

Remarks by BIA's CEO, Borre Winckel

2009 WATER CONSERVATION SUMMIT  
June 2, 2009

Good afternoon Ladies & Gentlemen, once again, my name is Borre Winckel. I am the CEO of the Building Industry Association of San Diego County. We represent about 1,000 companies collectively covering a broad cross section of the housing construction industry. We are, of course, very much under siege by a most savaging set of economic impacts that play out daily still. When the housing markets are fixed, all of us will rebound but not until that happens. Expect our recovery to lead to much smaller homes in much more denser settings.

Despite our unwavering commitment to conservation our industry continues to hear the following mantra, "why should the existing community conserve while City Hall approves more development?" Our response is twofold: 1.) that the new projects are not water thirsty (new construction accounts for less than *1/2 of one percent* of total water demand every year and 2.) whether new development occurs or not, as population growth continues, water usage will grow unless we implement water conservation across the board. This argument that new construction should be halted to save water is just a red herring designed to distract us all from the real issue that water is critical to our economic future. We all have a responsibility, existing and new users alike, to use it wisely.

Foremost I want to relate that our industry has been proactive on the conservation front. Beginning nearly two decades ago, our industry began making water and



energy conservation standard in new construction. We have steadily improved on these efforts over the years to the point where a new home uses about 50% less energy than an existing home. Since 1992, new construction has reduced indoor water use by about 9% and in the last thirty years by 34%. The implication is clear. The largest water and energy savings are to be had from homes built prior to 1980. It is an undisputed fact that the cost benefit ratio of retrofitting these older homes yields impressive results. And that is where our collective focus should be.

Last year our industry supported code requirements for an additional 20% reduction in indoor water use by 2011. Three years ago, BIA San Diego began its active support and promotion of new drought tolerant landscape standards for the entire state, reducing outdoor water usage by 30 to 50% over current practices. BIA Riverside spearheaded this effort a few years earlier with the California Friendly Landscape Program. More about that collaborative approach later. Our industry has tirelessly supported both energy and water conservation for new construction and we will continue to do so.

We will also continue to collaborate with government and all various stakeholders on the issue of water availability. Last year, as an impending drought began bearing down on the San Diego Region, we engaged in a more comprehensive approach to the region's water needs. We prepared a Water Supply Position detailing our philosophy on how the region needs to utilize a combination of conservation and supply independence to solve our water crisis.

In the paper we support more aggressive outdoor water conservation efforts, desalination, water recycling and water reuse, including "indirect potable reuse," and under the most severe water shortage restrictions, we outlined our position on a voluntary water offset program for new development. I brought copies of our

policy paper along for anyone interested and will note that it was well received by the regulating community.

Let me digress a bit without straying to far off topic. My accent gives away that I am originally from Holland, a Country known for lots of water and lots of wind. The Dutch fight against water every day. The official name of the Country, The Netherlands, tells the fact that 1/4 of the land base is below sea level. And every day, that part of the continental shelf that holds Holland up sinks, while the famous white cliffs of Dover rise. The Dutch are forced to pump water out of the Country 24/7 and raise their dike levels forever to avoid becoming the true Venice of the North. It also rains a lot over there. So wet is Holland, that when Winston Churchill was asked about the weather after spending a week there, he answered, “Fine, it only rained twice. First for 3 days, then for 4 days.”

The Dutch survived the ravages of the North Sea and being at the estuary of the Rhine and Meuse Rivers, by working together as a entire nation. You may not know that in 1953, the south west part of Holland, the province of Zeeland (after which New-Zeeland was named), was hit by the perfect storm and 3,000 people drowned when the dyke system failed. The Dutch resolved, never again would the sea harm them and set upon the most ambitious public / private sector project ever undertaken. That project is called the “DeltaWorks,” a multi-Billion dollar network of mechanical dyke systems. I encourage you to look it up.

Thus, the adage, “Sink or swim” was not yet coined when the Dutch had already figured out that survival depended on selfless collaboration based on a compelling common interest. So it follows that when too much water forces collaboration for the sake of survival that having not enough water creates the same urgent need. We must all work together and trust one other to do right by everyone, and not just for those who are here but also will be

coming here. If we don't, we are not going to find the right fix to what is a most serious problem we all face together. Without enough water availability our entire economy, which already is hard hit, cannot survive and it cannot rebound.

Six years ago, while working in Riverside County for the BIA I took a call from the Metropolitan Water District. They wanted to know if we could help bring a couple high production builders to hear a presentation about their California Friendly Landscaping program proposal. In 2003, the building industry was doing very well. But, we found no hesitation among some of our biggest builders to hear about a MET plan to conserve lots of water through the use of smart irrigation controllers applied to a California native plant setting. The industry was just coming to grips with SB221 (Kuehl), new water management legislation enacted in 2002. The handwriting on the wall was, therefore, pretty obvious. MET asked us to experiment with the new controllers and the new plant palette and so we did. KBHome, Shea Homes, Laing homes and Barratt American Homes were the first to take on the California Friendly challenge. And a challenge it was at first.

At the time, there was no record, no evidence that the homebuying public had any appetite for California native plants. The plants weren't even readily available at local nurseries. The smart controllers were so smart that it took a steep learning curve to overcome the "in the field" practice of using mostly the manual override. Finally, in windy conditions the water was still blowing in the wrong direction and most landscape maintenance firms had no clue how to plant let alone maintain the new vegetation. We worked through all these issues, knowing up front that it would be a give and take process. It involved the water districts, the jurisdictions with land use authority, the environmental community and the building industry. It was truly a collaborative effort.

We used carrots not sticks and voluntary compliance approaches. We worked on showcasing the new conservation regime in the model home complex and the common areas. Thereafter, we added the front yards of the production units. At the same time we made sure that an entire region knew that change was coming through a lot of public outreach, including many symposiums like this, year in year out. It was critical to the building industry that each and every jurisdiction had uniform conservation policies in place. In Riverside that was achieved. Understand that success was only achieved over time. Now it is our turn in San Diego to accomplish the same and I urge you to be patient. Our suggestion to you, make it a win win opportunity. Make it punitive and an industry that already lost 30,000 employees alone will hemorrhage to the point of no return. These people do not move out of area, they double or even triple up in homes not designed for multi-family use. The resulting energy and water consumption factors make the point.

Thank you for listening to me and we look forward to working with all of you.

