WATER MARKET INSIDER

SWIS Recap Special Report: Q1, 2026

AUTHORS

Kelsey Dudziak
Senior Associate

Amanda Long
Associate

West Water RESEARCH

WATER AT THE INFLECTION POINT

Capital, Courage, and Collective Solutions from SWIS 2026

This year's Sustainable Water Investment Summit (SWIS) convened at Terranea Resort in Southern California, bringing together investors, water professionals, policymakers, and industry innovators for two days of insights, strategic networking, and collaborative problem-solving. Across panels, keynotes, and conversations, five defining themes emerged:

- Blended Finance & Capital Innovation
- Private Sector Leadership
- Supply & Capital Innovation
- Closing the Water Funding Gap
- Education is Essential

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SWIS 2026 DEFINING THEMES

These themes underscore a sector in rapid transition. Progress requires blended capital, engaged communities, and public champions, along with the willingness to draw from every available tool to find the right solution for each challenge.

• **BLENDED FINANCE & CAPITAL INNOVATION:** With $12 trillion needed globally to meet existing water demand, the sector is turning to blended approaches combining municipal bonds, state revolving funds, federal programs, and private equity. Innovative structures are redefining risk allocation and creating new templates for public-private collaboration.

• **PRIVATE SECTOR LEADERSHIP:** Government agencies face structural constraints on speed and innovation. The private sector has the opportunity to take on risk, bringing capital, expertise, and urgency that public institutions cannot replicate, while working alongside government to turn proof-of-concepts into scalable policy.

• **SUPPLY & CAPITAL INNOVATION:** Population growth in water-stressed regions is pushing developers and utilities beyond conventional sources toward brackish groundwater, dual-distribution systems, and private infrastructure solutions. Unlocking these projects requires patient capital, committed public champions, and clear demand signals.

• **CLOSING THE WATER FUNDING GAP:** From aging urban infrastructure to watershed restoration, water investment remains chronically underfunded. Progressive rate design, transparent community communication, and outcome-based financing metrics are the critical tools for closing the gap.

• **EDUCATION IS ESSENTIAL:** Water will not be taken seriously until it is priced to reflect its true scarcity, and until users understand what they are actually paying for: infrastructure, quality, and reliable supply. That education is the precondition for everything else.

Beyond Traditional Bonds: Blended Finance Strategies for Large-Scale Water Projects

Theodore Cooke
Board Member, Committee Chair, Water Infrastructure Finance Authority of Arizona

Thomas Liu
Managing Director
BofA Securities, Inc.

Chris Allwin
CEO
Aetos Capital

Key Takeaways:

1. National infrastructure needs exceed $4.5 trillion, far beyond what any single funding source can address.
2. Solutions require layering state revolving funds, WIFIA, capital markets instruments, direct bank placements, and private equity.
3. Innovative structures like Arizona's WIFA are breaking the traditional lender-borrower dynamic, enabling differentiated roles and returns.
4. The current reallocation era represents a rare, time-limited opportunity for investors of all types.

Blended finance is no longer a niche concept; it is a viable path to closing the infrastructure gap. The urgency demands not just new tools, but new institutional willingness to use them.

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SWIS 2026 PANEL SUMMARIES

Last Mile Water Solutions: Securing Supply for Community Development

WestWater RESEARCH

Dustin Kinder
CEO
Maverick Water Group

Jeff Gunderson
Sr. VP - Land Operations
Lennar

Daniel Lupton
Vice President - Southern Water Resources
INTERA

Adam Jokerst
Rocky Mountain Regional Director
WestWater Research

Key Takeaways:

1. Abundant brackish groundwater is emerging as a critical alternative supply source, with expertise from the oil and gas sector proving transferable to municipal contexts.
2. Private developers are building non-potable infrastructure alongside traditional systems, reducing potable water demand and unlocking development capacity.
3. Permitting and regulatory frameworks are lagging behind innovation, creating friction for investors but also opportunity for those who can navigate the gap.
4. Rising water rates are beginning to force consumer and developer attention toward conservation and alternative sourcing.

As fresh water becomes scarcer and public providers struggle to keep pace, private capital and innovative infrastructure solutions are becoming essential to meeting the demands of growing communities. Capital providers are not abstract actors; they live in these communities and experience water scarcity alongside everyone else, generating a new kind of urgency among investors.

Betting on Water: Evaluating and Managing Development Risk

WestWater RESEARCH

Geoff Adamson
Chief Financial Officer &
Chief Investment Officer
Upwell Water

Ed Cross
Partner
Laguna Water

Don Pattalock
President & CEO
Vidler Water Company

Sharlene Leurig
Texas Regional Director
WestWater Research

Key Takeaways:

1. Projects succeed when there is a committed public champion willing to sustain political will over the long development horizon.

2. Drought is often the catalyst that aligns stakeholders; without a clear supply-demand imbalance, projects stall.

3. Regulators issuing permits without clear curtailment frameworks create uncertainty that investors must manage through conservative projections and permit buffers.

4. Water rights development routinely takes a decade or more, but patient early-stage investors can see healthy returns over a project's life.

Water is an inherently emotional issue for communities, making meaningful engagement a prerequisite for project success. This is fundamentally a relationship business, and projects that advance do so because trust was built deliberately over years, not months. Patience is among the most important qualities a water investor can bring to the table.

SWIS 2026 PANEL SUMMARIES

Affordability and Infrastructure Investment

WestWater RESEARCH

Angela Bricmont
Chief Financial Officer
Denver Water

Jennifer Capitolo
Executive Director
California Water Association

Tanya Moniz-Witten
President
San Jose Water

Jessica Diaz
Shareholder
Brownstein Hyatt Farber Schreck

Key Takeaways:

1. Most utility costs are fixed, yet revenues fluctuate with weather and conservation behavior, creating financial instability that legislators often do not understand.

2. Effective utilities are moving beyond bill inserts to deploy influencer campaigns, community fairs, and field engagement to build ratepayer trust.

3. Progressive, tiered rate structures better reflect true costs and protect low-income users, but face resistance from regulators accustomed to flat-rate models.

4. Affordability is the political constraint on every infrastructure investment decision.

People will accept higher rates when they understand what they are paying for. Utilities that invest in transparent communication and thoughtful rate design are better positioned to make the case for necessary capital projects. Do not underestimate your customer; investment in communication pays dividends in political capital.

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Keynote: Patricia Mulroy

WestWater RESEARCH

Patricia Mulroy
President & CEO
Sustainable Strategies

Key Takeaways:

1. The Colorado River's history of conflict-driven water allocation risks repeating itself; we must learn from the past rather than return to it.

2. The basin has spent years focused on cuts. The more productive question is where the next supply comes from.

3. With limited availability of traditional supply sources, large-scale desalination paired with nuclear power is a direct path to long-term supply security.

4. The political will for transformative change will not emerge from government alone.

There can be no winners and losers in western water. Every stakeholder must leave the table with a path forward, because durable solutions are collective by nature. The investment required for next-generation supply solutions will be substantial, but the cost of inaction is higher. The obstacles are not technological or financial. They are political.

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Closing Fund I: Lessons from Raising & Deploying Water Infrastructure Capital

David Bird
VP Project Finance & Development
Garney Construction

Jeff Nelson
CEO
PERENfra

Harry Seely
Principal
WestWater Research

Key Takeaways:

1. There is an underserved gap between large institutional projects and small utility investments; greenfield infrastructure in fast-growing markets can move significantly faster than traditional timelines.

2. Anchoring a fund with credible construction and operational partners provides the track record that family office investors prefer
.

3. Perpetual service agreements with controlled rate escalation provide predictable cash flows suited to patient, multi-generational investment horizons.

4. Walking investors through "Water 101" is not optional; it is a core part of the fundraising process.

Most investors have never had to think carefully about where water comes from or what it actually costs to deliver. Family offices are natural water investors: they think in generational terms and are looking for hard assets that aren't going away.

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Conservation Meets Infrastructure: Funding Watershed-Scale Water Solutions

WestWater RESEARCH

Austin Rempel
Riparian Restoration Program Manager
The Nature Conservancy

Ian Shelledy
Program Office
Walton Family Foundation

Esther Vincent
Environmental Services Director
Northern Water

Brett Bovee
Intermountain Regional Director WestWater Research

Key Takeaways:

1. A single dollar invested in watershed restoration can generate \$10 to \$20 or more in combined benefits: water quality, flood protection, habitat, and reduced treatment costs.

2. Most projects are too small to deliver their full potential; aggregating efforts across larger landscapes is key to unlocking meaningful impact.

3. Developing monetizable metrics for project benefits is the critical step toward attracting private capital.

If we fail to protect the watersheds that feed our built water infrastructure, that infrastructure will not function. Nature-based solutions are foundational to long-term water supply reliability, not supplemental. Private investment and nature restoration are only beginning to speak to each other, and bridging that gap could unlock meaningful benefits for both watershed protection and investors.

Water Infrastructure Leadership: Capital Priorities from Watershed to Urban Systems

WestWater RESEARCH

Shivaji Deshmukh
General Manager
Metropolitan Water District of Southern California

Darrell Nichols
General Manager/CEO
Guadalupe-Blanco River Authority

Alyson Watson
CEO & Board Chair
Woodard & Curran

Scott Slater
Shareholder, Brownstein Hyatt Farber Schreck; Chairperson at Limoneira; Senior Advisor, Cadiz

Key Takeaways:

1. Thorough upfront planning reduces lifecycle costs, answers stakeholder concerns proactively, and accelerates approvals.

2. Impact fees must be structured so new development, not existing ratepayers, bears the cost of the infrastructure it requires.

3. Public-private partnerships have matured into a recognized mechanism for transferring risk and accessing expertise, and should be seen as tools, not threats.

4. Water utility leaders increasingly see private capital as a partner, not a competitor.

Capital deployment looks different depending on the organizational model, and how water leaders prioritize investment reflects the unique constraints, risks, and community obligations of each institution. Willingness-to-pay studies and compelling storytelling about generational benefits are among the most effective tools for building the political will needed to move large capital projects forward.

Cross-Border Water Markets: Investment Opportunities & Regulatory Challenges in the Lower Basin

WestWater RESEARCH

Bill Hasencamp
Manager, Colorado River Resources, Metropolitan Water District of Southern California

Ana Schwab
Partner and Director of Government Affairs
Best Best & Krieger

Patrick Sigl
Director of Water & Natural Resources Law
Salt River Project

Annick Miller
Senior Policy Advisor
Brownstein Hyatt Farber Schreck

Key Takeaways:

1. Using Lake Mead as a clearing house for interstate exchanges is conceptually sound but needs agreed-upon rules around storage fees and low-pool protections before investors can underwrite transactions.

2. Urban entities alone cannot close the 2 to 4-million-acre-foot gap; agricultural transitions are an unavoidable component of long-term basin balance.

3. Projects perceived as benefiting all Lower Basin states are significantly more viable politically and commercially.

Interstate water exchanges can be a near-term mechanism for improving basin-wide water security, but their potential will only be realized with clearer regulatory frameworks and genuine multi-state collaboration. The barrier to more efficient water exchange is not engineering. It is governance and political courage.

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Interview with Author Abrahm Lustgarten

WestWater RESEARCH

Abrahm Lustgarten
Editor-at-Large for Climate
ProPublica

Bradley Herrema
Shareholder, Natural Resources
Department Chair
Brownstein Hyatt Farber Schreck

Key Takeaways:

1. The climate band in which humans have lived for 6,000 years is shifting northward, putting pressure on billions of people in the world's hottest, driest regions.

2. As water subsidization in the Southwest reverses, the cost of living in arid regions will shift migration patterns.

3. People move reluctantly, in stages, each step driven by the failure of the previous option, not a single dramatic event.

Lustgarten's work can be read as a call to action. Water investors, planners, and policymakers have the opportunity to reshape demand patterns, guide infrastructure investment, and influence the political constituencies that will define the future of the West. We have the opportunity to write a different ending.

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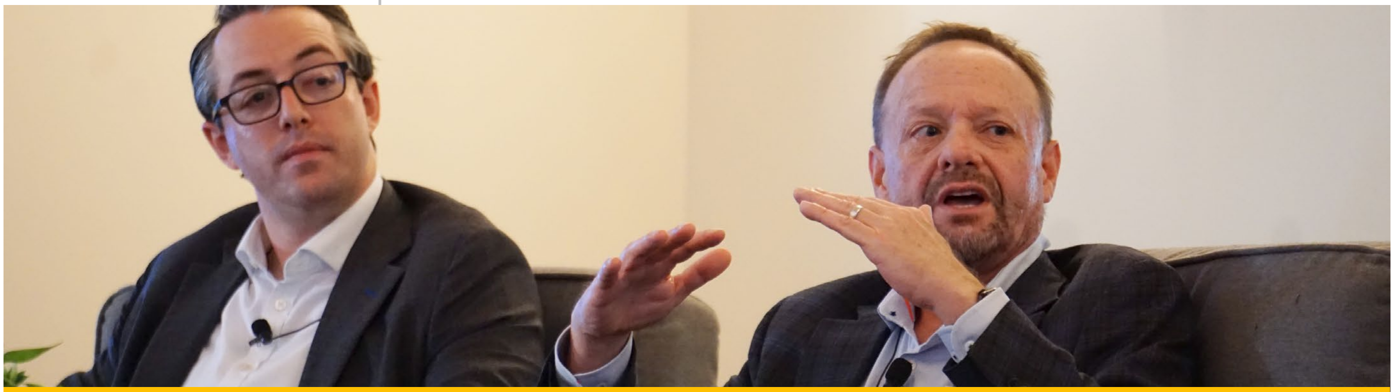

Institutional Capital Deployment in Water Infrastructure

WestWater RESEARCH

Joseph Abramson
Executive Director
Morgan Stanley

Mark Janay
Operating Partner
Ridgewood Infrastructure

Lihy Teuerstein
CEO
IDE Water Assets

Chris Teryazos
President
Aetos Capital

Key Takeaways:

1. Private capital brings expertise and the ability to absorb design-build and operational risk that many municipal utilities lack the staff or capacity to manage.

2. Thirty-year contracts with price certainty on capital and operating expenditures save utilities from repeated board approvals and budget uncertainty, generating real value beyond the financing itself.

3. The most common cause of failed transactions is political interference; managing political risk is as important as managing financial risk.

4. With 50,000+ public utilities, most too small to access capital markets independently, fragmentation is both a problem and a substantial opportunity.

Institutional capital is moving into water, but selectively. Investors who understand the local, political, and regulatory dimensions of water will be best positioned to deploy capital at scale.

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The Water Investment Thesis: Risk, Returns, and Why Now

Christopher Gasson
Managing Director
Global Water Intelligence

Nicole Neeman Brady
Partner, TPG; Senior Advisor & Principal, Renewable Resources Group LLC; Board Member, Naturion

Peter Yolles
General Partner
Echo River Capital

Phil McDermott
Shareholder
Brownstein Hyatt Farber Schreck

Key Takeaways:

1. Agriculture represents ~45% of U.S. water use, and wide efficiency gaps make precision irrigation a compelling opportunity, though thin margins and fragmented ownership make scaling difficult.

2. Framing water security as liability avoidance resonates with data-intensive industries and their investors.

3. Industrial-municipal reuse projects can achieve blended revenue streams that justify private equity returns.

The most compelling investment framing isn't scarcity; it's reliability. Across data centers, chip fabs, and municipalities alike, willingness to pay scales with the cost of disruption, not the cost of water itself. Private capital is beginning to recognize this, and the entry window is now. Institutional capital is moving into water, but selectively. Investors who understand the local, political, and regulatory dimensions of water will be best positioned to deploy capital at scale.

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Water for Data Centers: Demand, Supply Challenges, and Infrastructure Investment

WestWater RESEARCH

Bill Malarkey
Partner
Roland Berger

Neil Sheehan
Market Director - Mission Critical
Woolpert

Gert Van der Walt
Central Region Water Manager
AWS

Oliver Browne
California Regional Director
WestWater Research

Key Takeaways:

1. Advanced liquid cooling, hybrid systems, and recirculation technologies have already reduced data center water intensity dramatically.

2. Power availability remains the primary site-selection criterion, but water stress evaluation is moving up the priority list.

3. Structures that avoid competing with municipal users and benefit local watersheds are both achievable and necessary.

4. Developers that engage communities at the outset, committing to local water-positive outcomes, build the trust needed to move projects quickly.

The data center industry has the capital and incentive to be a positive force for water infrastructure investment. Not all data centers are created equal; some operators are already demonstrating that large-scale computing and responsible water stewardship can coexist.

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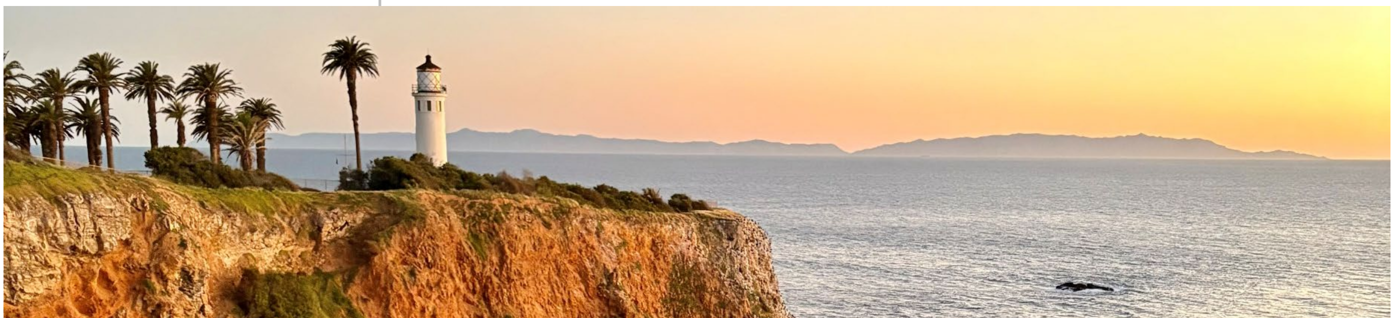

Fireside Chat: M. Camille Touton, Water Leadership Beyond Government

WestWater RESEARCH

M. Camille Touton
Principal
Rotunda, River & Range LLC

Chris Smith
Chief Operating Officer
WestWater Research

Key Takeaways:

1. Investors see return risk; utilities see regulatory risk; public agencies see political risk; communities see local impact risk. Durable solutions require acknowledging and aligning all four.

2. Relationships built through consistent, credible action over time are the most valuable asset in water.

3. Government agencies face structural constraints on speed and innovation; the private sector must be willing to take on pioneering risk and work with government to ensure those decisions can become standard practice.

4. Public agencies carry the institutional authority that private actors cannot replicate. Private actors bring capital, speed, and innovation. The goal is to find where those tracks converge.

Solving water is not binary; we cannot afford to fail. That means casting a broader net, bringing more voices to the table, and being willing to revisit ideas that may once have seemed unorthodox.

FINAL WORD FROM WESTWATER

Across two days of panels, keynotes, and conversations, a consistent picture emerged. The funding gap is real and growing, and no single tool, public or private, can close it alone. Blended finance, patient capital, and innovative project structures are operational necessities. The sector's most persistent barriers are not engineering challenges, they are governance, political will, and the public perception that water is essentially free. Until water is priced to reflect its true value, investment will remain constrained and conservation will remain voluntary.

Private sector leadership is no longer optional. Government agencies carry institutional authority and public trust that private actors cannot replicate, but face structural constraints on speed, capital, and innovation. The private sector has the opportunity to step into that gap: pioneering new structures, absorbing early-stage risk, and working alongside public partners to turn proof-of-concept projects into scalable policy.

From brackish groundwater development and dual-distribution systems solving last-mile supply challenges, to three-party data center partnerships delivering water-positive community outcomes, to watershed restoration; the innovations on display at SWIS 2026 are real, replicable, and ready for capital.

WestWater Research is proud to convene this community and to serve as a bridge between economics, policy, and on-the-ground water realities. The work ahead is significant, but so is the momentum. We look forward to continuing this collaboration with partners across the public and private sectors.

For more information on WestWater Research or any of the topics discussed at SWIS, please reach out to our CEO Clay Landry or our COO Chris Smith.

THANK **YOU** SPONSORS!

We would like to thank our co-hosts Brownstein Hyatt Farber Schreck and all the sponsors that made this summit possible:

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