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Report Taps into Innovative Financing to Secure Future for Sustainable Water Infrastructure

Policy and funding changes needed to support efficiency, reliability and environmental upgrades for U.S. freshwater systems

RACINE, Wis. (Jan. 26, 2012) – Innovative financing and pricing flexibility are key to preparing the nation’s aging freshwater systems to handle growing demand and environmental challenges, according to a Charting New Waters report released today by The Johnson Foundation at Wingspread, American Rivers and Ceres.

The [Financing Sustainable Water Infrastructure report](#), is the product of a meeting convened by The Johnson Foundation, in collaboration with American Rivers and Ceres, which brought together a group of experts to discuss ways to drive funding toward the infrastructure needed for the 21st century.

Largely built on systems developed during the 19th and early 20th centuries, U.S. water infrastructure faces profound problems of aging components, outdated technology and inflexible governance systems ill-equipped to handle current consumption, environmental and economic problems.

Presently, about 6 billion gallons of expensive, treated water is being lost in the U.S. each day due to leaky and aging pipes – some 14 percent of the nation’s daily water use. This pervasive water waste is underscored by the fact the [American Society of Civil Engineers](#) gives the nation’s water systems a D-, the lowest grade of any infrastructure including roads and bridges.

The report concludes that rebuilding and operating our water systems as they are presently built would be enormously inefficient. One major problem is the very nature of the systems themselves – where drinking water, stormwater and wastewater are built, financed and operated as entirely distinct units rather than as more efficient, interconnected systems. Another major problem is myopic, inflexible water-pricing systems that fail to distinguish between various water uses and generally undervalue water.

In order to achieve more sustainable, resilient and cost-effective freshwater systems, the report recommends bold new approaches for financing and operating public water systems, including:

- Local water solutions that can improve efficiencies, including green infrastructure, closed-loop systems and water recycling;
- Flexible water pricing and revenue structures that distinguish between drinking water and various other types of water, such as lawn water and toilet water;
- System-wide, full-cost accounting of water services and financing mechanisms; and
- Less reliance on state and federal funding and more reliance on private, market-based financing mechanisms that can support local, customer-supported solutions.

“While the deteriorating state of the nation’s water infrastructure is not a secret, we have lacked workable strategies and policies to finance the changes needed,” said Lynn Broaddus, Director, Environment Programs at The Johnson Foundation. “This report addresses the critical linkage between financing and sustainability that was initially raised by the Charting New Waters consensus report in 2010. It’s not enough to pay for new water infrastructure: we need the financing to actually drive a new, sustainable water infrastructure that will take care of generations to come.”

Jeffrey Odefey, Director of Stormwater Programs at American Rivers, said, “Clean water and resilient ecosystems are absolutely vital to our health, our communities, and economy. This timely report lays out clear directions to ensure that our communities grow into the future with safe, reliable water supplies and healthy rivers and streams.”

Sharlene Leurig, Senior Manager of Water and Insurance Programs at Ceres, said, “This report makes clear that our nation's water infrastructure system is broken and dramatic changes are needed. Rethinking how we finance and operate our vast water systems is not a choice, it's a must. We have the engineering and land use tools we need to ensure our water systems can stand up to 21st century challenges. The key will be partnerships and cooperation between business, government and public interest groups to finance these new tools.”

The Johnson Foundation is releasing this report as part of its work with Charting New Waters, an effort it formally launched in 2010 dedicated to catalyzing new solutions to U.S. freshwater challenges. Charting New Waters is composed of a diverse group of leaders from business, agriculture, academia and environmental organizations that have publicly committed to improving U.S. freshwater resources by advancing the principles and recommendations of the group.

The initial phase of work led to the release of *Charting New Waters: A Call to Action to Address U.S. Freshwater Challenges*, a consensus report issued on Sept. 15, 2010. Download the report [here](#).

As part of its ongoing Charting New Waters effort, The Johnson Foundation is also hosting a series of Regional Freshwater Forums that convene experts to examine freshwater challenges, successes, innovations and potential solutions that can bridge geographies and inform national policy. The first Forum took place in Denver, Colo., in October 2011.

Charting New Waters is actively engaging new organizations to join the effort. If you are interested in making a commitment please click [here](#).

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[The Johnson Foundation at Wingspread](#) is dedicated to serving as a catalyst for change by bringing together leading thinkers and inspiring new solutions on major environmental and regional issues. For additional information about *Charting New Waters*, or to learn more about The Johnson Foundation at Wingspread, please visit www.johnsonfdn.org.

[American Rivers](#) is the leading organization working to protect and restore the nation's rivers and streams. Rivers connect us to each other, nature, and future generations. Since 1973, American Rivers has fought to preserve these connections, helping protect and restore more than 150,000 miles of rivers through advocacy efforts, on-the-ground projects, and the annual release of [America's Most Endangered Rivers](#)®.

[Ceres](#) is an advocate for sustainability leadership. It leads a national coalition of investors and public interest groups working with companies to address sustainability challenges such as global climate change and water scarcity. Ceres also directs the Investor Network on Climate Risk (INCR), a network of 100 institutional investors with collective assets totaling about \$10 trillion. For more information, visit www.ceres.org.