

WATER — WHAT DO YOU SEE?

Seeing Another Way: How Private Capital Can Solve America's Infrastructure Shortfall

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THE NATIONAL PICTURE

$2.1 TRILLION

needed for U.S. drinking water infrastructure over the next 25 years

Every pipe in that number was laid by someone who believed the community would keep it up. Most of them are past their design life, and the bill is now due.



Source: American Water Works Association, Beyond the Replacement Era, 2026



THE SAME WATER, THREE VIEWS

What you see depends on where you stand



The operator at 2 a.m.

Sees the main that failed again, and the callout list that keeps getting longer as crews get shorter.



The family at the tap

Sees a glass of water and assumes it will always be there. They never see the system, until the day it fails.



Director at the council table

Sees a capital plan that keeps deferring, a rate base that cannot absorb a shock, and a board that needs a defensible answer.

WHAT'S AT STAKE

Two futures for the same pipe



Aging infrastructure

- Frequent main breaks and unplanned outages
- Water loss and contamination risk climb every year
- Emergency repair costs compound over time
- Systems built decades before today's growth



Modernized infrastructure

- Reliable delivery capacity built for today's demand
- Engineered to current safety and quality standards
- Lower lifecycle maintenance and repair costs
- Decades of useful life ahead for a growing region

CASE STUDY | WEST HOLLYWOOD, CALIFORNIA | JULY 2026

What waiting looks like: Sunset Boulevard





110 YRS
Age of the 36-inch riveted-steel trunk line, installed 1916

~17M GAL
Water lost as the rupture flooded and undermined the street

8 DAYS
Sunset Boulevard closed to all traffic, July 16 to 24

2031
When replacement was scheduled to begin. The pipe failed first.

WHAT EIGHT DAYS DISRUPTED

150–200 vehicles
damaged or destroyed by floodwater

Residents displaced
some still not home a month later

~10 Metro bus lines
delayed or rerouted; a bus yard flooded

Businesses cut off
Sunset Strip shops lost 8+ days of customers

Sidewalk sinkhole
opened on Palm Ave; two people fell in

Water pressure drop
nearby residents asked to conserve

In FY2024–25, LADWP renewed about 1 mile of its 547-mile trunk network: a roughly 550-year replacement cycle.

Sources: LADWP emergency updates, July 16–24, 2026; LADWP 2024–25 Water Infrastructure Plan; City of West Hollywood; ABC7 Los Angeles (water loss, vehicles); Los Angeles Times (Metro impacts); WEHOonline (residents, businesses). Photos: KTLA 5 (aerial); LADWP (repair site).

A LOCAL PIECE OF A NATIONAL PROBLEM

Southwest Missouri: the need is measured



~$1 BILLION

Delivery & transmission infrastructure needed

53 MGD

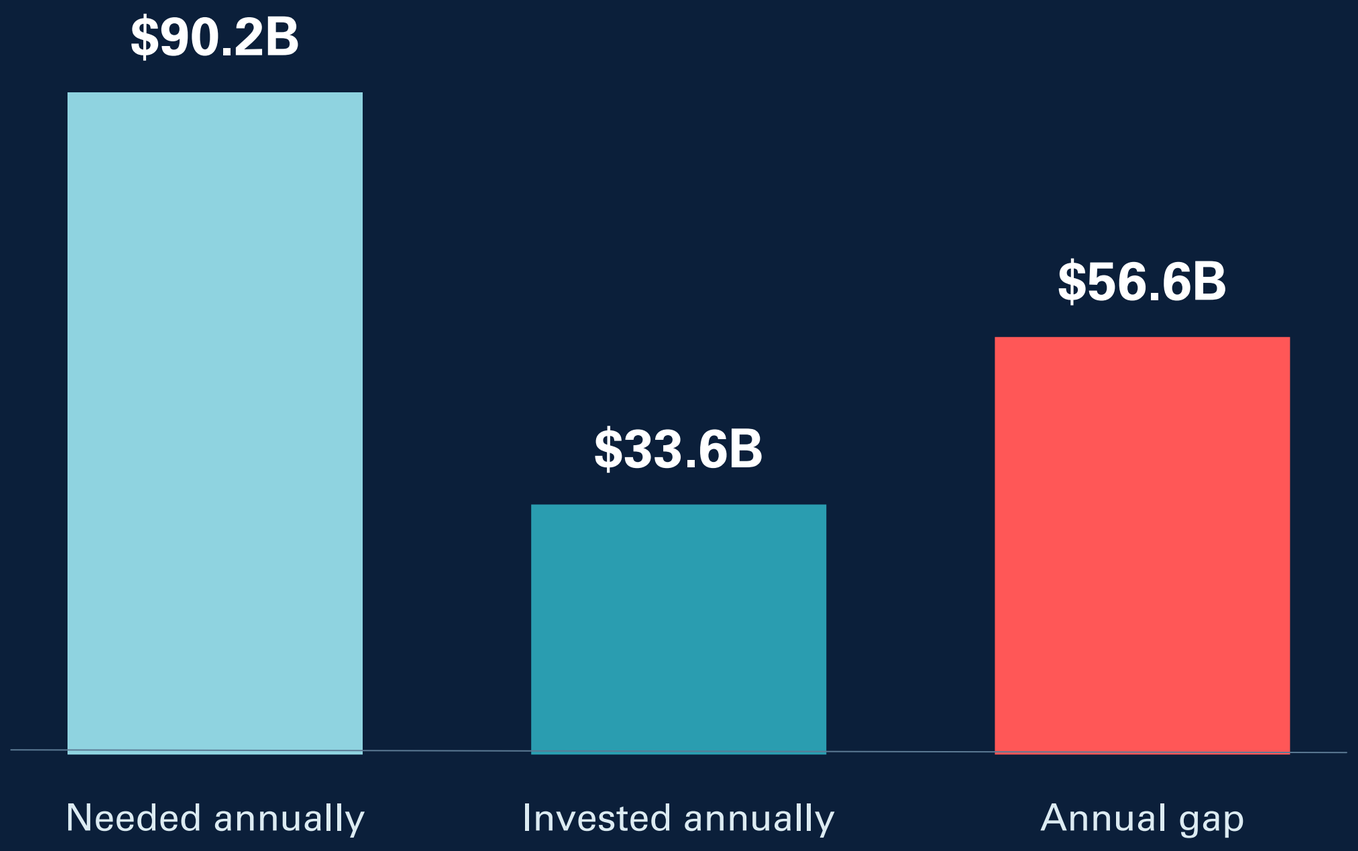
Projected future supply gap identified by regional studies

2060

On the horizon, population growth, drought risk and new industrial demand

THE FUNDING GAP

Water is the most underfunded infrastructure sector



168%

increase in capital investment required just to close the gap on drinking water.

~4%

of public spending on water utilities is federal, versus 25–45% for highways and aviation.

Source: American Water Works Association, Beyond the Replacement Era, 2026; Congressional Budget Office

What delay costs: Hood River, Oregon





1.5 YEARS
Hull St. lead-joint project behind schedule, still in design

45%
Rise in water construction costs in 5 years, vs. 24% for prices overall

$10.5M
16 lead-joint projects in the city's plan, all paid by water bills

~$50K
Added cost per $1M of work for every year it waits (est.)

WHAT EVERY YEAR OF DELAY MEANS

Higher bills
ratepayers fund 100% of the work

Break risk grows
Montello main broke and leaked for years

Lead stays in place
state requires removal; joints still in service

Federal clock ticking
2024 EPA rule: lead service lines out in 10 years

Weak fire flow
2-inch lines can't supply hydrants

Safe today
water tests clean; the cheap time to act is now

Hood River's water is safe today. Every year it waits, the same fix costs more and the lead stays in the ground.

Sources: City of Hood River FY2024–25 Capital Improvement Program; Hull St. project update (Aug. 2026); 2020–2022 Water Quality Reports; Oregon Health Authority; U.S. EPA Lead and Copper Rule Improvements (Oct. 2024); UNC Environmental Finance Center (Nov. 2025). ~$50K assumes 5%/yr cost growth. Photos illustrative, not Hood River.

THE COST OF WAITING

20 years to plan it.
How many more to pay for it?

Southwest Missouri spent more than two decades securing its next water source. The delivery system that follows, a regional pipeline to be built in phases, cannot wait for another generation of budget cycles.

The longer the wait, the bigger the budget needed.

Droughts
do not wait

Growth
does not wait

Data centers
do not wait

Aging pipe
does not wait

ANOTHER WAY

What private capital brings to the table

1

SPEED

Capital available now, not staged across budget or bond cycles. Construction starts on the timeline the need demands.

2

DISCIPLINE

Investor skin-in-the-game drives cost control and construction rigor. Nobody watches a budget closer than the people who put their own money in.

3

PARTNERSHIP

Complements public expertise. The Corps, DNR, engineers and utilities stay in the driver's seat; private capital rides along, it does not take the wheel.

Private capital is not a replacement for public stewardship. It is the missing piece that lets public stewardship move at the speed of the problem.

TIME IS THE VARIABLE

Two paths to the same infrastructure

TRADITIONAL MUNICIPAL FINANCING

Planning → **Bond authorization** → **Issuance** → **Construction**

Multi-year cycle before the first shovel goes in. Each step is a vote, a rating, a market window, and a chance to slip.

PRIVATE CAPITAL PATH

Capital committed → **Construction begins**

Available **now**, on the timeline the need demands.



HOW IT WORKS

The structure: a virtuous cycle



1. Private capital funds construction and upgrades
2. Independent nonprofit issues tax-exempt bonds
3. Bonds marketed to institutional investors
4. Proceeds fund the asset, capital event for investors
5. Nonprofit holds the asset; revenue services the bonds
6. Bonds mature, asset gifted to the community

RESULTS

Get the capital need filled – and asset back to community

THE QUESTION EVERY BOARD ASKS

Who builds it, and who stewards it?



Private capital funds & builds

Funds and delivers construction on the timeline the need demands, with direct accountability for cost and quality.

→



The community stewards the asset

Stewarded for local needs through a nonprofit structure, with a clear path to full community ownership.

Your ratepayers get the pipe. Your successors get the deed.

THIS REGION IS DIFFERENT

Southwest Missouri has already done the hard part

CORPS OF ENGINEERS

Stockton Lake storage reallocation, secured

MISSOURI DNR

Regulatory partnership and cost-share commitment

REGIONAL COALITION

Demand studies, corridor planning and 20+ years of municipal alignment

+

PRIVATE CAPITAL

Delivery and transmission infrastructure, financed now and built now, on a path to community ownership

=

REGIONAL WATER SUPPLY, DELIVERED

WATER — WHAT DO YOU SEE?

We see a region that finished the hard part. Let's finish the rest.

Thank you.

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www.American-infrastructure.com

To Build Partnerships That Make A Difference