WATER makes life possible. It makes economies function. But, in many parts of the United States, freshwater resources are in jeopardy, creating profound long-term risks for businesses and communities.

Our water supplies are under severe strain due to growing demand, pollution and climate change. Re-thinking how we value water is a critical first step in reducing these strains and safeguarding future water supplies.

Water is a finite and precious resource, but our economic systems treat it as limitless and of little value. For many companies and other water users, their water bills are so small that it hardly seems worthwhile to conserve. The result is unsustainable water use across much of our economy—from industry to agriculture to homeowners.

Ceres brings unique capital market solutions to these challenges. We are changing the way that businesses and utilities manage water, and the way that investors consider water risk in their investment decisions. By reshaping how key economic actors value water, we can turn smart water management into a business fundamental and water stewardship into an economic imperative.

We focus on three key sectors with enormous responsibility for protecting our nation’s water security—water utilities, oil and gas, and agriculture. Taken together, these sectors are responsible for more than 90% of the nation's water consumption. By improving their water management, we can put our economy on a more sustainable path.

Public water utilities deliver more than 80% of the nation’s water to business and residential users. In many regions, these water providers are facing stark fiscal realities from declining revenues, climate change, aging infrastructure and a dearth of federal infrastructure financing. Sustaining our municipal water supplies demands a new business model for public water providers.

Ceres is working to transform this sector. We educate and engage bond investors who provide financing for utility projects on the risks of unsustainable water use and inadequate pricing. We promote learning among water utilities from across the country around the financial practices that will enable the transition to a new business model built upon flexibility, resilience and resource efficiency.

Through collaboration with our broad network, Ceres is helping this transformation to take place. Utilities are pursuing new strategies for financing and operating public water systems, including greater use of green infrastructure and pricing that encourages water conservation. Credit rating agencies and bond investors are paying closer attention to water scarcity risks. And environmental and taxpayer advocates are using economic arguments to push for smarter water management at the local level, where our public water investment decisions are made.
Hydraulic fracturing—“fracking”—has been a truly disruptive technology, both in driving the growth of the “shale revolution” and through the profound risks it poses to America’s water resources.

Ceres is producing important research on the impacts of shale energy production on vulnerable water supplies—and the actions that are needed for their protection. Ceres released data in 2013 showing that nearly half of U.S. shale oil and gas wells are being developed in regions with high to extremely high water stress. Prior to Ceres’ investigation, the serious implications of the shale industry on water usage—and what intense competition for limited water resources means for oil and gas companies and their shareholders—were getting scant attention.

With shale energy production proliferating, Ceres will continue bringing more attention to this issue, focusing especially on the shale energy producers, investors, financial institutions and public water officials who should be doubling down their efforts to better manage this challenge.

More than 80% of the nation’s freshwater is used for agriculture. In California, the source of over half of America’s fruits and vegetables, surface water irrigation is constrained due to ongoing drought and competing water demands. Farmers are using more groundwater as a result, imperiling the state’s long-term aquifer supplies. Agriculture also damages water quality. Across the Midwest, nitrogen and phosphorus linked to excessive fertilizer use are polluting the Mississippi River and its tributaries, damaging fisheries, and contributing to the Gulf of Mexico’s massive oxygen-depleted “dead zone.”

Ceres is launching a new effort to reverse these impacts by leveraging the influence of the largest companies in our food supply chain and their investors. Through their massive purchasing power, the companies that buy, process and sell the food we eat have the power to raise the bar for sustainable water use in farming. Some companies, including Ceres’ network members such as Coca-Cola, PepsiCo and General Mills, are already beginning to do so. But many more companies must join them in incentivizing farmers to adopt water-friendly practices and protecting our agriculture for the long-term.

Recognizing the need to set higher expectations for how companies manage water, Ceres developed the Aqua Gauge™—a free water stewardship assessment tool backed by investors managing $2 trillion in assets. Today, hundreds of companies in dozens of sectors are using the Ceres Aqua Gauge to evaluate their water performance and set ambitious new goals to reduce their impacts.

Water is a limited resource and Ceres is committed to building an economy that stewards every precious drop.

Help us achieve this goal today.
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