

TESTIMONY OF

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BEFORE THE
ENERGY AND NATURAL RESOURCES COMMITTEE
UNITED STATES SENATE

FULL COMMITTEE HEARING TO EXAMINE
THE 2018 WESTERN WATER SUPPLY OUTLOOK AND BILLS RELATED TO
WATER INFRASTRUCTURE AND DROUGHT RESILIENCY

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Chairwoman Murkowski, Ranking Member Cantwell, and Members of the Committee, thank you for the opportunity to testify on the critical subject of the 2018 Western Water Supply Outlook. I am Cindy Ortega, Senior Vice President and Chief Sustainability Officer for MGM Resorts International.

MGM Resorts International (MGM) is a global entertainment company headquartered in the middle of the Mojave Desert, Las Vegas, Nevada. MGM owns and operates twenty-seven destination properties across the United States and internationally. Our company is recognized in Las Vegas, across the globe, and right here in the D.C. metropolitan area with our National Harbor property for offering best-in-class hotels and casinos, state-of-the-art meetings and conference spaces, incredible live entertainment experiences, and an extensive array of restaurant, nightlife and retail offerings.

Today is a bit of a homecoming for MGM Resorts International. The Las Vegas our employees call home would not exist without the foresight by one of the predecessors of this Committee: the Irrigation and Reclamation Committee. In 1928, that Committee and the 70th Congress passed the Boulder Canyon Project Act.

This year we celebrate the 90th anniversary of the law that gave rise to Hoover Dam and subsequently Lake Mead, the largest reservoir in the country. These actions provided some of the critical ingredients necessary for Las Vegas to grow, focused national attention on Nevada, and it was our first major tourist attraction.

I doubt your predecessors on the Irrigation and Reclamation Committee would have predicted that Hoover Dam and Lake Mead would have helped create the Las Vegas we call home. But today, Las Vegas is the world's preeminent entertainment destination with more than 42 million annual visitors. So, on behalf of MGM Resorts International, let me extend a very heartfelt thank you.

Many things have changed in Las Vegas since concrete was poured in Boulder Canyon for Hoover Dam. We have gone from Elvis and Frank Sinatra to Bruno Mars and Cirque du Soleil. In 1950, the population of Las Vegas was 25,000 and the population of Clark County was 48,000. Today, MGM alone employs more than 50,000 people in Las Vegas and Clark County's population is 2.1 million.

Despite all the changes, one thing has remained the same. Las Vegas relies almost completely—approximately 90 percent—on Lake Mead for our water. Lake Mead benefits California and Arizona since they store water in it as well—but it is Southern Nevada's water supply.

Given our strong reliance on this reservoir and our shared stake in its future, we have taken note of the impacts the prolonged drought has had on Lake Mead. The fifteen years of Western drought has dropped Lake Mead to some of its lowest levels since the Great Depression. The Lake has not been full in three decades. The heart-rending visual of the bathtub rings that now encircle Lake Mead continually remind us of the inextricable tie between Mother Nature and our communities.

The hydrologic numbers on the greater Colorado River system are equally evident. From 2000 to 2016, the Department of Interior reports the Colorado River basin experienced drought conditions that resulted in the lowest period of inflows in over a century of record keeping. The Department of Interior also reports that as a result of the drought and declining reservoir levels, Lake Mead reached its lowest elevation in July 2016 since it began to be filled in the 1930s.

One of the core values of MGM Resorts International is that we take a strong, proactive role building and sustaining the communities in which we work and live. Everyone in the desert southwest relies on the Colorado River and we are all responsible for supporting the health of the Colorado River, Lake Mead, and the life-sustaining water they hold.

To ensure that future generations have precious water, we must all work together. We will need more partnerships. Through work with state and local partners like the Southern Nevada Water Authority we have been able to forge a path forward. Nevada and Las Vegas have led the way on water recycling, storage, efficiency, and managing water to maximize its usefulness.

Nevada is proud that despite the fact that southern Nevada is only entitled to two percent of the Colorado River's water, we use that water over and over. Las Vegas returns nearly every gallon of water used indoors back to Lake Mead so it can be used again. Simply put, the growth of Las Vegas, in combination with this persistent drought, has forced Las Vegas to innovate, to make major investments in water infrastructure, and to value water in our business decisions like never before.

We are proud of our record because Nevada has been able to work through the current drought and the prospect of water shortages, but if we fail to reverse current trends, or fail to work together, we might not be so lucky in the future. In order to prepare our communities for the future, we need a coordinated response to the ongoing drought and a long-term plan for ensuring we have adequate water sources.

We know business is part of that equation. States and local water managers must take the lead on supplying water to homes and businesses. The federal government should play a supporting role by investing and maintaining infrastructure, helping to plan for improved water security, and by promoting conservation.

To prepare our communities for the future, states and businesses must collaborate in preparing and implementing long-term solutions for adequate water sources because the burdens and challenges are mounting. MGM Resorts has recognized the growing need for action. We are determined to lead by example. As a company, we are always exploring new solutions to help conserve our natural resources. Our commitment to being a global leader in sustainability and stewardship of the environment is embodied from top to bottom throughout our company. All told, the company's environmentally responsible practices have saved approximately 1.2 billion gallons of water.

Across all MGM Resorts properties we have implemented sustainable practices that include linen reuse programs, water conservation while cleaning, low-flow fixtures, food

thawing procedures, and policies such as filling dishwashers to capacity. Those are important measures but they really are the low-hanging fruit in the effort to conserve water.

At MGM Grand Las Vegas, 100 percent of the property exterior irrigation and 60 percent of property cooling tower water needs are provided by well water sources. Just south of the MGM Grand, at the Mandalay Bay Shark Reef Aquarium, 90 percent of the Shark Reef water is reused and recycled, resulting in over 2.1 million gallons of reclaimed water annually.

The iconic Lake Bellagio uses no water from Lake Mead. Rather it and all Bellagio property irrigation are replenished from underground wells that are on site. This results in the conservation of domestic, potable water equivalent to the annual usage of 5,000 average residential pools.

When MGM built City Center, from the ground up we built in a range of state of the art water and energy efficiency measures into City Center's entire campus. The results have been exceptional and have enabled the entire development to save more than 50 million gallons of water each year. I welcome the Members of this Committee to visit and see firsthand the good work we have done in this area at City Center.

In April 2016, MGM opened The Park, an immersive outdoor dining and entertainment experience connecting New York-New York, Monte Carlo and the new T-Mobile Arena. The new destination reflects MGM's all-encompassing commitment to environmental sustainability from design and construction through to ongoing operations.

We envisioned The Park as a microcosm of the beautiful Mojave Desert which surrounds Las Vegas. We brought sustainability to life in the heart of the Las Vegas Strip. The Park features Mojave Desert vegetation including agave and yucca, and tree species such as Palo Verde, Acacias and Mesquites. All of these species are drought tolerant and can thrive in the desert.

We added point-source drippers that conserve 72 percent more water than traditional sprinklers and anemometers which monitor wind speeds and regulate the flow of fountains so when the wind picks up, the water features can be shut down. These features and the water savings technologies across that campus will save millions of gallons of water each year.

These investments in water efficiency have obviously not come without some extra expenditures on the part of MGM, but what we have experienced is that they have actually attracted more businesses to our properties. Our investments are paying dividends as like-minded people who share a commitment to building and sustaining the communities in which we work and live choose to do business with us.

Beyond our investments, MGM Resorts International seeks to inspire our employees, and the rest of the Las Vegas community, to use less water when they are at work and at home. Part of that effort includes the use of MY Green Advantage, an online, social application that challenges and encourages our employees to make smarter choices with environmental responsibility in mind.

This is important because no matter how many gallons of savings they can achieve at work—they can make a greater impact at their homes and with their families since residential water use comprises 59 percent of Southern Nevada’s consumption, with resorts consuming seven percent.

We have been inspired by their results. In 2018, our employees have completed over five million green actions. Collectively, our employees have saved over 298 million gallons of water (enough to fill 453 Olympic swimming pools) since the program launched in 2013.

Even with all the strong local programs and business leadership to conserve and reuse water, investments in longer-term solutions as well as water infrastructure are needed. MGM and our competitors on the Las Vegas Strip are only part of a larger ecosystem of parties who have a real and substantive interest in the health of the Colorado River and Lake Mead.

In order to prepare our communities and businesses for the future, states must collaborate in preparing and implementing long-term solutions for adequate water sources. We need collaboration that crosses state and local lines, welcomes business innovation, and enlists everyone in the battle to preserve our water resources.

The Federal government has a critical role in this effort—and that role should include work with states and businesses on solutions that will make our limited precious water supplies sustainable and to make investments in the infrastructure and water security programs needed to supply it to our homes and businesses.

If we do not act, the water level in Lake Mead is going to become an increasingly important factor in the business decisions not only in Nevada, but all across the West. And just as we have tried to incorporate a holistic approach to water issues, we hope Congress and federal agencies will look for a holistic approach as well.

We encourage the Federal government to support initiatives that help keep more water in the Colorado River Basin as well as collaborative work with states, with matching funds, and technical assistance. That would help not only Nevada, but everyone throughout the entire Colorado River Basin.

We hope Congress and federal agencies will support efforts that improve water security and the related infrastructure needed to deliver it to homes and businesses. Take the new intake pipe which the Southern Nevada Water Authority finished constructing in 2015. It is an engineering marvel that emerges from underneath Lake Mead to access the water, rather than at an angle like the previous intake pipes, and works similar to a bathtub drain. It is important because if Lake Mead’s elevation keeps falling, the new intake will ensure Nevada will still have access to its water supply. That’s progress and water security.

Benjamin Franklin once said “When the well’s dry, we know the worth of water.” We are all here fighting to keep that well from going dry.

Today's hearing is a positive step in that effort and hopefully future attention on this issue will keep us focused in a way that will produce positive results.

Thank you again for the opportunity to testify and I look forward to your questions.