



● Board of Directors
Communications and Legislation Committee

9/14/2021 Board Meeting

9-6

Subject

Update on fall and winter water conservation advertising and outreach campaign to be paid from board-approved conservation budget

Executive Summary

To promote water conservation and increase public awareness of Metropolitan and member agency rebate programs, staff will continue its advertising and outreach campaign during the fall and winter months, using up to \$1 million from the board-approved conservation budget. These multilingual and multimedia advertising efforts will include targeted efforts in the State Water Project exclusive areas of the region, expanded efforts to reach diverse and underserved audiences, and help facilitate Metropolitan's Demand Management Program goals and objectives.

Details

Background

In response to California's worsening drought conditions, Governor Newsom's call for voluntary cuts to water use, and Metropolitan's August 2021 Water Supply Alert, staff developed and implemented a new public advertising and outreach campaign. The campaign launched the week of August 23 with a media buy using \$510,000 of the External Affairs fiscal year 2021/22 board-approved advertising budget. However, due to the extraordinary drought circumstances and increased need to raise water awareness and promote water conservation by Southern California residents, External Affairs expects to exhaust its advertising budget by October 2021.

Staff plans to fund ongoing activities and sustain a fall/winter advertising campaign of up to \$1 million using the board-approved conservation appropriation, and specifically the appropriation for the Conservation Credits Program. The activities and campaign will include digital/connected TV, radio traffic spots, out of home (billboards, transit), print (including community newspapers), Google search, social media, and strategic and media buy services. The campaign would build on current creative assets and urge increased conservation with additional targeted efforts in the areas where Metropolitan primarily serves State Water Project water to its member agencies. It will also expand efforts to reach diverse and underserved audiences with multilingual and culturally relevant creative assets.

This funding will promote Metropolitan's water use efficiency programs, drive traffic to Metropolitan's bewaterwise.com® website, where consumers can find water-saving tips and access to Metropolitan's conservation rebate program, and support research activities including focus groups and pre- and post-campaign assessments to determine effectiveness.

Water Conservation Advertising Budget

In April 2020, the Board approved the biennial budget for fiscal years 2020/21 and 2021/22, which included a conservation appropriation of \$43 million each year and also approved rates and charges based on an anticipated \$25 million in conservation expenditures. In September 2020, staff presented to the Board a number of cost-containment measures implemented after the Board's budget approval to address the anticipated financial impacts of the COVID-19 pandemic. Those cost-containment measures included reduced spending on advertising for demand management programs during the budget period due to already low water sales to realize savings estimated at \$1 million per year, while continuing the use of social media outreach utilizing staff resources. The Board also approved additional cost-cutting measures at that time, unrelated to conservation. In FY 2021/22, conservation expenditures totaled \$17 million, which was \$7 million less than the revised planned expenditures of \$24 million.

Subsequently, drought conditions have impacted California and Metropolitan's service area, necessitating increased investment in public education and outreach. Staff plans to use up to \$1 million from the existing conservation budget for this purpose, and staff will continue to closely track conservation expenditures. With increased public interest in conservation programs and rebates, expenditures are likely to reach \$29 million, which will exceed the \$24 million planned expenditures for this fiscal year. However, given last fiscal year's lower-than-anticipated expenditures of \$17 million, the biennial conservation expenditures would be approximately \$46 million—\$2 million less than the biennial planned expenditures of \$48 million. The expenditures are not expected to exceed the Board's approved biennial budget of \$86 million at this time. Staff will continue to inform the Board on increases in conservation expenditures.

Next Steps

Staff will continue to develop new creative assets and optimize a fall/winter conservation advertising campaign, including analytics and ongoing research. In October 2021, staff will seek Board approval to initiate a request for proposals for advertising and media placement services to support a spring/summer multimedia, multilingual campaign. There will be no expenditure of funds for the spring/summer advertising campaign until the Board awards a contract and authorizes a campaign following completion of the request for proposals.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

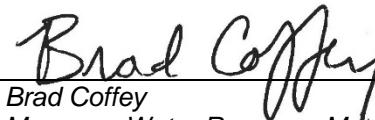
By Minute Item 51962, on April 14, 2020, the Board approved the current FYs 2020/21 and 2021/22 biennial budget, which includes a \$43 million annual appropriation for conservation and rates and charges based on an anticipated conservation expenditure of \$24 million.

By Minute Item 52116, on September 15, 2020, the Board approved various cost-containment measures to address COVID-19 financial impacts, including reducing spending on advertising for demand management programs.



9/1/2021
Date

Sue Sims
External Affairs Manager



9/1/2021
Date

Brad Coffey
Manager, Water Resource Management



9/8/2021
Date

Adel Hagekhalil
General Manager