



California Water Resilience Initiative

Q2 2024 Virtual Meeting
April 10, 2024



CEO
WATER
MANDATE

WATER
RESILIENCE
COALITION



ECOLAB



PACIFIC INSTITUTE

LimnoTech 

AGENDA

1. **Welcome & Opening Remarks**
2. **Review Goals & Intentions**
3. **Presentations**
4. **Closing Remarks & Reminders**



Welcome, General Mills!



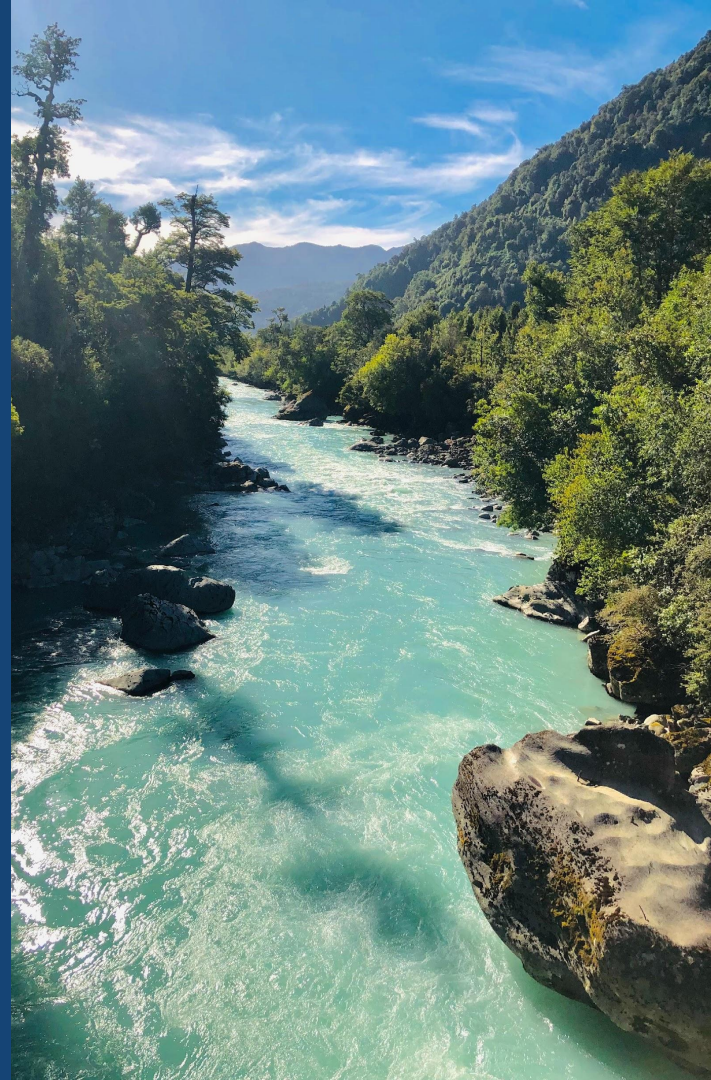
CWRI Meeting Purpose, Process, Payoff

Purpose: Advance the CWRI roadmap with opportunities for corporate engagement in California water stewardship

Process: Share the evolution of the CWRI approach. Leverage presentations from project partners that provide pathways for corporates to invest or engage in scaled water stewardship opportunities.

Payoff: Understanding of the initial engagement opportunities identified as being aligned with CWRI goals and member priorities

Goals & Intentions



California Water Resilience Initiative

The background image shows a natural landscape with a river in the foreground, surrounded by dense evergreen trees. In the distance, there are large, rugged mountains under a clear sky. The overall scene is bright and scenic, typical of a national park setting.

The California Water Resilience Initiative (CWRI) is a private sector-led initiative to accelerate collective action between private, public, and non-profit sectors to achieve a water-resilient future for California.

Volumetric Goal: 1 MAF by 2030 & 1.8 MAF by 2040

Five intentions of CWRI

1

Send a Demand Signal

Demonstrate to NGOs and governments the corporate appetite to meaningfully engage on water

2

Align Progress and Ambition

Leverage, learn from, and expand on existing water stewardship goals, collaborations, and investments

3

Set the Direction

Create a roadmap for how to achieve the ambition

4

Build the Portfolio

Explore avenues to scale up existing water solutions and create new opportunities

5

Build the Collaborative

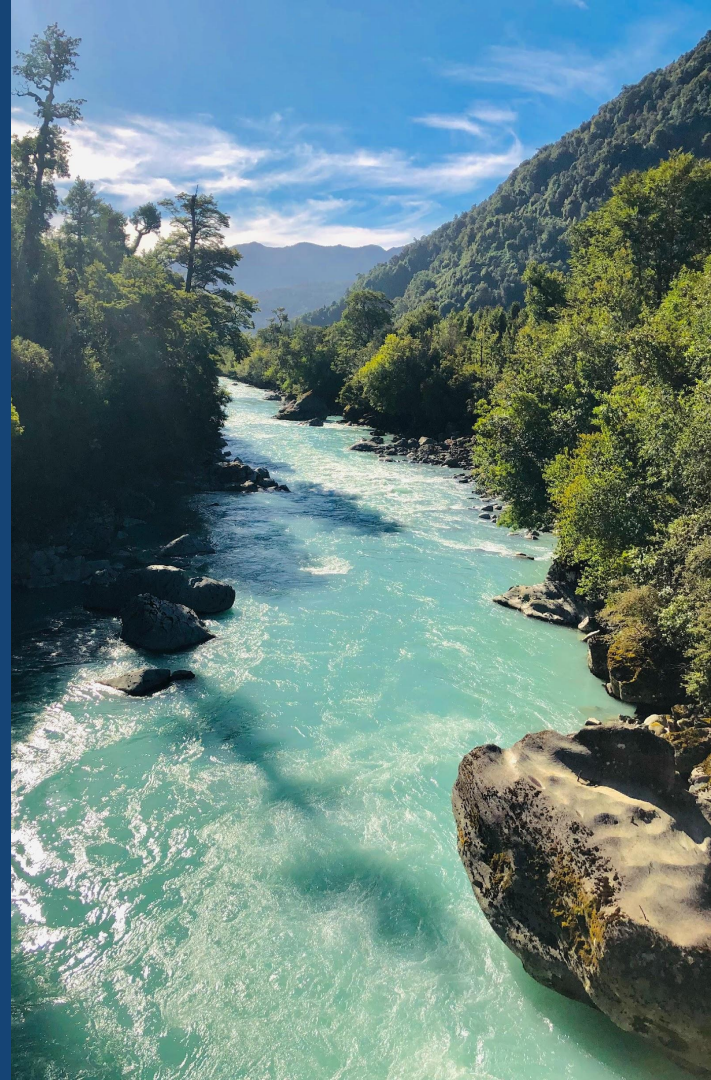
Invite peer companies and organizations to participate in the initiative

1

Send a Demand Signal

Demonstrate to NGOs and governments the corporate appetite to meaningfully engage on water

Emilio Tenuta
SVP/CSO Ecolab



Conversation with Chair Esquivel



**State Water
Resources
Control Board**

2

Align Progress and Ambition

Leverage, learn from, and expand on existing water stewardship goals, collaborations, and investments

Chirag Amin
Senior Researcher, Pacific Institute



CWRI Focus Areas

- Groundwater Recharge



- Source Watershed Protection & Restoration



- Water Efficiency & Reuse



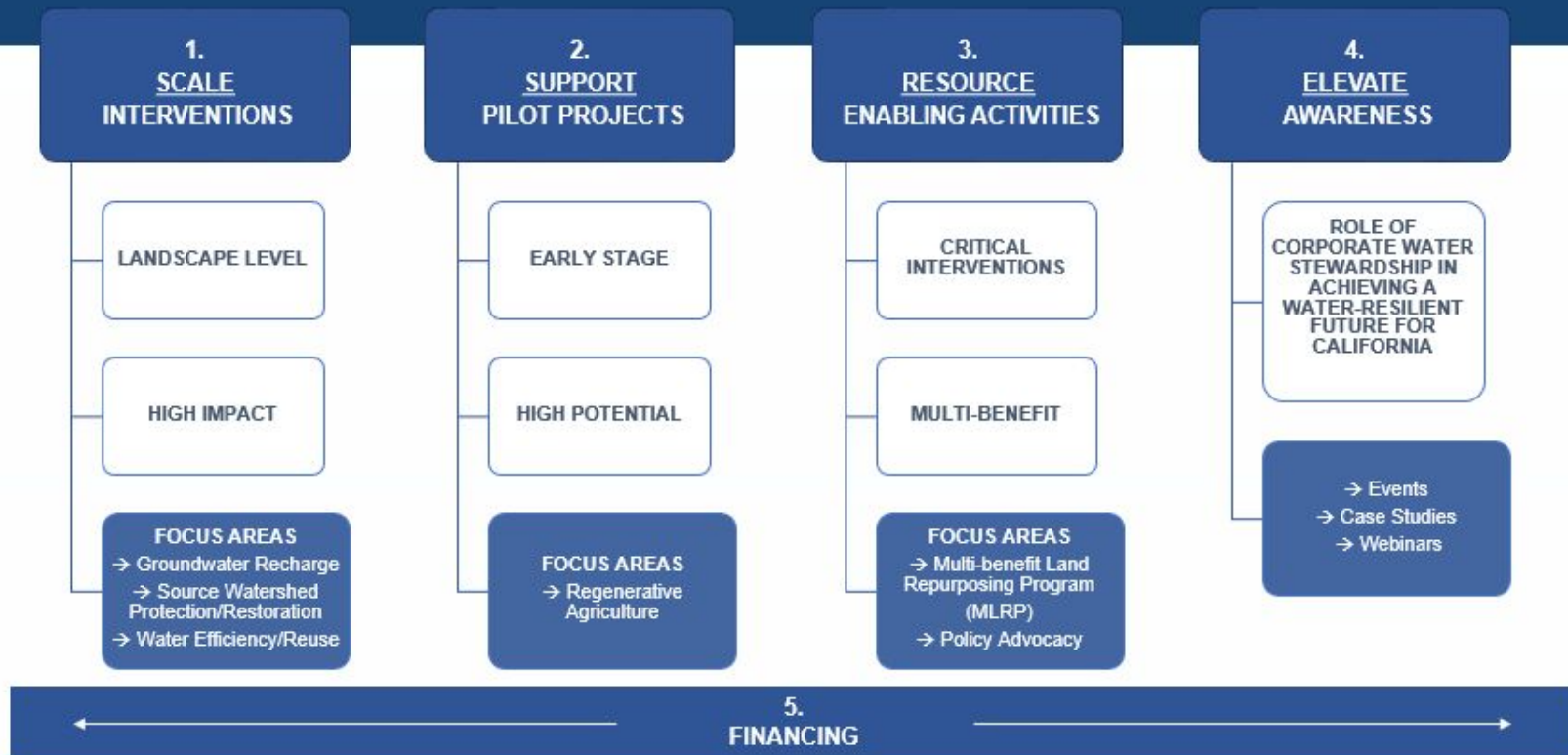
- Regenerative Agriculture



- Multi-benefit Land Repurposing



CWRI Strategy: Building the Portfolio



CWRI + CWAC - working together

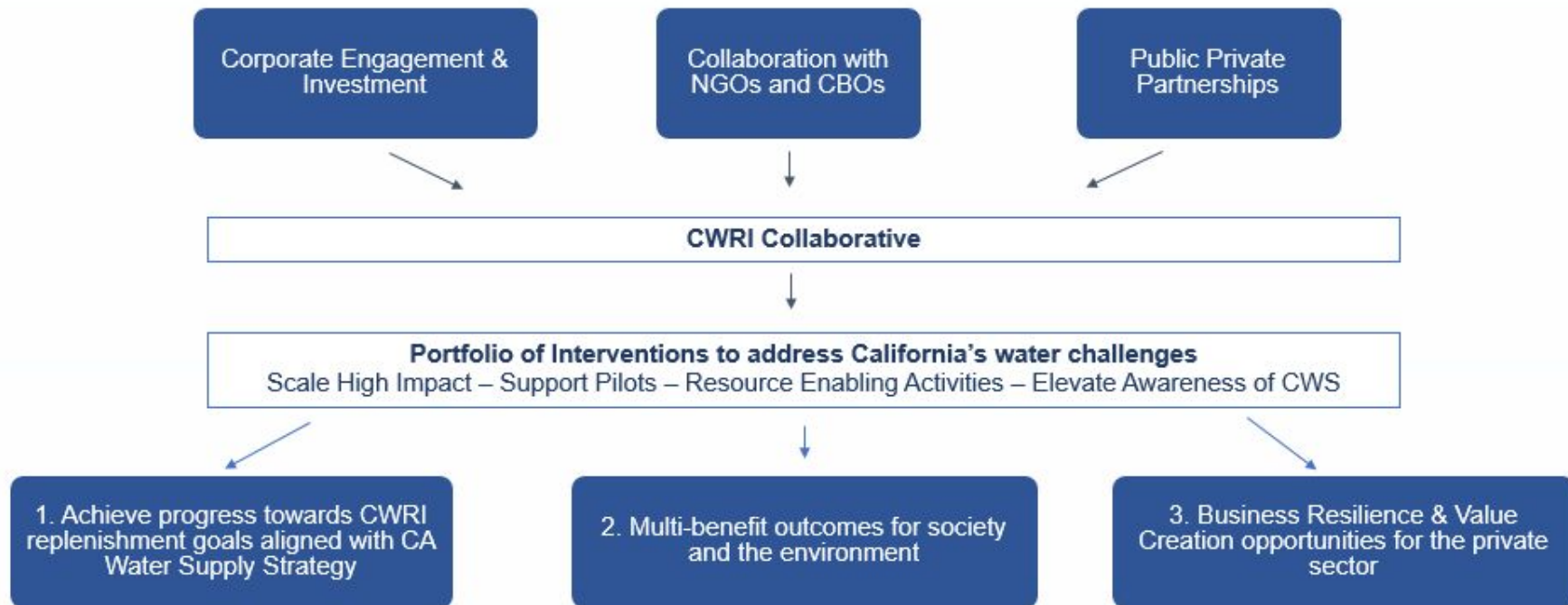


California Water Resilience Initiative (CWRI)



California Water Action Collaborative (CWAC)

CWRI Strategy: Building the Collaborative

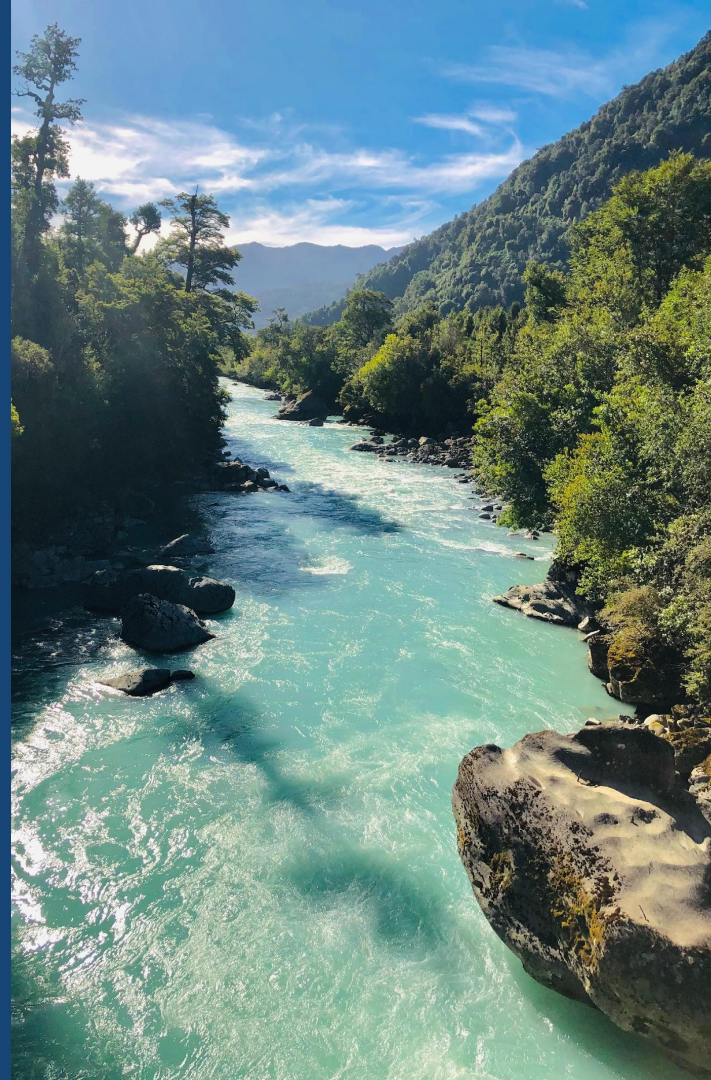


3

Set the Direction

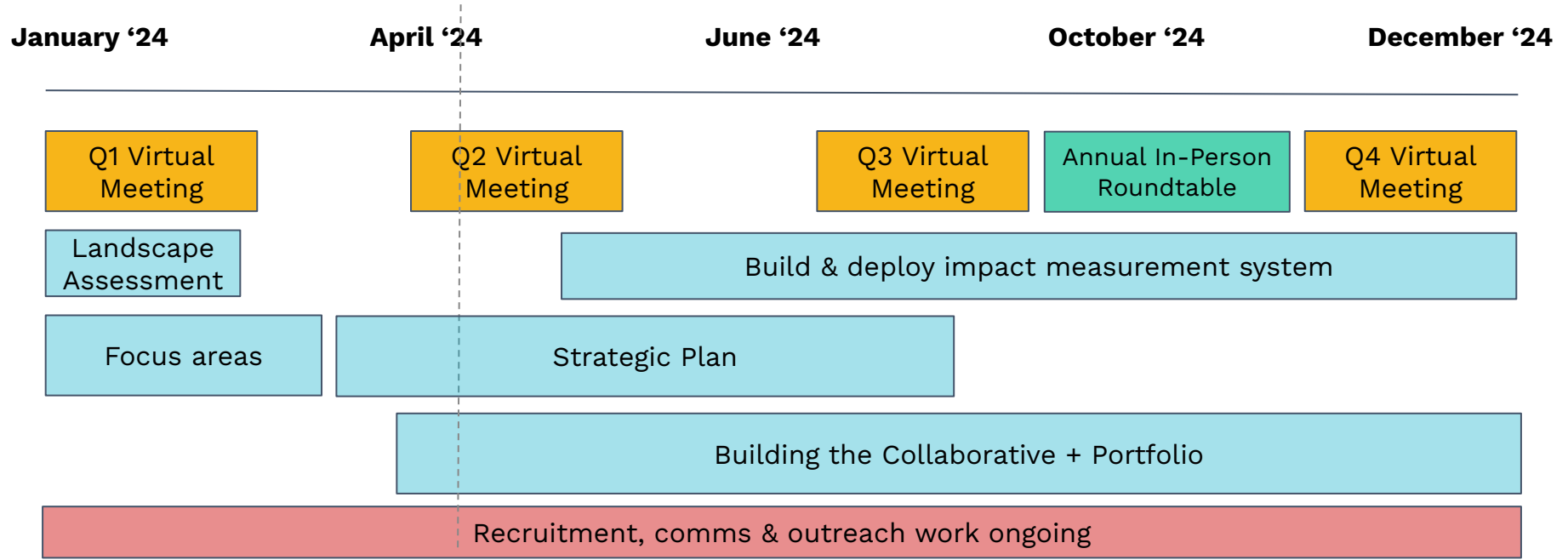
Create a roadmap for how to achieve the ambition

Chirag Amin
Senior Researcher, Pacific Institute



Set the Direction

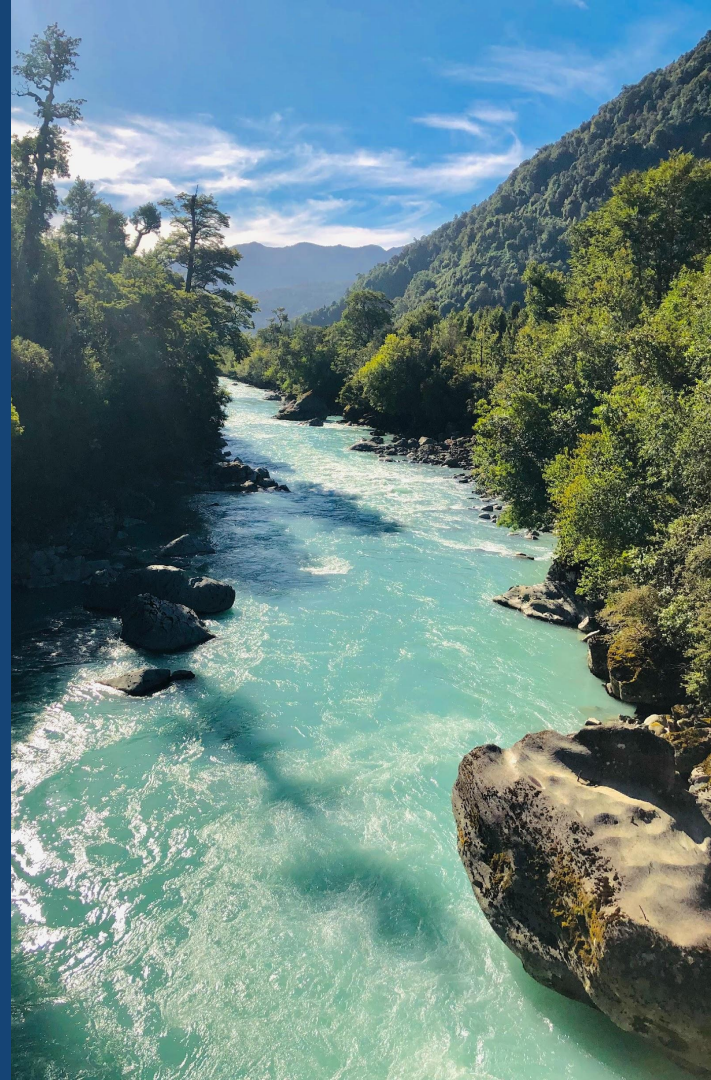
2024 CWRI Plans & Activities



4

Build the Portfolio

Explore avenues to scale up existing water solutions and create new opportunities



Sustainable Water Investment RRG Capital Management

Charles Stringer
Managing Director, Renewable Resources Group





RRG | Capital Management

RRG · Sustainable Water Impact Fund

SWIF Snapshot | April 2024

CONFIDENTIAL | NOT FOR DISTRIBUTION | INTENDED FOR RECIPIENT USE ONLY

Photo: Recharge at Capinero Creek in California, US

RRGCM is a global alternative asset manager that strives to use its combined expertise in water, specialty agriculture, conservation, and renewable energy to deliver commercial investment returns with positive environmental and social outcomes.

Our Firm

20 Year track record as a team investing in sustainable real assets and companies

50+⁽¹⁾ Investment, asset management, and supporting professionals across the US, Australia, and LATAM

\$2.5⁽²⁾ Assets under management (USD billion)



RRGCM is a Certified B Corp

Our Approach

RRGCM seeks to source and unlock value from real assets and operating companies in the sustainable food, water resources, and energy sectors in targeted geographies.

- **Downside protection** via assets with significant liquidation value in the form of land, water rights, equipment, etc.
- **Upside return potential** via market positioning, geography, and multiple arbitrage and/or re-rating opportunities.
- **Deep operational engagement** enabled by the RRGCM team's expertise in agronomy, hydrology, farm labor management, and conservation finance.

Our Investments

Funds **\$927 million**⁽³⁾
Sustainable Water Impact Fund (SWIF)

\$224 million⁽⁴⁾
Grupo Renovables Agrícolas CKD (GRA)

\$77 million⁽⁵⁾
Global Partners Fund (Partners)

Legacy **\$1.4 billion**⁽⁶⁾
Legacy Portfolio

1) Includes RRGCM and affiliates.

2) As of 6/30/2023, RRGCM and its affiliate Renewable Resources Group LLC ("RRG") either (i) manages or (ii) invests as a principal for its own account in investment vehicles valued at \$2.5 billion.

3) Total commitments for RRG Sustainable Water Impact Fund, L.P. and parallel funds.

4) Total commitments Calculated using exchange rate of 17.15 MXN/USD (as of 6/30/2023).

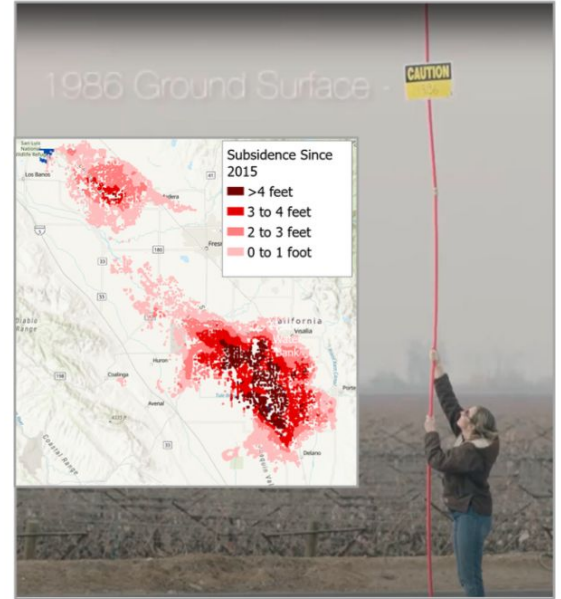
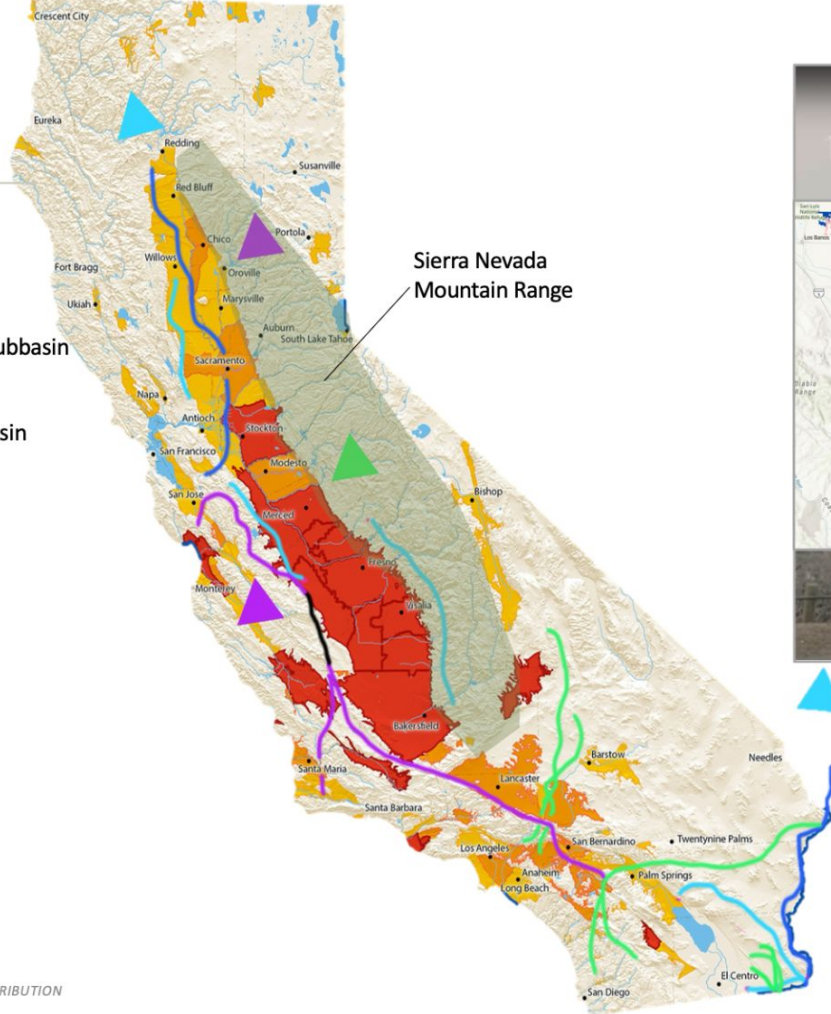
5) Total commitments for RRG Global Partners Fund and all feeder funds.

6) As of 6/30/2023, based on capital invested in RRGCM's legacy investments and through US

California Water Systems

- Critically overdrafted basin/subbasin
- High priority basin/subbasin
- Medium priority basin/subbasin
- County line
- Water feature
- River

- State project
- State and federal project
- Federal project
- Local project



RRG · Sustainable Water Impact Fund

The RRG Sustainable Water Impact Fund (SWIF) has built a portfolio of strategically located water, agricultural, conservation, and renewable energy assets across the Western US, LATAM, and Australia.

Launched in partnership with The Nature Conservancy (TNC), one of the world's largest conservation NGOs. TNC and RRGCM's teams work to achieve measurable conservation and sustainability outcomes.



Size	\$927 million
Close Date	April 2020
Term	10 years
Investment Theme	Water, sustainable agriculture, land and water conservation, and renewable energy assets
Investment Thesis	Commercial financial returns alongside significant and measurable impact (non-concessionary)
Water-Related Impact Areas	Protect and restore freshwater habitat; create temporary wetland habitat; develop groundwater recharge for new sustainable supplies and storage; implement irrigation efficiencies
Target Geographies	Western US, Australia, Latin America
Deployment¹	93% allocated across 13 investments
Scale²	~74,000 acres under management; ~68,000 acre-feet of new water supplies in development

Portfolio Overview and Business Plan Drivers

Western US

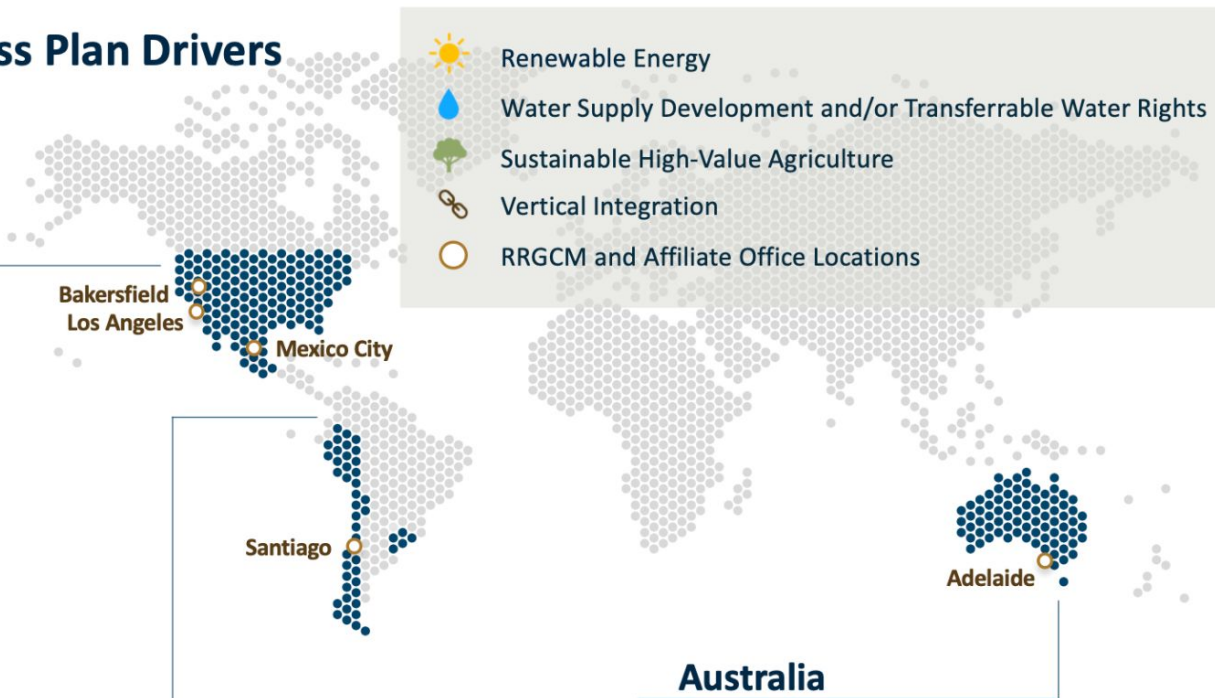
- Capinero Creek (CA)
- TC Agriculture (CA)
- BV West Farms (CA)
- Sweetwater Ridge (CA)
- River Garden Farms (CA)
- Frutura (CA)
- Ferry Canyon Orchards (WA)

Latin America

- Azul Solar (Chile) – Realized
- Persea (Chile)
- Corylus (Chile)
- Frutura (Chile, Peru, Uruguay)

Australia

- Manta Farms
- Nambucca Farms
- Koompартu Farms



Impact and TNC Partnership

- RRGCM and TNC publish an annual SWIF Impact Report to highlight progress and goals in conservation, sustainability, and climate. [The report is available online here.](#)
- Sustainability goals are set for each project – a dynamic process that highlights RRGCM and TNC’s collaboration in identifying ambitious but achievable and quantifiable outcomes.
- Greenhouse gas emissions are being quantified at each asset along with TNC to identify opportunities for lowering emissions and guiding implementation of natural climate solutions.
- RRG and TNC collaborate to secure public funding for conservation exits on competitive commercial terms.

SWIF LIFETIME GOALS

FUND LIFETIME GOALS

In 2022, the Fund continued its goal-setting process for conservation objectives across all investments. These goals focus our intentionality for impact and guide us towards achieving specific conservation outcomes over the lifetime of the Fund. The Fund's lifetime goals are a roll-up of what we believe can be accomplished at the asset level within the Fund's ten-year term, informed by scientific analysis and on-the-ground research. The goals may change year-to-year as land, water, and climate conditions vary. We also continue to reassess our objectives as we add new assets and capabilities to the portfolio.

WETLAND & FRESHWATER

- Allocate 20,000 acre-feet of water to support key species and ecosystems.
- Permanently protect 2,100 acres of wetland habitat.
- Restore or improve the management of 530 acres of wetland habitat.
- Establish 6,000 acres of temporary wetlands for migratory birds.
- Improve 14 miles of streams by better managing riparian areas.

TERRESTRIAL

- Permanently protect 22,200 acres of terrestrial habitat.
- Restore or improve the management of 2,700 acres of terrestrial habitat.
- Establish 3,700 acres of temporary habitat by managing farmland as wildlife-friendly or by planting cover crops on fallowed land.

RESEARCH & INNOVATION

- Publish 5 research studies on improved management of working lands.
- Engage in 11 collaborations to facilitate research and landscape-wide conservation.
- Engage with at least 6 entities to replicate research findings of management approaches with biodiversity co-benefits.

* 2022 SWIF Impact Report, Pg. 7



RRG | Capital Management

RRG · Sustainable Water Impact Fund

Charles Stringer
cstringer@renewablegroup.com

Sophia Heye
shey@renewablegroup.com

Watershed-Scale Process Based Restoration - Kern River

Source Watershed Protection

Eddie Corwin
Corporate Water Stewardship Specialist, Limnotech



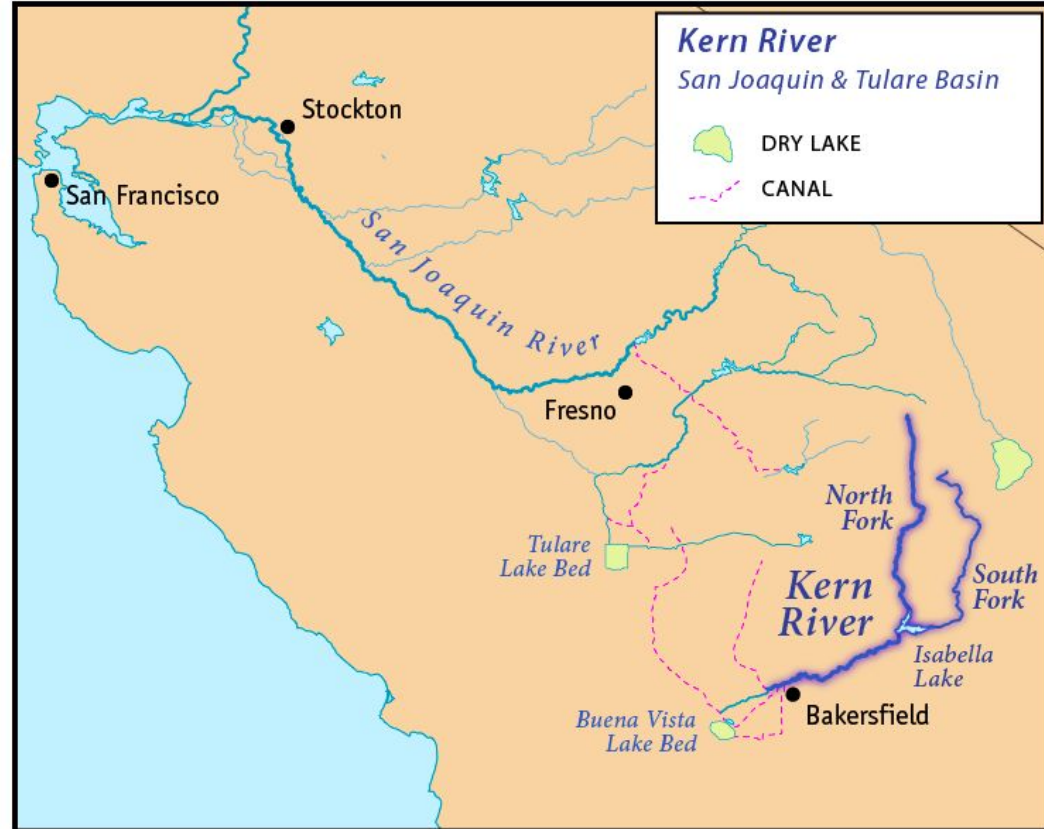
Kern Plateau Meadows Project - Project Overview

Activity: Low-tech process-based restoration on 10 meadows covering 2,586 acres (10.5 km²) and 40.8 stream-miles (65.7 km).

Location: Kern River (Tulare Basin) with hydrologic connectivity to the San Joaquin River

Implementation: 2023-2028

Lead Organization: Trout Unlimited



Process-Based Restoration Example



Process-Based Restoration Example



Kern Plateau Meadows Project - Quantification

Draft Data Being Finalized

Anticipated Volume: 4,400 MGY / 13,500 AFY (1.3% of CWRI goal)

Project Cost: \$5,700,000

Benefit Per Contribution: ~7MGY per \$10K

Current Benefit Duration: 5 years (potential to extend to 10)

Co-Benefits: Improved flow, flood mitigation, water quality, carbon sequestration, aquatic habitat, surface water storage, reduced surface runoff and reduced erosion.

Highly Replicable, More Watersheds In Planning Phase!

Kern Plateau Meadows Project
Trout Unlimited



Pre-Project Volumetric Benefit Summary
(Bundled Approach)

Prepared for the California Water
Resilience Initiative (CWRI)

Floodplain Restoration - River Partners

Freshwater Conservation & Groundwater Recharge

Alex Karolyi
Communications Director, River Partners





**RIVER
PARTNERS**



Multi-Benefit River Restoration

- Water conservation
- Groundwater recharge
 - Clean water
 - Wildlife habitat
 - Flood safety
- Climate resilience
- Community health



10,270,207,000

Gallons of freshwater conserved.



4,078,494

Native trees & vegetation planted.



18,867

Acres of protected habitat restored for endangered and threatened species.



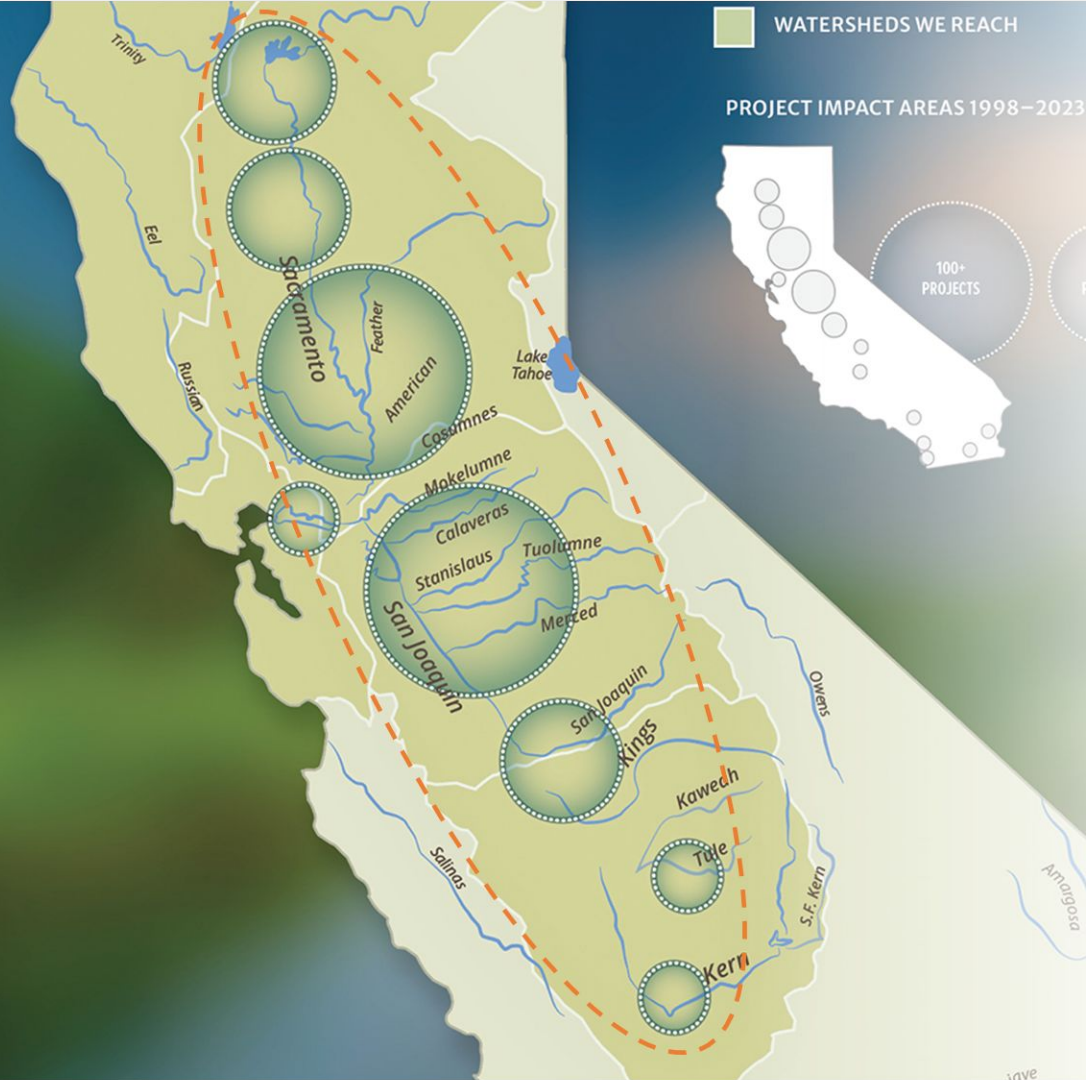
\$175,416,280

Channeled directly to the communities where we work.



1,006,787

Metric tons of CO2, CO2e, or greenhouse gases captured.



PROJECT IMPACT AREAS 1998-2023



3-Year Central Valley Vision

- 75,000+ acre-feet replenished
- Sacramento River, San Joaquin River, Tuolumne, others
- Portfolio of projects across Central Valley

Regenerative Agriculture and Water (RAW Lab)

Regenerative Agriculture

Robert Gould
Senior Facilitator, Ag Innovations



- Exploring/Redefining Regen Ag + Water in SJV
- Lab = accelerated learning, R&D, impact
- Collective Action...from the ground, up
- Range of Outcomes, Drivers: soil health, water, climate, social equity, supply chain resilience
- Farm Pilots + Supply Chain Engagement => Capacity Building and Enabling Change
- Leveraging Existing Programs, Grants, Knowledge
- More investment > Expanded Scope/impact

Strategy



RAW Lab: Opportunities for 2024 & beyond

Pilot 1

Trial↔Practices

Perennials (almonds):
Soil Health + Recharge

Irrigation Innovation

Option: more volume

Pilot 2

Trial↔Practices

Annuals (alliums, tomatoes):
Stacked Practices*

Irrigation Innovation

Option: rotation solutions

Pilot 3

Trial↔Practices

Perennials (almonds):
Stacked Practices*

Irrigation Innovation

Option: off-ground harvest

Capacity Building

Tech. Assistance, Knowledge Creation, Barriers Removal; *Market Partnerships*

Info Sharing

Efforts, goals, information, questions

Supply Chain Dialogues

Challenges, opportunities, pathways

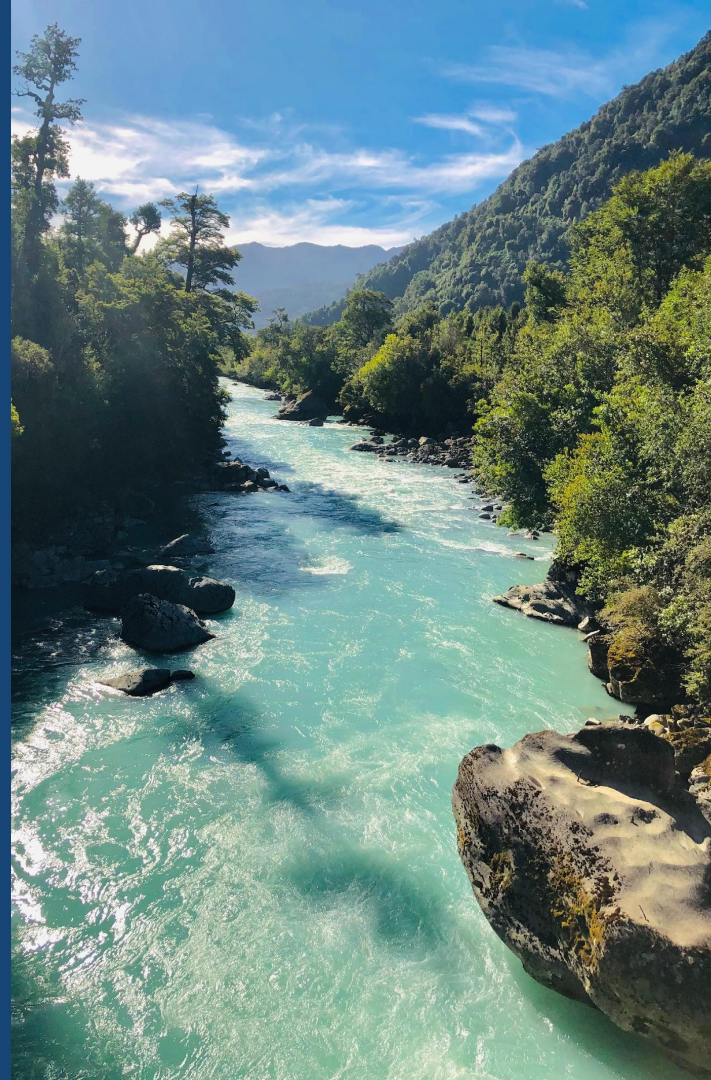
*Includes CC's, compost, WOR, biochar, dairy manure, etc.

5

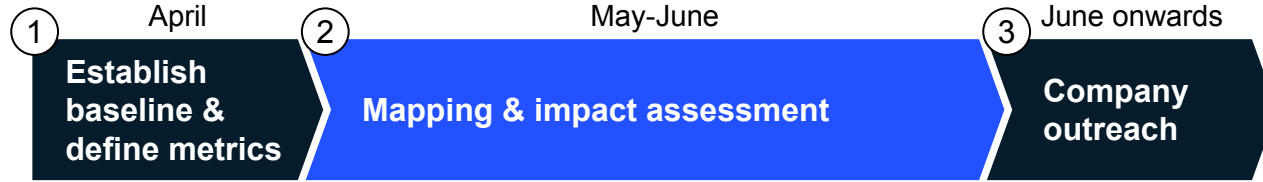
Build the Collaborative

Invite peer companies and organizations to participate in the initiative

Sarah Brody
McKinsey & Company



McKinsey Corporate Water Assessment: Informing CWRI Recruitment



Water mapping assessment exercise

- In-depth water assessment of major CA companies (top 50)
- Impact assessment framework to determine risk & opportunity exposure for top companies
- Prioritization matrix of companies across water risk and ambition

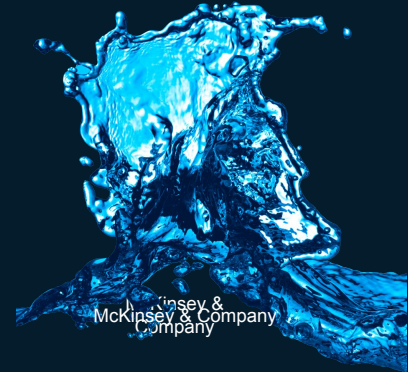
Impact assessment for companies and CWRI

- Assessment of financial and non-financial benefits for businesses to join partnership
- Modelling of potential total financial and non-financial impact of CWRI with increased partnership
- Assessment of “size of the prize” opportunity for NPWI project financing available across top companies
- Identification of case studies where action is not directly tied to financial outcomes

Our ask to you: we will reach out for further discussion to test framework and analytics

The goal of this effort is to 1) develop a prioritized list of companies for CWRI outreach and 2) model the benefits of CWRI partnership both for companies and for the goals of the Initiative overall

Future phases may involve pilot analytics for specific NPWI projects



Closing & Reminders



Tour of Dos Rios - April 26

akarolyi@riverpartners.org

- Tour of historic Dos Rios Ranch near Modesto. Model of multi-benefit river restoration, replenishment, and new CA State Park
- April 26, 10:00am to 1:00 pm
- Lunch provided
- Invite-only tour for small group of corporate, NGO, and philanthropy guests
- Under 2 hours from Bay Area



Upcoming CWRI Events

CWRI partners & participants:

- Next quarterly meeting on **July 23, 2024 from 9:00AM - 10:30 PM PT**
- In Person CWRI Meeting on **October 22nd**

Thank you! Questions?
cwri@pacinst.org

[California Water Resilience Initiative](#)