

California Urban Water Conservation Council

Frequently Asked Questions

December 12, 2016

WHAT'S HAPPENING?

Is the California Urban Water Conservation Council dissolving?

No. The California Urban Water Conservation Council is poised to undergo an organizational transformation. Board members have agreed to a process that will allow the Council as we know it to sunset so that a refocused and restructured organization can emerge January 1, 2017.

The organizational changes include some changes in membership. Five of the six Group 2 (public advocacy organizations) Board members do not support the direction of the refocused and restructured organization at this time, and since the organization is fundamentally changing from the consensus-based organization that served the mutual interests of all its members to one more focused on serving utility member, all but one of them will be resigning from the Board and leaving the organization on December 31, 2016.

The Group 1 (water utility) Board members hope that the refocused and restructured organization demonstrates its success in advancing water conservation and efficiency in California and, in so doing, will attract new members from utilities, NGOs, businesses and research organizations. This includes attracting past members, such as the current Group 2 Board members and other Group 2 MOU signatories who may be leaving the organization, to return to the organization. The input and participation of all NGOs will always be welcome.

Group 2 believes strongly that the refocused and restructured organization will not be the Council as it has come to be known over the last 25 years. Hence, even if it is legally going to be the same non-profit corporation after Bylaws amendments are adopted, it needs a new name to reflect the new organizational structure and focus. The Group 1 Board members agreed.

What activities would the refocused and restructured organization undertake?

The refocused and restructured organization is envisioned to help achieve efficiency gains by helping its members meet legislative and regulatory requirements, as well as municipal or utility-adopted water use goals; fostering research and evaluation; serving as an information clearinghouse; providing tools, training and professional networking opportunities; advancing modern data analytics; serving as a technical expert to members and local, state and federal agencies; transforming markets for water use efficiency-related products and services; sharing successes and building partnerships to improve water efficiency and produce additional benefits for water system and ecosystem resilience.

Why have Board members recommended that Council members change the Council's focus and structure?

Since the Council's founding 25 years ago, social, economic, environmental, regulatory and political conditions have changed substantially. For example, California passed the Water Conservation Act of 2009 mandating a 20 percent reduction in statewide urban per capita water use by 2020. Most recently, California's historic drought prompted new state water conservation mandates (Executive Order B-37-16) and reporting requirements. At the same time, the Sacramento-San Joaquin Delta, a critical hub for California's water supply, remains imperiled as native fish species continue to decline while the state's population growth and climate change places increasing pressure on limited water

supplies.

Against this background, in November 2014, the Council began a strategic planning process to determine its future direction. For the past two years, Council Board, Council members, and other stakeholders have provided substantial input and perspectives on the best way for the Council and its members to move forward.

Members of Groups 1 (utility members) and 2 (public advocacy organizations) were unable to reach agreement on the direction of the Council. In particular, the groups were unable to agree on the governance structure and the role of reporting to evaluate the Council's progress in assisting its members' efforts to advance water conservation and efficiency. Rather than dissolve the organization, Board members agreed to a process that will allow the Council as we know it to sunset so that a refocused and restructured organization can emerge January 1, 2017.

The organizational changes include some changes in membership. Five of the six Group 2 (public advocacy organizations) Board members do not support the direction of the refocused and restructured organization at this time, and since the organization is fundamentally changing from the consensus-based organization that served the mutual interests of all its members to one more focused on serving utility member, all but one of them will be resigning from the Board and leaving the organization on December 31, 2016.

The Group 1 (water utility) Board members hope that the refocused and restructured organization demonstrates its success in advancing water conservation and efficiency in California and, in so doing, will attract new members from utilities, NGOs, businesses and research organizations. This includes attracting past members, such as the current Group 2 Board members and other Group 2 MOU signatories who may be leaving the organization, to return to the organization. The input and participation of all NGOs will always be welcome.

Group 2 believes strongly that the refocused and restructured organization will not be the Council as it has come to be known over the last 25 years. Hence, even if it is legally going to be the same non-profit corporation after Bylaws amendments are adopted, it needs a new name to reflect the new organizational structure and focus. The Group 1 Board members agreed.

What kind of member input and engagement was part of the strategic planning process?

In November 2014, the Council began a strategic planning process to determine its future direction. For the past two years, Council Board, Council members, and other stakeholders have provided substantial input on the best way for the Council and its members to move forward. Along the way, Council members were briefed, and their input sought, at multiple plenaries and regional meetings.

THE ORGANIZATIONAL CHANGES

What are the proposed changes?

The proposed changes are designed to implement seven key principles:

1. A new name (to be determined) to reflect the organization's new approaches toward conservation and efficiency;
2. A change of the Council's principal purpose from MOU implementation (and by extension BMP adoption) to other activities that promote conservation and efficiency;
3. The elimination of separate member groups (i.e., Groups 1, 2 and 3) so that all members in good standing will be entitled to serve on the Board and vote on matters submitted to Council

members;

4. The inclusion of one-member, one-vote and simple majority decision-making at both the Board and member levels;
5. A requirement that members be “in good standing” (i.e., have paid appropriate dues) before they are eligible to vote or enjoy other privileges and benefits;
6. The creation of a Transition Board and officers; and
7. A transition period for the Transition Board to receive member input and propose additional necessary or desirable Bylaws amendments to further revitalize the organization.

Attachments in the ballot package sent to members and posted [here](#) detail the specific Bylaws that would be changed to implement those seven principles.

The organizational changes include some changes in membership. Five of the six Group 2 (public advocacy organizations) Board members do not support the direction of the refocused and restructured organization at this time, and since the organization is fundamentally changing from the consensus-based organization that served the mutual interests of all its members to one more focused on serving utility members, all but one of them will be resigning from the Board and leaving the organization on December 31, 2016.

The Group 1 (water utility) Board members hope that the refocused and restructured organization demonstrates its success in advancing water conservation and efficiency in California and, in so doing, will attract new members from utilities, NGOs, businesses and research organizations. This includes attracting past members, such as the current Group 2 Board members and other Group 2 MOU signatories who may be leaving the organization, to return to the organization. The input and participation of all NGOs will always be welcome.

Will a refocused and restructured organization remain a nonprofit corporation?

Yes. It will remain the same 501(c)(3) public benefit corporation it is now.

When will the proposed changes become effective?

If members approve the Board’s recommendations, the transition period would begin January 1, 2017.

Who will govern the organization during the transition period?

To encourage continuity and maintain momentum, eleven current Board members will remain in office during the transition period. To add new perspectives and experience, five current non-voting Group 3 advisors will become voting Transition Board members and the Transition Board will fill five vacant seats by appointment of new Board members. Details about the Transition Board can be found in Attachment 6 to the ballot package distributed to members and posted [here](#).

The organizational changes include some changes in membership. Five of the six Group 2 (public advocacy organizations) Board members do not support the direction of the refocused and restructured organization at this time, and since the organization is fundamentally changing from the consensus-based organization that served the mutual interests of all its members to one more focused on serving utility members, all but one of them will be resigning from the Board and leaving the organization on December 31, 2016.

The Group 1 (water utility) Board members hope that the refocused and restructured organization demonstrates its success in advancing water conservation and efficiency in California and, in so doing, will attract new members from utilities, NGOs, businesses and research organizations. This includes attracting past members, such as the current Group 2 Board members and other Group 2 MOU signatories who may be leaving the organization, to return to the organization. The input and participation of all NGOs will always be welcome.

If the proposed Bylaws changes are adopted, in January 2017, the Transition Board will designate or appoint new Directors to fill vacant seats.

How will staff transition to the refocused and restructured organization?

The proposed organizational changes allow Council staff to remain working seamlessly on Council programs, projects and committee activities.

How long is the transition period?

The transition period is one year. Key milestones are as follows:

1. Using the current Council voting rules, members vote to approve the transition package by written ballot. The vote needs to be completed by December 31, 2016;
2. During the voting period, there will be both a webinar on December 6 and a plenary on December 13 where members can learn more about the Board's proposal. Members can submit their ballots at the plenary if they wish, but votes will be accepted by Council staff at any time during the 30-day voting period;
3. Assuming that members approve the transition package, the transition period begins on January 1, 2017;
4. During 2017 Quarter 1, the Transition Board will conduct a search for a new Executive Director.
5. During 2017 Quarter 1, the Transition Board, working with a new Executive Director once hired, and the Interim Executive Director in the meantime, should get initial member input on additional needed or desired organizational changes;
6. During 2017 Quarter 2, after considering member feedback, the Transition Board, working with a new Executive Director once hired, and the Interim Executive Director in the meantime, should continue its organizational development work by proposing additional needed or desired Bylaws changes for member review by June 2017;
7. During 2017 Quarter 3, the Transition Board, working with a new Executive Director, should take member input and propose any needed revisions so that members can adopt a full set of "permanent" Bylaws by September 2017;
8. During 2017 Quarter 4, members should nominate post-Transition Board members (and officers, if necessary) using either the provisions in Section 7.02 of the proposed Bylaws, or whatever procedures were adopted in the Quarter 3 Bylaws amendments; elections should be held no later than December 2017; and
9. Any new Bylaws adopted during 2017 Quarter 3 would take effect on January 1, 2018. Any Board members elected in December 2017 would take office on January 1, 2018.

What role will the Council's committees have during the transition?

There will be no direct impact on the Council's committees; they can keep working as they are. As part of the 2017 transition, members will have the opportunity to reflect on the current committee structure and activities. Any changes that members propose be discussed and considered by the full membership.

Why do the proposed Bylaws changes eliminate separate member groups and voting by group?

The Council was established with two groups of voting members (Group 1 Urban Water Suppliers and Group 2 Public Advocacy Organizations). In addition, the Council designated two additional groups of non-voting members (Group 3 Special Advisors to the Board such as water industry interests and Group 4 Ex-Officio members to include state and federal agencies). Group 1 and Group 2 each have one vote and the power to block the other group's vote. During the strategic planning process, some utility members expressed the belief that this voting structure led to dysfunction and stymied positive changes for the organization and advancements in water use efficiency. The nonprofit members disagreed. Disagreement over this governance structure was one of the reasons that the Council Board reached impasse over the organization's strategic direction. As part of the Board's overall agreement to overcome that impasse and avoid the Council's dissolution, the nonprofit members agreed to support the governance changes sought by the utility members, but will be leaving the Council.

The proposal before members will entitle all members in good standing to vote regardless of their interest or affiliation, each member to have one vote, with decision making based upon a simple majority of a quorum of members actually voting.

Will regional representation still be incorporated into voting structure?

In 2017, regional representation is fully incorporated into the voting structure by the provisions creating the Transition Board. All of the current Group 1 Board members would continue to serve on the Transition Board. That means that each of the three regions in the state will continue to be served by the same regional representatives currently in office.

Additional regional representatives may be appointed by the Transition Board in mid-January to fill vacant seats. For example, one of the current non-voting Group 3 Special Advisors to the Board that is expected to be named a full voting Board member is the Regional Water Authority. Regional diversity is one of the factors Transition Board members can consider as they fill additional Transition Board seats.

During 2017, Council members will have an opportunity to revisit regional representation as part of the additional Bylaws changes that the Transition Board will consider. In particular, members will have a complete opportunity to rethink the kind of Board they wish to have in a post-MOU Council.

Members who want to ensure some continuation of formal regional representation should work with the Transition Board to include such provisions as they are rethinking the Board.

If in 2017 Council members make no changes to the transitional Bylaws, then the Annual Election process outlined in those Bylaws does not require regional representation. Under those rules, any member can run for any Board position.

What are the financial implications of the reorganization? Why did the Board agree to a financial arrangement to divide the Council's net cash assets among Group 1 and Group 2 members?

Council Board members reached an agreement regarding the Council's assets that will both help the organization remain financially viable during 2017 and will ensure that interests of the Group 2 members are met. A proposed financial settlement is an integral part of an agreement to amend the current organizational Bylaws. The Board agreed to a financial arrangement involving a portion of Council assets. This arrangement was necessary to overcome impasse and allow the organization to refocus and restructure itself. It avoids the complete disposition of Council assets that would have to occur were the Council to dissolve voluntarily or involuntarily. The arrangement recognizes the reality that if the Board and Council members remained at impasse over the Council's direction, under the Council's articles of incorporation, all of the Council's unrestricted net assets would be distributed to nonprofits engaged in environmental conservancy.

Complete details of this settlement are available in Attachment 6 to the ballot packet sent to members, which can be found [here](#).

Is this a straight up and down vote on the whole package? If so, why?

Yes, this is a single up-or-down vote on the entire package. All of the pieces are intertwined and are the result of two years of effort. Members who seek organizational changes beyond those laid out in the proposed Bylaws amendments can seek those changes in 2017.

Why weren't members allowed to vote separately on whether there should be a voluntary dissolution?

The Board as a whole thought it would be better to keep the current Council staff, programs and committees going rather than creating an entirely new organization.

What happens if members vote not to approve proposed Bylaws changes?

The Council would stay as it is now. The Board would need to restart the process to determine the Council's future direction.

If members do not approve the proposed Bylaws changes, could they then decide to voluntarily or involuntarily dissolve the organization instead? What do each of those options entail?

If members do not approve the proposed Bylaws changes, the Council will stay as it is now, and the Board will be tasked with continuing the process to determine the Council's future direction. This could include deciding to voluntarily or involuntarily dissolve the organization. Board members discussed two options over the last six months. You can find a detailed explanation in the "Restructuring Options" memo contained in the materials from the September 14 Board meeting, located [here](#).

When and how was the ballot package distributed?

The ballot package was both mailed and e-mailed to primary contacts on November 30, 2016. It is also posted on the Council web site [here](#).

NEW ORGANIZATIONAL NAME

Why does the name need to change?

Group 2 believes strongly that the refocused and restructured organization will not be the Council as it has come to be known over the last 25 years. Hence, even if it is legally going to be the same non-profit corporation after Bylaws amendments are adopted, it needs a new name to reflect the new organizational structure and focus. The Group 1 Board members agreed.

Why is the word "Council" not to be used in the new name?

Maintaining the word “Council” in the name might encourage confusion between the current CUWCC and the refocused, restructured organization.

Who will decide on the new name and when?

At the December 6, 2016, webinar, the Council Chair announced a process by which member input into the new name will be sought. Members can submit suggestions directly to Council staff. In addition, there will be time during the December 13, 2016 Plenary, for members to brainstorm suggestions. There are only two agreed-upon limitations to any suggested new name. First, the new name cannot have “Council” in it. Second, its initials cannot be “CUWCC.” Other than that, members are encouraged to be creative in their suggestions. The Council Board will winnow down the suggestions and propose one or more names for membership consideration early in 2017. The Board wishes to have the new name settled upon as early in the first quarter of 2017 as possible.

IMPACTS ON MEMBERS

What will member obligations be under the refocused and restructured organization?

In a refocused, restructured Council, members would be asked to provide financial and in-kind support, allow staff to participate in Council activities, share results of their programs and studies and voluntarily provide data to help the Council research and evaluate potential efficiency gains and other benefits.

What will member benefits be under the refocused and restructured organization?

The refocused, restructured organization intends to continue the collaboration among utilities, nonprofits, businesses, and others, that is a Council foundation. The organization will help achieve efficiency gains, and related benefits, by helping its members meet legislative and regulatory requirements, as well as municipal or utility-adopted water use goals; fostering research and evaluation; serving as an information clearinghouse; providing tools, training and professional networking opportunities; advancing modern data analytics; serving as a technical expert to members and local, state and federal agencies; transforming markets for water use efficiency-related products and services; sharing successes and building partnerships to improve water efficiency and produce additional benefits for water system and ecosystem resilience.

Do all Board members support the organizational changes?

Groups 1 and 2 were unable to reach agreement on the direction of the Council. In particular, the groups were unable to agree on the governance structure and the role of reporting to evaluate the Council’s progress in assisting its members’ efforts to advance water conservation and efficiency. Rather than dissolving the organization, Board members agreed to a process that will allow the Council as we know it to sunset so that a refocused and restructured organization can emerge January 1, 2017.

The organizational changes include some changes in membership. Five of the six Group 2 (public advocacy organizations) Board members do not support the direction of the refocused and restructured organization at this time, and since the organization is fundamentally changing from the consensus-based organization that served the mutual interests of all its members to one more focused on serving utility members, all but one of them will be resigning from the Board and leaving the organization on December 31, 2016. Other Group 2 members are likely to leave as well, although several in the sustainable landscaping arena have expressed their intent to stay.

The Group 1 (water utility) Board members hope that the refocused and restructured organization demonstrates its success in advancing water conservation and efficiency in California and, in so doing, will attract new members from utilities, NGOs, businesses and research organizations. This includes attracting past members, such as the current Group 2 Board members and other Group 2 MOU signatories who may be leaving the organization, to return to the organization. The input and participation of all NGOs will always be welcome.

What did Group 2 Board members prefer for the Council's overall direction instead of the proposed transition plan?

The Group 2 Board members differed with the Group 1 Board members in two principal areas: 1) what it should mean to be a Council member; and 2) how the Council should be governed.

As to membership, the Group 2 Board members wanted Council membership to mean more than just a commitment to paying dues. In particular, they were looking for utility members to agree to participate in benchmarking and periodic surveys to provide reliable, non-duplicative data about what programs, practices, approaches and other activities utilities were actually doing. They were also looking for utilities to agree to make some kind of progress using the information about other agencies' practices; they did not want the descriptions of different programs, practices, approaches and other activities to just be tools; rather, they wanted Council members to agree to use the tools in some fashion.

As to Council governance, Group 2 members were willing to talk about changes in governance. They were not convinced, however, that the "equal voice" (consensus) voting between Groups 1 and 2 was the impediment to Council progress that the utilities did.

Who will be leaving the Council due to these organizational changes?

Five of the six Group 2 Board members do not support the direction of the refocused and restructured organization at this time, and all but one of them will be resigning from the Board and leaving the organization on December 31, 2016. (Several other Group 2 members who do not currently serve on the Board plan to remain active Council members after the transition begins.) The utility members hope that the refocused and restructured organization demonstrates its success in advancing water conservation and efficiency in California and, in so doing, will attract new members from utilities, NGOs, businesses and research organizations. This includes attracting past members, such as the current Group 2 Board members and other Group 2 MOU signatories who may be leaving the organization, to return to the organization. The input and participation of all NGOs will always be welcome.

Is the refocused and restructured Council going to only have utilities and industry representatives as members?

While all but one of the Group 2 Board members will be resigning from the Board on December 31, 2016, and others had previously resigned from the Board or declined to participate in the new organization, the refocused and restructured organization will likely retain several Group 2 members whose focus is on sustainable landscaping. Ultimately, the utility members hope that the organization demonstrates its success in advancing water conservation and efficiency in California and, in so doing, will attract new members from utilities, NGOs, businesses, universities, and research organizations. This includes attracting past members, such as the current Group 2 Board members and other Group 2 MOU signatories who may be leaving the organization, to return to the organization.

Won't the utilities always have a majority in any voting since they will be the majority of members?

The refocused and restructured organization will continue to be consensus-seeking. Given the type of activities that it will be undertaking (e.g., research, training, clearinghouse), a divisive vote should be rare. In addition, there are many differences among utility members, so block votes by utilities aren't always to be expected. In the recent past, the only contentious votes among Council Board members have been on matters of policy and BMP development. The latter is ending. As for the former, the Council is not going to be involved in policy development other than as a neutral, technical expert.

Will my dues change in 2017?

Dues will remain the same in 2017. The Transition Board will review and recommend 2018 dues based on the needs of the refocused and restructured organization.

Why should my utility continue to pay dues to the CUWCC?

The refocused and restructured organization is envisioned to help achieve efficiency gains for your utility by helping you meet legislative and regulatory requirements, as well as your own municipal or utility-adopted water use goals, all while continuing the spirit of effective collaboration that is a Council foundation. Dues-paying members will have the opportunity to shape the organization to realize that vision. The Council will deliver value to your utility through by the suite of activities, programs and projects that are the foundation of the Council's post-MOU focus. These include: fostering research and evaluation; serving as an information clearinghouse; providing tools, training and professional networking opportunities; advancing modern data analytics; serving as a technical expert to members and local, state and federal agencies; transforming markets for water use efficiency-related products and services; sharing successes and building partnerships to improve water efficiency and produce additional benefits for water system and ecosystem resilience.

BMPs

Do the proposed Bylaws changes eliminate setting/reporting best management practices (BMPs)?

The proposed Bylaws amendments change the Council's principal purpose from MOU implementation (and by extension BMP adoption) to other activities that promote conservation and efficiency. The Council will no longer be developing new BMPs or amending existing ones. The existing BMPs are the Council's legacy to utilities that are just starting water conservation and efficiency programs, or that need to ramp programs up quickly. Members are free to implement BMPs as they see fit; Council membership, however, will have no expectation of BMP implementation or BMP reporting.

Can I still report BMPs to the refocused and restructured organization to fulfill local, state or federal reporting requirements?

Yes, the BMP reporting database will continue to remain available for those utilities that find value in Council BMP reporting or that are required to do so by wholesalers or other entities.

What happens to BMP reporting if members vote not to approve proposed Bylaws changes?

The Council will stay as it is now, and BMP reporting will continue to be required as provided in the MOU.

How will I fill out my Urban Water Management Plans if the Council is no longer expecting members to submit BMP reports?

Under current law, you are not required to submit an updated UWMP before 2020. Legislative and regulatory requirements that occur between now and then may well impact what you have to include.

In the meantime, if you anticipate no changes in UWMP requirements, and if you find it easier to use the BMP reporting database than to fill out the comparable portions of the Urban Water Management plans, you will have the opportunity to continue to use that reporting database. In addition, legislative changes that became effective in 2015 made it simpler to fill out the relevant portions of the UWMPs, so you should consider using that option as well.

OTHER

What is the status of the “proof of concept” proposal that the Council Board presented to members at the April 2016 plenary and at several regional meetings?

The “proof of concept” presentations outlined a post-BMP approach, a “progression,” to help utilities make progress towards greater water use efficiency. The concept is to develop an overall framework to show utilities a progression or a path from BMPs (where they exist) towards “leading practices.” The framework would include efficiency “measures” and performance “metrics” to help water suppliers evaluate their progress in advancing water use efficiency for their service area, and inspire them to greater progress. The Council Board’s utility members, and several of its nonprofit members, continue to support the development of such an approach to gauge its usefulness. The Transition Board will discuss ways to further develop this approach. One option being discussed is to structure the planned 2017 research reports (what have been called “pBMP reports”) using this approach. A memo on the proposal given at the April 2016 plenary can be found [here](#).

How might the refocused and restructured organization differ from other organizations that promote water conservation and water use efficiency? What will be the organization’s relationship with the Alliance for Water Efficiency?

While there are other organizations focused on water supplies and water use efficiency in the United States, none have the Council’s membership base, its programs and committees, or its focus on California’s unique issues.

The transition year will be an opportunity for the Council and its members to determine how best to formally structure its relationships with the Alliance for Water Efficiency and other organizations with similar missions.

When will the Council begin to look for a new Executive Director?

Council Board members have engaged a search firm. If members adopt the proposed organizational changes, the Transition Board will post a job opening in early 2017.

MORE INFORMATION

When will members be notified of the final vote results?

Votes can be submitted until 5 p.m. Friday, December 30, 2016. The results of the vote will be released immediately after the votes are counted.

Where can I find more information, including the PowerPoint presentation from the December 6, 2016 Webinar?

It is posted to the Council web site [here](#).

Whom do I contact if I have additional questions?

Council Board members and staff are available to answer any questions regarding the vote and the specific provisions of the proposal.