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Emergency Funding Request

2011 Annual Financial Report

2012 Business Plan and Funding Request

“For \$1.00 a day per person, we can provide basic human dignity and clean dry storage for medicine, clothing, personal documents while keeping these same items off the streets of San Diego.”

David Ross “The Water Man”

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1. Emergency Funding Needs

- a. Our funding will be exhausted on 1/31/2012 and we need a minimum of \$8,269 per month to continue providing the storage service to 350 homeless San Diego citizens. The average monthly expenditure for 2011 was \$8,269 which breaks down to \$0.79 per person per bin per day.

2. Business Plan

- a. Mission Statement – The Water Man Check-In Center provides homeless citizens in San Diego with basic human dignity by treating everyone with love and respect while providing a safe, clean, secure storage for medicine, personal documents and clothing so that they can take the first steps needed in getting a job or social assistance and housing.
- b. Methodology – David Ross has taken the lessons he has learned in life and is using that knowledge and his compassion for his fellow man to help provide for the most basic human needs to those people that society has often forgotten. These needs include, love, respect, water, food, restrooms and safe, clean storage. One man can make a difference.

In David's 10 years as a case worker at a local homeless charity, David observed the changes from a small personal program with genuine human contact to a large institutional service with more computers and checklists than genuine human contact. The absence of genuine human interaction eliminates the trust factor that is absolutely essential to allowing clients to open up and share their issues with counselors in order to effectively help them get to the services they need to get off the streets and back into normal life.

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Other programs provide training, treatment or rehabilitation but we provide the means for those who are able to help themselves to do so.

- c. Rationale – San Diego has a growing homeless population and despite our best effort as a community we have failed to establish and fund sufficient emergency shelters, transient homeless shelters, supportive housing and affordable housing units to allow all of the unsheltered homeless citizens of San Diego to sleep indoors. This is our reality today. We applaud and support the efforts of the CCDC, San Diego Housing Commission, San Diego Regional Task Force on the Homeless, San Diego Health and Human Services Agency, the Mayor’s office and City Council to continue to plan, fund, build and support affordable housing options for families, single mothers and individuals in San Diego. To date all of these programs have fallen short, and even once sufficient housing is available there will be a need for the Water Man Check-In Center to allow newly homeless citizens the time to evaluate their options and to regain their former status.

The Water Man Check-In Center can and does serve the community interest in providing a safe, first stop and first step for newly homeless or chronic homeless person to secure their essential belongings and to explore and evaluate the many community resources available to them.

The recent San Diego MTS regulation limiting the amount of personal property one may bring on board busses and trolleys is another law that puts the rights and interest of homeless people at odds with the community. The Water Man Check-In Center helps align the interest of the MTS and homeless citizens in a cooperative manner.

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- d. Cost and Value – The cost of the current program from February 2011 thru December 2011 is \$90,957 including start up costs but exclusive of real estate cost. This expenditure gave over 1,000 people the opportunity to go to the doctor, a job interview or to work without having to carry all of their personal belongings or having to store them in public and risk them being stolen. We as a community benefitted by having these personal belongings safely stored off the city streets.

- e. Effectiveness and Efficiency – Although we are not competing with any other group or service to serve our clients, and we are a non-profit organization, we take pride in being both effective and efficient. In the 11 months since we opened our doors we have provided a valuable community and humanitarian service to the City of San Diego and its homeless citizens. For the grand total of \$90,957 we have removed from the streets and stored 4,550 cubic feet of personal possessions for 350 people per day at a net cost of \$0.79 yes 79 cents per person per bin per day.

- f. Commitment to Reporting Results – The Water Man Center, Inc. was given possession of the City owned property located at 917 9th Avenue on January 21, 2011 as the result of the settlement of an ACLU lawsuit against the City of San Diego for the improper confiscation and dumping of homeless citizens personal belongings stored on the street. Between January 21, 2011 and February 3, 2011 a group of volunteers converted the formerly abandoned property into a fully functioning storage facility with a combination of 300 100 gallon totes combined with 50 medium and small totes. There is a day storage option and a weekly renewable storage option available on a first come or most persistent request basis.

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On average 8 to 10 people per month transition out of the Water Man Check-In Center and in to permanent housing.

We are committed to keeping our supporters informed of all of our actions on a quarterly basis and our supporters are welcome to visit our center during normal business hours to see their donations at work. Our results are both quantitative and qualitative. The numbers are easy to report but do not tell the whole story. The real value of humanitarian aid is best judged by the successful outcomes our clients achieve in turning their lives around.

g. Demonstrated Demand for Services

Currently there are 200 more people who have signed the waiting list for storage at the Water Man Center and that list would be longer except its current length has discouraged others.



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David met this lady on the street in October 2007 and she had severe mental health issues. After four days of stopping by to check on her she gradually warmed up to David.



Unfortunately, without ever learning her name, David learned she had died cold and alone in a dumpster on 21st Street in 2008.

3. Financial Controls

- a. We have engaged a corporate counsel, on a Pro Bono basis, Jerry Stevenson, Esquire who will draft the changes needed in our articles of incorporation and corporate by-laws to create the independent board of directors and corporate controls needed and expected by third party funding sources. We will also be using a third party book keeper for monthly, quarterly and annual financial reports and a CPA for preparing our annual tax returns.
- b. The Water Man Center, its board, management and staff are committed to maintaining the highest levels of financial transparency and accountability. It is our goal to minimize administrative and

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fundraising costs while maximizing the pass through of all funds raised to support our program objectives. We recognize www.CharityNavigator.org as an authoritative source for guidance on prudent financial stewardship of donor funds. We are not currently large enough to be rated by Charity Navigator as that would require \$500,000 in public support and \$1 million in total revenue. We will have an independent board of directors, third party prepared financial statements, quarterly reports of donations received and program expenses in addition to reporting on all mission based activities and results. We will disclose our IRS Form 990 as well as all executive compensation. Our board will be comprised solely of non-compensated volunteers.

4. 2012 Budget adding 1,000 Storage Bins

- a. Our goal for 2012 is to continue the 9th Avenue Check-In Center at its current level of service while adding two new facilities, each with 500 storage bins. The first new center is planned to be located at 17th and Imperial and will have a total annual cost of \$250,000 inclusive of \$30,000 in start up costs and \$60,000 of real estate rental expense. This center will also include shower and restroom facilities for men and women.

The second new location is planned to be at the State of California Building located at State St. and Ash St. near Little Italy. The total annual cost of this center will be \$190,000 inclusive of \$30,000 start up costs but no real estate rental expense. This center will include shower and restroom facilities for men and women.

In addition to opening these two centers and staffing them we will be creating two full time paid positions for Founder David Ross at \$3,000 per month and Executive Director, Gerry Limpic at \$4,000 per

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month in lieu of the previous \$3,000 per month management fee paid to The Isaiah Project, Inc. shared between David and Gerry. Both David and Gerry have active operational roles and only Gerry has ancillary administrative duties.

Our executive compensation methodology is to review the CharityNavigator.org list of 10 Highly Rated Charities with Low Paid CEO's of the 1,200 charities they monitor and insure that no individual received more than the average these 10 individuals. Currently that amount is \$58,876.

Our longer term goal is to secure permanent funding by creating an endowment that provides perpetual funding for the three centers in San Diego and sharing our program with other cities as Los Angeles did with us.

5. 2011 Financial Results

- a. See attached spreadsheet
- b. The Water Man Center maintains workers compensation insurance on all employees and general liability insurance on our current and all future facilities.

6. Success Stories

- a. We have over 600 anonymous exit surveys highly rating the satisfaction with our service and the kindness and professionalism of our staff.

7. Community Partner Program

- a. We want to reach out to each of the businesses and residential towers that operate in our community and allow them the opportunity to support our efforts to help meet the minimum needs

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of our fellow man directly and keep our streets clean so that we may all enjoy working and living together in our wonderful city.

b. Annual Individual or Corporate Partnership Levels for The Water Man Center

i. 5 Gallon	=	\$50,000
ii. Gallon	=	\$25,000
iii. Quarts	=	\$15,000
iv. Pints	=	\$10,000
v. Cups	=	\$ 5,000
vi. Ounces	=	\$ 1,000

8. The Facility

- a. The building at 917 th Avenue was in disrepair when turned over to The Water Man Center on January 21, 2011. All materials, furniture and art work were donated to The Water Man Center. All the artwork was donated by local artist and former professional tennis player, Walter Redondo. The work to paint the building and select interior walls inside the building was completed by volunteers in 12 days in order to have the facility up and running on February 3, 2011.

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The Water Man Check In Center 917 9th Avenue



Building Entrance

For questions about this document or The Water Man Center,
please call Nick Spriggs at 619-886-2008 or Gerry Limpic at 760-855 -4833

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Reception Area and Client Bin Access Area



Reception Area and Client Bin Access Area

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Reception Area and Client Bin Access Area



Reception Desk

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Primary Bin Storage



Primary Bin Storage

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Primary Bin Storage



Secondary Bin Storage

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Bins in use out doors



Secondary Bin Storage

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Secondary Bin Storage



David and Gerry share this office.

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9. Background

a. David Ross aka The Water Man

David Ross has not always been The Water Man that we know and love. He was born before World War II in the shadows of the auto factories in Detroit. David did not enjoy the prosperity that surrounded Detroit at that time but was born into a broken family and raised in an orphanage. Anxious to get out of the poverty that surrounded him David joined the Navy age 15. After four years traveling the world in the Navy David returned from service to his country and joined the auto industry that had surrounded him as a child.

Starting at the bottom, David learned the automobile dealer business from every position and ultimately became a general manager of a number of dealerships across the country. From Detroit, to New York, Los Angeles, San Francisco, Houston and Dallas the auto business provided David a comfortable living and an opportunity to meet Sandee, his wife and the one love of his life, mother to three wonderful children. David and Sandee were married for nine years when she was tragically lost to an inoperable brain aneurism at the young age of 31. David raised his three young children as a single father.



Sandee Ross

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With his children all grown and his success as a dealership general manager near its peak, David suffered a heart attack that caused him to examine his life pursuing the American Dream. His conclusion was that by giving up the 12 hours days in pursuit of money he could better spend his time helping others. The love David learned from Sandee, true unconditional love is in his heart and what drives him. David moved to San Diego in the early 1990's and became a volunteer case worker at Father Joe's Villages. With his razor sharp wit and honest empathy and compassion for his clients he quickly became a favorite among the clients. David's personal experience with poverty and adversity as a child enables him to speak from the heart with a genuine human touch that is all too rare these days.

In 2005 David recognized that San Diego had a homeless population that was not being served by our many churches and social programs and he decided to take it upon himself to reach out on an individual basis to the people most in need of human contact, water and hope. One man, one bottle of water, a hug, a smile and a genuine belief that all people deserve to be treated with dignity, respect and love was the start of The Water Man. David took to the street in his 2000 Hyundai, lovingly referred to as the 'homeless Hyundai' to distribute water and blankets to the homeless people who live under bridges, in gullies and in city parks, all outside of the reach and support of our other social programs.

On January 21, 2010, CCDC and the City of San Diego turned over control of the property at 917 9th Avenue to the Water Man Center, LLC for the purpose of creating a safe, dry, secure facility to allow homeless people in downtown San Diego to store their belongings off the street. In twelve days, an all volunteer effort painted the building and installed 350 storage bins allowing The Water Man Check In Center to open on

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February 3, 2011. In the eleven months since the facility opened it has been a complete success as stated by all who have visited.

b. Gerry Limpic

Gerry Limpic functions as President of the non-profit organization The Isaiah Project, Inc. and is the Executive Director of The Water Man Check In Center.

Gerry's first career was in the recording industry and was signed to Columbia records in 1973 as a part of the Jazz/Rock group Gabriel. Gerry went on to record with Myrrh Records releasing two albums as Limpic and Rayburn and one as a solo artist. His song, "Time For Joy" has been one of the most popular wedding songs in recent years featured in "Time For Joy" a collection by Word Music. His worship song, "With a Whole Heart" was chosen as one of the best 101 Greatest Praise³ and Worship Songs on Madacy Christian. Gerry continued to record and produce albums for other artists and tour until the mid 1980's when he received his Masters Degree in Counseling. After becoming licensed in the State of California as a Marriage and Family Therapist Gerry opened his private practice in San Diego. Gerry's creativity and "right-brained" thinking has been valuable in treating difficult clients and has prepared him for the work he does now with his work with the homeless. Along with his private practice, Gerry gained valuable experience as Program Director for New Life Treatment Center, an inpatient treatment center dealing with severe psychological problems and addictions. In 1995, Gerry, his wife Leigh, and two sons Ben and Sam, moved to Monterey, CA as a part of a church plant. For the next six years Gerry used his musical expertise and counseling skills as Worship/Counseling Pastor of Shoreline Community Church. In 2000, Gerry and family moved back to San Diego, continuing to practice counseling and serving in various churches (including The Rock, with Miles McPherson.)

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In 2006, as Worship Pastor for Existence Church, Gerry met David Ross (The Water Man) in a chance visit to his church. This chance meeting would be the beginning of a very successful partnership. Seeing the need for more support and infrastructure, Gerry started the non-profit organization The Isaiah Project, Inc. to help provide David with the necessary water, blankets, and other needs to continue his work. For three years Gerry worked behind the scenes until the City of San Diego destroyed several homeless people's shopping carts resulting in a lawsuit brought by the Dreher Law Firm and the ACLU. The resulting settlement allowed David and Gerry to open The Water Man Check In Center in February, 2011. The Isaiah Project now has two very important ways to serve the homeless in San Diego. First, David continues to distribute water, food, blankets, etc. from his car on a daily basis making a difference in the life of people every day. Secondly, The Water Man Check In Center, directed by Gerry Limpic, stores the belongings of over 350 homeless people, allowing them the freedom to seek work, to work jobs, and eventually get off of the streets.

David and Gerry bring divergent, yet complimentary gifts to the organization taking a street-level and creative approach to serving the homeless in San Diego. Gerry hopes to be able to open 2 or 3 more Centers this year including a large, overnight shelter for the growing homeless population downtown.

10. Endorsements

The Water Man Check-in Center has become a symbol of success for the rebuilding of downtown San Diego and has received enthusiastic support from Council Members Kevin Falconer, Sheri Lightner, Todd Gloria, and Tony Young, as well as Assistant Chief of Police Boyd Long and Chief of Police William Lansdowne. The City Attorney's Office and Mayors offices

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have both visited the center and given positive feedback. This is a pilot program San Diego can be proud of for years to come.

The Salvation Army and Rachel's Women's Center are both writing letters of support to city council on our behalf. Local businesses and residents are also writing letters supporting the improvement in the neighborhood since the center opened.

The San Diego Downtown Partnership and San Diego Housing Commission have applauded our efforts in reducing and eliminating the piles of belongings on the sidewalks. The San Diego Police Department works closely with us in helping those who need storage.

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Appendix

<http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=1209>

7 Questions To Ask Charities Before Donating Tips For How To Investigate A Charity's Results

Learn about a charity's accomplishments, goals and challenges by reviewing its website and/or talking with staff. They should be able to tell you about the quality and depth of their results as well as their capacity to continue to get these results, not just the number of activities or people served. This is critical step, after all, the charity's ability to bring about long lasting and meaningful change in the lives of people and communities should be the key reason for your financial investment. You can use the following 7 questions as a guide.

1. *What is the charity's commitment to reporting results?*

Look for a clear statement identifying a methodology for monitoring results. And when looking at the results, check to see if the charity reported the time period that covers the results, if the results are related to the charity's mission and if there are results from a prior time period. Finally, see if you can identify a means by which the charity validated the reported results.

2. *How does the charity demonstrate the demand for its services?*

Here you want to see that the charity can show both a demand for and a utilization of its programs and services.

3. *Does the charity report its activities (what it does)?*

Check to see if the charity offers information about its mission-related activities, if it provides the data in comparison to a prior time period and if it shows the costs affiliated with each of those activities.

4. *Does the charity report its outputs (immediate results)?*

Apply the same concepts in #3 to outputs by checking to see if the charity offers information about its outputs (immediate results flowing from the activities it does), if it provides the data in comparison to a prior time period and if it shows the costs affiliated with each of those mission-related outputs.

5. *Does the charity report its outcomes (medium- and longer-term results)?*

Here donors should check to see whether the information provided by the charity shows progress towards an outcome - a measurable change resulting from activities and outputs over the medium and longer-term.

6. *What is the quality of evidence for reported results?*

Check to see if the charity has provided any evidence (such as case studies, beneficiary feedback, third-party evaluation) for its reported outputs and outcomes.

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7. *Does the charity adjust and improve in light of its results?*

However difficult or easy it is to collect and publish results data, the acid test for charities is how they use the data. At Charity Navigator we recognize that charities that consistently learn and improve will have good outcomes.

These questions were developed in partnership with [New Philanthropy Capital](#) and [Keystone Accountability](#).

<http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=419>

Top 10 Best Practices of Savvy Donors

1. **Be Proactive In Your Giving**

Smart givers generally don't give reactively in a knee-jerk fashion. They don't respond to the first organization that appeals for help. They take the time to identify which causes are most important to their families and they are specific about the change they want to affect. For example, they don't just support generic cancer charities, but instead have targeted goals for their giving, such as providing mammograms to at-risk women in their community.

2. **Hang Up The Phone / Eliminate The Middleman**

Informed donors recognize that for-profit fundraisers, those often used in charitable telemarketing campaigns, keep 25 to 95 cents of every dollar they collect. Wise donors never give out their personal information – like credit card accounts, social security numbers – over the phone. If they like what they hear in the pitch, they'll hang up, investigate the charity on-line and send their contribution directly to the charity, thereby cutting out the middleman and ensuring 100% of their donation reaches the charity. To help you investigate charities that solicit you, we include each charity's contact information on its ratings page.

3. **Be Careful Of Sound-Alike Names**

Uninformed donors are easily confused by charities that have strikingly similar names to others. How many of us could tell the difference between an appeal from the [Children's Charity Fund](#) and the [Children's Defense Fund](#)? Their names sound the same, but their performances are vastly different. Would you be surprised to learn that the Children's Charity Fund is a 0-star charity while the Children's Defense Fund is a 3-star charity? Informed donors take the time to uncover the difference.

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4. **Confirm 501(c) (3) Status**

Wise donors don't drop money into canisters at the checkout counter or hand over cash to solicitors outside the supermarket. Situations like these are irresistible to scam artists who wish to take advantage of your goodwill. Smart givers only support groups granted tax-exempt status under section 501(c) (3) of the Internal Revenue Code. All of the charities evaluated by Charity Navigator meet this basic requirement.

5. **5. Check The Charity's Commitment To Accountability & Transparency**

In 2011, Charity Navigator added an Accountability & Transparency dimension to its rating system. It tracks metrics such as whether the charity used an objective process to determine their CEO's salary, whether it has an effective governance structure, and whether it has a whistleblower policy. This data is critical because charities that follow good governance and transparency practices are less likely to engage in unethical or irresponsible activities. So, the risk that such charities would misuse donations is lower than for charities that don't adopt such practices.

6. **Obtain Copies Of Its Financial Records**

Savvy donors know that the financial health of a charity is a strong indicator of the charity's programmatic performance. They know that in most cause areas, the most efficient charities spend 75% or more of their budget on their programs and services and less than 25% on fundraising and administrative fees. However, they also understand that mid-to-large sized charities do require a strong infrastructure therefore a claim of zero fundraising and/or administrative fees is unlikely at best. They understand that a charity's ability to sustain its programs over time is just as important as its short-term day-to-day spending practices.

Therefore, savvy donors also seek out charities that are able to grow their revenue at least at the rate of inflation, that continue to invest in their programs and that have some money saved for a rainy day. All of this analysis is provided on Charity Navigator's website for free, but when considering groups not found here, savvy donors ask the charity for copies of its three most recent Forms 990. Not only can the donor examine the charity's finances, but the charity's willingness to send the documents is a good way to assess its commitment to transparency.

7. **Review Executive Compensation**

Sophisticated donors realize that charities need to pay their top leaders a competitive salary in order to attract and retain the kind of talent needed to run a multi-million dollar organization and produce results. But

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they also don't just take the CEO's compensation at face value; they benchmark it against similar-sized organizations engaged in similar work and located in the same region of the country. To help you make your own decision, Charity Navigator reveals that the average CEO's compensation of the charities we evaluate is almost \$150,000. In general, salaries tend to be higher in the northeast and at arts and education charities. Sophisticated donors also put the CEO's salary into context by examining the overall performance of the organization. They know it is better to contribute to a charity with a well-paid CEO that is meeting its goals than to support a charity with an underpaid CEO that fails to deliver on its promises.

8. **Start A Dialogue To Investigate Its Programmatic Results**

Although it takes some effort on their part to assess a charity's programmatic impact, donors who are committed to advancing real change believe that it is worth their time. Before they make a contribution, they talk with the charity to learn about its accomplishments, goals and challenges. These donors are prepared to walk away from any charity that is unable or unwilling to participate in this type of conversation.

9. **Concentrate Your Giving**

When it comes to financial investments, diversification is the key to reducing risk. The opposite is true for philanthropic investments. If you've really taken the time to identify a well-run charity that is engaged in a cause that you are passionate about, you should then feel confident in giving it a donation. Spreading your money among multiple organizations not only results in your mail box filling up with more appeals, it also diminishes the possibility of any of those groups bringing about substantive change as each charity is wasting a percentage of your gift on processing expenses for that gift.

10. **Share Your Intentions And Make A Long-Term Commitment**

Smart donors support their favorite charities for the long haul. They see themselves as a partner in the charity's efforts to bring about change. They know that only with long-term, committed supporters can a charity be successful. And they don't hesitate to tell the charity of their giving plans so that the organization knows it can rely on the donor and the charity doesn't have to waste resources and harass the donor by sending numerous solicitations.

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Financial Performance Metrics	
Program Expenses	%
Administrative Expenses	%
Fundraising Expenses	%
Fundraising Efficiency	\$0.00
Primary Revenue Growth	%
Program Expenses Growth	%
Working Capital Ratio (years)	
Accountability & Transparency Performance Metrics	
Information Provided on the Form 990	
Independent Voting Board Members	<input checked="" type="checkbox"/>
No Material diversion of assets	<input checked="" type="checkbox"/>
Audited financials prepared by independent accountant	<input checked="" type="checkbox"/>
Does Not Provide Loan(s) to or Receive Loan(s) From related parties	<input checked="" type="checkbox"/>
Documents Board Meeting Minutes	<input checked="" type="checkbox"/>
Provided copy of Form 990 to organization's governing body in advance of filing	<input checked="" type="checkbox"/>
Conflict of Interest Policy	<input checked="" type="checkbox"/>
Whistleblower Policy	<input checked="" type="checkbox"/>
Records Retention and Destruction Policy	<input checked="" type="checkbox"/>
CEO listed with salary	<input checked="" type="checkbox"/>
Process for determining CEO compensation	<input checked="" type="checkbox"/>
Does Not Compensate Any Board Members	<input checked="" type="checkbox"/>
Does the charity's website include readily accessible information about the following:	
Donor Privacy Policy	<input checked="" type="checkbox"/>
Board Members Listed	<input checked="" type="checkbox"/>
Audited Financials	<input checked="" type="checkbox"/>
Form 990	<input checked="" type="checkbox"/>
All paid staff listed with pay rate	<input checked="" type="checkbox"/>