



Alliance *for* Water Efficiency

A VOICE AND A PLATFORM FOR WATER USE EFFICIENCY AND WATER CONSERVATION THAT HAS NEVER BEFORE EXISTED, BRINGING A CRITICAL NEW PERSPECTIVE TO AN INCREASINGLY THIRSTY NORTH AMERICA.

2009 Annual Report

Alliance for Water Efficiency

2009 Annual Report

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We Are Making Progress



In our third year of existence, the Alliance for Water Efficiency has now made significant progress in establishing itself as the voice of water efficiency in North America. We testified before Congress. We achieved status as a major presence for water efficiency on the web. We partnered with the U.S. Environmental Protection Agency on the WaterSense Awards. We managed a large number of projects, held numerous workshops, and released a major new tool for evaluating water conservation costs and savings. We strive to meet the needs of the water efficiency community. Please join our growing network and help us thrive.

A handwritten signature in blue ink that reads "Mary Ann Dickinson". The signature is written in a cursive, flowing style.

Mary Ann Dickinson
Executive Director

Summary of 2009

No longer in our infancy, the Alliance for Water Efficiency is providing value to its members and the water conservation community, especially in such areas as technical assistance, education, research, and policy. 2009 proved to be a very productive and exciting year for the Alliance for Water Efficiency and for the water efficiency movement in general.

Core services to members, including web content, technical assistance, and technical workshops, continued to grow. This year the Alliance delivered Water Loss workshops and workshops on the release of the new "Water Conservation Tracking Tool." We have also continued working to influence Green Building guidelines as they relate to water-use efficiency.

On the governmental front, the Alliance made significant inroads. Executive Director Mary Ann Dickinson testified before the Senate Subcommittee on Water and Wildlife regarding the role of the EPA in promoting water-use efficiency, urging Congress to increase funding to the WaterSense program. To assist with the implementation of the American Recovery and Reinvestment Act, the Alliance identified 566 "shovel ready" water efficiency projects totaling \$2.3 billion that could qualify for the money. The Alliance also launched the "Legislative Watch," providing constant updates to members on water efficiency-related legislation.

In Canada, the Alliance teamed with other organizations and universities to create a sustainable water infrastructure plan entitled, "Clean Water, Green Jobs: A Stimulus Package for Sustainable Water Infrastructure Investments to the Federal Government."

In Texas, the Alliance supported legislation that requires all toilets sold after January 1, 2014 to use only 1.28 gallons per flush or less, making Texas only the second state in the nation, along with California, to make such significant strides toward transforming the market.

In addition to influencing policy developments, the Alliance has engaged research efforts as well. Along with a team of four other organizations, the Alliance launched a Plumbing Efficiency Research Coalition. Its first project will be to research optimal drainline carry characteristics of high efficiency toilets. Likewise, the Alliance has continued its work on developing conservation-related plumbing codes and standards.

Despite the challenges presented by the current state of the economy, the Alliance has survived and grown, demonstrating the need for a unified voice for the efficient use of water.



The Board of Directors

With representation from a broad swath of water efficiency stakeholders, the Board sets the strategic direction of the organization. The Alliance is fortunate to have such a diverse and engaged Board of Directors.

Board Meetings

The Board held three meetings in 2009. In March, the Board met via conference call; in June, it met in San Diego; and in October, in Las Vegas. The June and October meetings coincided with other water efficiency-related meetings to minimize travel.

Alliance Committees

In an effort to provide an opportunity for multi-stakeholder involvement and to increase the level of member engagement, the Alliance hosts three volunteer committees—Education and Outreach, Water Efficiency Research, and WaterSense and Water-Efficient Products. Their efforts help the Alliance carry out its mission to promote the efficient and sustainable use of water. These committees each met in the fall at the WaterSmart Innovations Conference and additionally throughout the year via conference call. The Alliance website posted all of the committee activities, meeting notes, and future meeting schedules.

Alliance for Water Efficiency Board of Directors



Seated, left to right:

Rebecca Pearson, Great Lakes Commission

Alice Miller Keyes, Georgia Environmental Protection Division

Kelly Kopp, Utah State University

Carole Baker (Chair), Harris-Galveston Subsidence District

David Bracciano, Tampa Bay Water

Glen Pleasance, Regional Municipality of Durham, Ontario

Second row, (l to r):

Warren Gorowitz, Ewing Irrigation Products

Thomas Swihart, Florida Department of Environmental Protection

J.B. Hoyt, Whirlpool Corporation

Richard Harris, East Bay Municipal Utility District

Alice Darilek, PCR Consulting

Timothy Brick, Metropolitan Water District of Southern California

Susan Stratton, Energy Center of Wisconsin

Elizabeth Gardener, Denver Water

Third row (l to r):

David Viola, International Association of Plumbing and Mechanical Officials (IAPMO)

Gunnar Baldwin, TOTO USA

Ron Wolfarth, Rain Bird Corporation

Joyce Coffee, Chicago Department of the Environment

Amy Vickers, Amy Vickers & Associates

Al Dietemann, Saving Water Partnership

James Heaney, University of Florida

Not pictured:

Betsy Otto, American Rivers

John Sommers, The Home Depot

Outreach to a Growing Membership

The Alliance must constantly reach out and inform its membership. The www.allianceforwaterefficiency.org website, global e-mails, and the annual membership meeting represent its primary tools. In 2009, the Alliance sent sixty global e-mails on a variety of water efficiency topics and updated the website on a near-daily basis. In October, the Alliance held its annual member's meeting in Las Vegas on the day before the start of the WaterSmart Innovations Conference.

Alliance for Water Efficiency/ Environmental Protection Agency WaterSense Awards Banquet

Also at the WaterSmart Innovations Conference, the Alliance began partnering with the U.S. Environmental Protection Agency to jointly sponsor the WaterSense Partner of the Year Awards Banquet. At the 2009 first-annual awards banquet, John Flowers received the Alliance Water Star Award for a lifetime of achievement in promoting water conservation and water use efficiency.



John Flowers receiving the Water Star Lifetime Achievement Award from the Alliance Executive Director Mary Ann Dickinson

The Alliance Website

The versatile, informative Alliance for Water Efficiency website continued to grow and evolve throughout the year, gaining new content in the resource library, breaking news items, updating events on the calendar, and providing other miscellaneous information. In addition, the site continued to house the Water Efficiency Watch newsletter.

In January, the Alliance launched its online discussion forum, a place for the water efficiency community to come together, share knowledge and ideas, ask questions, and keep one another informed. More than 30 discussion threads began in 2009 on such topics as graywater, water rates, drought ordinances, and outdoor water use.

In April, the Alliance established the *Legislative Watch* page, which is dedicated to tracking federal legislation related to water efficiency. The page grew from a need to consolidate and summarize the increasing amount of pending and passed legislation related to water efficiency. This page was likely the only consolidated summary of the surge of water efficiency-related activity on Capitol Hill.

In October, the U.S. Geological Survey released the *Estimated Use of Water in the United States in 2005* report. The Alliance promptly created a web page that linked to the full document and provided a summary and key findings. The report indicated that water withdrawals for public supply, which is the primary focus of the Alliance and urban water conservation professionals, increased by

two percent from 2000 to 2005 while the nation experienced a five percent increase in overall population in that same time period.

The Alliance began tracking its website usage in mid May 2008. From mid May through the end of the year the website received just over 110,000 visits and close to 2,000,000 hits. In 2009, it saw more than 500,000 individual visits and 6,500,000 hits. Visitors to the site downloaded more than 96,000 documents and online resources during the year.



Technical Assistance

New and evolving technology requires a constant flow of information and training. The Alliance plays a unique role in providing that information and experience. In 2009, the Alliance continued to provide a wide range of technical assistance related to water conservation and water resource management to its members, including water loss workshops, the Water Conservation Tracking Tool, an online discussion, and on-request solutions to specific questions or issues.

Some of the topics requested during the year included water budgets, water efficiency in office buildings, HET performance, high efficiency/non water using urinals, customer billing, water efficiency document reviews, questions about outreach, water efficiency programs, and low flow showerheads and faucets.



Water Loss Workshops

The Alliance conducted three water loss workshops during the month of June; one in Dallas, one in Chicago, and one in Jacksonville. The workshops presented information on topics related to water loss including leakage management, auditing, principles of nonrevenue water management, reducing real and apparent water losses, system pressure management, and a demonstration of auditing software. The workshops received positive feedback from the attendees, and the Alliance plans to conduct more in the future.

The Alliance Water Conservation Tracking Tool Release and Workshop

In July, the Alliance officially released the Water Conservation Tracking Tool, an Excel-based model that can evaluate the water savings, costs, and benefits of conservation programs for a specific utility. Alliance members in good standing receive access to the tracking tool at no charge. With it, they can:

- Compare alternative conservation measures in terms of their water savings potential, impact on system costs, and potential benefits to utility customers,
- Develop long-range conservation plans,
- Construct conservation portfolios containing up to 50 separate program activities,
- Track the implementation, water savings, costs, and benefits of actual conservation activities over time,
- Count the savings from plumbing and appliance codes, and
- Evaluate a utility's changing revenue requirement with conservation.

The Alliance also provided a detailed User Guide, one hour of free technical assistance to members, a web page, and a dedicated discussion forum. In 2009 the Alliance distributed the Water Conservation Tracking Tool to more than 100 users. Following its release, the Alliance developed a workshop titled, "Evaluating Water Conservation." Hosted by the Chicago Metropolitan Agency for Planning, the workshop included an overview of the water conservation planning process and instructions for using the tool.

American Recovery and Reinvestment Act

Near the end of 2008, the Alliance for Water Efficiency advised President Barack Obama's transition team on the employment potential and economic benefits of broad investments in water efficiency. The Alliance prepared a position paper titled *Transforming Water: Water Efficiency as Stimulus and Long-Term Investment*. The paper showed that water efficiency programs yield jobs, water savings and other economic benefits, and represent a cost-effective investment for the stimulus package. This paper triggered a flurry of other Alliance efforts that almost certainly contributed to the resulting legislation that required a 20 percent set-aside for green projects in the Clean Water and Drinking Water State Revolving Fund programs.

Early in 2009, the Alliance for Water Efficiency informed its members and e-mail subscribers that water efficiency was being considered in the economic stimulus package. The Alliance encouraged letter writing to Congressional leaders asking them to include water efficiency retrofit funding in the stimulus package. The Alliance provided helpful online guidance in writing the letters and shared contact information of the Congressional Leaders.

Also in January, the Alliance asked water utilities and other appropriate entities to supply lists of water efficiency and conservation projects that could begin within six months to two years if federal stimulus dollars were made available. In response, the Alliance received submissions for 566 projects totaling \$2.3 billion. The list demonstrated the need for water efficiency funding, and it proved to be an important tool in fighting for water efficiency funding in the American Recovery and Reinvestment Act.

In February, the Alliance notified its membership and e-mail subscriber list of the House and Senate compromise on the American Recovery and Reinvestment Act of 2009.

The stimulus plan allocated \$6 billion for infrastructure improvements.

The finalized stimulus plan allocated \$6 billion for local clean and drinking water infrastructure improvements:

- \$4 billion to the Clean Water State Revolving Fund (CWSRF) program, and
- \$2 billion to the Drinking Water State Revolving Fund (DWSRF) program.

In February, President Obama signed the American Recovery and Reinvestment Act. The Alliance responded enthusiastically by creating a web page to report news related to it. The page included:

- State Clean Water SRF agencies and contacts,
- State Drinking Water SRF agencies and contacts,
- Final and official text of the American Recovery and Reinvestment Act of 2009,
- Water language from the Act,
- Funding allocation for each state,
- EPA Guidance on the Act,
- The Alliance position paper, *Transforming Water: Water Efficiency as Stimulus and Long-Term Investment*,
- The American Rivers and Alliance Green Infrastructure Stimulus White Paper,
- The American Rivers Stimulus Funding Factsheet
- The May 14, 2009 EPA CWSRF Webinar: *How to Use Clean Water State Revolving Fund American Reinvestment and Recovery Act Funds for Your Green Project*, and
- An Aspen Institute report on sustainable water infrastructure.

Other Legislative Activity

Executive Director Mary Ann Dickinson's Congressional Testimony

On March 31, Alliance Executive Director Mary Ann Dickinson testified before the Senate Subcommittee on Water and Wildlife regarding the EPA's role in promoting water-use efficiency. During the testimony, she urged Congress to increase funding for WaterSense, the federal government's three-year-old program to promote and label more water efficient appliances and plumbing products.

She told the Senate subcommittee that despite low levels of funding, the Environmental Protection Administration (EPA) has made "extraordinary strides" in launching the WaterSense program to test and label hundreds of products, but she also stressed that achieving real progress toward water savings will require more funding. The Alliance recommended that the subcommittee increase WaterSense funding from the current "unacceptable" level of \$2.4 million a year to \$10 million.



Executive Director Mary Ann Dickinson testifying before the U.S. Senate Subcommittee on Water and Wildlife

Qualified Energy Conservation Bonds

The American Recovery and Reinvestment Act of 2009 provided \$3.2 billion in bond authority for the Qualified Energy Conservation Bond (QECB) program. Since the water efficiency language was not apparent in the Conference Report and not included in the notice, the Alliance realized the importance of making this information available to its members. In September, the Alliance notified all of its members and other interested parties of the opportunities that existed under the QECB.

Coalition Sent Letter to Obama

In a letter dated December 29, 2009, the Alliance for Water Efficiency joined with a large number of other organizations to urge the President to propose to Congress the inclusion of plumbing and irrigation efficiency retrofits in legislation to create green jobs and boost the economy. The letter also recommended including federal procurement of WaterSense products for new building and major renovations. The signatories to the letter included:

- American Rivers
- American Supply Association
- Building Owners and Managers Association International
- First Supply
- Irrigation Association
- Kohler Co.
- Mechanical Contractors Association of America
- Moen Incorporated
- National Apartment Association
- National Multi Housing Council
- Plumbing Contractors of America
- Plumbing Manufacturers Institute
- Plumbing-Heating-Cooling Contractors National Association
- Real Estate Roundtable
- U.S. Green Building Council

Texas High-Efficiency Toilet (HET) Legislation

With support from the Alliance, Texas became only the second state in the nation—after California—to mandate high-efficiency toilets. The Texas legislation, Texas H.B. 2667, specifies performance standards for plumbing fixtures. It is also the first in the United States to reference the WaterSense program directly. In March, the Alliance sent a letter of support for the legislation. In May, the state's senate and house enacted the bill, and in June the governor signed it into law. As a result, all toilets sold on or after January 1, 2014 must use 1.28 gallons per flush or less.

Legislative Watch Activity

In 2009, the Alliance started tracking legislative activity via its Legislative Watch page and sending out calls for action and/or news updates regarding water efficiency related legislation. The legislation covered in 2009 included:



H.R. 135	The Twenty-First Century Water Commission Act of 2009
H.R. 146	The Omnibus Public Land Management Act of 2009
H.R. 469	The Produced Water Utilization Act of 2009
H.R. 631	The Water Use Efficiency and Conservation Research Act of 2009
H.R. 1145	The National Water Research and Development Initiative Act of 2009
H.R. 1778	The Retrofit for Energy and Environment Performance (REEP) Program Act of 2009
H.R. 1908	The Water Accountability Tax Efficiency Reinvestment Act of 2009
H.R. 2368	The Water Advanced Technologies for Efficient Resource Use Act of 2009
H.R. 2454	The American Clean Energy and Security Act of 2009
H.R. 3202	The Water Protection and Reinvestment Act of 2009
H.R. 3598	The Energy and Water Research Integration Act of 2009
H.R. 3746	The Water Efficiency and Conservation Investment Act of 2009
H.R. 3747	The Water Efficiency, Conservation, and Adaptation Act of 2009
H.R. 3748	The Water Efficiency via Carbon Harvesting and Restoration Act of 2009
H.R. 3791	The Fire Grants Reauthorization Act of 2009
H.R. 4202	The Green Infrastructure for Clean Water Act of 2009
S. 531	The Energy and Water Integration Act of 2009
S. 1005	The Water Infrastructure Financing Act of 2009
S. 1321	The Water Accountability Tax Efficiency Reinvestment Act of 2009
S. 1462	The American Clean Energy Leadership Act of 2009
S. 1639	The Expanding Industrial Energy Efficiency Incentives Act of 2009
S. 1711	The Water Efficiency and Conservation Investment Act of 2009
S. 1712	The Water Efficiency, Conservation and Adaptation Act of 2009
S. 1713	The Water Efficiency via Carbon Harvesting and Restoration Act of 2009
S. 1733	The Clean Energy Jobs and American Power Act of 2009

Canada

In response to the Canadian Government's proposed \$33 billion Building Canada Plan and possible expansions of infrastructure investments to stimulate the economy, the Alliance teamed with the Forum for Leadership on Water, the Canadian Water and Wastewater Association, and the University of Victoria's POLIS project on Ecological Governance to propose a sustainable water infrastructure plan, entitled *Clean Water, Green Jobs: A Stimulus Package for Sustainable Water Infrastructure Investments to the Federal Government*.

The plan contained solutions that can be deployed quickly and broadly, creating jobs and stimulating the economy faster than traditional infrastructure projects. It focused on investments in repairing and upgrading existing infrastructure, restoring green infrastructure, and conserving water and energy.

Plumbing Efficiency Research Coalition



Signing ceremony for the creation of the Plumbing Efficiency Research Coalition

In January, the Alliance participated in a historic signing ceremony at the Offices of EPA Administrator Stephen Johnson, pledging to form the Plumbing Efficiency Research Coalition in partnership with the following plumbing organizations:

- Plumbing-Heating-Cooling Contractors National Association,
- International Association of Plumbing and Mechanical Officials,
- International Code Council, and
- Plumbing Manufacturers Institute.

The Coalition will work on specific plumbing research initiatives such as drainline carry research for high efficiency toilets, non-water-using urinals, sizing of water efficient plumbing systems, and safe applications for re-use of water. In February, the Coalition announced that its first research project would be on drainline transport.

Green Buildings

With the help of the Alliance, water efficiency continues to take on increasing prominence in Green Building guidelines. In 2009 the Alliance participated in the:

- Release of the third public review document for the proposed ASHRAE S189.1 standard for high performance buildings. Intended to become an ANSI national standard, it is ground-breaking in its coverage of water use efficiency and will likely be adopted by jurisdictions throughout the U.S. and elsewhere.
- Release of the final public review document on the proposed Green Globes-Green Building Initiative ANSI standard, which is also directed at high performance buildings.
- USGBD LEED's Water Technical Advisory Group, incorporating minimum water efficiencies for all of their products (except LEED-Homes) which will require LEED practitioners and LEED builders to incorporate water efficient plumbing fixtures into projects.
- Initiation of work on the proposed ASHRAE S191 standard for water efficient building.

Honors

2009 Education and Outreach Award

In July, the Universities Council on Water Resources presented the Alliance for Water Efficiency with its 2009 Education and Outreach Award, given to recognize "educational institutions, individuals, groups or agencies that have made significant contributions to increased public awareness of water resources development, use, or management covering any one or a combination of the natural, biological and social sciences."



Executive Director Mary Ann Dickinson receiving the 2009 Education and Outreach Award from the Universities Council on Water Resources

Plumbing Codes & Standards

Plumbing Codes

Since plumbing codes have a direct impact on water consumption, providing a voice for water efficiency in plumbing code design is a key part of the Alliance for Water Efficiency's strategic plan. In 2009, the Alliance participated in a number of plumbing code activities:

- Technical Committee for the 2012 revision process for the International Association of Plumbing and Mechanical Officials (IAPMO) Uniform Plumbing Code (UPC).
- IAPMO Green Technical Committee creating the *Green Plumbing and Mechanical Code Supplement*.
- Water Efficiency Working Group for the International Code Council's (ICC) initiative developing the International Green Construction Code, a code supplement intended for full release with the 2012 edition of the ICC body of codes.

Plumbing Standards

Creating uniform standards in a dynamic environment of technological development presents an ongoing challenge. In 2009, the Alliance for Water Efficiency maintained its activity in the area of establishing and refining plumbing standards through various American National Standards Institute (ANSI) plumbing standards committees and teams in the U.S. and Canada that have been active in areas affecting water efficiency.

Examples of the Alliance's work on water efficiency in plumbing standards include:

- Played an active role in addressing and including performance thresholds for high-efficiency toilets and urinals in the ASME national standard.
- Brought the MaP testing protocol for toilet fixtures into the ASME national standard through WaterSense, ultimately leading to the removal of poor-performing products from the marketplace.
- Played a role in developing an improved ASME showerhead performance standard by working with the Australian standards and presenting information on customer preferences derived from field studies in Canada and elsewhere. This new national standard for efficient showerheads will also be used as the WaterSense standard.

- Contributed information and test findings on flushometer valve toilets to the planned testing upgrades and improvements to the ASME national standard for these products.
- Helped to launch a new process for improving the ASME national standard for pre-rinse spray valves in connection with WaterSense.
- Participated in the process to upgrade the IAPMO standard for dual-flush conversion devices.
- Initiated a process to develop an equipment standard for graywater treatment systems.

Transforming the Market



In an effort to ensure a marketplace that provides consumers a comprehensive selection of efficient products, the Alliance for Water Efficiency continued its support of market transformation efforts, mainly through support of the WaterSense Program.

The Alliance has continued to be an active WaterSense promotional partner, by:

- Dedicating a page on the Alliance's website to WaterSense,
- Sending global e-mails on WaterSense's behalf,
- Submitting comments on proposed specifications,
- Operating the Alliance WaterSense and Water-Efficient Products committee,
- Providing a place for research related discussion via our Water Efficiency Research meetings, and
- Co-hosting the WaterSense awards banquet at the WaterSmart Innovations Conference and Exposition.

2009 Annual Membership

In 2009, after only one full year of recruiting, Alliance membership grew from 180 to 272. While the opportunity for Charter Sponsorships ended in 2009, the Alliance continued to recognize its Charter Sponsors by providing online profiles.

A&N Technical Services
Acequia, LP
Act Inc. D'Mand Systems
Acton Water District
Affiliated International Mgmt., LLC
Alan Plummer Associates, Inc.
Allen Boone Humphries Robinson, LLP
American Beverage Association
American Rivers
American Standard Americas, Inc.
Amy Vickers and Associates, Inc.
Apple Valley Ranchos Water Co.
Aqaba Water Company (Jordan)
Aqua Engineering, Inc.
Aquacraft, Inc.
Aquatrols Corporation of America
The Artemis Project
Atascadero Mutual Water Company
Austin Water Utility
Bentley Systems, Inc.
Best Management Partners
Birch Bay Water and Sewer District
Bradley Corporation
Bridgeport Utilities
Brown and Caldwell
Brunswick-Glynn County Joint Water and Sewer Commission
California Urban Water Conservation Council
California Water Conservation Co.
California Water Services Company
Canadian Water and Wastewater Assoc.
Capital Regional District
Carol Fraser
Caroma USA
Cascade Water Alliance
Castleman & Sons Plumbing, Inc.
Center for Neighborhood Technology
CH2M Hill
Chicago Faucets
Chicago Metro. Agency for Planning
Cinco Municipal Utility District #1
City of Albany, Oregon
City of Albion, Michigan
City of Atlanta, Georgia
City of Bellevue, Washington
City of Bellingham, Washington

City of Bend, Oregon
City of Bloomington, Illinois
City of Bremerton, Washington
City of Calgary, Alberta, Canada
City of Charlottesville, Virginia
City of Chicago, Illinois
City of Clayton, Georgia
City of College Station, Texas
City of Dallas, Texas
City of Fair Oaks Ranch, Texas
City of Flagstaff, Arizona
City of Fort Worth, Texas
City of Gallup, New Mexico
City of Greeley, Colorado
City of Guelph, Ontario, Canada
City of Hayward, California
City of Hillsboro, Oregon
City of Janesville, Wisconsin
City of Mansfield, Texas
City of Napa, California
City of Oxnard, California
City of Phoenix, Arizona
City of Prescott, Utilities, Arizona
City of Renton, Washington
City of San Angelo, Texas
City of San Diego, California
City of Santa Barbara, California
City of Santa Rosa, California
City of Savannah, Georgia
City of Tumwater, Washington
Coalition For Water Security
Cobb County Water System
Colorado Springs Utilities
Connecticut Water
Conserve Florida Water Clearinghouse
The Dakota Ridge Partnership
DBLive Corporation
Deb Ketz
Delta Faucet Company
Denver Water
DuPage Water Commission
East Bay Municipal Utility District
Eastern Research Group
Ecoblue
Edwards Aquifer Authority
El Dorado Irrigation District

El Paso Water Utilities
Energy Center of Wisconsin
Enia Reggio Emilia S.R.L. (Italy)
EnviroMedia Social Marketing
Eugene Water and Electric Board
Ewing Irrigation Products, Inc.
Exloco
Florida Department of Environmental Protection
Florida Keys Aqueduct Authority
Fluidmaster, Inc.
Foremost Groups Inc.
Forester Media, Inc.
Fort Collins Water Utilities
Gardnerville Water Company
George Kunkel, Jr.
Georgia Environmental Protection Div.
Georgia River Network
Georgia Water Coalition
Georgia Water Wise Council
Great Lakes Commission
Great Western Institute
Green Mechanical Council
GreenPlumbers USA
Greg Lyman
H2O Applied Technologies
Harris County MUD #120
Harris County MUD #208
Harris County WCID 132
Harris-Galveston Subsidence District
Hazen & Sawyer
High Plains Underground WCD #1
The Home Depot
Homemakers Supply, Inc.
Hunter Industries
HydroPoint Data Systems, Inc.
Inland Empire Utilities Agency
Innovative Water Solutions, LLC
Institute For Sustainable Futures (Australia)
International Code Council
International Association of Plumbing and Mechanical Officials
The Irrigation Association
Irrigation Consulting, Inc.
Irrigation Water Management Society
Irrrometer Company, Inc.

John G. Shedd Aquarium
Kleinwood Municipal Utility District
KMS Consulting
Koeller and Company
Kohler Company
LadybugLawn
Lakehaven Utility District
Lakeway Municipal Utility District
Laura Raun Public Relations
The Leak Doctor, Inc.
Lone Star Chapter, Sierra Club
Lone Star Groundwater Conservation District
LOTA USA, LLC
Lower Colorado River Authority
M.Cubed
Maddaus Water Management
Madison Water Utility
Malcolm Pirnie, Inc.
Marin Municipal Water District
Marion County Board of County Commissioners
Maureen Erbeznik and Associates
McHenry County Government
Metro West Council of Government
Metropolitan North Georgia Water Planning District
Metropolitan Water District of Southern California
Miyahuna (Jordan)
MJSI, Inc.
Moen, Inc.
Monterey Peninsula WMD
National Turf Grass Federation, Inc.
National Water Services, Inc.
Natural Resources Defense Council
NEOPERL, Inc.
NM Water Conservation Alliance
Niagara Conservation Corporation
North Carolina Department of Environment and Natural Resources
North Fort Bend Water Authority
North Harris County RWA
North Marin Water District
North of the River Municipal WD
North Texas Municipal Water District
Northern Governorate Water Administration (Jordan)
Olivenhain Municipal Water District
Ontario Water Works Association
Orlando Utilities Commission

Panhandle Groundwater Conservation District
Partnership for Water Conservation
Pasadena Water and Power
Paul Spofford
PCR Resources
Pencilbrook, LLC
Pennsylvania Office of Consumer Advocate
Plumbing Manufacturers Institute
Plumbing-Heating-Cooling Contractors National Association
Portland Water Bureau
Public Service Commission of Wisconsin
PUC Services
QA Consulting and Testing, LLC
Rain Bird Corporation
Rainwater HOG, LLC
Region of Durham, Ontario, Canada
Region of Halton, Ontario, Canada
Region of Peel, Ontario, Canada
Regional Municipality of York
ReGreen, Inc.
Resource Action Programs
Resource Solutions Group
River Network
River Systems Institute
Roberts Communications
Rosamond Community Services District
San Antonio Water System
San Diego County Water Authority
Sandy City, Utah
Santa Clara Valley Water District
Saving Water Partnership
Sloan Valve Company
Smart Markets
Smart Watering Systems
SMW GeoSciences, Inc.
Sonoma County Water Agency
South Central Connecticut RWA
South Florida WMD
Southern Nevada Water Authority
Southwest Florida WMD
Spartanburg Water
St. Johns River Water Mgmt. District
Steve Clark & Associates, Inc.
StopWaste.org
Symmons Industries
T&S Brass and Bronze Works, Inc.

Tacoma Water
Tampa Bay Water
Tarrant Regional Water District
Texas AWWA
Texas Commission on Environmental Quality
Texas Water Development Board
Texas Water Foundation
TheGreenTeam, Inc.
Thornhill Associates
Tom Swihart
TOTO USA, Inc.
Town of Smyrna, Tennessee
Town of Strasburg, Virginia
Urban Water Conservation
Utah State University
Utah Water Conservation Forum
Utilities Board of the City of Foley, Alabama
Valparaiso City Utilities
Veritec Consulting, Inc.
Wal-Mart Stores, Inc.
Water Corporation (Australia)
Water Insight Consulting
Water Lily Press, Inc.
Water Management, Inc.
Water Media Services
Water Pik, Inc.
Water Savers, LLC
Water Services Association of Australia (Australia)
Water Systems Optimization, Inc.
Water2Save, LLC
Waterkind Consulting Services, Ltd.
WaterLogic, Inc.
Watershed International, LLC
Watershed, LLC
WaterWise Consulting
Waukesha Water Utility
West Basin Municipal Water District
West Harris County RWA
Western Municipal Water District
Whirlpool Corporation
Wisconsin Dept. of Natural Resources
Wittman Hydro Planning Assoc., Inc.
The Writing Company
Woodlands Joint Powers Agency
Yudelson Associates
ZMCAT Enterprises



Alliance for Water Efficiency

Financial Statements

Report of Independent Certified Public Accountants

The Board of Directors
Alliance for Water Efficiency
Chicago, Illinois

We have audited the statements of financial position of the Alliance for Water Efficiency (“the Alliance”) as of December 31, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Alliance’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over the financial reporting process as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Alliance’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alliance for Water Efficiency as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Williams & Olds Certified Public Accountants
Rancho Cordova, California

April 23, 2010

Statements of Financial Position

December 31, 2009 and 2008



Assets	2009	2008
Cash and cash equivalents	\$ 316,967	\$ 388,553
Investments, Note C	151,653	150,000
Grants receivable	100,000	–
Accounts receivable	47,549	14,133
Inventories	8,934	14,659
Prepaid expenses	8,807	25,968
Furniture and equipment, less accumulated depreciation of \$8,914 in 2009 and \$4,544 in 2008	7,029	10,918
Total assets	\$ 640,939	\$ 604,231
Liabilities and net assets		
Accounts payable	19,146	97,169
Accrued expenses	25,042	19,315
Deferred revenues, Note B	318,945	240,659
Total liabilities	363,133	357,143
Net assets		
Unrestricted	102,806	247,088
Temporarily restricted, Note G	175,000	–
Total net assets	277,806	247,088
Total liabilities and net assets	\$ 640,939	\$ 604,231

The accompanying notes (page 20) are an integral part of these financial statements.

Statement of Activities

For the years ended December 31, 2009 and 2008

	2009			2008
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>	<i>Unrestricted</i>
Support and revenue				
Membership dues	\$ 472,391	\$ –	\$ 472,391	\$ 187,441
Grants	25,000	175,000	200,000	–
Donated services, Note D	151,170	–	151,170	155,528
Grants	120,416	–	120,416	129,745
Special projects	73,205	–	73,205	27,198
Investment income	4,501	–	4,501	4,982
Charter sponsorships	–	–	–	649,000
Other	1,628	–	1,628	1,467
Total support and revenue	848,311	175,000	1,023,311	1,155,361
Expenses				
Program services	825,364	–	825,364	830,594
General and administrative	151,428	–	151,428	271,420
Fundraising and membership development	15,801	–	15,801	33,145
Total expenses	992,593	–	992,593	1,135,159
Change in net assets	(144,282)	175,000	30,718	20,202
Net assets at beginning of year	247,088	–	247,088	226,886
Net assets at end of year	\$ 102,806	\$ 175,000	\$ 277,806	\$ 247,088

Statement of Functional Expenses

For the year ended December 31, 2009



	Program services	General & administrative	Fundraising & membership development	2009 Total
Salaries	\$ 149,783	\$ 32,228	–	\$ 182,011
Payroll taxes and benefits	34,716	8,679	–	43,395
Total salaries and related costs	184,499	40,907	–	225,406
Consultant and program costs, Note D	394,928	13,348	4,449	412,725
Professional services	39,889	46,697	–	86,586
Telephone and internet costs	47,619	15,231	–	62,850
Special projects	48,481	–	–	48,481
Travel	28,060	3,379	5,748	37,187
Occupancy	21,674	9,852	1,313	32,839
Bad debt expense	25,176	–	–	25,176
Dues and subscriptions	7,959	1,990	–	9,949
Printing and postage	4,452	2,218	2,870	9,540
Board of Directors	1,833	7,334	–	9,167
Public outreach	5,686	–	1,421	7,107
Meetings and conferences	3,518	3,518	–	7,036
Publications	5,496	–	–	5,496
Depreciation	2,185	2,185	–	4,370
Supplies	1,767	1,766	–	3,533
Insurance	1,015	1,015	–	2,030
Equipment costs	719	719	–	1,438
Staff development	263	–	–	263
Miscellaneous	145	1,269	–	1,414
	\$ 825,364	\$ 151,428	\$ 15,801	\$ 992,593

Statement of Functional Expenses

For the year ended December 31, 2008

	Program services	General & administrative	Fundraising & membership development	2008 Total
Salaries	\$ 105,197	\$ 53,610	–	\$ 158,807
Payroll taxes and benefits	21,520	5,380	–	26,900
Total salaries and related costs	126,717	58,990	–	185,707
Consultant and program costs, Note D	495,670	44,492	5,932	546,094
Professional services	55,099	68,058	–	123,157
Telephone and internet costs	30,444	35,910	–	66,354
Special projects	23,507	–	–	23,507
Travel	25,440	5,301	7,685	38,426
Occupancy	22,857	10,390	1,385	34,632
Bad debt expense	–	–	–	–
Dues and subscriptions	4,772	1,193	–	5,965
Printing and postage	4,999	2,531	13,416	20,946
Board of Directors	6,127	24,507	–	30,634
Public outreach	17,419	–	4,355	21,774
Meetings and conferences	4,668	4,668	–	9,336
Publications	12,323	–	–	12,323
Depreciation	–	4,104	–	4,104
Supplies	–	4,867	–	4,867
Insurance	–	2,320	–	2,320
Equipment costs	–	1,879	–	1,879
Staff development	–	1,035	–	1,035
Miscellaneous	552	1,175	372	2,099
	\$ 830,594	\$ 271,420	\$ 33,145	\$ 1,135,159

Statement of Cash Flows

For the years ended December 31, 2009 and 2008



	2009	2008
Cash flows from operating activities		
Change in net assets	\$ 30,718	\$ 20,202
<i>Adjustments to reconcile the change in net assets to net cash (used in) provided by operating activities:</i>		
Depreciation	4,370	4,104
Bad debts	25,176	–
Unrealized gain on investments	(916)	–
<i>Changes in:</i>		
Accounts and grants receivable	(158,592)	140,174
Inventories	5,725	(2,484)
Prepaid expenses	17,161	(21,088)
Accounts payable	(78,023)	82,313
Accrued expenses	5,727	17,384
Deferred revenues	78,286	235,409
Net cash (used in) provided by operating activities	\$ (70,368)	\$ 476,014
Cash flows from investing activities		
Cash paid for furniture and equipment	(481)	(10,395)
Proceeds from sale of investments	150,000	–
Purchases of investments	(150,737)	(150,000)
Net cash used in investing activities	(1,218)	(160,395)
Net (decrease) increase in cash and cash equivalents	\$ (71,586)	\$ 315,619
Cash and cash equivalents at beginning of year	388,553	72,934
Cash and cash equivalents at end of year	\$ 316,967	\$ 388,553

Supplemental information: during the years ended December 31, 2009 and 2008, no cash was paid for interest or income taxes.

Notes to Financial Statements

Note A. Organization

The Alliance for Water Efficiency (Alliance) is an Illinois-based non-profit corporation dedicated to the advocating of efficient and sustainable use of water in North America through education of water users, training of water conservation professionals, and research projects. Approximately 50% of the Alliance's funding is provided by membership dues. Benefits of membership include access to water efficiency tools and information, ability to attend training, and notification of events, technical updates, and recent developments. Other support is provided by private foundation grants and special projects. In 2009, the Alliance also received a private foundation contribution.

Note B. Significant Accounting Policies

Basis of Accounting: The financial statements of the Alliance have been prepared on the accrual basis.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) which requires that the Alliance report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2009 and 2008, the Alliance's net assets consisted only of unrestricted and temporarily restricted net assets.

Cash and Cash Equivalents: The Alliance considers all short-term investments with an original maturity of three months or less and money market mutual funds to be cash equivalents.

Investments: The Alliance carries investments in fixed income and equity securities at their fair values in the Statements of Financial Position. Unrealized and realized gains and losses are included in the accompanying Statements of Activities and included as changes in net assets consistent with the purpose of the investment and donor-imposed restrictions, if any.

Receivables: Contributions receivable at December 31, 2009 consisted of one contribution, due in 2010. Accounts receivable at December 31, 2009 and 2008 consisted of membership dues receivable. The Alliance considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. If amounts become uncollectible, they are charged to operations as bad debt expense when that determination is made.

Fair Value: As of January 1, 2009, the Alliance adopted FASB ASC 820-10, Fair Value Measurements. ASC 820-10 introduces a framework for measuring fair value and expands required disclosure about fair value measurements of certain assets and liabilities. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value, whereby level 1 uses quoted prices and active markets for identical assets or liabilities when determining fair market value; level 2 uses non active quoted prices for similar assets and liabilities that can be corroborated with market data; and level 3 uses unobservable information with little or no market data. The Alliance utilizes the active market approach (level 1) to measure fair value for its financial assets and liabilities. The carrying value of the Alliance's nonfinancial assets and liabilities approximates fair value.

Inventories: Inventories consist of various educational publications sold or distributed by the Alliance. Inventory is recorded at the lower of cost or market, using the first-in, first-out method. Materials that have become obsolete are not included in the inventory balance.

Furniture and Equipment: The Alliance capitalizes all expenditures for property and equipment in excess of \$500. Furniture and equipment are recorded at cost or, if donated, at the fair market value at the time of donation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over the estimated service lives using the straight-line method.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Grants that qualify as contributions are recognized when received or unconditionally promised. Contributed services are reported as contributions at their fair market value if such services create or enhance non-financial assets, or would have been purchased if not provided by contribution, and which require specialized skills provided by individuals possessing such skills See Note D.

Revenue Recognition: Membership dues are recognized as revenue over the membership year to which they pertain. Revenues from special projects are recognized as the work is performed Membership dues received but applicable to the following year are recorded as deferred revenues. Payments received in advance of work for grants or other arrangements that qualify as exchange transactions are recorded as deferred revenues in the year funds are received and recognized as revenue as the work is

performed. Deferred revenues consisted of the following at December 31:

	2009	2008
Deferred membership dues	\$ 208,106	\$ 184,327
Deferred grant revenue	<u>110,839</u>	<u>56,332</u>
	\$ 318,945	\$ 240,659

Income Taxes: The Alliance is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Alliance may be subject to federal and state taxes on its non-exempt function income under federal and state regulations governing unrelated business income.

Functional Allocation of Expenses: The costs of providing the program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services based on employees' time incurred and on resource usage.

Use of Estimates: The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note C. Investments

Investments consisted of the following at December 31:

	2009			2008		
	Cost	Fair Value	Unrealized Gain/(Loss)	Cost	Fair Value	Unrealized Gain/(Loss)
Fixed income mutual funds:	\$ 100,737	\$ 101,245	\$ 508	\$ —	\$ —	\$ —
Certificates of deposits:	<u>50,000</u>	<u>50,408</u>	<u>408</u>	<u>150,000</u>	<u>150,000</u>	—
Total:	\$ 150,737	\$ 151,653	\$ 916	\$ 150,000	\$ 150,000	\$ —

At December 31, 2008 the Alliance had an additional \$150,000 in certificates of deposit that were considered highly liquid based on their maturity dates and included in "Cash and cash equivalents" in the Statement of Financial Position.

Note D. Donated Services

The salary and benefits of the Alliance's Executive Director are paid by the Metropolitan Water District of Southern California. The value of this in-kind contribution for both of the years ended December 31, 2009 and 2008 was \$148,307. Donated services also include board member travel and membership in another organization that amounted to \$2,863 and \$7,221, respectively, for the years ended December 31, 2009 and 2008.

Note E. Concentrations of Credit Risk

Cash: The Alliance maintains its cash in bank deposit accounts insured by the Federal Deposit Insurance Corporation (FDIC). The balances in such accounts may at times exceed FDIC limits. The Alliance has not experienced any losses in such accounts. Management believes the Alliance is not exposed to any significant credit risk related to cash.

Financial Instruments: In 2008 and 2009, all of the Alliance's financial instruments were maintained by the same investment brokerage firm, a high-quality financial institution insured by the Security Investment Protection Corporation. At December 31, 2009, the Alliance had \$306,514 in money market cash funds, certificates of deposit, and fixed income mutual funds. At December 31, 2008, the Alliance had \$300,000 in certificates of deposit.

Note F. Employee Benefit Plan

In March 2008, the Alliance approved the creation of a retirement plan under IRS Code Section 401(k) that covers all eligible employees. Employees are eligible after six months of continued employment. The Alliance contributes up to 6% of the employee's annual salary to the plan and matches 100% of the employee contributions to the plan up to 3% of the employee's contribution. Employer contributions vest immediately. Employer contributions to the 401(k) plan amounted to \$9,802 and \$4,448, for the years ended December 31, 2009 and 2008, respectively.

Note G. Temporarily Restricted Net Assets

During the year ended December 31, 2009, the Alliance received a grant of \$200,000 for general operating support for the period October 1, 2009 through September 30, 2011. At December 31, 2009, the amount of the grant available for use during the period from January 1, 2010 through September 30, 2011 was recorded as temporarily restricted net assets.

Note H. Subsequent Events

In preparing the financial statements, the Alliance has evaluated events and transactions for potential recognition or disclosure through April 23, 2010, the date that the financial statements were available to be issued.



Primary Benefits of the Alliance for Water Efficiency

Stand as a clear and authoritative national voice for water efficiency.

The Alliance for Water Efficiency is a forceful advocate for the sustainable use and stewardship of our precious water resources.

Provide comprehensive information about water-efficient products, practices, and programs—what works and what doesn't.

The Alliance for Water Efficiency has created a web-based water conservation clearinghouse that offers product information, best practices specifications, research reports, training materials, program descriptions, codes and standards, program evaluation tools, drought planning and response, and professional expertise.

Represent the interest of water efficiency in the development of codes and standards.

Codes and standards that mandate water efficiency have driven significant water-use savings. The Alliance provides knowledgeable representation in standards writing and advocacy.

Transform the market for fixtures and appliances.

Consumers want to do the right thing, and water efficiency should be an easy choice. The Alliance for Water Efficiency will help ensure that efficient products are available, tested, and clearly labeled.

Coordinate with green building initiatives to institutionalize water efficiency.

New green building programs are working to integrate water conservation into other efficiency practices. The Alliance for Water Efficiency coordinates these efforts to ensure that water savings are part of the overall effort.

Train water conservation professionals.

Water efficiency is a diverse field drawing upon a broad range of disciplines. The Alliance for Water Efficiency will develop core curriculum and technical training materials, and it will work with colleges and universities, trade organizations, and other educational entities to support the development of a professional water conservation work force.

Educate water users.

Good consumer education is key to the long-term success of water conservation efforts. The Alliance for Water Efficiency will provide up-to-date information on water efficient products, practices, and behaviors for the general public.