

AMERICAS IN BRIEF

● Consolidated Water has acquired 51% of AereX Industries – an OEM serving the water and wastewater treatment markets – for \$7.7 million, and has an option to buy the remaining 49% after three years. AereX generated \$19 million in revenues in 2015.

● Fountain Quail Water Management, meanwhile, has negotiated a private equity commitment of up to \$40 million, continuing the recent trend of PE houses supporting water-related oilfield services companies. Fountain Quail treats and recycles produced and flowback water from oil and gas plays in the US.

● The market reacted negatively to this month's news that Algonquin Power & Utilities Corp. will acquire The Empire District Electric Company for \$2.4 billion. The deal brings with it a small regulated water operation in Missouri.

● A group of US politicians is having another crack at passing legislation to remove the volume cap on private activity bonds for water projects. The hope is that the furore around the lead pollution problems in Flint, Michigan, will enhance the bill's chance of passing into law this time around.

● California's State Water Resources Control Board has extended its urban water conservation mandate to October 2016, just days after the Department of Water Resources boosted its delivery estimate from the State Water Project 10% to 15% for the year. As GWI went to press, snowpack in the state stood at 100% of normal for this time of year.

● Francesca McCann, formerly CEO of Abengoa Water USA, has joined Black & Veatch's asset management arm infraManagement Group as director of business development.

● Aqualia has commissioned an 8,640m³/d nanofiltration plant serving the mining interests of Codelco in Chile. The Spanish company will operate the plant for a period of 12 years.

● American Water has filed for annual rate increases in Kentucky (\$13.5 million) and Illinois (\$40 million). ■

COMMENT

Water crises in an election year

Fixing water problems shouldn't need a moon shot, but crises can provoke much-needed change, says Amanda Brock.



Politics and water have never mixed well. While politicians acknowledge the fundamental importance of water to the nation's health, security, and economy, over the decades little has changed. In the US, water issues have traditionally been exacerbated by apathy, the divergent interests of stakeholders, and the need to balance local, state and federal interests. Progress is glacial and it seems to take a significant crisis to galvanise the political action and public support required for funding desperately needed improvements to the US's water infrastructure system. The challenge has been how to create an impetus for meaningful change, while avoiding political agendas that can thwart good intentions.

It is not surprising then that President Obama's recent decision to make water a primary focus in the last months of his presidency was met by both skepticism and optimism. In December 2015, drawing analogies to other great leaps forward, the White House launched its ambitious "moonshot for water" initiative. Following close behind its success on climate change in Paris, the Obama administration enlisted the participation of the private sector to combat the effects of climate change on the nation's water supply. The administration laid out an aggressive two-part strategy to boost water sustainability through the greater utilisation of efficient water reuse technologies and to promote and invest in breakthrough R&D that reduces the price and energy costs of new water supply technologies such as desalination.

This is not the time for skepticism. If the drought in the western United States was not enough, our final wakeup call should be the embarrassment of what recently occurred in Flint, Michigan. In Flint, an ill-advised city government's decision to cut costs and change the city's water supply source resulted in a toxic disaster. Lead leached into the municipal water supply exposing countless children and adults to lead poisoning. The long-term impacts of this avoidable crisis are devastating. A state of emergency has now been called and the president has

authorised federal aid and FEMA and the Department of Homeland Security will coordinate relief efforts. There is no excuse for what happened in Flint.

The Obama administration is now preparing to host a White House Summit on March 22, 2016 in conjunction with United Nations World Water Day. On a recent call to discuss the summit, Ali Zaidi, the associate director for natural resources, energy and science at the Office of Management and Budget, stressed the need to raise awareness, and galvanise action while focusing on four primary areas: 1) securing an adequate future water supply for the country; 2) addressing mechanisms to fund the infrastructure investment needed; 3) encouraging conservation and efficiency; 4) the use of data in decision making.

The administration has also submitted its 2017 budget request to Congress which includes \$260 million of new funding needed to safeguard and increase the nation's water supply through investments in technology. Included in the request is \$25 million for the Department of Energy to establish a new desalination hub focused on reducing the cost, energy requirements and emissions associated with desalination, and \$88 million for the National Science Foundation to support water research.

The fact that it may have taken a climate change agenda to finally push the federal government to promote action in the water sector is not relevant and neither should be partisan politics. Congress needs to approve the Administration's budget requests related to water and the Obama administration needs to be applauded for recognising the critical importance of water to our future and setting the stage to identify and establish water initiatives that can be carried through into the next administration. With the moonshot program of the 1960s we proved with focus, innovation and a unified goal we could achieve great things. If when working together we can put a man on the moon, surely we can finally begin to fix America's water infrastructure problems. ■