

League Supports Measure J

The League of Women Voters of Monterey County (LWVMC) supports Measure J, the Ballot Initiative requiring the Monterey Peninsula Water Management District (MPWMD) to analyze the feasibility of purchasing California American Water Company (Cal Am) and to purchase it if it is found to be feasible. LWVMC support is based on our position that water is a necessary resource for human life and that it is a public resource, not a commodity.

The LWVMC studied ownership of water distribution systems in 2007. The study resulted in several criteria that an entity responsible for managing and distributing water should meet. Based on our evaluation of Cal Am's performance, we concluded that Cal Am has not satisfactorily met these criteria.

Cal Am has failed to maintain the viability of the resource and infrastructure. As a result, the State issued a Cease and Desist Order in 1995 because of historical over-pumping of the Carmel River by Cal Am. During the last 20 years, Cal Am has failed to develop an alternative water supply. While it pursued the failed Regional Project, it did not maintain the San Clemente dam which is now being removed or the Los Padres dam, which could have added capacity if dredged.

Construction of the proposed desalination plant is years away and may never be built because of potential litigation and permitting issues. Cal Am admits the plant will not meet the State's deadline for a new water source by 2017, and it currently estimates a completion date of 2021. Permits from the Coastal Commission may be delayed significantly since the staff has indicated that up to 2 years of continuous test well data may be needed.

The LWVMC believes that Measure J will not delay the proposed water supply project. If Measure J passes, the MPWMD will hire an independent consulting firm to undertake a study. Findings will be presented to the District Board where the final decision will be made in an open and transparent process. In the mean time, Cal Am must continue to perform under the State's Cease and Desist Order. The Initiative and water supply projects will proceed on parallel tracks, led by different organizations.

LWVMC supports fair and responsible rates and transparent decision making. Currently, rates are set by the California Public Utilities Commission (CPUC), a State appointed body. The rate setting process is complex, frequently requiring legal counsel. Ratepayers have limited access to CPUC hearings which are held in San Francisco. Recommendations of the Office of Ratepayer Advocates intended to protect ratepayers are frequently ignored. The result is that we are paying rates that are among the highest in the country.

Costs passed onto ratepayers over the years include \$3 million for failed plans for a “new” San Clemente Dam; \$12 million for the abandoned Moss Landing desalination pilot plant; \$20 million for the failed regional desalination plant; \$30 million for under-collection of water charges reassigned to all customers; \$77 million for removal of San Clemente Dam with Cal Am allowed to collect “investment” income. Additionally, Cal Am wants ratepayers to pay the \$3 million settlement of a lawsuit with Monterey County.

The LWVMC supports an efficient and well run local office. Cal Am’s complaint/call centers are in Illinois and Florida. Staff at these centers are not familiar with local details. Recent spikes in water bills have resulted in a public outcry, and Cal Am did not respond in a timely manner. Anecdotal evidence indicates that some spiked bills were the results of extended billing periods putting some ratepayers into higher tiered rate categories.

Finally, the League’s 2007 study concluded that if a significant number of these criteria were not met, then public purchase should be considered. To assure transparency, open government and local control, we think that any agency overseeing the water system should have a publicly elected governing board.

In addition to receiving written responses from Cal Am and Public Water Now on the League's criteria, we also held a forum with representatives from the two groups in November 8, 2017. The complete video of this debate can be seen on our website: lwvmryco.org.

We urge Monterey Peninsula voters to vote with the League and with Public Water Now on November 6. Vote YES on Measure J .