



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Thursday, December 17, 2015
1965 Placentia Avenue, Costa Mesa, CA 92627
3:30 p.m. Special Board Meeting**

**LEGISLATIVE & PUBLIC AFFAIRS COMMITTEE MEETING
Thursday, December 17, 2015 at 3:30 p.m.**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Non-Agendized Matters: Members of the public are invited to address the Board on matters which are not on the Agenda. Each speaker is limited to three (3) minutes. The Board will set aside thirty (30) minutes for public comments.

Agendized Matters: Members of the public may comment on Agenda items before action is taken, or after the Board has discussed the item. Each speaker is limited to five (5) minutes.

PRESENTATION AND DISCUSSION ITEMS:

Items recommended for approval at this meeting may be agendized for approval at a future Board meeting.

1. Legislative Consulting Services Update
2. Social Media Metrics

ACTION ITEMS:

None.

REPORTS:

3. Advocacy Consulting Services Report
4. Legislative Consulting Services Report
5. Report of the General Manager
6. Directors' Reports and Comments

INFORMATION ITEMS:

7. Drought-Reach 3.0 Update
8. Outreach Update



In compliance with California law and the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please contact the District Secretary at (949) 631-1206. Notification 48 hours prior to the meeting will enable Mesa Water District (Mesa Water®) to make reasonable arrangements to accommodate your requests.

Agenda materials that are public records, which have been distributed to a majority of the Mesa Water Board of Directors (Board), will be available for public inspection at the District Boardroom, 1965 Placentia Avenue, Costa Mesa, CA and on Mesa Water's website at www.MesaWater.org. If materials are distributed to the Board less than 72 hours prior or during the meeting, the materials will be available at the time of the meeting.

ADJOURNMENT



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, Public & Government Affairs Manager
DATE: December 17, 2015
SUBJECT: Legislative Consulting Services Update

RECOMMENDATION

Receive the presentation for information only; no action is requested at this time.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This presentation is provided quarterly at a meeting of the Legislative & Public Affairs Committee (LPAC). The next presentation will be at the March 24, 2016 LPAC meeting.

DISCUSSION

Mesa Water District (Mesa Water®) receives legislative consulting services from Townsend Public Affairs (TPA). At the Board's request, a TPA representative will provide a brief presentation to the Legislative & Public Affairs Committee regarding: 1) TPA's activities for Mesa Water®; 2) a legislative recap of this calendar year; 3) a look ahead into what's upcoming for the 2016 legislative session; and, 4) information about priority legislation of interest to Mesa Water®.

FINANCIAL IMPACT

\$60,000 is budgeted in fiscal year 2016; \$25,000 funds have been spent to date in fiscal year 2016.

ATTACHMENTS

None.

MEMORANDUM



Dedicated to
Satisfying our Community's
Water Needs

TO: Legislative & Public Affairs Committee
FROM: Noelle Collins, Public Affairs Coordinator
DATE: December 17, 2015
SUBJECT: Social Media Metrics

RECOMMENDATION

Receive the presentation for information only; no action is requested at this time.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #6: Provide outstanding customer service.

PRIOR BOARD ACTION/DISCUSSION

This item is updated quarterly for the Legislative & Public Affairs Committee.

DISCUSSION

As part of the Mesa Water District (Mesa Water®) FY 2015 Public & Government Affairs plan, staff manages three social media platforms to directly share the District’s messages with customers, elected officials, industry colleagues, media, Mesa Water® employees, and the public. The three platforms include Facebook, Instagram, and Twitter. Mesa Water® additionally participates on LinkedIn and YouTube.

Mesa Water’s followers on Facebook, Instagram, and Twitter have grown organically, with small, periodic investments in Facebook ads, most recently through the Mesa Water Saver campaign. Each account is currently reaching the following number of people:

	<u>FY 2016</u>		<u>FY 2015</u>
Facebook –	Q2: 770 (+7%)	Q1: 718 (+34%)	Q4: 533 (+11%)
Instagram –	Q2: 144 (+24%)	Q1: 116 (+35%)	Q4: 86 (+19%)
Twitter –	Q2: 191 (+14%)	Q1: 168 (+37%)	Q4: 123 (+38%)

Mesa Water® has committed to two posts each week. These include #MesaWaterMonday and #WaterWiseWednesday. In addition, staff posts regular updates about events, news about the drought, water use efficiency programs, education outreach, operations and maintenance of the water delivery system, Board meeting presentations, and more.

Staff has found that “humanizing” posts has resulted in increased responses from followers. For example, posts focused on crews working on the field, staff retiring, and events receive more positive responses than posts without people.



The second quarter of FY 2016 has been focused almost entirely on the drought and conservation, with some attention given to school assembly programs. Staff is additionally promoting the conservation successes of Mesa Water® customers and neighboring water providers.

Staff continues to plan, strategize, and implement Mesa Water's social media outreach to further the District's online presence and grow support from the community.

FINANCIAL IMPACT

\$700,875 is budgeted in fiscal year 2016 (for the Public & Government Affairs department's total expenses); \$349,465 funds have been spent to date in fiscal year 2016.

ATTACHMENTS

None.

MEMORANDUM



Dedicated to

Satisfying our Community's

Water Needs

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, Public & Government Affairs Manager
DATE: December 17, 2015
SUBJECT: Advocacy Consulting Services Report

RECOMMENDATION

This item is provided for information only; no action is requested at this time.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.

Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Staff will provide a verbal report to the Board.

FINANCIAL IMPACT

\$84,000 is budgeted in fiscal year 2016; \$28,000 funds have been spent to date in fiscal year 2016.

ATTACHMENTS

None.



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, Public & Government Affairs Manager
DATE: December 17, 2015
SUBJECT: Legislative Consulting Services Report

RECOMMENDATION

This item is provided for information only; no action is requested at this time.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Mesa Water District (Mesa Water®) receives legislative consulting services from Townsend Public Affairs (TPA). As part of its service to Mesa Water®, TPA submits a monthly written report of its activities on behalf of the District, including a legislation matrix.

FINANCIAL IMPACT

\$60,000 is budgeted in fiscal year 2016; \$25,000 funds have been spent to date in fiscal year 2016.

ATTACHMENTS

Attachment A: Report & Legislation Matrix

MEMORANDUM

To: Mesa Water®

From: Townsend Public Affairs, Inc.

Date: December 7, 2015

Subject: Monthly Political and Activity Report

Specific Activities for the Month:

- TPA invited the following offices and Board Members to attend the Mesa Water® Drought Drive-Thru event on December 12: City of Costa Mesa, City of Newport Beach, County of Orange, Assemblymember Harper, Assemblymember Allen, Senator Moorlach, Congressman Rohrabacher, Coast Community College District, Costa Mesa School District, Orange County Water District, Orange County Sanitation District, Municipal Water District of Orange County and Newport Mesa Unified School District.
- On November 16, TPA attended a Senate Natural Resources and Water Committee Informational Hearing on Water Infrastructure Funding Needs and provided a summary of the discussion to Mesa Water® staff.
- TPA provided Mesa Water® with a summary of the Governor's Executive Order 8-36-15, which enacts further actions in order for the state to better mitigate the effects of the drought.
- On December 4, TPA attended the SWRCB hosted workshop to discuss the drinking water fee structure set to expire July 1, 2016 as a result of SB 83. A summary of the discussion is included in this report.
- Attached to this memo, Mesa Water® will find a list of two year bills that are a priority as we enter into the second year of the two year session.

State Political Update

The Legislature will reconvene for the second year of the two year session on January 4, 2016. Legislators in both the Senate and the Assembly will have an accelerated legislative timeline as they take up all two-year bills that were introduced in the previous session. January 31 is the last day for each house to pass bills that did not pass out of their house of origin in the previous year. February 19 is the last day for any new legislation to be introduced.

On November 16, Senator Fran Pavley, Chair of the Senate Natural Resources and Water Committee, hosted an informational hearing relating to water infrastructure funding needs. The hearing was a “fact finding mission” focused on acquiring information relating to the funding needs for water infrastructure throughout the state. The next hearing, to be held in early 2016, will look at these various funding solutions in more detail. At the hearing, several prominent figures in the water field testified that California suffers from an estimated \$2-\$3 billion a year in water infrastructure funding shortfalls. Senator Pavley mentioned that a public goods charge is being looked at as a possible method of bridging the funding gap and that historically, funding for water infrastructure projects has been most successful at the local level. Additionally, Lester Snow, Executive Director of the California Water Foundation, mentioned that a public goods charge could be modeled after the surcharge on customers of publicly owned utilities. This hearing was just the beginning of a complex and sensitive topic that will be discussed in the upcoming year.

On the Assembly side, Assemblymember Richard Gordon, Chair of the Assembly Select Committee on Water Consumption and Alternative Sources, hosted his own informational hearing on November 17 relating to improving water availability through alternative sources. The panel of water experts included staff from the Department of Water Resources, the State Water Resources Control Board, and the Natural Resources Agency, as well as representatives from private institutions relating to water and a professor from the Ben Gurion University of the Negev in Israel. The panel reiterated that the best method for long term water supply resiliency is a portfolio based approach which leverages various sources of water and reduces dependability. Ellen Hanak of the Water Policy Center at the Public Policy Institute added that California should build on what was currently working such as regional coordination for projects and mandatory conservations. In the hearing, Proposition 218 passed by the voters in 1996, was cited as an obstacle to combating this drought. The panel went on to explain that local water agencies across the state have had their hands tied behind their back while they are struggling to overcome drought conditions. It is expected that more talk relating to Proposition 218 will emerge as a result of increasing drought conditions.

Executive Order 8-36-15

On November 13, the Governor issued Executive Order 8-36-15, which enacts further actions in order for the state to better mitigate the effects of the drought. The executive order streamlines the permitting process for projects that attempt to capture stormwater in events of high precipitation. This executive order also gives the State Water Resources Control Board (SWRCB) the authority to extend the restrictions on urban potable water use if drought conditions last through January 2016.

A breakdown of the order is below:

- Previous executive orders and proclamations remain in full effect, except as modified in this executive order
- SWRCB and California Regional Water Quality Control Board shall prioritize temporary water rights permits, water quality certifications, waste discharge requirements, and conditional waivers in relation to projects that help capture stormwater in rain events

- If drought conditions extend through January 2016, the SWRCB shall extend the restrictions to October 31, and shall consider modifying its existing restrictions
- The SWRCB shall use up to \$5 million for permanent solutions that provide safer, cleaner, and more reliable drinking water to systems with less than 15 drinking water connections
- The Energy Commission shall expedite the processing of all applications or petitions for amendments to power plant certifications issued by the Energy Commission for the purpose of remediating any wildfire damage and to restore power plant operation by authorizing emergency construction activities including demolition, alteration, replacement, repair or reconstruction necessary for power plant operation.

In order for the SWRCB to renew their emergency conservation regulations, they needed to receive specific authority, which is covered under this Executive Order. It is likely that the State Water Resources Control Board will consider modifications to the existing water conservation regulations. While nothing has been determined, the areas that they have been discussing include, but are not limited to: adjustments for climate, credits for potable reuse and desalination, regional compliance for conservation targets, and credits for groundwater. On December 7, the SWRCB is conducting a public workshop to discuss the possible extension of the emergency conservation regulations. The workshop will focus on what elements of the regulations should be extended, what additional data (if any) should the State be collecting, and how should the State Water Resources Control Board account for the anticipated precipitation this winter and spring when considering an extension of the regulations.

State Water Use: October 2015

Californians continue to stay on track toward meeting the Governor's goal of conserving 1.2 million acre feet of water by February 2016 despite only reducing water use levels by 22.2% in October. The cumulative water savings from June, July, August, September, and October when compared to the same months in 2013, is now 27.1 percent. The State Water Resources Control Board anticipated a slight dip in conservation numbers due to unusually hot weather in October 2015, and also explained that keeping the conservation percentages up through winter will be difficult due to the lack of outdoor watering that usually takes place. Of the 409 suppliers reporting for October, 69 percent met or were within one percentage point of meeting their conservation standard and 15 percent were between one and five percentage points of meeting their standard.

In October:

- For June through October, the cumulative statewide reduction was 27.1 percent, compared with the same months in 2013. That equates to 913,851 acre-feet (297.8 billion gallons), or 76 percent of the 1.2 million acre-feet savings goal to be achieved by the end of February 2016.
- Statewide, the average water use for October was 87 residential gallons per capita per day (R-GPCD), a decrease from the 97 residential gallons per capita per day reported for September.
- Although October 2015 had the lowest level of monthly savings since June 2015, suppliers still saved more than three times the volume of water saved in October 2014.
- The last five months have been the hottest on record and October was no exception, with higher average temperatures than October 2013.

Drinking Water Fee Workshop

On December 4, the SWRCB hosted a workshop to discuss the drinking water fee structure set to expire July 1, 2016 as a result of SB 83. The Drinking Water Program is currently funded by three sources: fees from public water systems, public water system supervision (PWSS) grants, and federal funds from the State Revolving Fund (SRF). Since the Drinking Water Program was transferred to the State Water Resources Control Board on July 1, 2014, a fiscal analysis performed by Water Board staff revealed that:

- The existing fee structure is not generating sufficient revenue to support the program
- The existing fee structure appears to be unreliable, unsustainable, and inequitable
- Nearly 55% of program costs are being funded by federal funds, which are not guaranteed on an annual basis
- Health and Safety Code section 116590 contained a cap that would prevent the Water Board staff from making the program whole through a fee increase

As a result of stakeholder meetings, the SWRCB has come up with four proposed solutions:

- Option 1 – Diminishing Tiers, provided by the California Municipal Utilities Association (CMUA) in conjunction with the Association of California Water Agencies (ACWA)
 - Under 100 service connections - \$250 flat fee
 - 100-1,000 service connections - \$4.00 per connection
 - 1,001-3,000 service connections - \$2.75 per connection
 - 3,001-10,000 service connections - \$2.00 per connection
 - 10,001 - 50,000 service connections - \$1.50 per connection
 - >50,000 service connections - \$0.50 per connection
- Option 2 – SWRCB response to Option 1
 - Under 50 service connections - \$100 flat fee
 - First 10,000 service connections - \$2.50 per connection
 - 10,001 connections and above - \$1.25 per connection
- Option 3 – Base Fee + Service Connection Charge
 - Community Water Systems with less than 50 connections - \$100 flat fee
 - Community Water Systems with more than 50 connections - \$100 + \$1.75 per connection
- Option 4 – Base Fee + Service Connection Charge with Cap
 - Community Water Systems with less than 50 connections - \$100 flat fee
 - Community Water Systems with more than 50 connections - \$100 + \$1.85 per connection
 - \$500,000 maximum annual fee

The current fee structure places a greater amount of burden on small water systems to pay for the Drinking Water Regulatory Program based on the amount of fees paid per service connection. These solutions provide equity to all fee payers based on per connection cost as well as introduce simplicity, flexibility, and stability to the Drinking Water Program. The Board will adopt a solution and submit draft regulations for public review by the end of January. The Board plans on submitting a regulation package to the Office of Administrative Law by March 1, 2016.

Federal Legislative Update

November was a short month for Congress with less than 10 days of actual legislative business conducted. Nonetheless, Congress was able to pass H.R. 1314 – the Bipartisan Budget Agreement of 2015 and President Obama signed the bill into law on November 2, 2015. The two year budget bill is now Public Law No: 114-74 – the Bipartisan Budget Agreement Act of 2015.

In December, and with only 8 legislative days scheduled, Congress will need to focus on passing an expiring Continuing Resolution – most likely to be addressed with an all-encompassing Omnibus bill. Congress will also need to complete work on the Federal Surface Transportation Reauthorization before leaving Washington for the upcoming holiday break in December.

Omnibus Bill 2015

Both the U.S. House of Representatives (House) and the U.S. Senate (Senate) are set on passing the Fiscal Year 2016 appropriations bills. It is extremely likely the appropriations bills will pass in the form of an Omnibus bill, similar to last year's motion. Congress has two weeks to agree on the language included in such Omnibus bill before the current Continuing Resolution expires on December 11.

Negotiators are crafting this omnibus proposal behind closed doors – the bills reported to both the House and Senate Appropriations Committees do contain several policy riders, which have been sticking points in past appropriations bills leading to government shutdown threats. Policy riders in the FY2016 omnibus will continue to be the major point of contention in finding compromise in Congress. In particular – one consistent rider of interest to Mesa Water District includes overturning the EPA and Army Corps Waters of the US rule, in which there is concern of the federal government's overreaching jurisdiction over regional and local waters. However, despite a handful of controversial provisions, House Speaker Paul Ryan is committed to passing an omnibus spending bill in time for lawmakers to adjourn for the holiday recess, and we expect a compromise before the end of session.

Federal Drought Legislation

As the end of the calendar year and the 114th Congress comes to a close, Congress has turned efforts to “must-pass” legislation with expiration dates and the need for reauthorization. Federal drought legislation is continuing to be negotiated behind closed doors among key leaders in the Senate, including Senator Feinstein, Senator Boxer, and Senator Murkowski, Chair of the Senate Energy and Natural Resources Committee. Negotiations entail finding common ground on H.R. 2898 (Valadao), the Western Water and American Food Security Act of 2015 and S. 1894 (Feinstein), the California Emergency Drought Relief Act of 2015. Should Chairwoman Murkowski introduce and pass her own, separate drought bill in the Senate as expected, a joint conference committee would be formed to resolve differences between the S. 1894 and H.R. 2898. This will likely be taken back up in the beginning of 2016.

Federal Surface Transportation Reauthorization

On Tuesday, December 1, 2015, leaders of the joint House-Senate Conference Committee working to reach a bicameral, bipartisan agreement on surface transportation legislation released their bipartisan proposal and Conference Report for the *Fixing America's Surface Transportation (FAST) Act*.

The FAST Act provides \$281 billion in funding for federal transit, roads and bridges. Lawmakers came to an agreement on the most controversial piece of federal surface transportation reauthorization, and identified a “pay-for” to shore up the Highway Trust Fund. The measure would be financed in part by a

one-time use of Federal Reserve surplus funds, and by a reduction in the 6 percent dividend that national banks receive from the Federal Reserve.

As it relates to Mesa Water, the proposal includes a water resources-related provision:

- The legislation modifies the Water Infrastructure Finance and Innovation Act (WIFIA) program, designed to water resources infrastructure projects, to ensure both public and private capital have an equal opportunity to participate, thereby ensuring financing is adequately leveraged. The proposal requests that as the Environmental Protection Agency and the US Army Corps of Engineers continue to implement the WIFIA program, the agencies include specifications that will ensure private capital has an equal opportunity to engage in the financing of these projects.

President Obama signed the bill into law on December 4, 2015.



Mesa Water® Priority Legislation Two-Year Bills

BILL	AUTHOR	SUMMARY	LATEST ACTION	MESA WATER POSITION	OTHER POSITIONS
Two-Year Legislation (FY 16-17)					
AB 291	Medina [D]	California Environmental Quality Act: local agencies: notice of determination: water. Would authorize a local agency, for certain water projects, to file the notice with the county clerk of the county in which the local agency's principal office is located in lieu of the county clerk of each county in which the project is located and would, if the local agency exercises this authorization, require the local agency to file the notice with the Office of Planning and Research. This bill contains other existing laws.	AB 291 is a two-year bill		ACWA-Support Met- Support MWDOC-Support OCWD-NYC IRWD-NYC CSDA-Support
AB 585	Melendez [R]	Outdoor Water Efficiency Act of 2015: personal income tax credits: outdoor water efficiency. Would, for taxable years beginning on or after January 1, 2016, and before January 1, 2021, allow a credit equal to 25% of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements, as defined, on qualified real property in this state, not to exceed \$2,500 per taxable year, as specified. The bill would limit the cumulative amount of the credit to \$2,500 for each qualified real property for all taxable years.	AB 585 is a two-year bill		ACWA- Favor Met- NYC MWDOC- NYC OCWD- NYC IRWD- Support CSDA- NYC
AB 647	Eggman [D]	Groundwater: Would declare that the storing of water underground constitutes a beneficial use of water if the diverted water is used while it is in underground storage for specified purposes. This bill would state the intent of the Legislature that this storage of water underground not injure any legal user of the water involved. This bill would provide that the period for the reversion of a water right does not include any period when the water is being used in the aquifer or storage area or is being held in storage for later application to beneficial use, as prescribed.	AB 647 is a two-year bill		ACWA - Watch Met - Support MWDOC - NYC OCWD - Oppose if Amended IRWD - NYC CSDA - Watch
AB 1139	Campos [D]	Personal income taxes: credit: turf removal. The Personal Income Tax Law allows various credits against the taxes imposed by that law. This bill would, for taxable years beginning on and after January 1, 2015, allow a credit to a taxpayer participating in a lawn replacement program, as defined, in an amount equal to \$2 per square foot of conventional lawn removed from the taxpayer's property, up to \$50,000 per taxable year, as provided. The bill would make findings and declarations in this regard.	AB 1139 is a two-year bill		ACWA-Favor Met- Support MWDOC-NYC OCWD-NYC IRWD-NYC CSDA-Watch



**Mesa Water®
Priority Legislation
Two-Year Bills**

<p>AB 1201</p>	<p>Salas [D]</p>	<p>Fish and wildlife: Sacramento-San Joaquin Delta: predation by nonnative species. Under the California Endangered Species Act, the Department of Fish and Wildlife may authorize the take of listed species if the take is incidental to an otherwise lawful activity and the impacts are minimized and fully mitigated. This bill would require the department, by June 30, 2016, to develop and initiate a science-based approach that addresses predation by nonnative species upon species of fish listed pursuant to the act that reside all or a portion of their lives in the Sacramento-San Joaquin Delta.</p>	<p>AB 1201 is a two-year bill</p>		<p>ACWA-Support Met- Support MWDOC-NYC OCWD-NYC IRWD-Support CSDA-Watch</p>
-----------------------	-------------------------	---	-----------------------------------	--	---

REPORTS AND INFORMATION ITEMS:

5. REPORT OF THE GENERAL MANAGER:

REPORTS AND INFORMATION ITEMS:

6. DIRECTORS' REPORTS AND COMMENTS:

MEMORANDUM



*Dedicated to
Satisfying our Community's
Water Needs*

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, Public & Government Affairs Manager
DATE: December 17, 2015
SUBJECT: Drought-Reach 3.0 Update

RECOMMENDATION

This item is provided for information only; no action is requested at this time.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #6: Provide outstanding customer service.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

At the District's August 28, 2014 Board meeting, staff presented an update on the Mesa Water District (Mesa Water®) drought-related outreach activities -- called "Drought-Reach" -- in response to the State Water Resources Control Board's regulations that became effective on July 29, 2014.

At its October 30, 2014 meeting, the Legislative and Public Affairs Committee approved staff conducting a selection process to retain a "Drought-Reach" campaign consultant, and bringing a recommendation to the Board at its November 13, 2014 meeting.

At its November 13, 2014 meeting, the Board approved a contract with Fraser Communications as the District's "Drought-Reach" campaign consultant for the total amount of \$178,731.

At its May 14, 2015 meeting, the Board approved extending the contract for a "Drought-Reach 2.0" campaign with Fraser Communications for a total of \$240,000, with \$60,000 allocated for FY 2015 and the remaining \$180,000 allocated for FY 2016.

At its November 12, 2015 meeting, the Board approved extending the contract for a "Drought-Reach 3.0" campaign with Fraser Communications for a total of \$150,000 during FY 2016, to communicate the new one-day-a-week (Saturdays) outdoor watering rule.

At its December 10, 2015 meeting, the Board received an update regarding the District's Water Conservation and Water Supply Emergency Program. At that meeting, a follow-up action item for further conservation measures was agendaized for the Special Board Meeting scheduled for December 15, 2015.



DISCUSSION

Governor Brown declared a drought state of emergency in January 2014 and, in April 2014, he called on all Californians to reduce their water use by 20 percent. In June 2014, the State Water Resources Control Board (SWRCB) issued curtailments to junior water-rights holders and, in July 2014, the SWRCB adopted two resolutions for drought emergency regulations—the first resolution mandated water curtailments, and the second resolution mandated urban water conservation.

The SWRCB's drought emergency regulations for urban water conservation mandated that all water providers enact water shortage contingency plans with outdoor watering restrictions and prohibitions on specific outdoor watering activities. In response, Mesa Water® ensured its Water Conservation Ordinance (Ordinance 21) is in compliance, and the District initiated Drought-Reach activities to further educate the public about the drought and inform its service area about the State's requirements.

In anticipation of additional water conservation mandates from the SWRCB, the high probability of allocations implementation by the Metropolitan Water District of Southern California, and to encourage continued water conservation results in the District's service area, staff recommended a grassroots Drought-Reach campaign to reach all Mesa Water® residents with multiple touchpoints via the following tactical elements (starting in December 2014): 1-2 automated calls; 1-2 mailers; 1 door hanger; and, canvassing. Per the Board's direction, the campaign included a District-wide bill insert as one of the mailer elements.

Following the initial Drought-Reach campaign's success, Mesa Water® determined to retain Fraser Communications to implement "Drought-Reach 2.0" in order to leverage and extend the initial campaign. New multi-media creative was developed emphasizing the new outdoor watering rules and featuring the number 2 throughout all elements. Additionally, the campaign continued to use the *Mesa Water Saver* campaign icon.

In Fall 2015, with the Governor's recent extension of the State's Emergency Drought declaration, the SWRCB considering extensions and/or modifications to its regulations, and the District's dipping conservation levels, it became apparent that Mesa Water® needed to further restrict outdoor watering during the cooler autumn and winter seasons. In conjunction with determining new outdoor watering rules, including watering only one day per week (Saturdays), the Board approved extending its communications campaign to implement "Drought-Reach 3.0", again leveraging the prior campaigns and, this time, emphasizing Saturday as the once weekly watering day.

Attached is Fraser Communications' status update memo to Mesa Water® regarding the campaign as of December 10, 2015. Also attached are charts of Mesa Water's 2013/2014/2015 Water Use Comparisons showing the District's conservation performance, which is being tracked for monthly reports to the SWRCB.

Following are the campaign's key messages developed for Mesa Water's Board and staff. Messaging is subject to change pending the Board's determination at its Special Board Meeting on December 15, 2015:



- This is one of the worst droughts in California's history and we are possibly heading into a fifth consecutive year of this drought, which began in 2012.
- Furthermore, 2013 was the driest year on record in terms of rain; 2014 was the hottest year on record; and, 2015 had the lowest snow levels on record for California.
- Although we've had some rain, so far, it is nowhere near enough to get us out of drought.
- While Mesa Water® has enough water, other areas statewide are running low or out of water.
- We are all in this together, and Governor Brown has asked everyone to reduce their water use; the State Water Board has determined Mesa Water's reduction to be 20%.
- To achieve this goal, Mesa Water's drought-reach campaign asks everyone -- businesses, public agencies, and residents -- to only water one day with automated sprinkler systems per week (Saturdays), before 8:00 a.m. or after 5:00 p.m., due to the cooler and shorter winter days and upcoming wet weather from the anticipated El Niño. Hand watering is still allowed any day/time so long as there is no runoff.
- Designed to reach all 108,000 residents in Mesa Water's service area, the \$150,000 campaign cost is less than \$1.40 per resident...this does not factor in the total impressions of 4,521,216, reaching those who also work in and/or visit Mesa Water's service area. Furthermore, this cost represents less than ½ percent of the District's FY 2016 budget of \$31 million. From a return on investment standpoint, the campaign's cost is just under 3 ½ cents per impression.
- For questions or to request water conservation information, items, and rebates, go to MesaWaterSaver.org, email conservation@MesaWater.org, call 949.631.1200, or visit the District's office.
- Thanks for being a *Mesa Water Saver!*



FINANCIAL IMPACT

\$180,000 is budgeted in fiscal year 2016; \$177,997 funds have been spent to date in fiscal year 2016.

	Drought-Reach	
	Project Estimate Amounts	Project Cost Amounts
	<u> </u>	<u> </u>
Initial Project Estimate (FY 2015)	\$ 178,731	
Original Contract		\$ 178,731
Change orders #1-3		390,000
Revised Contracts		<u>\$ 568,731</u>
Actual spent to date		\$ 416,728
Revised Project Estimate	\$ 568,731	

ATTACHMENTS

- Attachment A: Fraser Communications Memo
- Attachment B: Water Use Comparisons 2013/2014/2015

MESA WATER DISTRICT “DROUGHT-REACH” STATUS MEMO

December 10, 2015

Campaign Scope

On April 1, 2015, Governor Brown issued an Executive Order for a 25% reduction of water use statewide. To comply with the mandated water use restrictions, at its May 14, 2015 Board meeting, Mesa Water District (Mesa Water®) approved the adoption of an updated Water Conservation Ordinance and a Water Supply Emergency Program encouraging continued water conservation results in Mesa Water’s service area. At Mesa Water’s May 14, 2015 Board meeting, and again at its November 12, 2015 Board meeting, the Board determined to extend the grassroots drought-related outreach (“Drought-Reach”) campaign -- targeting all business, commercial, industrial, institutional, and residential water users -- via multiple communications touchpoints developed and executed by Fraser Communications.

Fraser has developed, planned and scheduled a new winter campaign to support the need for further outside watering reductions and the one-day-per-week watering restriction. The purpose of the new winter campaign is to educate all residences, businesses, industrial and institutional water users in the 18-square-mile area that Mesa Water® serves of the once-weekly outdoor watering day—Saturday.

The \$150,000 campaign will run mid-December 2015 through February 2016 via multiple communications touchpoints, including: mailer, door hanger, bill stuffer, billboards, newspaper, digital, email, and social media. Designed to reach 108,000 residents in Mesa Water’s service area, the campaign’s cost is less than \$1.40 per resident (this does not factor in the added reach of those who work in and/or visit Mesa Water’s service area); furthermore, the \$150,000 campaign cost represents less than ½ percent of the District’s FY 2016 budget of \$31 million.

Overarching Campaign: Fraser has continued the strong campaign theme of “Let’s All Be Mesa Water Savers” with a simple, memorable and impactful/fast-read hose graphic that clearly highlights the new water restriction of only watering one (1) day a week, on Saturday, before 8 AM or after 5 PM. Fraser is continuing to carry forward several key elements from the previous campaigns, including the “heart” graphic and MesaWaterSaver.org as the campaign destination URL. The outreach campaign includes the following grassroots District-wide outreach elements listed in chronological order of implementation:

DECEMBER

- Mailer, 2-sided, English and Spanish to 52,000 residents, renters and rate payers—week of 11/30
- Door Hanger, 2-sided, English and Spanish to 20,000 residents and renters—week of 11/30
- Newspaper, full-page color insertions each:
 - Newport Beach Costa Mesa Current w/ front page “Post-it Note”—12/3
 - Daily Pilot—12/4
 - Excelsior (Spanish)—12/4
- (1) E-Mail to 87,497 who live and/or work in Mesa Water’s service area – 12/15

DECEMBER/JANUARY

- (1) Outdoor Billboard, high-profile/high-visibility 14' x 48' bulletin –12/28-1/31
- Digital Ad Campaign, geo-fenced to the Mesa Water® service area–12/7-1/31
- Pandora streaming radio, geo-fenced to the Mesa Water® service area–12/7-1/31
- Mesa Water® Bill Stuffer, 2-sided, English and Spanish

DECEMBER/JANUARY/FEBRUARY/MARCH

- Social Media
- Mesa Water Truck Magnets/Vinyl's, English
- Wall Banners

FEBRUARY

- Newspaper, full-page color insertions each:
 - Newport Beach Costa Mesa Current w/ front page “Post-it Note”– 2/4
 - Daily Pilot–2/5
 - Excelsior (Spanish)–2/5

Completed as of December 7, 2015

- Postcard Mailer printed and mailed
- Door Hanger printed and delivered
- Digital ad banner program and Pandora running
- Mesa Water Saver webpage text translated into Spanish
- Bill Stuffer developed and printed
- Daily Pilot and Excelsior (Spanish) newspaper ads ran
- Newport-Mesa Current newspaper ads and front page “post-it” notes ran
- Social Media posts written and posting
- Truck Tail Magnets printed and installed
- Wall banner art developed, printed and installed
- Outdoor Billboard vinyl released for printing
- Email blast designed and programmed

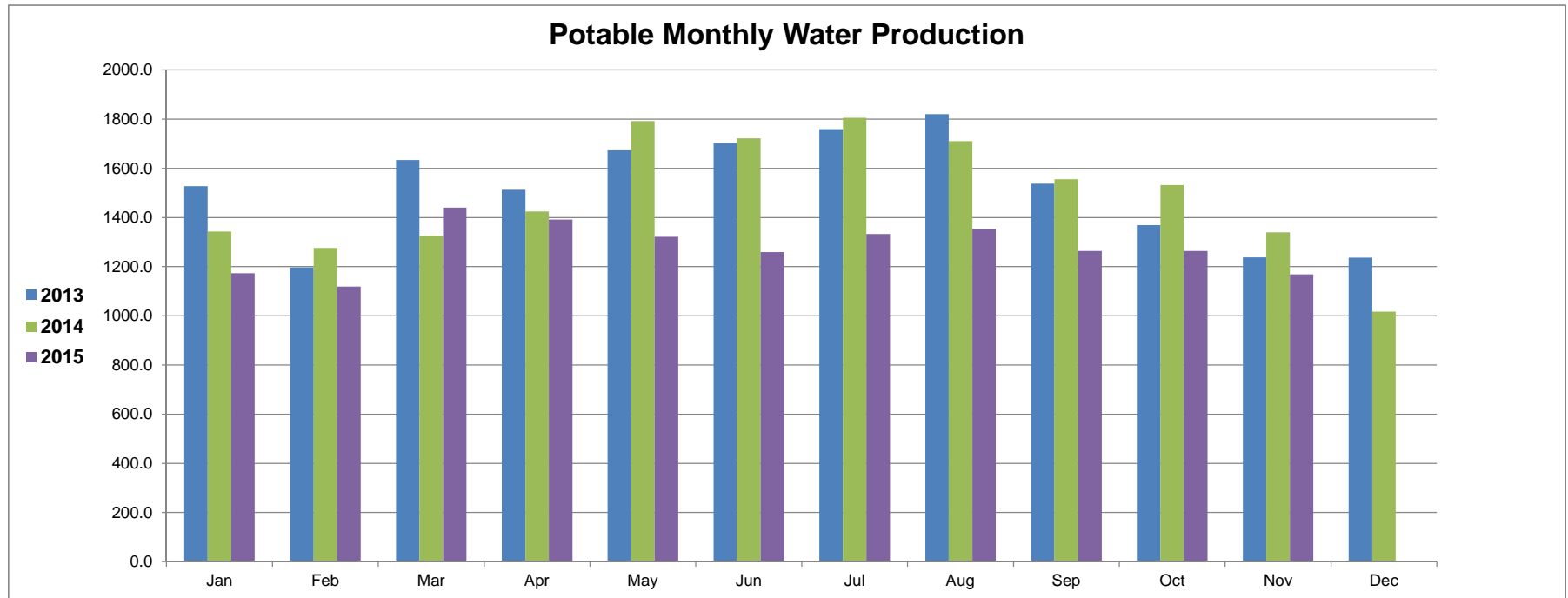
Total Rated Paid Media Campaign Impressions:

- 4,521,216

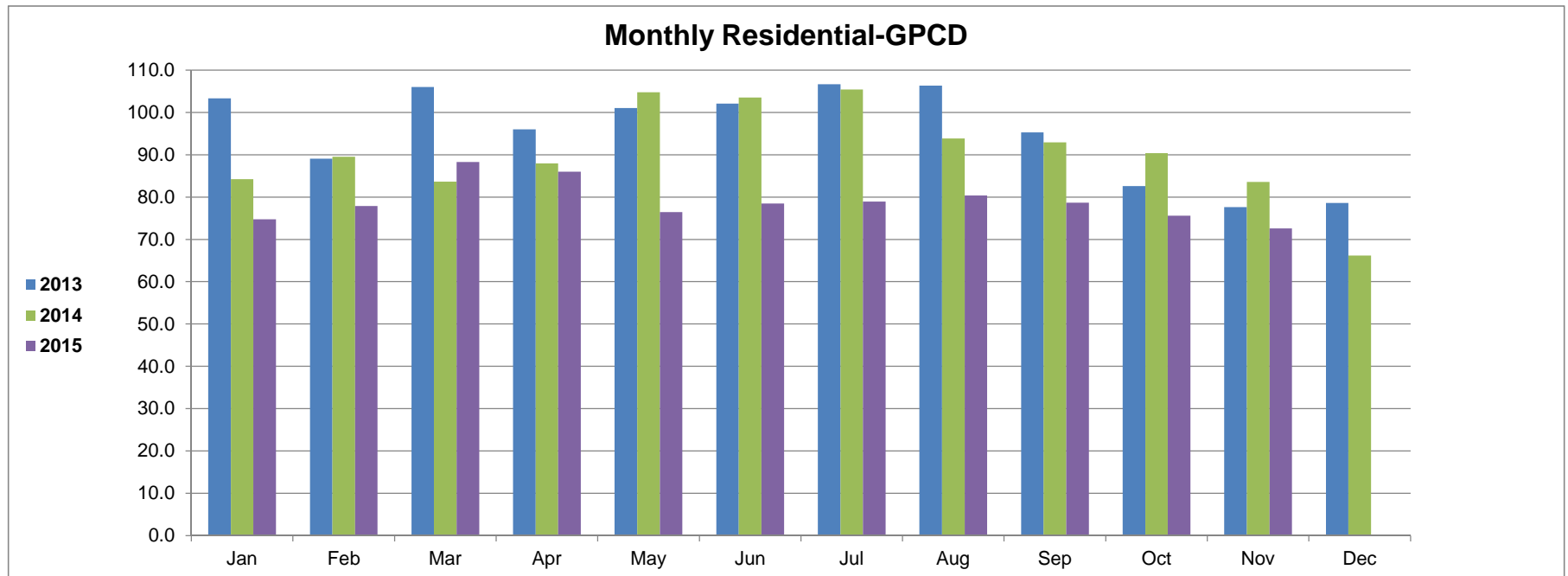
Budget

The total budget approved for the “Drought-Reach” program is \$150,000. The campaign’s return on investment is just under 3 ½ cents cost per impression.

Production



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD TOTAL
2013	1527.9	1197.1	1634.0	1512.7	1673.6	1703.2	1759.1	1820.6	1537.2	1369.5	1238.1	1236.3	18,209.3
2014	1342.5	1275.8	1326.5	1425.0	1792.1	1722.2	1805.3	1710.3	1555.6	1532.2	1340.2	1017.5	17,845.2
<i>% DIFF (Prev Year)</i>	-12.1%	+6.6%	-18.8%	-5.8%	+7.1%	+1.1%	+2.6%	-6.1%	+1.2%	+11.9%	+8.2%	-17.7%	
2015	1173.5	1119.0	1440.6	1391.2	1321.8	1259.5	1333.3	1353.6	1264.0	1264.3	1169.3		14,090.1
<i>% DIFF (Prev Year)</i>	-23.2%	-6.5%	-11.8%	-8.0%	-21.0%	-26.1%	-24.2%	-25.7%	-17.8%	-7.7%	-5.6%		



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD AVERAGE
2013	103.3	89.1	106.0	96.0	101.0	102.1	106.7	106.3	95.3	82.6	77.6	78.6	95.4
2014	84.3	89.5	83.6	88.0	104.7	103.5	105.4	93.9	92.9	90.4	83.6	66.2	90.5
<i>% DIFF (Prev Year)</i>	-18.4%	+0.5%	-21.1%	-8.4%	+3.7%	+1.4%	-1.2%	-11.7%	-2.5%	+9.4%	+7.7%	-15.8%	
2015	74.7	77.9	88.3	86.0	76.4	78.5	78.9	80.4	78.7	75.6	72.6		80.0
<i>% DIFF (Prev Year)</i>	-27.6%	-12.6%	-16.7%	-10.4%	-24.3%	-23.1%	-26.0%	-24.4%	-17.5%	-8.5%	-6.4%		

MEMORANDUM



*Dedicated to
Satisfying our Community's
Water Needs*

TO: Legislative & Public Affairs Committee
FROM: Noelle Collins, Public Affairs Coordinator
DATE: December 17, 2015
SUBJECT: Outreach Update

RECOMMENDATION

This item is provided for information only; no action is requested at this time.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #6: Provide outstanding customer service.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

In addition to ongoing communications, industry and internal relations, legislative relations, media relations (News Bureau), publications, water education and the annual Water Issues Study Group (WISG) series, the Mesa Water District (Mesa Water®) outreach program includes constituent relations via Community Outreach events, Speaker's Bureau opportunities, Town Hall talks, and "Well Wisher" meetings.

Each of these activities is designed to connect Mesa Water® with its constituents in order to achieve the awareness goal in the District's strategic plan. These activities are also designed to achieve the human resources, customer services, and/or regional water issues involvement goals by educating and informing the District's constituents about Mesa Water®, water issues, and water in general.

Mesa Water® constituents include external audiences -- such as customers; community members; elected officials; industry colleagues, water districts and special districts; and, media -- as well as internal audiences such as current and former Mesa Water® staff and Board members.

Following is an update on outreach activities designed to educate and inform the District's constituents about Mesa Water®, water issues, and water in general.

1. Community Outreach Events – Staff has planned Mesa Water's participation in and/or sponsorship support of the following events:
 - a. Water Issues Study Group, Mesa Water Boardroom, Jan. 27th at 6p.m.
 - b. 5th Grade Assembly, Kaiser Elementary on Feb. 1st at 9:30a.m.
 - c. Water Issues Study Group, Mesa Water Boardroom, Feb. 10th at 6p.m.



d. Water Issues Study Group, MWRF, Feb. 24th at 6 p.m.

2. Speaker's Bureau – Includes presentations by Mesa Water Board and/or staff member(s) in the community as well as media interviews, including Mesa Water Reliability Facility (MWRF) tours.
3. Town Hall Talks – Mesa Water® hosted three town hall talks and tours this fall, with a combined total of 65 constituents in attendance.
4. "Well Wisher" Meetings – To date, Mesa Water® has received 325 "Well Wisher" support cards and hosted 1,101 constituents at the MWRF.

Staff will continue to provide updates to the Board regarding Mesa Water's Community Outreach events, Speaker's Bureau opportunities, Town Hall talks, and "Well Wisher" meetings.

For the "Well Wisher" meetings, staff will continue to develop, prioritize, and update the contact information list of appropriate representatives at key businesses, charities, churches, community service organizations, customers, HOAs, Mesa Water® former directors/staff, WISG alums, and other groups/individuals in the District's service area. Also, staff will work with the Board to designate the appropriate Mesa Water® representative(s) to participate in specific "Well Wisher" meetings, arrange the "Well Wisher" meetings, and notify the appropriate Mesa Water® representative(s).

Following are the benefits of Mesa Water's outreach program:

- Informing constituents about Southern California's perpetual drought, the historical drought now facing California, and the importance of developing local and cost-effective sources of safe, reliable water for Mesa Water's service area and the region at large;
- Educating Mesa Water® constituents about the importance of water and water stewardship, in order to sustain Southern California's population, quality of life, business, and economy;
- Educating constituents about Mesa Water's stewardship of ratepayer funds and financial responsibility to fund, invest in, and save for the current and future provision of safe and reliable water for the District's service area;
- Informing Mesa Water® constituents of the District's infrastructure improvements to ensure water quality and water reliability for its service area;
- Learning from constituents and evolving as a well-informed Board of Directors;
- Promoting water use efficiency to Mesa Water's customers (ratepayers) and community members to help them save water, money, and the environment;
- For public health and safety reasons, ensuring that Mesa Water® customers and community members identify the District as their water provider and as the source of information about water in emergency situations;
- Supporting Mesa Water's service area as an actively involved participant in programs that provide added value and benefits to the community;



- Informing the media of Mesa Water's activities that benefit the District's customers and community;
- Empowering Mesa Water's Board and staff with information that will help them provide the best possible service to the District's customers and community members; and,
- Strengthening Mesa Water's industry relations to provide opportunities for improving the District's business and operations -- including the areas of financial and human resources strength, infrastructure and technological innovation, and setting/supporting policies that have a positive impact on Mesa Water's service area -- so that the District can continue to provide safe, high-quality, reliable, and affordable water to its customers.

FINANCIAL IMPACT

\$700,875 is budgeted in fiscal year 2016 (for the Public & Government Affairs department's total expenses); \$349,465 funds have been spent to date in fiscal year 2016.

ATTACHMENTS

None.