A singular voice and a platform for water use efficiency and water conservation, bringing a critical perspective to an increasingly thirsty North America.
Message from the CEO

2014 was a fantastic year for the Alliance for Water Efficiency. We were awarded the prestigious 2014 U.S. Water Prize, receiving recognition from our peers that we are doing significant and valuable work. We were invited to testify before the U.S. Senate’s Committee on Energy and Natural Resources on water and energy issues, demonstrating that our opinions on this issue are valued within this important sector of our government. We launched a major initiative on conservation rates and revenue stability – Financing Sustainable Water – publishing a freely accessible handbook and rate model that are state of the art in the utility industry. We broke new ground with a white paper on using market-based instruments to manage revenue risks, examining ways to help utilities and municipalities insure against catastrophic weather events such as long-term droughts. Lastly, we launched an outdoor water use savings research project, aimed at dealing with the largest area of potential future water efficiency savings.

The groundbreaking work we are doing is a source of great pride. Most important to me personally is the satisfaction of working side by side with our very capable staff, who during 2014 provided needed technical assistance on water efficiency programs, developed successful grant applications on critical path projects, built membership, managed our finances, and kept the office running smoothly. Our staff members are the strength and backbone of the organization, and I am exceedingly proud of their extraordinary accomplishments and their deep commitment to our mission.

2014 was a very good year indeed. From all indications, 2015 will be even better.

Mary Ann Dickinson, President and CEO
Summary of 2014

Since 2007, the Alliance for Water Efficiency (AWE) has been a driving force for sustainable water use throughout North America; 2014 saw tremendous progress on this mission. This year, AWE:

• Received the 2014 U.S. Water Prize from the U.S. Water Alliance. The award “honors individuals and organizations that have made outstanding achievements … in protecting and improving the health and wealth of water and watersheds throughout America.”

• Expanded its Financing Sustainable Water (FSW) initiative to provide utilities with the tools to implement a rate structure that is both resource-efficient and fiscally sustainable.

• Published papers on drought planning and managing weather-related risks.

• Testified before the U.S. Senate’s Committee on Energy and Natural Resources.

• Expanded initiatives related to outdoor water use.

• Continued its essential work on obtaining water efficiency in codes and standards.

• Recognized World Water Day by creating an infographic that notes that in the 20 years since its passage and implementation of efficient plumbing standards, the U.S. Energy Policy Act has saved 18.2 trillion gallons of water from toilets alone — enough to provide water to the cities of Los Angeles, Chicago, and New York combined for 20 years.

• Began work on updating its Water Conservation Tracking Tool.

• Saw a one-year 180% increase in the use of its Home Water Works website.

• Broadened its public outreach through the expansion of its Never Waste consumer education campaign, creating two new advertisements, adding a logo, and providing more resources and customization options.

• Conducted 11 webinars and participated in over 40 professional workshops.
Working to Solve Major Efficiency Challenges

Financing Sustainable Water

AWE launched the Financing Sustainable Water initiative, which was initially funded in 2013 to provide utilities information about practical rate structures. The resources and tools created in during 2014 are now housed on a special website www.financingsustainablewater.org which is being widely accessed by utility water and finance managers.

The tools created by AWE were designed to help water providers encourage water conservation while generating the revenue needed to deliver quality service and meet financial obligations. The site has resources for water and finance managers, elected officials, and concerned citizens.

AWE Water Rates Handbook

As part of the Financing Sustainable Water initiative, AWE released in 2014 a comprehensive rates handbook, entitled Building Better Water Rates for an Uncertain World: Balancing Revenue Management, Resource Efficiency and Fiscal Sustainability. This handbook provides practical information to guide utilities from development through implementation of rate structures that balance revenue management, resource efficiency and fiscal sustainability. It provides helpful guidance not just for finance managers and rate analysts, but for all the individuals who may be involved in rate setting, including resource managers, utility leadership, customer service managers, elected officials, and community advocates. The handbook provides the latest thinking, guidance and real world examples on ratemaking, implementing an efficiency-oriented rate structure, public engagement and communications, and financial policies and planning.
AWE Market Strategies White Paper

In July, AWE released a white paper entitled Sustainable Utilities: Financial Instruments to Manage Weather-Related Revenue Risk to provide utilities with strategies for decreasing weather-related risks related to revenues and costs. It examines types of market-based instruments available to municipalities, the components of a pricing structure, examples of how municipalities have used similar products in the past, and sample contracts. The white paper is housed on the www.financiasustainablewater.org website.

Drought Planning

In January, AWE released a white paper entitled Considerations for Drought Planning in a Changing World. It is available for download on the AWE Drought Introduction web page. Partially funded by the San Antonio Water System, the paper addresses drought preparation in the context of climate change and weather uncertainty by describing common short- and long-term demand reduction strategies, reviewing the concept of demand hardening, providing strategic information about Australia’s Millennium Drought, and identifying other emerging and proactive drought strategies.

AWE Sales Forecasting and Rate Model

Also as part of the Financing Sustainable Water initiative, AWE launched the “AWE Sales Forecasting and Rate Model,” a new and innovative analytical tool that can explicitly model the effects of rate structures given changes in price, weather, the economy, or supply shortages. The model accounts for important factors such as customer consumption variability due to weather drought/shortage/external shock, sales and demand forecasting, drought pricing, simulation of revenue risks through probability management principles, and fiscal sustainability over a five-year time horizon.
Outdoor Water Use Initiative

In its 2014-2016 Strategic Plan, AWE identified outdoor water use as the new frontier for achieving major water efficiency savings. In order to assess what programs and products will work most effectively and most cost-efficiently, AWE launched an examination of available research conducted to date. Following the conclusion of this project in 2015, AWE will design a new comprehensive outdoor savings research initiative to document clearly what programs remain unproven and which strategies need further research to document cost effective savings. By analyzing various lot sizes, irrigation methods, vegetation, and weather patterns, communities will have much-needed data to develop and implement effective conservation strategies.

Supporting Effective Public Policy

**AWE Testifies Before the U.S. Senate Committee on Energy and Natural Resources**

On June 25, AWE President and CEO Mary Ann Dickinson testified before the U.S. Senate Committee on Energy and Natural Resources regarding S.1971, the “Nexus of Energy and Water for Sustainability Act of 2014.” Other expert voices included the Department of Energy, Department of the Interior, Congressional Research Service, and The Electric Power Research Institute, Inc.

In addition to discussing AWE’s work on the water-energy nexus, AWE stressed that passing S.1971 will be an important first step in promoting better joint management of water and energy at the federal level, especially for obtaining essential baseline data on the quantity of water embedded in the generation of electricity and the amount of energy embedded in pumping and treating drinking water and waste water.
**Tracking Legislation**

Throughout 2014, AWE followed proposed legislation in Congress concerning water efficiency and provided information to its membership through its Legislative Watch web page. A total of 15 Congressional bills and 19 Senate bills were researched and posted online. Support letters were submitted for ten different water-related bills before Congress. On September 2, AWE submitted a letter opposing the provisions of H.R. 4923, the FY 2015 Energy and Water Appropriations Bill, which sought to prohibit any federal spending for efficient toilet replacement programs. Forty-one other signatory organizations joined AWE in opposing the legislation and providing the U.S. Senate the information it needed to assess the value of investments in water efficiency. In the end, the Senate did not pass the provision of concern.

**Colorado WaterSense Bill**

On April 7, with AWE’s support, the Colorado legislature approved a bill phasing in the sale of WaterSense-labeled water fixtures. With its passage, Colorado ensured that only high-efficiency, performance-tested fixtures will be sold in the state. They now join Georgia, Washington, Texas and California — the four states in the US that have plumbing standards stricter than the 1992 Federal Energy Policy Act.

**Standards, Codes and Specifications**

Throughout 2014, AWE remained actively involved in several processes relating to specifications, standards, and codes in the U.S, thus ensuring that water efficiency and conservation are represented in the discussions. AWE representatives sat on a number of committees, project teams, and code bodies, including ASME, IAPMO UPC & GTC, ICC IgCC, ASHRAE 189 and 191, ANSI, ASABE and Green Globes/GBI. In addition, in its role as a promotional partner of WaterSense, AWE commented on a number of Notices of Intent, including one to “Develop a Draft Specification for Flushometer-Valve Toilets” and one to “Develop a Draft Specification for Landscape Irrigation Sprinklers.”
World Water Day Infographic

For its annual recognition of World Water Day, AWE created an infographic recognizing the 20th anniversary of the passage and the implementation of the U.S. Energy Policy Act, which mandated more efficient plumbing fixtures. AWE estimated that the act’s conservation effects from just toilets alone has saved 18.2 trillion gallons of water in the U.S.—enough water to supply the cities of Los Angeles, Chicago and New York for 20 years.

Providing Expertise and Education

Water Conservation Tracking Tool

In 2014, AWE continued to distribute its user-friendly Water Conservation Tracking Tool and added 30 new users to the continually growing list which now includes over 350 registered users. This important resource helps AWE members evaluate the water savings, costs, and benefits of water conservation programs, as well as estimate the impacts to utility revenues from the implementation of these programs. AWE continues to promote the Tracking Tool and provide technical assistance to help members optimize its use. In late 2014, AWE began work on an update of the Tracking Tool that is scheduled for release in 2015.

Webinars

AWE conducted 11 webinars in 2014 on a wide variety of topics, reaching over 1,100 people between live participation and online viewing. The Exemplary Programs Series, conducted on April 16 and May 6, highlighted innovative outdoor water conservation programs in San Antonio, Texas and the internationally recognized commercial and industrial programs of City West Water in Melbourne, Australia, which implemented creative business efficiency programs to combat the continent’s 10-year drought. In November, the Alliance presented its Innovations in Efficiency Showcase, which explored how behavioral science is being applied to education to instill efficiency-conscious practices in the next generation of water users.
Creating a Smarter, More Engaged, and More Responsible Water Customer

Home Water Works Water Use Calculator

In only one year, from 2013 to 2014, the average monthly visitors to www.home-water-works.org increased from 6,830 people to 19,112, a year-over-year increase of 180%. The Calculator helps homeowners and renters estimate their home water consumption and learn about ways to reduce it.

In late 2014, AWE began offering customization options for water utility members, enabling them to share this powerful tool with their customers. Options for customization include agency logo and web links, evapo-transpiration and energy data for specific zip codes, customized conservation tips, email notification, and analytics. By the close of 2014, two utilities had already signed up for customized calculators.

Never Waste Campaign

In the second year of AWE’s Never Waste campaign, 54 communities and businesses across 18 states participated in engaging citizens and customers to spread important water conservation messages. AWE introduced greater flexibility for bottle customization, as well as a Never Waste logo and guidelines for use. To effectively promote the campaign, AWE also developed two new advertising images.

Workshops

AWE participated in over 40 workshops in 2014, presenting on a range of topics including drought management, water loss control, and rates. Held throughout North America, these workshops provided opportunities to share AWE resources, such as the tracking tool, state scorecard, and rates handbook.
Awards

AWE had its significant work acknowledged when it was named a recipient of the 2014 U.S. Water Prize. According to the U.S. Water Alliance, this prestigious award “honors individuals and organizations that have made outstanding achievements… in protecting and improving the health and wealth of water and watersheds throughout America.” AWE is proud of this recognition, and looks to build on 2014’s accomplishments to continue informing, researching and advocating sustainable water efficiency options.

Technical Assistance Inquiries

In 2014, AWE staff fielded 90 technical assistance requests, from straightforward simple queries to highly complex research questions, and provided helpful information to its members. This service remains a core function of AWE, and an important benefit and connection to the membership.

Social Media and Web Presence

AWE expanded its social media campaign in 2014: Twitter traffic increased by 57%; visits to AWE’s Facebook page jumped by 33%; monthly visits to www.allianceforwaterefficiency.org increased by 260%; and visitors to www.home-water-works.org climbed 180%, with 14,000 additional people using the Water Use Calculator throughout the year (an 84% increase over 2013).
Advisory Committee Activity

The three advisory committees provide AWE members with the opportunity to engage with a diverse group of water efficiency stakeholders. All three committees met in-person in early October in Las Vegas prior to the Water Smart Innovation Conference, and via conference calls during the rest of the year.

The Education and Outreach Committee – 51 members from 47 member organizations met six times in 2014 in support of AWE’s programming. The committee developed the Alliance’s annual webinar schedule, identifying high-value topics and speakers for AWE membership; worked with staff to develop and roll out two new images for the Never Waste campaign; and continued to provide valuable input to inform the development of Financing Sustainable Water resources.

The Water Efficiency Research Committee – 45 members from 39 member organizations met six times to identify research needs and serve as a conduit for updates on current research projects.

The WaterSense and Water-Efficient Products Committee – 59 members from 41 member organizations met nine times to address various code, standards, and legislative proposals, including the California Energy Commission (CEC) docket, Department of Energy (DOE) proposed rulemaking, and proposed federal legislation. Committee advocacy efforts focused on drafting comments to WaterSense, DOE, and the CEC.

Annual Member Meeting & Reception

Bruce Rhodes, Manager of Water Resource Management at Melbourne Water, delivered the annual address at the 2014 annual member meeting and reception held in early October in Las Vegas. Bruce played a central role in the management of Melbourne’s “Millennium drought” that affected southern and eastern Australia from 1997 to 2009. His talk, “Lessons Learned from Australia: What Happens when the Drought Is Over?” captured what he learned from that experience.
The AWE Board of Directors

AWE continued its commitment to having a diversified and experienced Board of Directors. Pete DeMarco of The IAPMO Group and Zane Marshall of the Southern Nevada Water Authority joined the board during 2014.

The Board held four meetings in 2014, two in person and two by teleconference. Board meetings took place on March 27 in Chicago, June 5 by teleconference, September 11 in Chicago, and December 11 by teleconference.

Water Star Award

On October 9, at the WaterSmart Innovations Conference in Las Vegas, AWE presented Amy Vickers with its annual Water Star Award, an award intended to recognize individual excellence in water efficiency. Vickers was honored for over 25 years of achievements in the water efficiency field. She is a nationally recognized water conservation and efficiency expert, engineer, and author of the award-winning *Handbook of Water Use and Conservation*. She is also recognized as having spearheaded the inclusion of plumbing standards in the 1992 U.S. Energy Policy Act, which has saved the nation trillions of gallons of water over the past twenty years. A prolific author, Vickers has written over 75 professional papers, articles, op-eds, and essays.

Strategic Plan

AWE issued its fourth Strategic Plan covering 2014 to 2016, designed to guide the organization in meeting a collective vision and mission for three years. To ensure relevance, the Alliance sought extensive input from members across sectors of the water conservation community and carefully incorporated their views into the Plan. Outdoor Water Use was identified in the Strategic Plan as an important focus area for AWE. The Guiding Principles, first adopted by the Board in 2007, remain relevant today as AWE moves into new frontiers of water efficiency.
Contributors

The AWE Board of Directors, staff, and membership would like to give special thanks to those individuals, organizations, and foundations who, separate from membership, contributed additional financial resources to AWE in 2014. Without these contributions, we would not have been able to meet our financial goals and continue our mission of promoting the efficient and sustainable use of water.

Sincere thanks to all.

Dawn Benson
Mary Ann Dickinson
Elizabeth Gardener
Leigh Ing
Parkson Lam
Laura Neelley
Judith Ranton
John Sutton
Rob Zimmerman
A&N Technical Services, Inc.
Aquacraft Inc.
Austin Water Utility
California Urban Water Agencies
Cavanaugh & Associates, P.A.
Ceres
CH2M Hill, Inc.
Ewing Irrigation
Int’l Assoc. of Plumbing & Mechanical Officials
The Kresge Foundation
Lower Colorado River Authority
Maddaus Water Management
MeterHero
The Peter Jay Sharp Foundation
Plumbing Manufacturers International
Portland Water Bureau
Radian Technical Marketing
The Scherman Foundation
Texas Water Foundation
Turner Foundation, Inc.
Walton Family Foundation
Water Demand Management
Water Systems Optimization, Inc.
Wheelhouse Clothing Co.
Whirlpool Corporation
## Statements of Financial Position

**December 31, 2014 and 2013**

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<th>2014</th>
<th>2013</th>
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<td><strong>ASSETS</strong></td>
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<td>Furniture and equipment (Note D)</td>
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<td><strong>Total Assets</strong></td>
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<td><strong>Total Liabilities and Net Assets</strong></td>
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<td>$815,753</td>
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</tbody>
</table>
2014 Revenue

- **Grants & Contributions**: $358,499
- **Membership Dues**: $620,550
- **Special Projects**: $218,361
- **Donated Services**: $5,922
- **Other**: $17,250
- **Investment Income**: $803

2014 Expenses

- **Program Services**: $1,172,085
- **General & Administrative**: $114,301
- **Fundraising & Membership Development**: $25,080