

Water and energy, status and resolutions

Last year in this issue I wrote about potential changes in the regulatory world compelled by greenhouse gas emissions (GHGs) and California's oft cited AB 32. Specific details in these regards remain difficult to track, despite the frequent conferences and seminars offered for our continuing education. But while the particulars may be sparse, the certainty of change increases as management of water and air issues becomes increasingly difficult.

Indeed, in California and throughout the West businesses are confronted with impending water shortages and GHG-related regulations that pose increasing challenges and seemingly diminishing opportunities. In facing these circumstances, businesses are becoming more aware and more involved in understanding the natural resource problems confronting us, but increasingly bewildered by the complex issues and proposed resolutions to these problems.

Though we cannot help but be chagrined by the situation, and increasingly perplexed, there are a variety of actions to be taken by all of us interested in maintaining a viable and thriving business climate. These steps range from the small to the earth changing, and they warrant significant discussion throughout the various tracts of society. Some of this action will be discussed below, but first, a brief examination of our dilemma, concerning just water and global warming, is warranted.

GLOBAL WARMING is a topic much discussed today throughout the world. As California is considered the seventh-largest economy in the world, and one of the largest emitters of carbon dioxide, the California Global Warming Solutions Act of 2006, aka AB 32, is well considered. However, the regulations and schemes to be

proposed as statewide solutions remain years off and will be extraordinarily complicated and relatively untested.

A straight carbon tax may be the simplest form of regulation, though such a tax is certain to negatively impact business in a state already stumbling over regulatory hurdles. Accordingly, the political will to enact such a tax in these economic times is sure to be lacking. A cap-and-trade system working only intrastate is sure to have minimal effect on emissions initially and promises enormous legal action through the decade ahead. Even with the experience provided by the EU's cap-and-trade program, real results will be slow in coming. Additional GHG regulations imposed on business, particularly the manufacturing and transportation industries, lack sufficient enforcement tools. Impending budget cut-backs on government agencies only weaken the ability of government to regulate air quality and GHGs.

Under these scenarios, the management of the earth's GHG emissions, so critical to our energy needs, is more than daunting.

ALTERNATIVELY, TAKE WATER, which is what I have advised business to do, reasonably, while the State Water Board attempts to sort out the many regulatory problems faced by Northern California water users. Take water, use it reasonably for productive purposes, file the appropriate permit applications, and your water rights should be protected under California law. Right? Unfortunately, not.

For the most part we agree about the finite nature of water; it is a resource with limits largely beyond our control. Uses of water include not only human consumption and business and agricultural applications of all types, but also fish and wild-

life maintenance. There is little dispute that water is required for our daily biological needs, the protection or sustenance of the earth's flora and fauna, and the industry upon which our economy relies.

In Northern California these competing uses put the legal water system to its ultimate test. For decades the Sonoma County Water Agency has relied on water diverted from the natural flow of the Eel River into the Russian River watershed. As this diversion is reduced to protect wildlife, less water flows to the waterways and storage areas we have relied on historically, and less is available for our consumption and use.

The State Water Board (SWB) recognizes these facts and has commenced the process of defining what is reasonable use and what is not. Despite the historic use of water for lawns, the SWB has mandated that commercial lawns may be watered no more. Tomorrow, reasonable use will be defined by different standards than the historic uses relied on by California's water law. This is a significant change, and it is new territory for lawmakers and scientists alike.

Efforts at conservation have been effective, and water use per capita throughout California has decreased. However, that "per capita" qualifier continues to spell trouble. As the population increases water needs necessarily increase and wastewater issues compound. While a variety of conservation techniques and water recycling products exist and continue to be developed, that basic equation whereby increasing water consumption attempts to match a finite pool remains unsolved.

This is not to say that all is lost. Partial resolutions to these problems are abundant, and new technologies consistently

attempt to address these issues throughout the world. But what steps can be taken by Northern California business that are reasonable, practical, effective, and financially sound?

SMALL STEPS include switching from Thomas Edison's light bulbs to fluorescent, turning down thermostats and turning off air-conditioners. Install skylights for natural light, and open windows for natural cooling effects. Low-flow water fixtures are readily available, and simple awareness of every-day water use can be very effective. Such small steps are not costly but can make a real difference to your budget's bottom line.

The cost of energy and water are certain to rise significantly in the near future. Any efforts taken to conserve will be rewarded next month, and more significantly next year, and the year after. These small steps should be taken with a view to realizing real cost savings.

MEDIUM STEPS require a more significant investment in realizing cost savings over a longer term. The installation of solar panels requires an investment that will be recouped in a number of years but will allow for future energy independence and potentially even income. Rain water capture is a relatively simple technology that bears a cost but may achieve long-term income in the savings realized on future water bills. This is particularly true for water needed to fill pools or water landscape. Replacing landscape that requires frequent watering with low-maintenance landscape saves gardening time as well as water costs. Utilizing the latest in irrigation techniques will prove to be remarkably efficient and cost saving for home, industrial and agricultural users.

Recycled water technology is being tested around the world on relatively small-scale structures so that in the years to come business parks will water landscapes with water recycled from the business park itself. Homes will use gray water for all uses other than human consumption, and landscaping in California will rely almost exclusively on recycled water sources.

These capital investments must be ana-

lyzed to determine the balance between costs and savings, but incentive programs are available to assist in that balancing effort. A variety of incentive and rebate programs are available from PG&E and the Sonoma County Water Agency, among other water and energy utilities, to promote the advancement of technologies such as the ones noted above. The Sonoma County Energy Independence Program allows a property owner to finance water- and energy-related improvements through property taxes. As government attempts to address these issues more consistently, additional incentive programs are certain to be enacted.

LARGE STEPS must also be taken to address the need for greater energy production and more efficient water use. Companies investing in the production of geothermal, solar and other alternative energy will allow California to sustain a thriving and expanding economy while realizing substantial economic benefits. The alternative energy industry is growing exponentially throughout the world. Business leaders willing and able to invest in and manage such clean companies will reap real dividends as energy becomes more valued.

Similarly, water companies investing in procuring and maintaining reliable water resources are certain to become increas-

ingly valuable in the coming years. New technologies in water use and recycling will reap huge profits from dry areas such as America's southwestern states.

STILL GREATER STEPS will be required to maintain any semblance of our present water and energy use. Conservation and investment will not solve these problems in the future. Ultimately, the resolutions to these problems must include new technologies, new science and revolutionary concepts.

REVOLUTIONARY COOPERATION between government and business will be necessary to see California through the difficult years ahead. No longer will business be able to ignore governmental mandates addressing water and GHGs, and government leaders must recognize the immense societal value to be found in cooperating with the business leaders attacking these environmental problems.

While water and GHG issues cloud business prospects, action of all kinds must be taken by business to keep California's economy viable in our ever more complex world. Every business has a role to play, with large and small steps to take, huge and medium projects to finish. Equally important, cooperative attitudes from all sides of the issues will be required to meet these challenges.



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