

NO ON O

A graphic of a tire with a blue liquid dripping from the top, positioned between the 'O' and 'O' of the word 'NOON'.

It's a Risk We Cannot Afford

Campaign Overview

Prepare For What We Know Is Coming

Developed based on ORC poll results:

1. Demonstrate that California American Water cares about the environment, community, and its customers.
2. Help customers save money by sharing water-and cost-saving information and tools.
3. Show customers that California American Water is driving tangible progress on the Monterey Peninsula Water Supply Project.

Pre-Campaign Initiatives

Caring for Our Environment

- Boys & Girls Club Water-Wise Campus
- Pacific Grove Lighthouse Preschool Garden
- School Rain Barrels & Watering Cans
- San Clemente Dam Removal Spring Gear-Up

Caring for Our Community

- Installed water bottle refilling stations
- Training grants for first responders
- Collage scholarships for local students pursuing environmental science degrees

Caring for Our Customers

- Water Conservation & You
- Water Wise House Calls – Walk & Talk

Pre-Campaign Media

Progress on the Monterey Peninsula Water Supply Project

The Solution is Now in Sight

- Mailer
- Bill Insert
- Email Blast
- Print Advertisement
- Television Advertisement

Endless

- Television Advertisement

Boreholes

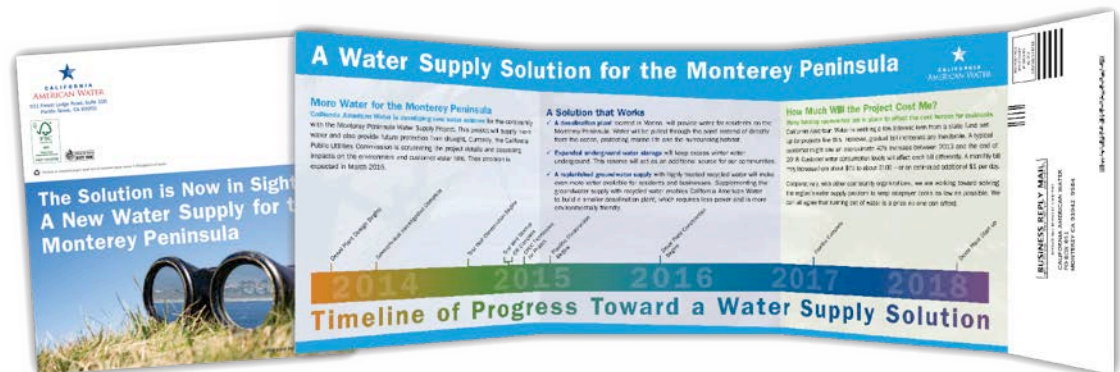
- Email Blast
- Print Advertisement

Reliable

- Email Blast
- Print Advertisement



The Solution is Now in Sight Television Advertisement



The Solution is Now in Sight Mailer

Pre-Campaign Results

Reached California American Water customers through a variety of methods

- Street teams reached 4,000 homes
- Mailers and bill inserts each reached over 33,000 customers directly
- Advertisements saturated television and newspaper market
- Publicized programs received considerable media coverage
- Each email blasts were delivered to ~6,000 people
 - 31% - 50% open rate
- Social media proved effective, especially with 3rd-party involvement
- Participation in community events ensured in-person messaging

Campaign Timeline

- December
 - General Consultants Terris, Barnes & Walters hired
 - Budget established
- January
 - Consulting team assembled
 - Day-to-day manager Paul Higgins hired
 - First mobilization at MPWMD Board Meeting
- February
 - Research: Polling and focus groups
- March
 - Campaign Plan written and finalized
 - Ballot letter assigned
 - Opposition research up and running (VR Research)
- April
 - Lawsuit won over ballot title and summary
 - Mail & TV launched
 - Field Campaign launched
 - Tracking poll to gauge campaign progress
 - Focus groups to guide May media
- May
 - Voter contact reaches peak
 - Second tracking poll to measure progress
- June
 - Get-Out-the Vote operations to turn out No on O voters

Election Results

- 45% Yes – 10,897 votes
- 55% No – 13,230 votes
- 24,127 total votes
 - Projected 28,435 total votes

Fieldworks Inc. (Non-Latino) and Ramos/Uranga (Latino Field)

- Main program
 - 4 pass program
 - 3 pieces of literature
 - 49,084 doors knocked
 - 15,208 total contacts
- Latino Program
 - Targeted Latino field operation to ID and turnout voters
- GOTV
 - 2 pass program
 - Door-hanger
 - 4,282 doors knocked

Trilogy Interactive

— YouTube

- 100,054 total views of three TV spots

— Ads

- Google Ads – more than 12 million banner ad impressions
- Facebook Ads – more than 6 million social ad impressions

— Website

- 27,709 unique views

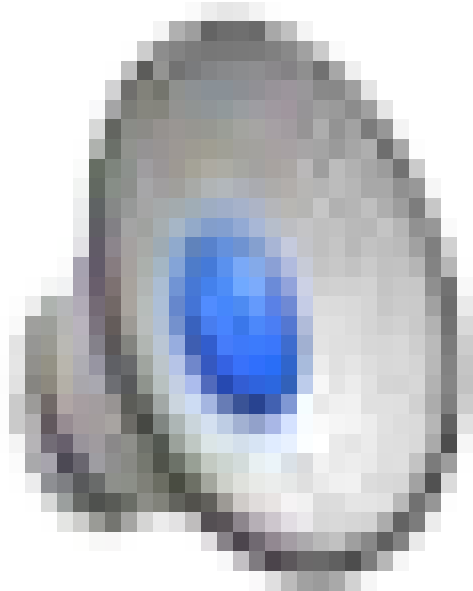
— Email outreach program

- Email blasts targeted to registered voters and IDs

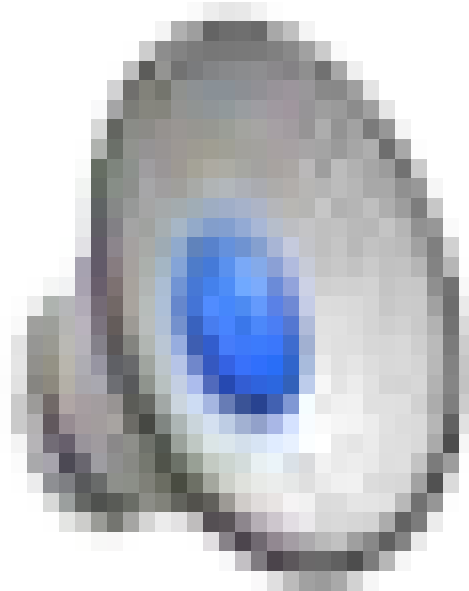
Putnam Partners

- 3 TV Spots
 - “Mayors”
 - “Felton”
 - “All”
- “Mayors” and “Felton” well received in focus groups
- “All” combined arguments for strongest testing message
- Ad Buys
 - “Mayors” – 1845.2 Total GRP
 - “Felton” – 1864.3 Total GRP
 - “All” – 1658.9 Total GRP

TV – “Mayors”



TV – “Felton”



Terris, Barnes & Walters

- 17 pieces of mail
- 88% reported receiving mail in 5/15/14 poll
- Well received in focus groups
- Provide variety – cover strongest messages
- Coordinated mail with TV program



BUT DRINKING WATER IS WHAT WE NEED



Measure O Won't Provide One Drop of New Drinking Water

Our water crisis is so severe that if a solution is not put in place, homeowners could face water rationing and businesses could get cut off from the water they need to operate. The economic consequences are dire. And Measure O does nothing to help.¹



STATE MANDATING CUTS FROM THE CARMEL RIVER

On January 1, 2017, the State of California will cut us off from most of the water from the Carmel River. Their order has tied our hands, making finding a solution to our water supply problem the number one issue we face.²

THREATENING THE DESAL SOLUTION

After many false starts, a desalination plant – the long-term solution to our water supply problem – is finally moving. Then, along comes Measure O to jeopardize all the progress that has been made. The fragile agreement forged by the six mayors of the cities of the Monterey Peninsula could unravel if Measure O passes.³

SIX MAYORS URGE YOU TO VOTE NO ON O

That's why the mayors of the six cities on the Monterey Peninsula have joined together to urge you to stop Measure O. No one knows water politics better than they do – they've been working for two solid years to create the solution and they aren't willing to take a risk on Measure O.⁴

ON JUNE 3, VOTE



Source: 1. https://www.waterboards.ca.gov/water_issues/programs/assessments/assessments.htm; 2. https://www.waterboards.ca.gov/water_issues/programs/assessments/assessments.htm; 3. https://www.waterboards.ca.gov/water_issues/programs/assessments/assessments.htm; 4. https://www.waterboards.ca.gov/water_issues/programs/assessments/assessments.htm



MEASURE O: It's a Pipe Dream

Measure O backers purport to give you the facts. Maybe they don't understand the facts. Maybe they're smoking something funny in those pipes. But it's pretty clear they're not going to let the truth get in the way of their arguments.

PIPE DREAM #1 It'll cost "under \$200 million" to buy out Cal-Am.

FACT: In the Santa Cruz County community of Felton, buying out Cal-Am cost the average homeowner almost \$14,000 over 30 years – at a rate of \$38 per month. That was 570% more than the takeover proponents claimed it would cost. Based on prior takeover valuations, the price for the Monterey system could well exceed \$500 million.¹

PIPE DREAM #2 Local public ownership means lower rates for water.

FACT: Water rate hikes are a function of our severe water shortage and Measure O does zero to solve our water shortage problem. In Felton, which does not have water shortage problems, rates have gone up 60% since the takeover in 2008 and they are projected to have gone up by 96% by 2016 (and that's on top of the \$14,000 tax increase for every household).²

PIPE DREAM #3 The timing is right.

FACT: The six mayors of the Monterey Peninsula have forged a settlement agreement to build a desal plant to solve our water shortage problems once and for all. And all six oppose Measure O because the timing is not right. Passing Measure O threatens that agreement and could mean years of delays, water rationing and threats to the health of the Carmel River.³

And Sometimes the Proponents Are Just Blowing Smoke

BLOWING SMOKE #1 Cal-Am says rates will triple over six years.

FACT: There has not been – nor will there be – a six year period in the foreseeable future where rates will have tripled. Period. That's flat out wrong.⁴

BLOWING SMOKE #2 Over 20% of our money goes to Cal-Am profits.

FACT: The California Public Utilities Commission regulates Cal-Am. Legally Cal-Am is authorized to earn profits of only 9.99%. Over the past decade, its profits have been much lower than that. Yet another example of the proponents' promises of cost savings to homeowners from Measure O that just doesn't hold water.⁵

What Are They Smoking?



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Mail – “Felton”



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Printed by A Risk We Cannot Afford Committee, Vote No on O, Sponsor and Top Contributor, California American Water (Water Provider), 765 Howe Street, Monterey, CA 93940.
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**I VOTED
for
PUBLIC
WATER**

I VOTED FOR PUBLIC WATER – But if I Knew How Much It Would Cost, I Would Never Have Voted for It

DEAR MONTEREY COUNTY RESIDENT:

In 2005, I voted for a ballot measure similar to Measure O, which you will have the chance to vote on June 5. Our water system was owned by California American Water, and now it is publicly run. At the time, I was convinced that Cal-Am would raise rates. I didn't take the time to research both sides of the issue. I realize now that that was a mistake.

The Yes side promised us lower water rates by taking Cal-Am's profit out of the equation. Instead our water rates have gone up 60% since 2005 – and they are locked in to go up a total of 96% by 2015. Basically, just what they said Cal-Am would do.

If I knew then what I know now, I would have never voted for the takeover.

As in Monterey, Cal-Am owned the water system in Felton. They owned all the pipes, equipment and infrastructure needed to deliver the water. As in Monterey, Cal-Am said it was not for sale. In the end, someone had to pay.

The Yes side told us it would cost about \$2 million to buy out the water system from Cal-Am and take a year or two. But almost a decade later, when the lawyers had been paid and the court determined the value of seizing Cal-Am's property by eminent domain, the final cost was \$13.4 million – 570% more than they claimed it would cost.

For thirty years, my husband and I will pay an average of \$38 every month for a total cost of almost \$14,000 on our property tax bill to buy out Cal-Am.

While Felton and Monterey are different communities, I believe our water problems are similar. I have not seen a public takeover benefit us as promised. In fact, we are now facing the very issues that they said Cal-Am would impose on us: high rates and water supply problems.

This June, you will have to make the same decision I did. The public takeover has cost us millions of dollars and created no new water or water security.

Don't make the same mistake I did – vote No on Measure O. It's a risk you cannot afford.

Beth Hillenbeck
Beth Hillenbeck, Felton



Vote NO on Measure O **IT'S A RISK YOU CANNOT AFFORD**

Earned Media

- Endorsements
 - Mayors
 - Board of Supervisors
 - The Herald
 - The Pine Cone
- Editorials
 - Congressman Sam Farr, Dave Potter, and others
- Letters to the Editor
 - Strong LTE program
 - Show support for mayors
- Not letting opponents frame Measure O about Cal-Am

Key External Factors

- Editorial Board changes at the Herald producing more favorable coverage and a No on O editorial
- Mayors
 - Timing of mayors' involvement led by Carmel Mayor Jason Burnett
 - Participation in TV and mail
- Ballot language
 - Legal challenge and win producing much more favorable language in the ballot handbook

Lessons Learned

- Early polling and focus groups established a clear road map
- Creating and executing a detailed campaign plan
- Starting well before our opposition allowed us to define the measure
- Outshouting the opposition allowed us to control the dialogue
- Staying disciplined with our message and not engaging with the opposition on Cal-Am issues
- Using every medium that made sense to reach voters
- Sizeable ground operation and community outreach so we weren't beaten on the streets
- Working with a client with good political instincts, quick decision-making abilities, and trust that the right team had been hired to run the campaign