



2006 ANNUAL REPORT TO THE MEMBERSHIP

Linda Hanifin Bonner, Ph.D.
NOWRA Executive Director

I. INTRODUCTION

This report presents to NOWRA's members, an accounting of the 2006 accomplishments on the programs and projects developed and endorsed by NOWRA's Board of Directors from its **2005-2006 Strategy and Business Plan** (October 9, 2005). It summarizes the basis from which the Board of Directors have conducted their work on behalf of their representative members. A description of the core programs and projected funded and implemented in 2006 identify the level of activity in moving the organization forward into a national leadership role. The Financial Analysis section describes the use of NOWRA funding and how it is derived in order to provide member services. A breakdown of members within each of the states and an analysis NOWRA's membership is also included. As NOWRA's Board of Directors goes forward with its planning process for the future, the integration of the 2007 member survey will have an important factor in the consideration of programs and projects.

II. 2005-2006 STRATEGY AND BUSINESS PLAN

Developing this plan involved participation from NOWRA's officers and board and committee members in a series of meetings in early 2005. The result of these work sessions produced an updated and expanded Mission and Vision Statements. It also produced a new "stretch goal:" **To be the "go-to" organization on decentralized wastewater recycling.** Achieving the new vision and fulfilling the expanded mission now requires that NOWRA extend beyond its current efforts to create a broader network of members and partnering organizations.

The entire 2005-2006 Strategy and Business Plan is available on NOWRA's website. Excerpts from the Business Plan are used to present NOWRA's 2006 work and accomplishments. NOWRA's Board will review these principles in 2007 at its annual planning session and further define future strategies and work in 2008. The approved strategic pillars are the framework of principles for the plan and resulting action initiatives.

- **Maintain efficient and effective financial management and governance processes**
- **Develop and promote best practice and policy standards for onsite wastewater treatment and recycling**
- **Develop and promote best practice and policy standards for watershed management**
- **Develop and shape the industry through promulgation of the Model Performance Code**

From these pillars, the approved business plan action initiatives were produced and implemented as described in the following section.

STRATEGY PILLARS (The Principles Framing the Strategy Plan)			
I. Maintain efficient and effective financial management and governance processes	II. Develop and promote best practice and policy standards for onsite water treatment and recycling	III. Develop and promote best practice and policy standards for watershed management	IV. Develop and shape the industry through promulgation of the Model Performance Code

2006 Initiatives/Actions

2006 Accomplishments

(The processes and capabilities from which work activities evolve)

PILLAR #1 Develop & adopt a strategy and business plan	October 2005 - Completed and adopted the overall Strategic Business Plan and initiated implementation
Establish a budget policy and formal budget process	December 2005 – Adopted the budget policy and production process 2006 - Completed 1 st draft of NOWRA Policy and Procedures Manual for Organizational Operations
Produce a “cost-to-serve” analysis	December 2005 – Adopted; Produced an updated version of the membership costs for 2005 and 2006; Established procedure that all programs are self funded
Restructure NOWRA’s Committee process	August 2006 – Initiated the restructure and updating of NOWRA’s committees roles, responsibilities and work plans (details on website)
Establish the NOWRA 501 C (3) Entity and Institutes of Learning	November 2005 – NOWRA 501 C(3) Entity (Education and Research Foundation) was established; Structure for the NOWRA Institutes of Learning approved for implementation
PILLAR #2 Establish an annual Installer Academy with specialized training for industry practitioners	Dec 2005 - Conducted the 1 st Installer Academy Dec 2006 - 2 nd Installer Academy
Produce and offer fee-based, self-sustaining education & training programs	June 2006 - Concept produced by the Education Committee and adopted by NOWRA’s Board.
Establish Specialty Symposiums	2005/2006 – Conducted Water Softener Symposium and Nitrogen Program
Establish an RME Certification Program	Task force established
Conduct the 1 st International Program on Decentralized Sustainable Systems	Organized in 2006 and conducted in 2007
PILLAR #3 Create a NOWRA Business Partners Program	Worked with NAHB-RC, WQA and NGWA to create business partners
Produce Position Statements and Papers	Draft concepts produced
PILLAR #4 Complete and Adopt the Model Code documents	June 8-9, 2006 – Adopted (documents on website – www.modelcode.org)
Obtain funding and initiate an education and outreach program for regulators	2007 - Received grant and developed program for implementation in 2007
Establish a consulting services program for restructuring state and local codes	Concept developed and information produced; listed on websites

ADDITIONAL ACCOMPLISHMENTS

Phase II of NOWRA’s website upgrades and launched “free” septic locator listing as a strategic member benefit
March 2006 - All NOWRA members transitioned into new administrative database and listed in the online membership directory.
Continuation of the NOWRA sponsored insurance program in response to State Leaders’ requests for a health and medical program for their members
Participating with EPA in MOU Partnership program
Updated and revised NOWRA Bylaws for strengthening organizational effectiveness
Adopted new visual image and initiated corporate capability materials for promoting NOWRA’s work and industry message

NOWRA's 2007 plans do not include any new programs or projects until a new strategic business plan is produced mid-year. NOWRA's Board agreed at its December 2006 meeting, that in adopting the 2007 Budget, all activities would focus on completing remaining programs and projects. The new business plan will include the results of the 2007 member survey being conducted under the auspices of the State Leaders Committee.

III. 2006 Funded Projects and Programs

Online Member Directory and Septic Locator

In March 2006, NOWRA transitioned all members into a new administrative database and listed them in the online membership directory. The goals of the new website directory are to strengthen communication between members and to become a national technical resource for consumers. The first phase of this work was completed in April 2006, at which time members received instructions on how to update their member profiles in order to provide accurate information to consumers seeking their services. This funded project eliminated the printed directory, at a cost savings of \$17,000 annually.

NOWRA member listings in the expanded Online Services Directory are also the foundation for the new Septic Locator search engine. Updated NOWRA member profiles are listed on the website under the new Septic Locator link. The Septic Locator key word search and Google-like ads direct business prospects and system owners to our member list. The design of this search engine is one of the most user-friendly septic yellow pages ever to appear in the onsite industry – and is now ranking at the top of the Google search! In 2007, a special marketing program will be developed to promote the availability of this resource and the public profiles of NOWRA members.

The expanded capabilities with the online member directory also allows each state association to manage its own member database through an administrative tool on the NOWRA website. Each state association now has a designated person with a special access code who manages their state membership database. Updates and changes to state membership records are made with either the state administrator or the NOWRA office so states no longer duplicate work or send monthly lists to the national office.

The result is this program is that NOWRA has a more efficient and cost-effective process for both the state groups and the national office. Duplicate records have been eliminated, providing a cost savings in mailings of member materials. Both NOWRA and the state groups now have the latest member updates so that when an online change is made, both offices share the same common database for accessing member information - resulting in a significant savings of cost and time. This program will continue in 2007 with future updates to provide additional support to States in managing their membership database. The cost of this project was \$15,000, which means that over a 3 year period this investment will save NOWRA \$40,000 in reduced costs to manage and report on membership records.

Building Industry Partnerships – A National Presence

During 2006, meetings between NOWRA and the National Association of Home Builders (NAHB) Research Center have continued to address the community's development needs regarding onsite technology and systems. As an example, building and development industry members want to know who in the decentralized industry provides design and system services – and who to call for advice and products. With the new Septic Locator, this response is quickly provided. The NAHB Research Center has established a direct link to NOWRA's website and the Septic Locator so their members can access this information. With this new service, NOWRA members now have expanded business opportunities. In addition, NOWRA partnerships with the National Ground Water Association and the Water Quality Association also promote the Septic Locator. In 2007 we will continue to strengthen our partnerships with new organizations. This program was a no cost to NOWRA.

Insurance Program

This program was launched in 2005 and continued in 2006 in response to State Leaders' requests for a health and medical program for their members. Marketing of this program occurs through NOWRA and Association Health Programs. Information is provided to all state groups at annual meetings and conferences. Annual flyers summarizing key benefits of this program are provided to each member with their membership mailing. Additional information is also available on the NOWRA website for use in state newsletters and meetings. This program will continue to be sponsored by NOWRA in 2007 for member states. Costs associated with this program are reflected in management and production of promotional flyers and materials.

Technical Education & Training Resources

In 2006 NOWRA conducted its annual conference in Denver Colorado and the 2nd annual Installer Academy (December 2006) in Las Vegas, NV. In addition, at the request of state groups and other organizations, the NOWRA Education and Training Committee produced a format and provided services to develop and deliver educational and training sessions on onsite technology and management of decentralized systems. The most frequently requested program is NOWRA's A to Z of Onsite Systems. These services will continue in 2007 and States desiring this service should contact NOWRA's Education and Training Committee Chairperson, Sara Christopherson, or the NOWRA office. In 2007 a link on the new NOWRA website will give members access to the papers and presentations from conferences and meetings over the past five years. This section will not be accessible to the public and is a valuable member benefit.

In 2005, NOWRA established the Institutes of Learning as a national educational entity for the decentralized industry, which continued its work in 2006 with 3 state training sessions. The purpose of this program is to provide organizational support to States as they establish and conduct their own training programs. Educational materials and instructor training sessions are provided within organizational and financial frameworks that enable State groups to profit from their programs. It is being integrated with the International Continuing Education Association in order to provide NOWRA members with a national certification program process, be located within the Education & Research Foundation. The structure also forms the basis for NOWRA's CEU programs. Today, six states have programs that are financially successful and three more have plans to become a part of the Institutes. This program and project has been implemented at no cost to NOWRA.

Education & Research Foundation

In 2005, NOWRA established the National Onsite Water Resources Education & Research Foundation, a 501 C(3) not-for-profit organization. The FOUNDATION is a separate organization of the National Onsite Wastewater Recycling Association (NOWRA) that is focused on research, certification and other programs that may be defined in order to advance decentralized wastewater technologies and applications towards protection and achievement of water quality. The purpose of the FOUNDATION is to function as the premier research organization for the decentralized water resources industry. Its overall mission is to achieve technology and management advancements in water quality through the conduct and application of research and education programs and projects. In this capacity, the FOUNDATION serves as the center in which the development of and conduct of these activities occur. This foundation is also the organization in which NOWRA Institutes of Learning resides and where industry certification programs are issued for practitioners. In 2006, work on the governance of the Foundation occurs, with implementation of the entitle projected to occur in 2007.

Governance

A significant amount of time was dedicated by board and committee members in 2006 to the work in Pillar #1 – relative to how NOWRA operates as a national organization, the role and responsibilities of its board and respective committees. Under the leadership of the ByLaws Committee, the NOWRA bylaws were examined and updated. NOWRA's committee structure and interaction within the management of the Association were also examined and updated. Of significance in the Associations work is the development of an operational polices and procedures manual. The preliminary draft was completed; and major review draft to be produced in 2007.

External Relations

In 2006, NOWRA continued its participation within the EPA MOU Decentralized Industry Partnership. In this capacity, NOWRA provided the partnership with technical support for its own website and identify (www.epamoupartners.org). Similarly, NOWRA supports the work of t his group through the participation its Model Code Education Program, and Installer Training.

External Relations also focuses Legislative and Government Regulations that affect the industry's work and its role in the nations infrastructure. While NOWRA does not have a paid lobbyist, it pursues a "grass-roots education" approach with staff members of the nations congressional and senate leadership. In 2006 visits to House and Senate appropriations committees and delegation members were made by the NOWRA office to ensure that NOWRA is recognized as the "go-to organization" for information about decentralized systems. Staff members (as well as state governors) all receive copies of the NOWRA Onsite Journal and other

publications. In addition, NOWRA is pursuing an active role with the US EPA in monitoring and providing input on the Underground Injection Program in the states that affect industry members.

IV. FINANCIAL ANALYSIS

NOWRA was chartered in 1991 as a 501 C(6) non-profit educational association. It derives its funding for operations of the NOWRA office and the conduct of its programs and projects from membership dues, its annual conference, advertising in its publications (the Onsite Journal and Conference Program) business support and special program or project grants. Since its inception, these areas have been the primary source of funding. As NOWRA's growth in the industry has occurred, it has expanded its services and benefits to its members. The funding of these services and benefits follows, with the 2006 balance sheet & P&L statement in the appendices.

Revenues

In 2006 NOWRA's income came from the following sources.

- 50%** Annual Conference and Installer Academy
- 16%** Membership Dues (both state and individual)
- 12%** Business Benefit Program – which includes prepayment of exhibit booths and advertising in the conference program and onsite journal for the year
- 11%** Advertising derived from the onsite journal, conference program and any other publications – not in the Business Benefit Program

NOWRA Expenses

In 2006, NOWRA's expenses were reduced from 2006, and a continuation of member servicing costs decreased due to efficiencies with overall administrative services.

- 35%** Management and member services for staffing support – an 8% decrease from 2005.
- 30%** Annual Conference and Installer Academy costs support program development and management
- 12%** Website & Membership Services Enhancements
- 6%** Publications/Printing – the Onsite Journal, Septic Help brochure, Homeowner/Consumer folders, and others

2006 Member Services Expense Increase

In 2006, while overall expenses were reduced, three areas directly related to member services increased:

- (1) Investment to develop the Septic Locator online member directory and membership administrative program.
- (2) New marketing materials for the National Association and subsequent use by the states to promote the industry's work
- (3) Printing and postage to send information regarding the insurance program and benefits provided by NOWRA directly to members, along with instructions to update member profiles on the member directory and Septic Locator.

Membership Dues

NOWRA's Board of Directors sincerely appreciates the State and Membership support and agreement to increase the member dues rate by \$10.00, beginning in 2006. This rate continues in 2007. The increase was made based upon the concurrence and support at the April 3, 2005 State Leaders meeting. Following that meeting, the NOWRA Board of Directors voted on June 12, 2005 to increase the 2006 member fee from \$20.00 to \$30.00. In 2008 member fees will return to the \$40.00 rate, originally in effect in 2001. As noted below, NOWRA state member fees currently do not pay for all member services.

THE REAL MEMBER COSTS

Membership dues for individuals not affiliated with a state association are \$140.00 a year. NOWRA membership dues through an affiliated state association are \$30.00 a year. With the support of the state leaders at the 2005 mid-year meeting, this rate will increase in 2008 to \$40.00 per member, as the fees do not currently cover all member costs.

Direct expenses associated with member servicing are those that relate to management & member services, education and training, communications and publications. These are used in to calculate the real member cost.

- 2006 Service costs for 6099 members =
- 2005 Service Costs for 5676 members = a net loss to NOWRA of \$16.93 per member
- 2004 Service Costs for 4864 members = a net loss to NOWRA of \$30.40 per member
- 2003 Service Costs for 3577 members = a net loss to NOWRA of \$58.40 per member

Member Services

NOWRA supports its State Groups with services to keep existing members and recruit new ones through programs with the following services, activities and products:

- Free website hosting and technical support services to the states.
- A centralized online membership directory and state member database.
- Septic Locator, an online website directory of all members, is linked to NAHB-RC ToolBase and the National Groundwater Association websites, and those of the EPA and MOU organization partners.
- Member Health & Medical Insurance Program.
- Participation in a Business Member discounts program at Office Depot.
- State access to Directors & Officers liability insurance program.
- Availability of materials for the organization of State Association finances, including a Membership Retention & Recruitment Manual; Grassroots Legislative Action Plan Guidance and Direction.
- Organization and financial management support and training, such as strategic planning sessions.
- The NOWRA Institutes of Learning, which provides a standard method for State education programs in quality and documentation of education and training units.
- Quality education sessions at the NOWRA Annual Conference and Installer Academy that advance member skills and knowledge.
- Education & Training programs upon requests of the States.
- Availability of Board Members and Officers to give presentations and provide materials at annual State conferences and meetings.
- Representation at State & National agencies on issues affecting industry interests.
- NOWRA Consultant Services on Regulatory Codes.
- Participation by State leaders in monthly teleconference calls regarding current and ongoing issues affecting industry interests.
- Semi-annual workshops and training sessions for State Leaders to build and advance association programs and projects.

NOWRA also provides its State leaders with leadership development and training in membership recruitment and retention. Meetings are held twice a year with the leadership team from the States to define where NOWRA support is needed, to address membership issues, and provide administrative support for stabilization. Participation in the monthly teleconferences enables States to keep current on activities facing their constituents. In addition, States are given information from the national office for use in newsletters and activities.

MEMBERSHIP LOCATIONS

Constituent State Membership (Shaded states are not affiliated w/NOWRA)	06 Paid Members	05 Paid Members	
Aerobic WW Treatment Association(New York)	6	6	
Alabama (AOWA) (individual members)	27	20	
Arizona	50	35	
Arkansas (individual members)	21		
California (COWA)			
Total Membership	245	316	
Colorado Professional in Onsite Wastewate			
Total Membership	143	95	
Concrete Precasters Assoc of Ontario			
Total Membership	33	82	
North Carolina Onsite (COWA)	53	31	
Delaware Onsite WW Assoc.			
Total Membership	242	219	
Florida Onsite Wastewater Association			
Total FOWA Membership	474	473	
Georgia (individual members)	12	6	
IOWA	427	411	
Indiana			
Total Membership	132	119	
Kansas Small Flows Association			
Total Kansas Membership	114	119	
Kentucky Onsite Wastewater Association			
Total Kentucky Membership	57	171	
Louisiana (LOWA) (not formally affiliated)		30	27
Maryland Onsite Wastewater Professionals	67	169	
Montana (individual members)	6		
Minnesota Professional Onsite Wastewater Recycling Assoc	98	48	
Michigan Onsite Wastewater Association			
Total MOWRA Membership	95	93	
Missouri Small Flows Association			
Total MSO Membership	382	319	
Nebraska Onsite Wastewater Association	67	79	
Nevada individual members	6		
New Jersey Onsite Professionals Assoc	37		
New Mexico Onsite Association	30	25	
New York Precasters	20	13	
North Dakota individual members	12	3	
Oklahoma Certified Installers	8	10	
Ontario Onsite Wastewater Recycling Assoc			
Total Ontario Membership	198	111	
Ohio Onsite Wastewater Association			
Total Ohio Membership	248	191	
Oregon Onsite Wastewater Association			

	individual members	32	
Pennsylvania Onsite Wastewater Assoc			
	Total Membership	78	78
South Carolina (now in COWA)			
South Dakota		3	
Tennessee Onsite Wastewater Association			
	Total Membership	74	78
Texas Onsite Wastewater Association			
	Total Membership	365	391
Utah individual members		15	
Virginia Onsite Wastewater Association			
	Total Membership	235	281
Washington Onsite Wastewater Association		416	
	Total Membership		282
Wisconsin Onsite Wastewater Association		175	
	Total Membership		235
Wisconsin Precast Association		32	
	Total Membership		27
West Virginia (individual members)		18	
Yankee Onsite Wastewater Association			
	Total Membership	105	
Total State Membership Numbers		4888	4563
Independent Membership		1211	
Total Membership As of 12/06		6099	

WHO ARE NOWRA'S MEMBERS

NOWRA members represent the industry involved in supporting the nations wastewater infrastructure. The defining groups provided in the chart below, is based on 2006 membership, and are in categories that reflect the representation on the NOWRA Board of Directors.

