

WATER REUSE

CALIFORNIA



Strategic and Business Plan

2014 – 2018

March 2014

Message from the President

California is in the midst of a water crisis that is impacting our economic vitality, environment, and quality of life. This crisis is being further complicated by the competition for available water supply between agricultural, urban and environmental uses throughout the state. Under the threat of global warming; climate change may exacerbate drought conditions and reduce the amount of precipitation that can be effectively captured and used for water supply. More than ever, California needs to increase its use of recycled and desalinated water supplies, and in conjunction with water-use efficiency programs and existing groundwater and surface water resources, find a new path to a sustainable future.

To address these challenges, the California WateReuse Board of Trustees has developed an updated five-year business plan that is focused on growing our organization and increasing its effectiveness in addressing California's greatest challenge – developing a sustainable, long-term water supply for the future.

This plan continues our effort to enhance the organization of the Board and its committees, and growth our regional chapters and overall membership. This plan also facilitates WateReuse California effort to develop direct potable reuse. We believe our effectiveness can be improved by leveraging the significant resources and talent that exist within California WateReuse. Together, our volunteer Board and membership can work collaboratively with our Managing Director and Legislative and Regulatory Advocate staff to better position our message with the public and various stakeholder interests, and with the State and federal governments. Undoubtedly, the continued support of our parent organization, the WateReuse Association and its research arm the WateReuse Research Foundation, will be an essential part of successfully implementing our five-year plan.

The plan clearly identifies our:

- Mission and Vision
- History
- Goals and Organization Structure
- 2014-2018 Business Plan Objectives and Timeline
- Five-year Financial Plan
- Implementation Approach

On behalf of the Board of Trustees, I invite you to join us in advancing water recycling and desalination in the State of California.

Sincerely,

Paul Klein
President, WateReuse California

I. Introduction

WaterReuse California's Strategic and Business Plan is a policy document which will focus our Board, staff, committees and membership in leading and managing our organization in a comprehensive and integrated manner. The following sections provide information on the mission, vision and history of WaterReuse California and give direction on the organization's goals and financial plan.

A. Mission Statement

To promote the responsible stewardship of California's water resources by maximizing the safe, practical and beneficial use of recycled water and by supporting the efforts of the WaterReuse Association.

B. Vision Statement

The vision of WaterReuse is to be the leading voice for reclamation, recycling, reuse and desalination in the development and utilization of new sources of high quality water.

II. History of WaterReuse California

The WaterReuse Association of California was formed in December 1990 when the Association of Water Reclamation Agencies (AWRA), a policy and regulatory organization, merged with the California Association of Reclamation Entities of Water (CAREW), a technical organization.

The WaterReuse Association of California was primarily a volunteer organization. Membership included water, wastewater and reclamation agencies throughout California and affiliated organizations, such as technical engineering and consulting firms. The activities of the WaterReuse Association of California were under the direction of an elected Board of Directors. A part-time Executive Director was employed to manage day-to-day activities and assist with many of the regulatory challenges facing water reuse within California. In addition, the WaterReuse Association of California engaged the services of a lobbying firm to spearhead a legislative agenda aimed at removing unnecessary barriers to safe and practical water reuse throughout the State. Over the past twenty years, the WaterReuse Association and its members have been responsible for a series of beneficial legislation and funding mechanisms that have assisted in the increased beneficial use of recycled water throughout the State of California.

In 1993, the Association formed an affiliate organization, the WateReuse Foundation, purpose of which is to conduct applied research on alternative water supplies such as the use of recycled water.

Recognizing that national perspectives were influencing the water reuse activities in California and that an opportunity to open up access to additional resources, such as funding opportunities existed at the national level, the WateReuse Board of Directors met in Phoenix, Arizona in March 1999 to consider two significant policy decisions:

1. Whether to endeavor to become a national organization; and
2. Whether to hire a full-time Executive Director.

The Board of Directors of the WateReuse Association of California voted to expand to become a national organization, leading to reincorporation as the WateReuse Association in April 2000. The Board of Directors of the WateReuse Association hired its first full-time Executive Director on August 1, 2000. The addition of an Executive Director provided the WateReuse Association with a presence in the Washington DC area, and a new home office was established near the nation's capital. Since 2000, the staff and operations have continued to expand with a current full-time staff of nine professionals located in the WateReuse Association's headquarters in Alexandria, Virginia.

During the establishment of the WateReuse Association as a national organization the Board of Directors also recognized that it was vital to maintain and continue to expand its activities in California. As part of becoming a national organization, bylaws were developed to have a national organization comprised of state sections. At the same time as a national organization was established, the WateReuse Association, California Section was established. The California Section was led by its own Board of Trustees, which included many of the Board of Directors that guided the growth of the organization from its early years.

The WateReuse Association, and therefore its state sections, is a trade association and is recognized as a tax exempt organization under Section 501(c)6 of the Internal Revenue Code. As a 501(c)6 organization the Association's designation allows it to engage in advocacy and lobbying at both the national and state levels of government.

The WateReuse Association, California Section has consistently been at forefront of both legislative and regulatory activities related to the promotion of the safe, practical and beneficial use of recycled water in California. While the roots of the organization of being primarily a volunteer organization have never changed, the California Section has employed the services of both legislative and regulatory advocates in support of the Section's mission and the goals of the membership.

In 2009, the WaterReuse Association, California Section was officially renamed WaterReuse California. Also in 2009 another important step was taken, the hiring of a part-time Managing Director for WaterReuse California. Through each of these very important steps over the past twenty years, the visions and objectives of the leadership that gave life to the WaterReuse Association have been maintained and are now a fixture of the recycled water landscape on both a national and state level.

III. Goals of the Strategic Plan

- 1. *Industry Advocacy:*** To maintain leadership as the premier legislative, regulatory and policy advocate for water recycling and other alternative sustainable water supplies for California.
- 2. *Water Recycling Resource:*** To be the primary “go-to” information resource about water recycling for legislators, regulators, government agencies, consultants and the public.
- 3. *Membership Value:*** To better serve the membership by continuing to attract top water industry professionals to serve on the Board of Trustees, providing a financially stable organization, and having an effective management structure.
- 4. *Education and Outreach:*** Target key policy-makers to promote recycling. Support issue- and project-specific communication by members.

IV. Organization and Governance

A. Bylaws

WaterReuse California operates in conformance with our bylaws with the WaterReuse Association. The bylaws were revised during our Annual Membership Meeting in March 2009, and are included as Appendix A to this plan. The bylaws include Articles that address the following topics:

- I. Name
- II. Objectives
- III. Headquarters and Operation
- IV. Membership
- V. Eligibility to Vote
- VI. WaterReuse California Finances
- VII. Authority and Purpose of Board of Trustees
- VIII. Local Chapters
- IX. Adoption and Amendments
- X. Dissolution

B. Board of Trustees

The WaterReuse California Board of Trustees is comprised of four or more At-Large Trustees and a Chapter Trustee representing each Chapter. Officers include a President, President-elect, Past-President, Secretary, Treasurer and Director to the WaterReuse Association's Board of Directors. At-Large Trustees and officers are elected by the membership at WaterReuse California's Annual meeting that is conducted in association with the annual California Conference. The Chapter Trustees are selected by each chapter using their own selection process and the chapter may designate an At-Large Trustee to be their representative. Additional information regarding the Board are detailed in Article VII of the bylaws.

C. Committees

The Board of Trustees operates several committees.

Executive Committee – this committee is comprised of voting members including the President, President-Elect, Immediate Past President, Secretary, Treasurer, Legislative/Regulatory Committee Chair and the Director. The Managing Director participates on the Executive Committee as a non-voting member. The Executive Committee meets monthly to manage the day-to-day affairs of WaterReuse California

Standing Committees – two standing committees exist, the Legislative/Regulatory Committee and the Nominating Committee.

- **Leg/Reg Committee** - is comprised of Board and Chapter members and is focused on advancing the legislative and regulatory principles and agenda of WaterReuse California. The focus of the legislative agenda is on implementing law that will promote water reuse and desalination, including funding mechanism. The regulatory agenda is focused on eliminating barriers to water recycling and desalination that may exist within the regulatory framework of state and local government agencies with regulatory authority.
- **Nominating Committee** - is comprised of Board members annually appointed by the President and develops and recommends a slate of At-Large Trustees and Officers for election by the membership.

Ad-Hoc Committees – the President and Board can also designate other committees to perform duties, as assigned. Following its 2009 Strategic Planning Session, the Board identified the following committees and their respective focus. In addition, the President has identified a Board Chair for each committee and each Chapter is invited to designate its membership to each committee. This approach is intended to better represent the breadth and depth of our regional issues, and extend the resources available to WaterReuse California. The committees include:

- **Membership Committee** - the focus of this important committee is on recruiting and maintaining our California Membership. This committee will look for ways to grow the organization by recruiting new members and by forming new chapters, where appropriate. In addition, this committee will listen to the needs of our members and find ways to enhance service from Water Reuse California, to increase the value of maintaining a membership.
- **Conference Committee** - this committee has the responsibility for planning and executing our annual conference, and other specialty conferences and training programs that will be considered each year. Because the annual conference is hosted by a different chapter each year, the composition of the annual conference committee is expected to rotate to the chapter hosting the conference, under the leadership of the committee chair and appointed conference chair(s).
- **Communications Committee** – the communications committee has several areas of focus including crafting messages for our Membership and Conference Committees, and in promoting public education and outreach related to water recycling.

These committees are considered appropriate for 2014 – 2018.

D. Local Chapters

Water Reuse California encourages the formation of local chapters, which represent defined geographical areas of the State. Each local chapter coordinates its activities with Water Reuse California's Board and in accordance with a Memorandum of Understanding developed pursuant to the Bylaws of the Association. At the time of writing this Strategic and Business Plan, there are six existing chapters: Central Valley/Sacramento, Inland Empire, Los Angeles, Northern California, Orange County and San Diego.

E. Direct Potable Reuse Initiative

After developing direct potable reuse (DPR) since 2009, Water Reuse California joined with the Water Reuse Research Foundation to form the Direct Potable Reuse Initiative. A memorandum of understanding (attached as Appendix B), describing the roles of Water Reuse California and the Foundation, and DPR

Business Plan (attached as Appendix C) were developed. Fundraising efforts to date have met plan and facilitate a higher profile for Water Reuse California in the legislative, regulatory and political environments of California. The goal of the Initiative is to create a regulatory and policy foundation so that direct potable reuse is an option available to water utilities by 2016.

V. Objectives for 2014-2018 Business Plan

The WaterReuse California 2014-2018 Strategic and Business updates the 2009 – 2014 Business and Strategic Plan. Like those in the 2009 – 2014 Plan, the objectives in the 2014 – 2018 Plan were developed by the Board of Trustees during a Strategic Planning Workshop. Each objective relates to one or more goals of the Strategic Plan: Industry Advocacy, Water Recycling Resource, Membership Value, and Education and Outreach. The basis behind the establishment of the goals and objectives is to expand the use of recycle water in California, including direct potable reuse. The objectives are not listed in a priority or order of importance. The Board’s plan is to complete all objectives by the end of 2018. The primary responsible party is in charge of developing a plan and having general direction for completion of the objective. The secondary parties shall assist the primary party in carrying out the objective plan.

2014 – 2018 Business Plan Objectives

Goals	Action Items	Primary Responsibility	Secondary Responsibility											Timeline			
			Board President	Board of Trustees	Managing Director	Legislative Advocate	Regulatory Advocate	National	Chapters	Executive Committee	Leg/Reg Committee	Nominating Committee	Membership Committee		Conference Committee	Communication Committee	
Industry Advocacy	Water and Recycle Water Policy Planning																
	Increase the influence and direction of water policy development and implementation	Managing Director		•		•					•						Ongoing
	Funding for Recycling Projects																
	Advocate for recycling component in State Water Bonds	Managing Director		•		•					•						Until Water Bond is approved
	Update and Expand Scope of Water Recycling Regulations																
	Non-potable regulations	Leg/Reg Committee			•												2015
	Draft groundwater recharge regulations	Managing Director									•						2014
	Surface water augmentation regulations	Managing Director									•						2014-2016
	Draft DPR regulations	Managing Director									•						ongoing
	Update California Water Code and/or Health and Safety Code																
	Revise CWC to define and regulate recycled water as a substance other than "waste"	Leg/Reg Committee			•	•											ongoing
	Support Development of Recycling by Investor-Owned Utilities																
	Seek CPUC policy and statutory changes to enhance IOUs' ability to recover cost for capitol cost of recycling infrastructure in user rates	Managing Director									•						2014-2015
	Integration of CDPH Regulatory Responsibilities in SWRCB Permitting and Regulatory Program																
	Seek development of revenue model to equitably support permitting and regulatory functions, including General Fund contribution	Managing Director									•						2014-2015
Proposed Recycling Permits, Policies and Regulations																	
Continue to engage in proposed polices and regulations	Leg/Reg Committee			•												Ongoing	
Develop and implement an approach to review proposed individual permits	Leg/Reg Committee			•												2015	
Encourage SWRCB guidance to RWQCBs for permit consistency	Leg/Reg Committee			•												2014-2015	
Identify appropriate general permits and promote adoption by SWRCB	Leg/Reg Committee			•												2014-2015	
Find and Support Champions of Recycling																	
In legislature	Managing Director				•					•						ongoing	
In administration	Managing Director				•					•						Ongoing	
Water Recycling Resource	Quantify Water Recycling in California																
	Advocate WRA update and assure quality of data in WRA's database	Managing Director						•	•							2014-2016	
	WaterReuse Association Awareness													•			
	Increase awareness of WR to legislators, regulators, and other key advocacy organizations	Managing Director	•	•		•			•							ongoing	
Acceptance of Recycling																	
Develop and implement a plan to inform and educate stakeholders about benefits and safety of water recycling	Communications Committee			•	•				•							2015	
Membership Value	Continue Adequate Revenue Generation																
	Periodically review and adjust dues supplement consistent with needed revenue	Managing Director		•												annually	
	Enhance Communication with WaterReuse Association and WaterReuse Research Foundation																
	Institutionalize tighter relationship between WRCa and WRA related to federal policy and legislative advocacy, including federal funding	Managing Director	•	•												2014	
	Enhance WaterReuse California Relationship with other Associations																
	Conduct baseline assessment of other Associations' water recycling-related functions	Managing Director		•												2014	
	Collaborate with related Associations for leverage messaging in overlapping space	Managing Director														ongoing	
	Define and achieve desired relationship with other Associations	Managing Director		•												ongoing	
	Establish WaterReuse as the Definitive Source of Water Recycling Information																
	Collaborate with WaterReuse Association to expand information on watereuse.org and links to key sources	Managing Director												•			2014-2015
	Expand and Retain Membership																
	Develop membership incentives and/or other strategies to expand membership in industrial and ag sectors	Membership Committee			•				•	•							2014
	Communication with Membership																
Develop plan to communicate accomplishments and goals receive input from chapters and members	Executive Committee			•				•						•		annually	
Board Officer Succession Planning																	
Expand representation of industry, ag and NGO on Board	Nominating Committee			•												annually	
WRA National Service																	
Develop description of WRA and WRCa's service and Board representation expectations	Board							•		•						2015	
Maintain representation on WRA Board	Board		•													ongoing	
Education and Outreach	Build Awareness of and Acceptance of Water Recycling																
	Implement DPR Communications Plan	Communications Committee			•											2014-2018	
	Augment/expand DPR Communications Plan to address other potable and non-potable recycling	Communications Committee			•											2014-2018	
	Partner with or Communicate Consistent with other Campaigns																
	DWR and CUWCC on water conservation	Communications Committee			•											2104	
ACWA's Save our Water program	Communications Committee			•											2014		

VI. Financial Plan

The objective of the five year financial plan is to maintain consistency with the Business Plan goals previously discussed within this document. Successful implementation of the Financial Plan contained in the 2009 – 2014 Business and Strategic Plan established robust revenue sources and reserves that vastly strengthened WaterReuse California’s ability to achieve its goals. The current Financial Plan includes the following strategies:

- Modulate the California Dues Supplement to support essential advocacy activities and avoid contributing to excess reserves;
- Continue specialty conferences and training programs; recruit and retain membership;
- Optimize the expense/revenue strategy of the annual California conference to assure a fulfilling professional development experience for attendees and meet aggressive net revenue goals through sponsorships and exhibitor sales; and
- Strategically expend available resources to maximize benefits (optimal levels of involvement by the Managing Director and the Legislative/Regulatory Consultant Team) while continuing to fund our reserves in accordance with the Board Policy.

The purpose of the reserves is to make up for shortfalls in projected revenues, and provide a source of funds to respond to regulatory and/or legislative opportunities and challenges. Reserves are maintained by the WaterReuse Association to provide sufficient funding to ensure that the California Section will be able to meet its contractual obligations. WaterReuse California’s Reserve Policy is provided in Appendix B

Based on this reserve policy, the required reserves for the California Section typically vary between \$35,000 and \$70,000.

2014-2018 Financial Plan

REVENUES	2014	2015	2016	2017	2018
National Association CA Dues Allocation	160,000	160,000	163,200	166,500	170,000
California Section Dues - Supplement	45,000	45,000	45,000	45,000	45,000
State Section Membership	2,000	2,000	2,000	2,000	2,000
Annual Conference	225,000	225,000	229,500	234,000	238,700
Miscellaneous - Contributions					
Workshops	20,000	20,000	20,000	20,000	20,000
DPR - WR Foundation	175,800	180,000	180,000	180,000	180,000
TOTAL REVENUES	\$627,800	\$632,000	\$639,700	\$647,500	\$655,700
EXPENDITURES					
Annual Conference	120,000	125,000	130,000	134,000	138,000
CA Section Workshops	4,000	4,000	5,000	5,000	5,000
Managing Director	132,000	132,000	132,000	132,000	132,000
Advocacy					
Legislative	60,000	60,000	60,000	60,000	60,000
Regulatory	20,000	20,000	20,000	20,000	20,000
Misc expenses	2,500	2,500	3,000	3,000	3,000
Trustee Meetings - Misc expenses	3,000	3,000	4,000	4,000	4,000
California Administrative Support	700	700	1,000	1,000	1,000
DPR expenditures for 2013					
Professional fees - Managing Director	155,800	160,000	160,000	160,000	160,000
Professional fees - Regulatory/Legislative	20,000	20,000	20,000	20,000	20,000
TOTAL EXPENDITURES	\$518,000	\$527,200	\$535,000	\$539,000	\$543,000
Net Reserve Contribution	\$109,800	\$104,800	\$104,700	\$108,500	\$112,700
Projected Reserve Balance (as of 12/31/2013)	223,500				
Reserve Balance	\$333,300	\$438,100	\$542,800	\$651,300	\$764,000

VII. Implementation

This strategic and business plan is an essential policy document that will help WaterReuse's Board to accomplish the goals, objectives and financial plan set forth in the previous sections. Implementation of the plan requires the commitment of the WaterReuse's Board, committee chairpersons, local chapters, and our members.

Appendix A: Bylaws

Appendix B: Reserve Policy

WateReuse California Reserve Policy August 2012

Introduction and Background

WateReuse California is a designated Section of the WateReuse Association. WateReuse California previously implemented and managed the financial reserves of the Section in accordance with the Reserve Policy adopted by the WateReuse California Board of Trustees on or about the time of the creation of the National Association and the California Section. At that time there was not an Association reserve policy in place; therefore, it was prudent for the California Section to maintain a financial reserve balance that covered the financial and contractual obligations of the Section.

In July 2012 the Association adopted a new "Association Reserve Policy." In general, the newly adopted policy includes reserve allocations for Working Capital at 20% of the prior year's Board of Directors approved budget and Contractual Obligation Reserves that are required to cancel or terminate outside contractual obligations exceeding \$50,000 per obligation. Additionally, the Association may have reserves designated for: Section, Division, and Chapter Reserves; Special Use Designated Reserves, and Undesignated Reserves.

Based on the adoption of the Association Reserve Policy, commitments of the Section including contractual obligations for our Managing Director and Legislative and Regulatory Advocates and conference contractual commitments are included as part of the Association reserves. Therefore, an amended California Section Reserve Policy is recommended.

California Section Reserve Policy

WateReuse California shall maintain designated financial reserves in the following two categories:

1. **Operating Reserves:** In order to balance income and expenditures on an annual basis WateReuse California shall maintain a reserve balance equal to or greater than ten percent (10%) of the previous year's Board of Trustees approved annual budget. The Operating Reserves are exclusive of any reserve balance included in category 2.
2. **Special Use Designated Reserves:** The Section may fund designated reserves for specific projects or programs. Reserves in this category shall only be used for the designated purpose(s) unless otherwise authorized on a case-by-case basis by two-thirds approval vote of the Board of Trustees.