



- Board of Directors
Communications and Legislation Committee

1/13/2015 Board Meeting

8-8

Subject

Authorize: (1) staff to initiate a request for proposals for a summer water awareness and conservation advertising campaign; and (2) expenditure of necessary funding, not to exceed \$5.5 million

Executive Summary

Because of the critical need for continued conservation and the effectiveness of the 2014 campaign, staff recommends that the Board authorize a 2015 water awareness and conservation advertising campaign with a budget not to exceed \$5.5 million. With board authorization, staff will initiate a request for proposals for consulting services and media buy for the campaign.

Details

In response to California's statewide drought emergency and Metropolitan's February 2014 Water Supply Alert Resolution, Metropolitan implemented a \$5.5 million strategic communications and public outreach campaign from early 2014 through January 2015 to raise water awareness and increase conservation in Southern California. Early rains have provided some initial relief from the historic dry conditions, but the state remains in serious drought. While it is too early in 2015 to predict water supply conditions, dry weather through the winter and spring in Northern California could trigger the need for water supply allocations in Southern California. Even if wetter conditions prevail, low reservoir levels on the State Water Project and in Southern California underscore the need for continued prudent use of remaining supplies.

The State Water Resources Control Board is working closely with retail water providers throughout California to reduce residential per capita water use in response to Governor Brown's April 2014 Executive Order calling on the state to redouble drought actions. At a recent State Board workshop on urban conservation, many water providers, including Metropolitan member agencies, noted the importance of continued outreach and conservation messaging to increase and sustain water demand reductions.

To support the calls for conservation, staff recommends the Board authorize an expanded 2015 advertising campaign for the dry summer months when water demands peak to urge increased conservation and promote a water stewardship ethic among Southern Californians.

2014 Campaign Overview

The 2014 campaign, "Don't Waste Another Minute Wasting Water," was designed to increase water awareness and promote water conservation among Southern California residents using a variety of media platforms, including radio, television, billboards, theater and digital advertising. In addition to informing Southern Californians about the drought and how to conserve, the campaign was designed to drive traffic to Metropolitan's bewaterwise.com® website, where consumers find water saving tips and access to Metropolitan's SoCalWater\$mart conservation rebate program.

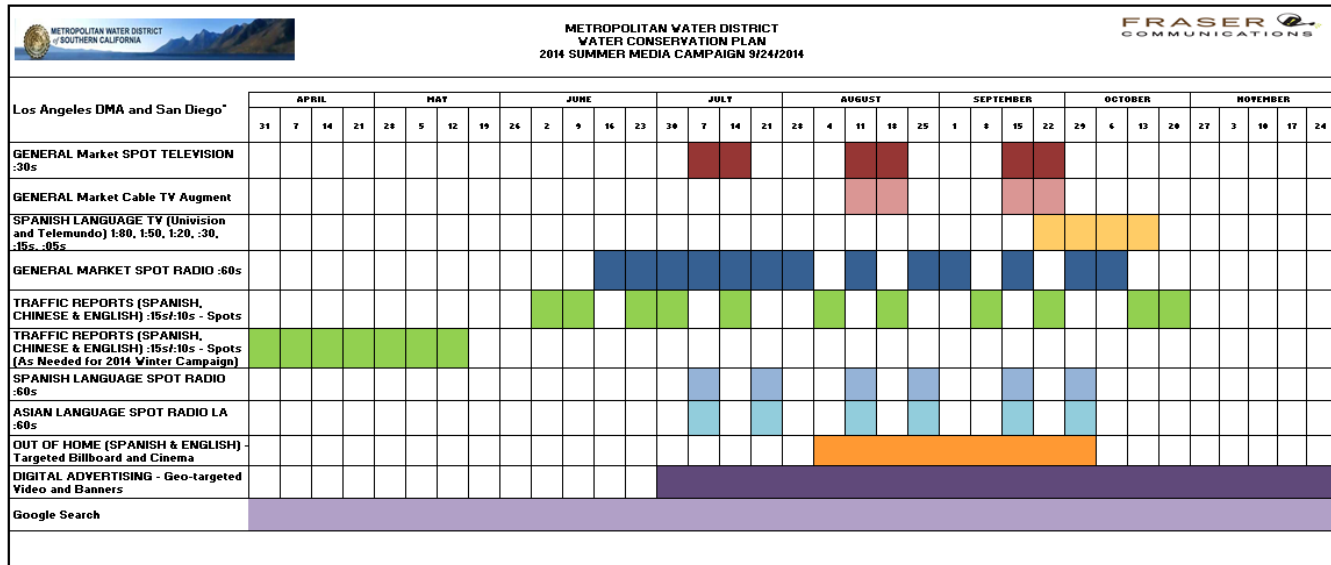
The bulk of the 2014 campaign's \$5.5 million budget was spent on television (\$1,473,395) and radio (\$1,871,497) advertising buys. Television was identified as the most effective media platform to reach a broad cross-section of people, followed by radio, with digital media gaining increasing viewership and listenership. These trends were

evident in Metropolitan's 2014 advertising campaign, which showed a direct correlation between the airing of the television advertisements and significantly increased traffic on the bewaterwise.com[®] website.

To reach the diverse communities that make up Southern California, advertising also was targeted to specific socio-economic and ethnic groups through alternative formats and programming. Ads were also provided in several languages, including Spanish, Mandarin, Cantonese, Korean and Vietnamese.

To maximize Metropolitan's investment, elements were staggered across the campaign so conservation messaging was present in one platform or another at all times. (See Figure 1)

Figure 1



In total, the 2014 campaign generated more than 400 million impressions reaching 95 percent of Southern California residents an average of 20 or more times. The 2014 campaign was highly effective in driving the public to Metropolitan's conservation website, bewaterwise.com[®], and regional rebate programs. Activity on bewaterwise.com[®] increased significantly, with over 238,000 unique visitors in one month at the peak of the campaign. Post-campaign research indicates approximately 86 percent of the general population took action over the summer and fall to conserve water.

Proposed 2015 Campaign

Because of the critical need for continued conservation and the demonstrated effectiveness of the 2014 conservation campaign, staff recommends the Board authorize a 2015 water awareness and conservation advertising campaign similar in scope and duration to the 2014 campaign with a budget not to exceed \$5.5 million. There is \$3.5 million available in the External Affairs biennial FY 2014/15 and FY 2015/16 budget to cover advertising expenses. An additional \$2 million would be required to execute a 2015 advertising campaign commensurate with the 2014 campaign. Staff proposes the \$2 million in additional funding come from the Water Management Fund. However, there will be no expenditure of these funds until the Board awards a contract, and authorizes a campaign following the RFP process.

Next Steps

With board authorization, staff will initiate a request for proposals for campaign consulting services and media buy, for an amount not to exceed the requested \$5.5 million. Staff will return to the Board in March 2015 with a consultant recommendation and request authorization to enter into an agreement for the 2015 water awareness and conservation advertising campaign. Depending on hydrology, staff may recommend some adjustments to the campaign focus and expenditure level as the year progresses.

Policy

Pursuant to Metropolitan Water District's Administrative Code Section 4210, it shall be the policy of Metropolitan to undertake and support water conservation programs. To that end, Metropolitan may develop and implement such programs and enter into agreements with member public agencies and other organizations to make more efficient use of water resources through water conservation programs so long as such agreements serve a beneficial purpose of Metropolitan.

By Minute Item 48772, dated August 16, 2011, the Board adopted the Long-Term Conservation Plan and revisions to the water conservation policy principles. The Plan identifies outreach and education as a key strategy to help reduce per capita water use.

By Minute Item 49676, dated February 11, 2014, the Board adopted a Water Supply Alert Resolution calling for increased awareness and extraordinary conservation within Metropolitan's service area (Resolution 9168).

By Minute Item 49680, dated February 11, 2014, the Board authorized an increase of \$20 million for conservation incentives and outreach.

By Minute Item 49709, dated March 11, 2014, the Board authorized a \$5.5 million agreement with Fraser Communications for regional communications and advertising services and media buys related to water awareness and conservation.

On December 9, 2014, the Board authorized an increase of \$40 million for conservation incentives.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not subject to CEQA because it involves government fiscal activities which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is exempt from CEQA pursuant to Section 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is exempt from CEQA and

- a. Authorize staff to initiate a request for proposals for a summer water awareness and conservation advertising campaign; and
- b. Authorize funding for a 2015 campaign, not to exceed \$5.5 million.

Fiscal Impact: \$5.5 million, with \$3 million in FY 2014/15 and FY 2015/16 External Affairs budget and \$2 million from the Water Management Fund.

Business Analysis: Increased awareness and conservation will help the region avoid or reduce the magnitude of a potential shortage in later years. This communications campaign would provide public messaging consistent with the state of California's drought response.

Option #2

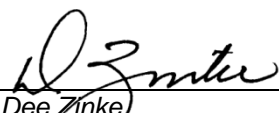
Do not authorize staff to initiate a request for proposals and do not authorize funding for a summer 2015 water awareness and conservation advertising campaign.

Fiscal Impact: Metropolitan may incur increased operational costs to withdraw more water from storage and may need to purchase additional transfer water to protect regional storage reserves if dry conditions persist and the region does not take action to reduce demands.

Business Analysis: Demands for imported water may exceed supply and make it more difficult to manage storage reserves in future years if dry conditions persist and the region does not take action to reduce demands.

Staff Recommendation

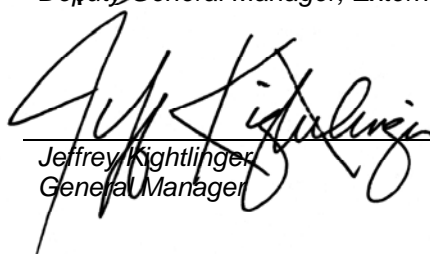
Option #1



Dee Zinke
Deputy General Manager, External Affairs

1/6/2015

Date



Jeffrey Lightlinger
General Manager

1/6/2015

Date

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