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Water Leaks Strain Commodity Value as Web Campaign Begins

By Randall Hackley - Feb 6, 2013 11:45 AM ET

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Q QUEUE

Leaks and investment delays threaten the U.S. water system, exposing the value of a commodity that in short supply disrupts businesses, according to a web campaign.

The “[Water is Your Business](#)” site went live today, sponsored by the National Association of Water Companies and U.S. Chamber of Commerce. It urges companies to stop neglecting infrastructure upgrades as water use for energy and electricity production doubles worldwide in the next 25 years, according to International Atomic Energy Agency forecasts.

“The water leaked across the nation every day could supply California,” the campaign says, describing a supply network that’s 30 times the length of the U.S. national highway system as “outdated, overused and underserved.”

In the U.S., most of the water infrastructure dates from the first half of the 20th century. Some pipes go back to Civil War days. The average age of a broken water main is 47 years, with almost a quarter of all water mains more than 50 years old, according to the website.

Maintenance delays mean 45 percent of all pipes were described as in “poor shape” in 2010, up from 10 percent in 1980, according to the campaign, which said the country has “outgrown” the system.

Water Index

Last month, [International Business Machines Corp.](#) and New York-based Waterfund LLC agreed to develop a water cost index to help businesses calculate the unsubsidized expense of freshwater production using IBM Research analytics.

Water use has increased at more than twice the rate of population growth in the past century as urban expansion and changing weather put pressure on supplies. About 41 percent of the Earth’s population now live in water-stressed areas, according to the United Nations.

The UN defines a water-scarce region as one where freshwater withdrawals exceed 40 percent of renewable supplies. Agriculture accounts for 70 percent of the freshwater consumption worldwide.

Water demand is inextricably linked to the global increase in food and energy consumption, according to food and drink manufacturer Nestle SA, which owns more than 60 water brands.

“Water needs to move up governments’ priority lists,” Nestle Chairman [Peter Brabeck-](#)

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[Letmathe](#) wrote last month in his [Water Challenge](#) blog. "Governments should aim to build comprehensive water-resource management strategies that also take into account the water-food-energy nexus."

Texas Bank

Lawmakers in Texas, which is enduring a drought that has cost farmers billions of dollars and forced communities to limit water use, are considering a water infrastructure bank to help fund projects.

[SunPower Corp.](#), majority-owned by Total SA, last month began operating a water-treatment plant powered by almost 23,000 solar panels in Phoenix to cut electrical needs and help save about \$4 million in a city that gets 300 days of sun a year.

A state away, "population growth is straining California's water infrastructure," according to the campaign website. "The story is the same all over the country. Investment isn't keeping pace."

Waiting means higher repair and replacement costs, more flooding, loss of service and business disruptions, with billions of dollars wasted from water and energy losses, the site shows. It's even caused sinkholes in such places as Pennsylvania's capital, according to NAWC Executive Director Michael Deane and the Chamber of Commerce, the world's largest business organization.

Failing System

The warning isn't new: The American Society of Civil Engineers' report card from 2009 gave the U.S.'s [drinking-water](#) infrastructure an almost-failing D- grade. New grades are due next month, the Chamber of Commerce said in an interview.

[Xylem Inc.](#), whose pumps helped clear Hurricane Sandy floodwaters from New York tunnels, published a nationwide survey in November on the value of water, which showed heightened concern among Americans that water systems were inadequate.

Almost 90 percent of those polled said U.S. water pipes and networks need modernization, compared with 80 percent two years earlier. The survey showed more Americans are willing to pay for system upgrades even with rate increases. The majority thought they used 50 gallons (189 liters) of water a day at most, when it's almost double that.

Triple Bills

Leaking pipes lose about 7 billion gallons of clean drinking water a day, according to the ASCE. The U.S. needs as much as \$1 trillion to pay for water and wastewater infrastructure upgrades in the next 20 years, which may triple some household bills, according to the Environmental Protection Agency.

Grundfos, the biggest maker of circulator pumps, has suggested water companies dealing with growing repair needs and shortages craft a campaign similar to the dairy industry's "Got Milk?" advertisements.

The campaign could be called "Got Water?", Jes Munk Hansen, president of Grundfos North America, said at an American Water Intelligence conference last November in Chicago.

Business leaders are starting to understand the need for water investment and water management, Nestle's Brabeck and Anders Berntell, executive director of the 2030 Water Resources Group, said last month:

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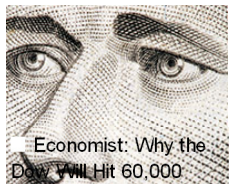
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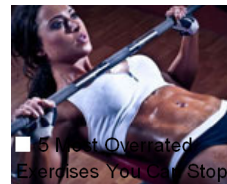
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