

Leadership Commitments and Strategic Alignment



KEY TAKEAWAYS

- Publicly commit to net zero, linking climate goals to financial stability, reliability, and resilience.
- Embed climate targets into governance, policies, and investments for alignment with financial and operational priorities.
- Integrate climate factors into daily decisions for measurable emissions cuts and lasting impact.
- Foster cross-departmental coordination for aligned, efficient, and effective implementation.



INTRODUCTION

Achieving net zero offers a powerful opportunity to enhance efficiency, reduce costs, and meet evolving stakeholder expectations. However, success requires more than ambition—it demands strong leadership, strategic alignment, and cross-functional integration. This starts with a public commitment that establishes a clear vision, reinforces the strategic value of emissions reductions, and creates accountability to drive progress. Yet commitment alone is insufficient; embedding climate action into governance, investment strategies, and operations is critical. Without structured integration, progress stalls and financial and operational opportunities are lost.

For utilities, transitioning to net zero presents unique challenges such as securing buy-in, aligning policies, and balancing near-term operational demands with long-term climate goals. Addressing these challenges requires sustained leadership and structured coordination. When implemented effectively, emissions reductions can strengthen rather than compete with broader strategic priorities such as financial stability, operational efficiency, resilience, community trust, and service reliability.



ACTIVITIES AND ACTIONS

Implementing public climate commitments, embedding net-zero targets into governance and decision-making, and ensuring cross-departmental coordination are essential for measurable progress. The following sections outline key actions utilities can take to integrate commitments into daily operations and align climate goals with governance, decision-making, and long-term strategy.

Public Commitment to Net Zero

Tip: *Develop a public net-zero commitment policy with clear targets, timelines, and an explanation of how it supports the core mission, then publish it across official communication channels.*

The journey begins with leadership making bold, public commitments that hold the organization accountable and demonstrate how climate targets align with the utility's broader mission. A visible pledge builds trust with external stakeholders and mobilizes internal teams around a shared mission. Leadership must clearly communicate the urgency of climate action, ensuring every level of the organization understands its significance and fostering a shared purpose. Beyond statements, leadership must integrate these commitments into tangible strategic initiatives that guide decision-making and operations.

Embedding Climate Action into Governance and Strategy

Tip: *Schedule periodic policy reviews to integrate climate commitments into governance, policies, and decision-making frameworks, ensuring they drive measurable progress.*

Climate commitments must be embedded in the organization's governance structures, long-term strategic priorities and investment decisions, policies, and operational frameworks. This ensures climate goals are more than aspirations—they are measurable,

actionable, regularly reviewed, and aligned with financial and operational priorities. Leadership plays a central role in driving this alignment by fostering cross-departmental collaboration, ensuring climate initiatives are fully integrated into organizational priorities rather than treated as standalone efforts.

Ensuring Climate-Aligned Decision-Making

Tip: *Implement a standardized review process to evaluate emissions impacts when approving projects, policies, and operational changes.*

Achieving net zero requires that climate considerations influence everyday business decisions, not just high-level strategic plans. Leadership must establish structured processes that evaluate the impact of operational choices on emissions, which includes incorporating GHG reduction metrics into resource allocation, procurement strategies, and investment evaluations. By embedding climate criteria into these routine decision-making frameworks, organizations can prevent misalignment between short-term actions and long-term sustainability goals. Furthermore, regular assessments and updates to policies ensure that climate targets remain relevant and responsive to evolving challenges and opportunities continue to drive progress.

Leadership-Driven Cross-Departmental Coordination

Tip: *Establish a climate action committee with key department leads to coordinate climate goals and provide a forum for tracking and reporting progress.*

Effective climate action requires strong coordination between departments to prevent fragmented efforts and ensure strategic alignment. Leadership plays a critical role in facilitating structured coordination so that climate initiatives remain connected, efficient, and consistently implemented across different workstreams. Establishing structured mechanisms such as climate action committees, shared reporting frameworks, and cross-functional task forces facilitates collaboration. By integrating climate considerations into project planning, engineering workflows, financial forecasting, and operational protocols, organizations can ensure emissions reduction efforts are not isolated and support and reinforce broader business objectives.



KEY CHALLENGES AND PRACTICAL SOLUTIONS

Embedding leadership commitments into climate action plans comes with challenges like securing buy-in, aligning policies, and ensuring long-term integration. This section outlines key obstacles and practical solutions.

Securing Leadership Buy-In

Not all leaders recognize the business case for or urgency of climate action. Without strong and sustained support from executive leaders and governing bodies (e.g., mayors, local policymakers, boards, and commissioners), climate initiatives risk being deprioritized.

Solutions:

- Involve key decision-makers in shaping climate commitments to foster ownership and pride rather than viewing them as a burden.
- Engage both executive and governance leaders in discussions on why net zero is a sound business decision, emphasizing financial and operational benefits by using financial projections to compare a net-zero pathway with business-as-usual and making the case quantifiable.
- Highlight how proactive climate leadership and alignment with community-wide climate goals enhance reputation, strengthen stakeholder relationships, and position the organization as a responsible and trusted leader.
- Leverage peer influence and success stories from cities, utilities, and companies that have benefited from climate action to build credibility and reduce perceived risk.

Balancing Competing Priorities

Utilities must juggle urgent operational needs, regulatory mandates, and cost constraints, which can sideline net-zero initiatives. Striking the right balance ensures that short-term objectives do not undermine long-term climate commitments.

Solutions:

- Align net-zero efforts with business objectives like system reliability, water loss reduction, and process optimization to maximize synergies.
- Focus on “quick wins” that reduce emissions and cut costs, then scale successful initiatives.
- Foster early collaboration between sustainability, engineering, finance, and operations teams to ensure workflow alignment.

Resource Constraints

Implementing net-zero strategies requires significant financial and human resources, yet budget constraints and competing priorities often limit progress. Without sufficient funding and staffing, ambitious climate goals remain out of reach.

Solutions:

- Create a dedicated climate action budget by reallocating savings from sustainability and efficiency measures to keep emissions reduction projects on track.
- Leverage external funding sources like utility incentives, grants, public-private partnerships, and innovative financing (e.g., ESCOs and PPAs).
- Invest in training programs to build climate literacy across departments, equipping staff to implement net-zero strategies effectively.

Denver Water—A Leadership-Driven Commitment to Climate Action

Denver Water set a bold precedent by committing to net-zero carbon emissions by the end of 2030, a target formally adopted through a board resolution. The resolution serves as a catalyst for turning sustainability goals into a unifying call to action. This ambitious target reflects Denver Water's dedication to resilience and environmental stewardship, aligning with its mission to ensure reliable water services while managing climate risks.

This case shows how strong leadership, strategic alignment, and collaboration turn high-level goals into measurable progress.

Making the Business Case: Aligning Climate Goals with Strategic Priorities

Collaboration between Denver Water's finance and sustainability teams was key to gaining leadership support for the net-zero resolution. Together, they built a business case showing that early investments in energy efficiency and renewable energy reduce long-term costs, boost resilience, and protect customers from volatile energy prices. This data-driven approach aligned executive and board priorities, creating momentum to act.

"Make it about financial security," said Kate Taft, Sustainability Manager at Denver Water. "If you want to get anything done, it has to be about savings, resiliency, or protecting customers."

Key Insight: Cost projections showed delaying action could raise costs while early action modeled savings, improved resilience, and enhanced energy independence—shielding customers from rising prices.

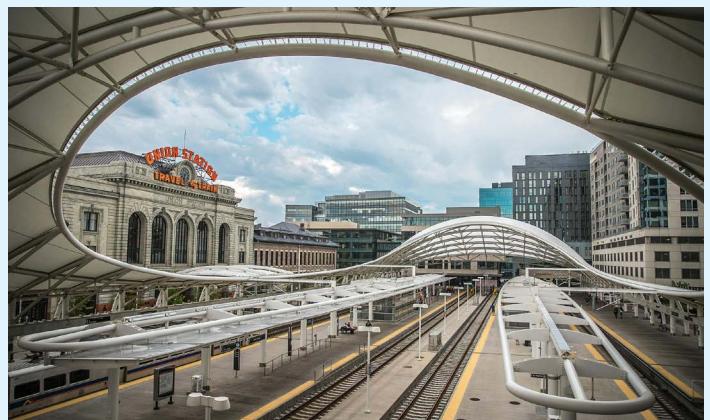
Embedding Climate Action in Governance and Operations

Denver Water's net-zero resolution ensures climate action is embedded in the organization's core strategy, providing unified direction and accountability. Achieving this required board buy-in, executive sponsorship, and cross-departmental collaboration.

The executive team receives monthly updates on energy savings and emissions, while the board is briefed annually. This consistent reporting process builds accountability and keeps climate efforts aligned with strategic planning, driving progress and strengthening operational resilience.

"We had to have board buy-in, staff ownership, and a structured policy framework to continue to make real progress," said Taft. "The resolution created a public commitment we could all rally around and hold ourselves accountable to."

Key Insight: Regular reporting ensures accountability and alignment with organizational goals, driving measurable progress and strengthening resilience.



Resilience and Affordability: Ensuring Long-Term Stability

Leadership positioned these initiatives as part of Denver Water's resilience and affordability strategy—not standalone projects. Climate action enhances resilience, maintains affordability, and aligns with broader organizational goals. Mitigation efforts strengthen infrastructure, reduce exposure to volatile energy prices, and ensure uninterrupted service during extreme weather.

"If we lose utility-provided power at a pump station, it could affect our ability to deliver water, for example," said Taft. "Operational resiliency isn't just an environmental priority—it's essential for public safety and continuity of service."

Key Insight: Climate action stabilizes costs, safeguards infrastructure, and strengthens resilience—ensuring reliable service and protecting customers from future risks.

Lessons in Leadership: A Playbook for Others

Denver Water's journey shows that bold climate commitments succeed when:

- **Leadership leads:** High-level support drives buy-in and accountability
- **Finance aligns:** Cost savings and resilience justify action
- **Operations integrate:** Climate goals are embedded across departments and employees understand the criticality



ADDITIONAL RESOURCES AND REFERENCES

For additional guidance, consider exploring best practices in developing strategic alignment around climate goals, gaining leadership commitment to net-zero or other reduction targets, and integrating climate targets into organizational strategy.

1. Read about [Denver Water's Board Resolution](#) establishing a goal to achieve net-zero carbon emissions.
2. Explore other utilities' strategic plans that include climate-specific goals and targets, such as [DC Water's Blueprint 2.0](#) and [Washington Suburban Sanitary Commission's Strategic Plan](#).
3. Investigate C40 Cities Climate Leadership Group's resource page, [The Case for Climate Action](#), to understand how to make a multi-faceted argument for targeting net zero.

This paper is part of Net Zero Fundamentals, a collection of action-oriented briefs designed to help water and wastewater utilities cut climate pollution and chart a clear path to net zero. Each brief delivers practical insights, real-world utility examples, and implementation guidance for immediate impact. Access the collection of briefing papers on the US Water Alliance [website](#).



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