

Governance

Regulatory and Institutional Fragmentation



How is top-down fragmented management working for you?

13 State and Federal agencies Paradigm Shift in the Water Sector

Role of utilities is shifting both within the water sector and with their customers

Utilities-Customers

Traditional topdown management strategies are no longer appropriate

Customer behavior is changing, endusers are playing a more vital role

Numerous local agencies

Multiple agencies Multiple stakeholder groups Multiple permits required

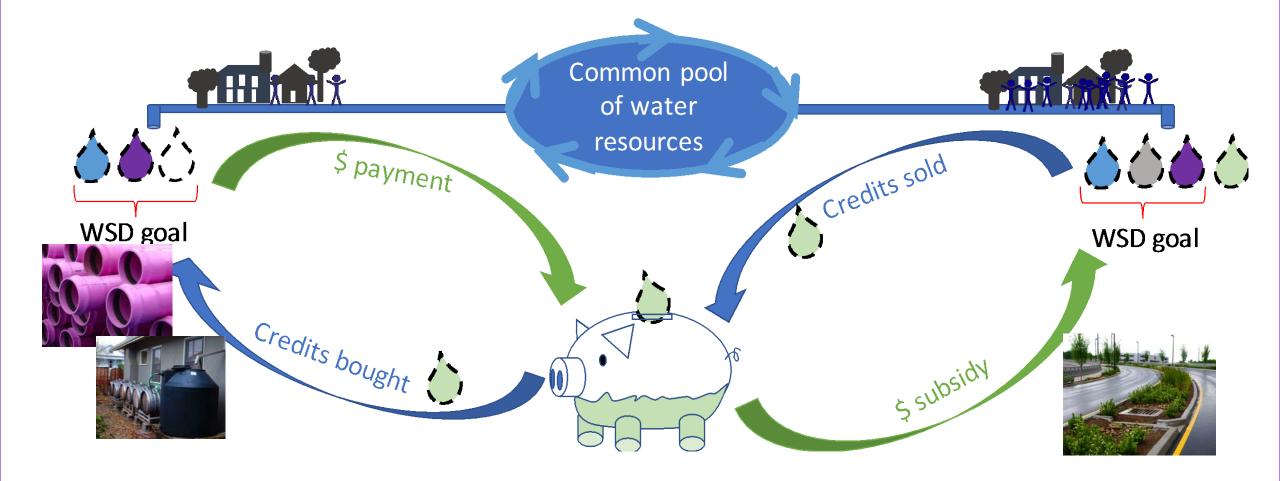
Multiple funding sources

Modernizing Permitting Process



Smart water trading platforms

To enable regional collaboration and partnership to meet <u>Conservation</u> or <u>Water Supply Diversification</u> targets:



Finance



Regional Partnership and cross sectors co-operation

Regional Water Portfolio Diversification



Increase access to capital



Increase regional resiliency

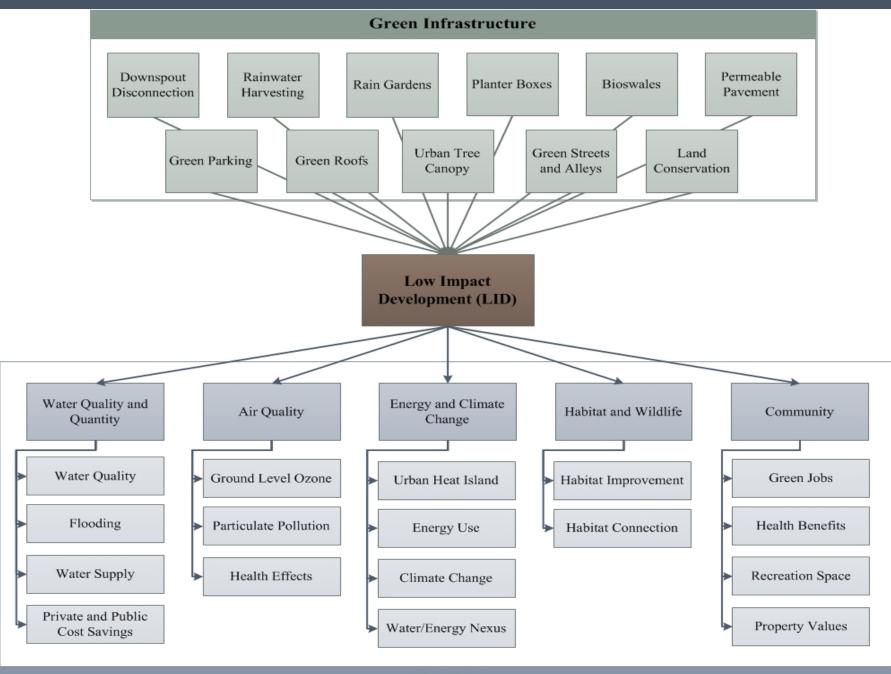
Reduce risk



Green Infrastructure



Gordon, Quesnel, Abs, and Ajami, 2018. "A Case-Study Based Conceptual Model for Multi-Sector Green Infrastructure Performance Assessment", Journal of Environmental Management.



Crowdsourcing and Peer to Peer Learning Platforms: Living Map of Innovative Financing



Environmental Management

November 2017, Volume 60, <u>Issue 5</u>, pp 867–881 | <u>Cite as</u>

Accelerating the Integration of Distributed Water Solutions: A Conceptual Financing Model from the Electricity Sector

Authors

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Living Map of Innovative Water Financing Mechanisms in the United States

Green Bond

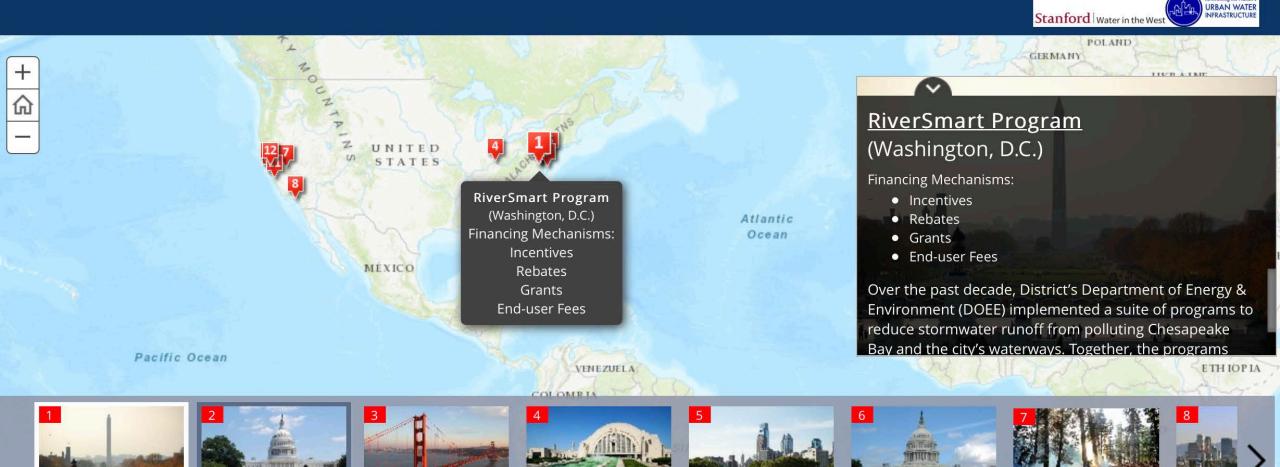
(San Francisco, CA)

by Newsha Ajami (newsha@stanford.edu), Thomas Ng, Kim Quesnel, and Robin Abs

RiverSmart Program

(Washington, D.C.)





Reverse Auction

(Cincinnati, Ohio)

Green City, Clean Waters

(Philadelphia, PA)

Property A

Ener

Forest Resilience Bond

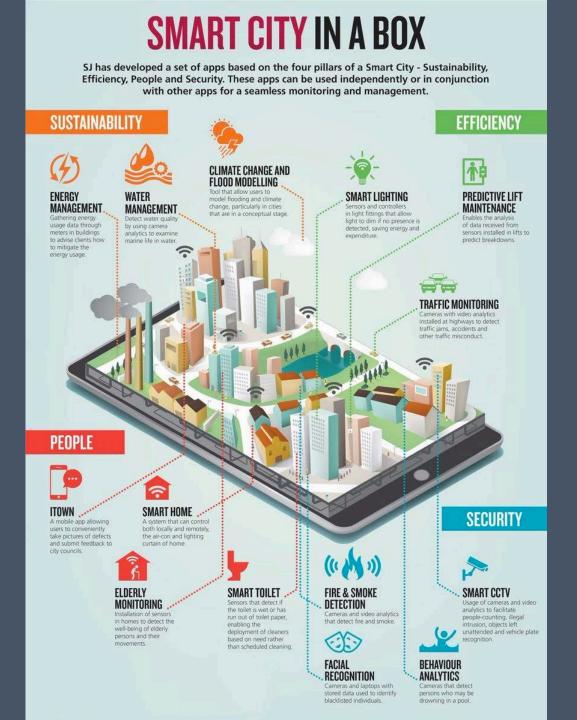
(Western US)

NAMIDIA

Environmental Impact Bond

(Washington, D.C.)

We still have a long way to go!



Engage end-users and customers in more active way (revisit top-down water supply management)

Develop smart decision support tools and platforms to support the new hybrid infrastructure model

Overcome fragmentation and modernize permitting process

Enact policies and economic forces to drive change (Portfolio standards, demand-side management and pricing)

Establish more innovative funding solution (Green banks, impact investment, onbill financing and net-metering)

"Thousands have lived without love, not one without water." W. H. Auden

Thank you

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