



HYDRAULICTM
INSTITUTE

2018 ANNUAL REPORT

2018

FOLLOWING THE CENTENNIAL CELEBRATION, 2018 WAS A YEAR OF RENEWAL AND REINVESTMENT FOR THE NEXT 100 YEARS.

Focused on maintaining the legacy of its technical standards, the Hydraulic Institute continued to renew and refresh its expanding portfolio of Standards and Guidebooks; adding whitepapers, new courses and training materials.

The organization significantly expanded the Member, Associate Member and Partner roster. We also created a new Certification Programs Sector to administer and guide the new and growing area of personnel certification, laboratory accreditation and product labeling.

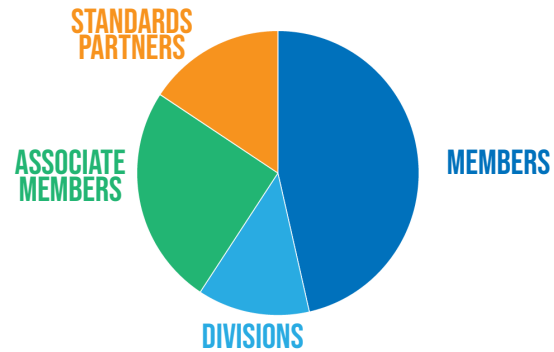
We revisited some of our old ways by implementing a CRM and building new capabilities to serve new markets in new ways such as creating a delivery platform for on-demand content, and partnering to double our reach into important end-user markets.

We renewed efforts to engage with members and re-cast content from HI meetings to better serve technology areas and address the important workforce challenges our members face. We continued to be the forum to share ideas, network and exchange within the fluid transfer industry.

Another year-end surplus showed strong fiscal management despite shifting markets which set the stage for 2019 as the 8th straight year without a dues increase. As we move into 2019, HI will continue to reinvest in our people, our programs, our content and our value – to members, to industry and to society. Watch for the exciting social impact challenge in 2019 which will raise the profile of HI and its members even further. The best is yet to come.



STRONG ORGANIZATIONAL ENGAGEMENT FROM HI MEMBERS, DIVISIONS, ASSOCIATE MEMBERS, AND STANDARDS PARTNERS



NEW MEMBERS IN 2018 INCLUDE:

MEMBERS

Penn Valley Pump Co.
Seepex
Flo Fab
Integrity Pump & Motor Group
Torishima Pump

ASSOCIATE MEMBERS

Arundo
Eaton Corp.

STANDARDS PARTNERS

CP&Y
Hampton Roads Sanitation District
Emerald Coast Utilities Authority
CHPRC
Corrosion Products (Training)



MEMBERSHIP ON THE RISE

CONFERENCE ATTENDANCE IS UP AS WELL

Relevant, timely content is the hallmark of a good conference and the basis for activity at HI meetings.

In 2018 HI conferences attracted a growing number of end-users and featured a number of roundtables—all bringing new perspectives to HI

HI MEETINGS SERVE AS:

A place for Members to network and exchange ideas

A forum for technical committees to debate and refine concepts

A place for the industry to recognize excellence and commitment

A time and place to grow and learn together.

TRADE, TARIFFS, AND MARKET FORCES

Trade and tariff issue updates were frequent in 2018 as the industry faced new tariffs on goods from China and on Steel and Aluminum imports in general. Tariff updates in addition to updates on OFAC sanctions were regularly provided by industry expert, Eric McClafferty to HI's international trade task force and the membership.

A BIG WIN IN WASHINGTON

HI advocacy efforts returned big dividends in 2018. After introducing the SRF Win Act through letters and visits in April, the Act eventually made its way into WRDA legislation which passed the House and Senate (99-1). The final WRDA Bill, signed by President Trump in October, contained elements from the initial SRF WIN proposal.



THE IMPACT OF HI ADVOCACY EFFORTS:

- Significantly increases annual, federal investment on water and wastewater infrastructure from approximately \$2 Billion to over \$7 Billion per year.
- Dramatically improves the efficiency and timeliness of the WIFIA Loan approval process.
- Allows States to fast-track existing, approved and permitted projects with the “no new reviews” provisions.
- Safeguards existing CWA and SDWA SRF Funding from cuts – no funding for WIFIA unless existing SRFs are fully funded.



HI LAUNCHES ENERGY RATING



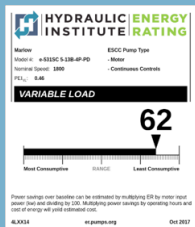
With new pump efficiency requirements on the horizon, HI recognized and fulfilled the need for an easy-to-understand, third-party verified, Energy Rating label. This system enables utility incentive programs to easily adopt pump efficiency measures and create *Qualified Product Lists* based on the Energy Rating Label.



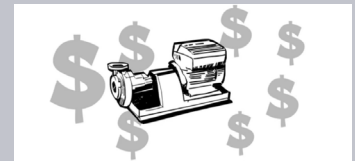
PG&E was the first utility to recognize the HI Energy Rating Label, launching its agricultural, commercial and industrial energy efficiency incentive programs in February 2018. They currently have four measures: Constant to Constant 3-50HP, Constant to Constant 50-200HP, Variable to Variable 3-50HP, and Variable to Variable 50-200HP.

2018 PG&E Program Summary:

- 350 Rebates Processed
- >\$100k Rebates Paid
- >5k HP Sold
- 2.8 GWh Savings



Five utilities (PG&E, Southern California Edison, Xcel Energy, Eversource, and Vermont Energy) and three partner organizations (NEEA, CEE, and Cadeo Group) subscribe to the ER database.



HYDRAULIC INSTITUTE ER LABEL VIDEO

Visit pumps.org to see how this video shows how the ER Label works with Utility Incentive programs

EXPANDING OUR PARTNERSHIPS

Work continues with Partners to expand the use of the Energy Rating label by utilities as their quantification benchmark as they begin to adopt and implement deemed incentive programs for agricultural, commercial and industrial pumps. HI is working closely with utilities to ensure their initial program requirements make the most sense to the pumping industry as a whole while meeting utility design needs.

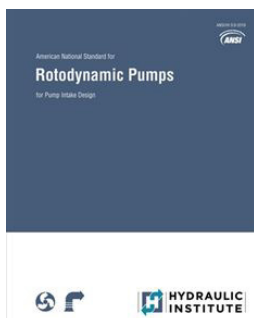


GROWING THE LABEL TO MEET THE EFFICIENCY NEEDS

Following the publication of Circulator Pumps test procedure, the ER Database is now ready to add this additional category. This will allow utilities to expand their incentive measures to include Building Services and other markets. A Certificate Program has been prepared to develop single-user Certificates for channel partners adding Value and Versatility to bare pumps.

HI STANDARDS AND TECHNICAL PUBLISHING

HI Standards and Technical publishing continued its commitment to growing and maintaining its portfolio of Standards, Guidebooks, Whitepapers and other technical resources.



2018 saw the much-anticipated release of HI's most widely-distributed, best-selling

INTAKE DESIGN STANDARD



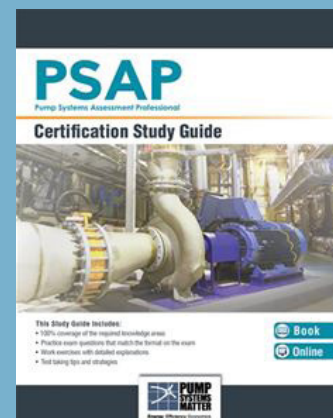
PUMPS SYSTEM OPTIMIZATION GUIDEBOOK

Its importance as an industry reference will increase further as the new edition is integrated in an update of the PSO course in 2019.

IN 2018 HI ALSO PUBLISHED

- Controlled- Volume Metering Pump Test Standard
- Test Grade Acceptance Whitepaper
- Rotary Pump Guidelines for Condition Monitoring
- Guidelines for Rotodynamic Pump Installation, Operation and Maintenance

The new Circulator Pump Labeling Guideline will enable circulator pumps to be tested and labeled for entry into the HI Energy Rating Database and qualify for utility incentives as they come on-line in 2019



HI published their first Study Guide for the PUMP SYSTEM ASSESSMENT PROFESSIONAL (PSAP)

Certification Exam.

In addition to being a resource for the professional, it also allows both HI and Members to conduct targeted outreach, host in-person classes and prepare for the certification exam.

WORKFORCE DEVELOPMENT

Sharing pump knowledge in the user community, and developing leaders within the pump manufacturer and supplier community.

“ **THE ABILITY TO RECRUIT SKILLED TALENT REMAINED A TOP PUMP INDUSTRY CONSTRAINT IN 2018.** ”

According to respondents in the 2018 CEO Confidence Survey



The Women in the Pump Industry networking group met at the 2018 Fall meeting for the second time with Shannon Bumgarner, sharing insights from Ingersoll Rand's diversity program. A discussion based on "Addressing Uncomfortable Situations and Owning Your Transformative Growth Journey," helped peers share and mentor each other. More than a networking event, the group re-affirmed the need to meet, network and share HR and diversity related content regularly at the Annual and Fall meetings.

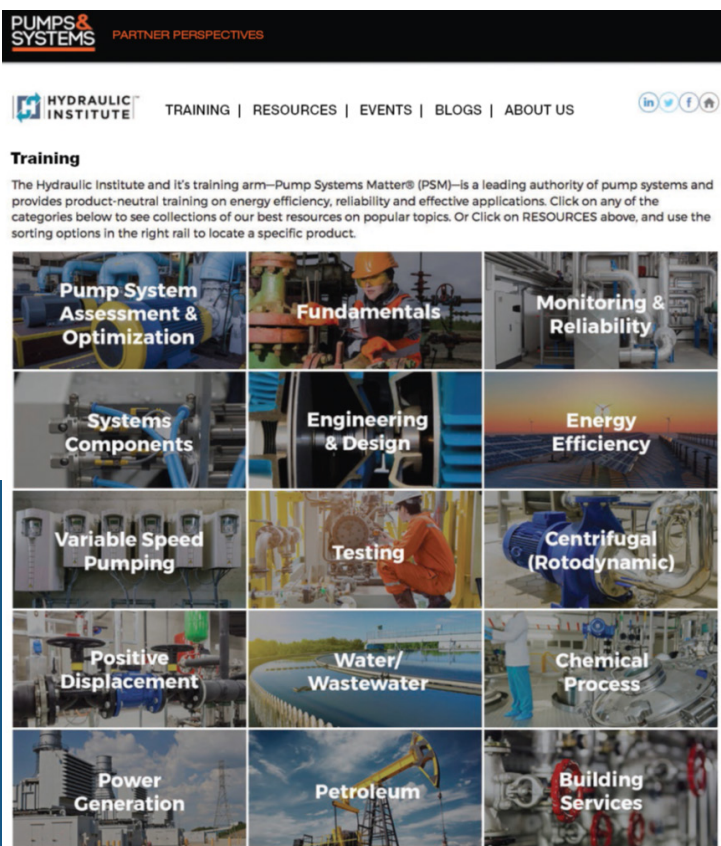


The 3rd annual Pump Industry Leaders of Tomorrow (PILOT) program continued the tradition of bringing the next generation of leaders together. HI provides an introduction to the industry and association resources; while creating an instant network of pump manufacturers and suppliers to work together to share and grow.

ON-DEMAND TRAINING

The ability to share on-demand webinar content adds another dimension to HI training, enabling members and pump users to access pump knowledge at their convenience. HI/PSM now has a growing online and on-demand library of over 20 training resources covering pump fundamentals, components, pump system optimization, and pump system assessment.

The new on-demand capabilities will enable new subscription models for multiple users to access a suite of training modules complete with management tracking abilities in 2019.



A NEW PORTAL

HI doubled its reach to end-users and engineers, those who design and use pumping systems through its partnership with Pumps and Systems.

The P&S designed and hosted training portal increased the visibility and availability of HI Training, Standards and Guidebooks to pump end-users around the world.



INCREASED VISIBILITY

HI attended numerous industry events, expanding and sharing the story on energy efficiency. HI Member signs were visible at WEFTEC, American Water Works Association Annual Conference and Exposition, National Ground Water Association, Vibration Institute, Electrical Apparatus Service Association, Turbo Pump Symposium, EPRI - Electrification, Nuclear Pump Users Group, as well as several smaller regional shows.

AS MARKETS GROW

HI strives to bring real-time data and analysis to its Members. HI's partnership with Oxford Economics prepares and delivers the Global Pump Market Report to all Members. The report provides analysis and forecasts in 71 countries of pump markets by end-use industry and in select pump applications. The HI Market Intelligence Committee works to ensure the Global Pump Market Report, along with internal booking surveys remain useful planning tools. These, along with quarterly CEO Surveys ensure HI Members are kept up to date with real trends in real time.

THE TOTAL GLOBAL PUMP MARKET IS
EXPECTED TO GROW AN AVERAGE

4.8%
ANNUALLY THROUGH
2022*

*THE OXFORD ECONOMIC WORLD PUMP MARKET REPORT, 2018



The HI-VMA Market Outlook Meeting is an opportunity to speak directly with industry specific market experts regarding forecasts and market conditions.

Featured speaker Dr. Alan Beaulieu, ITR Economics provides regular insights through his keynote presentations at the HI Annual Conference and through quarterly updates for ITR subscribers.

AWARDS & RECOGNITION

HI honored individuals and organizations that are committed to using pumping systems to advance their business and improve the world around them during the HI Industry Excellence Awards at the 2018 HI Annual Conference in Phoenix, Arizona.



ENERGY EFFICIENCY

Carl T. Hayden Veterans
Affairs Medical Center

(Sponsored by TACO Comfort Solutions)



INNOVATION & TECHNOLOGY

Chevron Energy
Technology Company

(Sponsored by SULZER)



WORKFORCE DEVELOPMENT

Palo Verde Generating Station

(Jointly sponsored by SPP Pumps, Inc. &

Kirloskar Brothers Limited)

PUMP INDUSTRY LEADERS RECOGNIZED FOR THEIR CONTRIBUTIONS

Each year, HI recognizes individuals from member and partner organizations who have demonstrated exceptional service and made significant contributions in support of the Institute in 2018.



LIFETIME ACHIEVEMENT AWARD

Rich Heppe

retired President

Industrial Motors & Systems
Nidec Motor Corporation



MEMBER OF THE YEAR

Julian Atchia

Director of Research and
Development

SJE-Rhombus



PUMP SYSTEMS MATTER LEADERSHIP AWARD

Jim Swetye

Senior Technical Trainer

Grundfos USA



STANDARDS PARTNER OF THE YEAR AWARD

Ernest Sturtz

Pumps Systems Specialist

CDM Smith –
Water Services

PUMPS.ORG

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