

# VOTER GUIDE

Statewide Primary Election

June 3, 2014

VOTE 7a.m. - 8p.m.

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# GUÍA ELECTORAL

Elección Primaria Estatal

3 de Junio, 2014

VOTE 7a.m. - 8p.m.

En la cubierta posterior:

Dirección de su centro electoral

Solicitud para votar por correo



BT18



## **MEASURE O**

### **Monterey Peninsula Water Management District**

"Shall the ordinance, Measure O, which directs the Monterey Peninsula Water Management District to adopt a policy to move toward public ownership of all water systems within its boundaries by conducting a feasibility study, and if deemed feasible, move forward with acquisition of all such water systems' assets, be adopted?"

The following statement is an impartial analysis of Measure O. If you desire a copy of the full text of the measure, please call the elections official's office at (831) 796-1499 and a copy will be mailed at no cost to you. You may also access the full text of the measure at the following web site address: [http://www.mpwmd.dst.ca.us/June\\_3\\_2014Ballot/PWN\\_B.pdf](http://www.mpwmd.dst.ca.us/June_3_2014Ballot/PWN_B.pdf)

#### **IMPARTIAL ANALYSIS BY COUNTY COUNSEL**

Measure O was placed on the ballot by an initiative petition signed by a legally sufficient number of registered voters of the Monterey Peninsula Water Management District (District).

If approved, Measure O adds Rule 19.8 to the District Rules and Regulations, and provides the policy of the District is to establish and maintain public ownership of all water delivery system assets and infrastructure within its territory, and to acquire, if economically feasible, all assets of California-American Water Company (Cal-Am), or any successor in interest to Cal-Am, within the District's territory.

The District General Manager, within nine (9) months after approval of Measure O, is required to complete and submit to the District Board of Directors for acceptance, a Feasibility Analysis and Acquisition Plan (Plan). The Plan provides for acquisition, long-term ownership, and management by the District of Cal-Am's Water System Assets that develop, store, transmit and deliver potable water to users within District.

The source of funds or cost required to complete the Plan are unknown. The Measure does not specify a cost estimate or funding source.

The Plan is to include these components:

1. Estimated acquisition costs, including legal and administrative costs, for all Water System Assets, based on appraised fair market value.
2. Projected annual capital and operating costs and revenues, including impacts to ratepayers, resulting from District ownership and management of the Water System.
3. Identification of legal funding sources needed to acquire the Water System, including revenue bonds, notes, levies, fees, taxes, or other sources.
4. Assessment of long-term cost and service impacts that may result from public ownership of the Water System.
5. An estimate of just compensation, based on an appraised fair market of Water System Assets, needed for the District to acquire Water System Assets.
6. Identification of steps needed for the District to acquire all Water Systems Assets by eminent domain, or otherwise, together with an estimate of time and associated costs required for each step.

If the Plan accepted by the District Board of Directors concludes public ownership and long-term management of the Water System Assets is feasible, and benefits ratepayers as a whole within the District, the Board is required to find a ratepayer-funded revenue source to acquire the Water System Assets by negotiation or eminent domain.

To take effect, Measure O must be approved by a simple majority of the voters of the Monterey Peninsula Water Management District.

A "yes" vote on Measure O favors the Measure. A "no" vote on Measure O opposes the Measure.

/s/ David C. Laredo  
Attorney for Monterey Peninsula Water Management District

# MEASURE O

## Monterey Peninsula Water Management District

### ARGUMENT IN FAVOR OF MEASURE O

Vote YES on Measure O for lower rates and local ownership. YES means keeping the investments on the Peninsula and owning the assets of our water system.

Local public ownership means lower rates for water. By eliminating profit, and qualifying for lower cost municipal bonds, a study shows that public ownership in California delivers water 20% cheaper.

Measure O could bring additional jobs to the Peninsula. Cal-Am, a California corporation which is a wholly-owned subsidiary of a private New Jersey company takes revenues out of our community.

YES means savings as public agencies operate without profit. The savings will boost our local economy. Cal-Am states its rates should increase by 41% by the end of 2018. Under Measure O, rates would be set locally.

Local, public ownership of water is common since water is a public resource. 85% of Americans get their water from public agencies where all decisions are local.

Investor-owned utilities (IOU's) like Cal-Am are beholden to their shareholders, not to local ratepayers. That's why Cal-Am was able to waste over \$35 million in failed efforts to find new water and pass those increases off to you. Since 2003 Cal-Am has failed three times to produce new water. Under the current system, we take risk while shareholders reap any reward.

Public ownership promises long term supply reliability and controlled costs. In fact, success to date in developing new water sources has come from the local Monterey Peninsula Water Management District.

Background citations available at [www.PublicWaterNow.org](http://www.PublicWaterNow.org)

We pay for our water, we should own the system that delivers it. It's common sense.

The League of Women Voters of Monterey County endorses Measure O.

Vote YES on Measure O.

/s/ Beverly Bean, President, League of Women Voters of Monterey County

/s/ Ronald T. Cohen, Managing Director, Public Water Now

/s/ Richard Stillwell, Local Business Owner

/s/ Priscilla Helm Walton, Past President, Democratic Women of Monterey County

/s/ Alan Haffa, MPC Professor

### REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE O

The proponents of Measure O didn't let the facts get in the way of their argument.

There may be some arguments for public ownership of the water system, but cheaper water isn't one of them. A well-respected think tank published a paper concluding "Household expenditures on water at the county level decrease slightly as the share of private ownership increases..." ([http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=707131](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=707131))

Nor is there a six year time period in the past – or the foreseeable future – when your water rates will have tripled.

Only solving our water shortage problem will steady our water rates and avoid rationing. And Measure O won't provide one drop of new water for our parched system.

Led by the six mayors who make up the cities in the Monterey Peninsula Water Management District, a desal project is finally moving to solve our water shortage problem. Measure O jeopardizes the financing, threatens to delay the restoration of the Carmel River and risks forcing us into water rationing.

And here's the fatal flaw: turning our water system over to the Monterey Peninsula Water Management District. MPWMD has never run a water system. It hasn't produced any major new water projects in 36 years despite spending over \$100 million of taxpayer money. Yet Measure O gives MPWMD the green light to spend hundreds of millions of your money – without another vote of the people.

If there's a time for public ownership – it's not now.

If there's a path to public ownership – this isn't it.

**The bottom line: Measure O is a Risk We Cannot Afford.**

[www.riskwecannotafford.com](http://www.riskwecannotafford.com)

/s/ Moe Ammar, President Pacific Grove Chamber of Commerce

/s/ Ron Chesshire, Former Board Member-Monterey Pen. Water Management Dist.

/s/ Brian LeNeve, Carmel River Steelhead Advocate

/s/ Ron Pasquenili, President, Monterey Peninsula Taxpayers Association

/s/ Mary Ann Leffel, President, Monterey County Business Council

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# MEASURE O

## Monterey Peninsula Water Management District

### ARGUMENT AGAINST MEASURE O

Water politics are confusing. Some of us believe the public should own the water delivery system. Others don't. But none of us believes this is the right time – or the right way. It's a risk we cannot afford.

On the Monterey Peninsula, we've suffered chronic water shortages. The drought is aggravating the problem. Just when we've finally got a dependable desalination solution on the horizon, along comes this ill-conceived measure. Jeopardizing our progress is a risk we cannot afford.

None of us are happy water rates have gone up. But we're clear the culprit is water shortages. Regardless of who builds a desalination plant, it won't be free. Measure O won't solve our water supply problem. Water rationing is a risk we cannot afford.

Measure O gives a blank check – with no oversight – to the Monterey Peninsula Water Management District (MPWMD) to study seizure of the water delivery system from Cal-Am. In 2005, the proposed study cost \$550,000. Today, the price tag could reach \$1 million or more. A blank check is a risk we cannot afford.

Cal-Am says its water system isn't for sale. The MPWMD would have to seize control of Cal-Am's property through condemnation and then pay to buy its infrastructure. In Felton, the majority of homeowners will pay over \$16,000 in additional property taxes over a 30 year period to buy out Cal-Am. In addition, water rates have gone up 60% for the average homeowner since 2008. That's definitely a risk we cannot afford.

We're progressives and conservatives. We're liberal Democrats and anti-tax Republicans. But we're united in our opposition to Measure O. It's flawed, poorly written and will force years of delays and legal costs that ratepayers will be forced to bear.

VOTE NO on Measure O.  
It's a Risk We Cannot Afford

[www.RiskWeCannotAfford.com](http://www.RiskWeCannotAfford.com)

/s/ Lorin Letendre, President, Carmel River Watershed Conservancy  
/s/ Jody Hansen, President/CEO, Monterey Peninsula Chamber of Commerce  
/s/ Melvin T. Mason, Seaside Community Activist

/s/ Dan Albert, Former Mayor of the City of Monterey  
/s/ John Narigi, Co-Chair, Coalition of Peninsula Businesses

### REBUTTAL TO ARGUMENT AGAINST MEASURE O

Measure O is a simple, common sense solution to the problem of higher rates, mismanagement and unreliable service of Cal-Am. That's why over 8,000 of your neighbors, fed-up with sky-rocketing water bills and failed promises to find new water sources, put Measure O on the ballot.

Measure O is easy to understand: local ownership means lower rates.

More than 90% of Californians own their own water systems because this is the most affordable and reliable way of delivering water. The Monterey Peninsula is out of step and pays for it dearly.

Public agencies operate without profit and qualify for lower cost municipal bonds and grants. Cal-Am exists solely to create profit for their shareholders. That's why part of your water payment leaves the community.

Public agencies recognize that water is a precious natural resource that should benefit the community. Cal-Am treats water like a commodity to enrich shareholders.

A public agency has the public and regular elections for oversight. Measure O means future decisions about our water supply and service will be made locally and out in the open.

Cal-Am states its rates should increase by 41% by the end of 2018. Measure O means an end to Cal-Am's rate spikes and repeated failed attempts to identify a long term fix to chronic water shortages.

Cal-Am is the risk we can't afford. It's time we take local control of our water. We pay for it; we should own it.

Vote Yes on O.

/s/ Mibs McCarthy, President, Carmel Valley Association  
/s/ Alvin Edwards, Retired Fire Captain  
/s/ George Riley, Founder, Citizens for Public Water

/s/ Marc Del Piero, Past Vice President, State Water Resource Control Board  
/s/ Nancy Selfridge, Teacher

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