**Denis M. Wolcott, APR**

**President**

**The Wolcott Co**

**denis@thewolcottcompany.com**

**2132001563**

**EntryID 258537**

**Being Water Smart**

**Public Education**

**Public Education**

**OVERVIEW**

California has had well-documented and publicized issues with its water supplies. Because water supplies are no longer abundant for a growing population, the state enacted legislation requiring all major water utilities to reduce their overall water consumption by 20 percent by the year 2020.

Like many water agencies, Valencia Water Company has relied on a variety of incentive programs to encourage water-use efficiency (conservation) among its customers. These have included rebates (such as for low-flow toilets and high-efficiency washing machines) and standard outreach programs ("Save water now"). Valencia Water, however, realized it would need more assertive programs to meet the 20-by-2020 goal. The water company evaluated many options to meet this requirement and decided on a plan to implement a water allocation/water budget system. Individual homeowners would be given a monthly water allocation based on a variety of factors, including the size of their lot and current weather conditions. Tied to allocations was a new pricing structure, which had five "tiers" and provided penalty rates for using water above the monthly allocations.

The program would be first implemented with residential customers, then move to other customer categories such as "dedicated irrigation" (parks, common landscape areas, etc.) and eventually to businesses.

Water budget and "tiered" pricing programs have had mixed success in other parts of the U.S. In most locations, public utilities had operated one type of program, not both, at the same time.

Realizing the need to educate its customers about this new program, the Valencia Water Company hired The Wolcott Co. to develop and implement a long-range public outreach and education program to secure public acceptance in advance of launching the new allocation system and tired-rate program as well as to manage outreach during the implementation of these program.s The result was the "Water SMART (Saving Money And Resources Today)" campaign.

Valencia Water Co. created a reasonable "water allocation" system that would not create hardships for customers, but would quickly alert some customers that they were wasting water. A tiered rate program would follow.

**RESEARCH**

In advance of developing the outreach program, The Wolcott Co. conducted two focus groups of Valencia Water Company customers. A cross-section of current customers were selected for a moderated session to assess their attitudes toward various previous water conservation programs by water agencies, their awareness of water supply issues, to test reactions to a range of future water conservation incentive programs and messaging, and to the planned water budget program. Customers included some who had participated in earlier conservation incentive programs, but most were selected at random. The focus groups provided invaluable feedback that ultimately determined the program's main theme and brand messaging, identified how messaging would differ among age brackets, and revealed concerns about privacy (customer information kept secure on the website) as well as concerns over how the tiered system would be structured (customers wanted tier levels that were reasonable and easy to achieve - many felt similar tiered structures by local electric utilities were unrealistic).

The research clearly told us that customers, who had been bombarded over the years with various water conservation messages and campaigns, wanted to be treated with respect and intelligence, and that they would react better to a program that reinforced their own sense of accomplishment for making "smart" decisions about their water use.

The Wolcott Co. also conducted passive research of about a dozen other water agencies in California that have launched either water budget programs or tiered rate programs (or both) to analyze messaging, media coverage, graphic designs, website function and more.

**OBJECTIVES**

The public outreach and education program identified one main objective:

\* To launch and implement the allocation-based tiered rate Water SMART program with less than 10 percent of its customers complaining or objecting to the new systems.

The "complaint" measurement was important. If too many customers complained, that would indicate that they did not understand water budgets and the tiered rate system, and that they did not understand "why" the program was being implemented. Valencia Water Co. clearly understood that a high percentage of customers could flood their customer service telephone lines with complaint as soon as customers saw higher water bills (because customers did not make adjustments in their water use to match their allocations and were now beginning to see "penalty" rates based on water used in the higher tiers).

A secondary objective was to ensure Valencia Water's program was implemented with regulatory approval. As a private water company, the Valencia Water Co. is regulated by the California Public Utilities Commission (PUC). The PUC was promoting water budgets and tiered rates among those agencies under its jurisdiction, and was closely watching the Valencia Water program because it was one of the first agencies to implement such a program. Additionally, customers have the right to send complaint letters to the PUC, and such letters can launch informal questioning by PUC staff or, worse, a formal review that could have longer range implications for future rate hikes requested by Valencia Water Co.

Another secondary objective was actually an opportunity: The new allocation and tiered rates program would include the addition of new, interactive website features. Before the new programs began, only about 10 percent of Valencia Water Company customers used online services to pay their bills. The Wolcott Co. and Valencia Water recognized the opportunity with new website features to incentivize more customers to pay their bills online and, thus, provide increased cost savings for the water agency.

**TARGET AUDIENCES**

The Water SMART outreach and education program's primary audience were the owners of approximately 26,300 single-family homes served by the water agency. These homes represent about 100,000 total individuals.

Secondary audiences were:

--Local government officials and "citizen" councils

--The local news media

--Community groups and homeowner associations

**EXECUTION/IMPLEMENTATION**

The Wolcott Company utilized its long experience dealing with water issues in California to design and implement a focused, but multi-faceted public outreach and education campaign.

After analyzing the focus group research, the Wolcott Company developed a strategy that would focus on the following key areas:

--Reaching and influencing stakeholders. These included government and civic leaders and homeowner associations. History for this region indicates that consumers are often swayed by stakeholders. If city officials and other stakeholders were properly informed about the water budget-tiered rate program in advance, they would be capable of answering questions from the public and, hopefully, support the water agency's program.

The Wolcott Co. worked with two of the water agency executives to create a presentation program and script, as well as answers to potential questions -- and embarked on an aggressive briefing schedule with the local city council, as well as "town councils" - citizen advisory groups organized through the county supervisor -- homeowner associations and the news media.

--Creating clear messaging and imagery to help customers quickly comprehend the program and to speak to them in "intelligent" tones. Customers clearly told us they did not want the same old water conservation message, but rather provide them with more reasons "why" saving water was important and offering them the latest, most advanced ways to be efficient without sacrificing lifestyle. An analysis of customer water use before the program began indicated that more than 60 of the water agency's customer base could easily meet their monthly water budgets with very small changes in their daily habits -- primarily through adjustments in their landscape watering schedules.

--Giving customers useful tools. This involved developing an interactive website and collateral material that allowed customers to quickly see how little changes in their water habits can let them easily remain at or under their monthly water allocation and avoid paying the penalty rates associated with the higher tiers. The website featured a large, colorful moving needle that would change on monthly basis to reflect a customer's actual water use compared to their allocation. Customers could call up their past two years of water use to get a quick visual of their historic water use to help anticipate future changes, such as resetting landscape sprinkler times

The campaign also recognized the importance of "warning" customers of the pending program. The water district early on decided to first launch the allocation (water budget) program to allow customers the chance to "see" their monthly water allocation without being penalized through tiered rates. This introductory period allowed customers to make adjustments before new rate structures would go into effect.

The campaign also emphasized a personal touch, particularly with customers who saw higher water bills. The outreach campaign would focus on these customers to quickly resolve their issues and prevent a "groundswell" of opposition. From its experience with prior outreach campaigns, The Wolcott Co. recognized the potential for consumers to mobilize if they "felt" they were being "wronged" by their public utility. As the "front line" of the company, Valencia Water Co. customer service representatives were provided scripts and training to manage calls from customers who had questions about the allocation program and tiered rates. A high percentage of these calls were categorized as "inquiries" because they never rose to the level of complaint. News releases were issued as different phases of the program were implemented. Colorful fliers, a bill explanation sheet, and a postcard were mailed to customer.

**BUDGET**

The Water SMART program budget was $35,000, which included professional public relations services to design and implement the program, graphic design (both for collateral and website) provided by The Wolcott Co. and nominal printing costs incurred by the client. The outreach program began six months prior to implementation and continued well into 2013 to keep customers informed of rebates and other tools to save water.

**MEASUREMENT/EVALUATION**

The program's success would be evaluated primarily on customer acceptance. As stated, the goal was to receive complaints from no more than 10 percent of its customers. Valencia Water Co. customer service representatives were trained, and then documented and categorized inbound customer calls over a six-month period that began when tiered rates were implemented. "Complaints" or unresolved issues were forwarded to conservation staff who then would conduct follow-up calls or on-site visits to conduct water audits (surveys) to check for broken irrigation lines, leaking toilets and sprinkler timer settings.

 One of the expected outcomes of the focus groups conducted in advance of the program was that participants would state they were doing all they could to save water. Although public outreach campaigns typically do not try to directly correlate education with specific water savings, Valencia Water Co. was able to track water use of hundreds of water customers who requested audits (the availability of audits was publicized through the outreach program) and analyze water use among customers who history suggested they would regularly exceed their monthly allotments. In situations where customer water use fell into the extremely wasteful category, custom letters were mailed to recommend a visit by the water agency to conduct a free audit.

We also monitored website visits as an indicator to whether messaging that encourage website use would resonate with customers.

**RESULTS**

Valencia Water also reported that more than 38 percent of its customers began using the website to pay their bills online (up from less than 12 percent prior to the start of the program) and the Water SMART portion of the website (with the interactive needle and water saving tips) received 600 to 1,000 visits a month.

Based on the success of the program, the PUC allowed Valencia Water Co. to proceed with implementing Water SMART with other customer categories in upcoming years.

Although not a stated objective, Valencia Water Co. also reported a 12-16 percent drop in water demand on its system in the first year of the program that it attributed to outreach and education, as well as a jump in requests for water audits and rebates for water-saving devices.