

MCAR Water Symposium

August 7, 2018

- Agenda 2pm-4pm
- I'm your moderator for today
- Introduction and information on the Initiative
- Catherine Stedman (current status report)
- Ian Crooks (engineering and permitting challenges)
- Joe Connor (purchase or taking of CAW)
- Dave Stoldt (what if the desal is not built, what if it is?)
- Q&A

The three main premises behind the Initiative
Statement of “facts” by PWN:

1. We have the most expensive water in the United States.
2. Cal Am has failed us.
3. Public water is more affordable.

Three more that require scrutiny

1. There is no risk.

2. Who will replace Cal Am?

3. We can afford to buy Cal Am.

Most Expensive Water in the US

This is a convenient falsehood made for PWN by Food & Water Watch (FWW)

FWW is a non-transparent special interest group that creates data to support whomever asks for it, like PWN.

FWW's methodology is wildly off the mark and whose numbers are skewed to fit the situation.

Most Expensive Water in the US

Deceptive data spread by both FWW and PWN to support a takeover.

Water rates are notoriously difficult to fairly compare [6]. Each water district has its own circumstances, including some beyond its control. Weather, population, topography, income, when a community was first settled, political decisions and even the kinds of soils all affect rates.

In 2015 - 5,000 gallons per month is Tier 4 use

page 28, MPMWD 2015 Water Conservation Program Annual Report

Each residential customer is allotted 1,122 gallons per tier each month for indoor and outdoor usage plus, during the summer months, May through October, an additional allotment at tiers 3 through 5 based on lot size. Current tiered rates are: \$0.6142, \$1.3229, \$3.4104, \$6.9296, and \$8.9870.

2017 Rates by Tier (1 CGL = 100 gallons)

Single Family Rates

Tier 1	0 to 29.9 CGL	\$0.73
Tier 2	30 to 59.8 CGL	\$1.50
Tier 3	59.9 to 104.7 CGL	\$3.50
Tier 4	104.8 to 172 CGL	\$6.74
Tier 5	More than 172 CGL	\$8.24

FWW's methodology was sloppy or intentionally deceptive

FWW and PWN based their claims on 5,000 gals use per month:

FWW claim:	\$716.18 in 2015	\$1,202.59 for 2017
------------	------------------	---------------------

Using MPWMD data:	\$1854.48 in 2015	\$821.64 for 2017
-------------------	-------------------	-------------------

Rates increased 18%, however **costs have gone down** due to changing the allotted water use per tier.

5,000 gals consumption puts a household in Tier 4 rates in 2015.

5,000 gals consumption puts a household in Tier 2 rates in 2017.

FWW's information is wildly inaccurate

The monthly charge would be (2015): \$154.54 per month for a total of \$1854.48 per year.

The monthly charge would be (2017): \$68.47 per month for a total of \$821.64 per year (includes water use and monthly service charge)

SWRCB data show average use per capita in CAW
Monterey service area is approximately 60 gals per day.

Declining Water Deliveries – How Rates and Bills will be Impacted.

Policy and Planning Division, California Public Utilities Commission,
Sept 2016

will be collected through rates charged to customers when those customers use less. Even if customers cut back on water use to the degree that there are no new water supplies are needed, reduced consumption does not translate to lower water system costs. The annual costs associated with operating and maintaining water systems vary only slightly with changes in the quantities of water delivered to customers; most of the costs are related to operating the systems and to maintaining and improving the infrastructure. Such costs do not vary with water quantities. As quantities of water consumed fall off, the cost of water service *per quantity delivered* will rise. This is not a matter of costs or usage; it is a matter of arithmetic. Customer rates for service are set largely according to the amount

PWN arguments are ideology arguments not economic arguments

- California Constitution holds that all surface water belongs to the citizens of the state. We already "own" our water. The initiative is about owning the pipes and pumps.
- It's an outright falsehood to claim CAW is "stealing" our water.
- On August 7, 2018, George Riley said that PWN never said that passing the initiative would lower rates – yet his yard signs read "*Vote yes...for more affordable water.*"
- If passing the initiative and buying or "taking" CAW eventually succeeds, and doesn't result in lower COST water, then what's the point of dragging the community through years of court and millions of dollars in studies and legal fees?

CAL AM has failed us

The state ordered the district and utility, California-American Water(CAW), to find a new source and approved the proposed ***dam*** as an alternative.

All projects initiated by CAW were rejected by the no-growth community and local voters.

Excerpts from the Monterey Herald 1995

Local water officials say few alternatives to the proposed ***dam*** exist. Just two years **ago (1993)**, voters rejected a plan to remove salt from sea water, an idea championed by the ***dam***'s foes. Other suggested alternatives, such as water- saving plumbing devices, would not save enough water to solve the problem, Foy said.

Headlines from area newspapers 1990's

*BOARD OKS CARMEL RIVER DAM RESERVOIR: A
MAJORITY OF WATER CUSTOMERS MUST NOW
APPROVE THE PROJECT*

*ENVIRONMENTAL STUDY SUPPORTS MONTEREY, CALIF.,
AREA DAM-RESERVOIR PLAN*

*NO ON MEASURE C CARMEL RIVER DAM WOULD
INDUCE GROWTH, FLOOD HISTORIC SITES*

VOTERS TROUNCE CARMEL RIVER DAM PLAN

"Despite assurances by the water district, we think it ultimately will be growth-inducing," said Sierra Club member Arthur Mitteldorf. "Twenty or 30 years down road, this will put tremendous pressure on local officials to increase the number of hookups."

All that has a cost, beyond the \$116.5 million in bonds that the Monterey Peninsula Water Management District seeks to issue. The ***dam*** would spur development, flood a wild canyon, and drown historic and sacred sites of the Esselen Indians. We urge voters to resist enticing arguments and vote no. (from Herald Editorial)

"We feel really good about it," said Steve Goodman, a spokesman for Citizens for Alternate Water Solutions, the group opposed to the ***dam***, which gathered at the ***Carmel*** Valley Inn to await the results. "We really feel the big fix isn't really the answer. I think there are safer, saner and less costly solutions to this problem."

"People understood this was a growth issue," said Don Gruber, a spokesman for the Sierra Club, which opposed the ***dam***.

Approved in concept by voters eight years ago and leading nearly 2 to 1 in a recent survey, the proposed ***dam*** crumbled at the polls Tuesday after a dozen years of planning and \$10 million in studies.

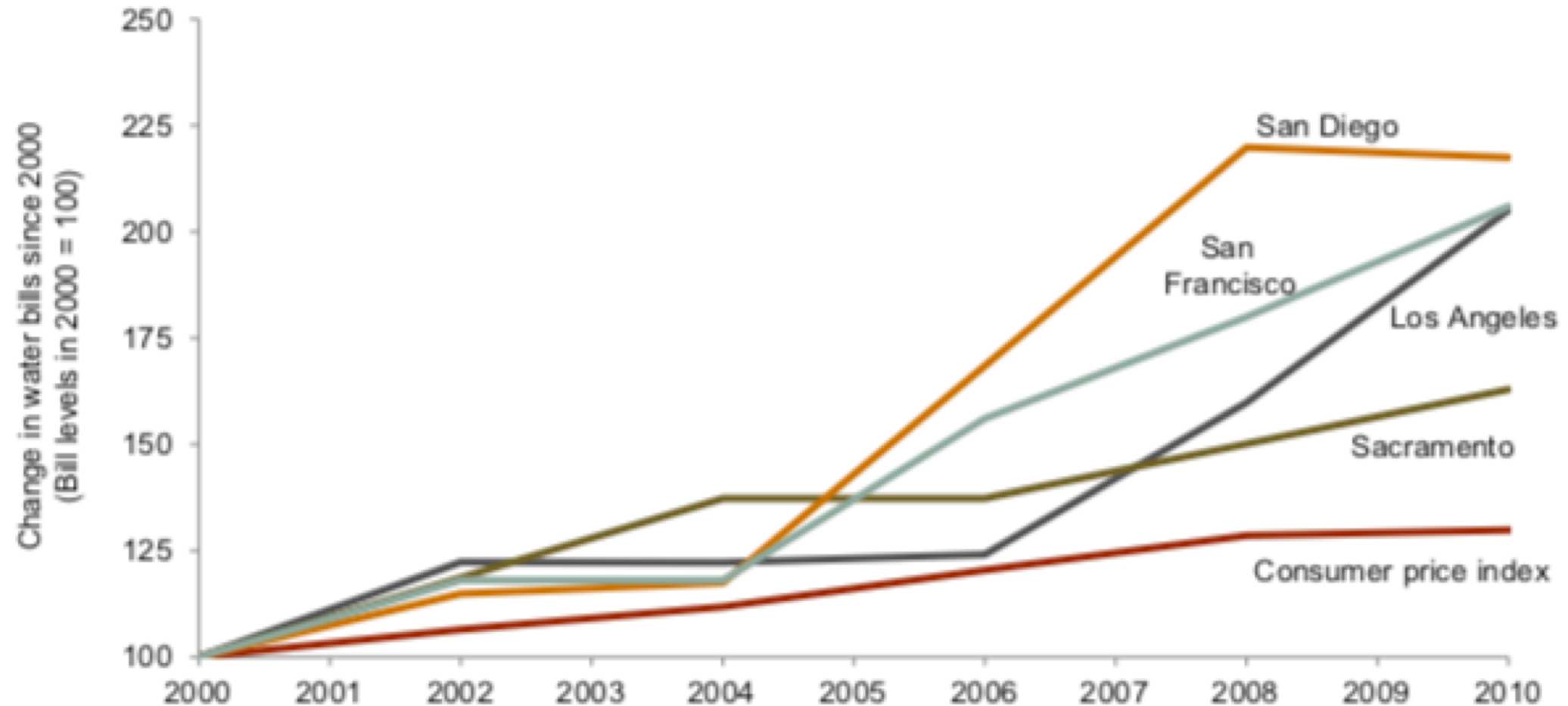
PWN claims that 80% of water systems are public
– implying that public water is cheaper or better

- Most public systems do not have the funding available to improve or invest in systems without raising rates.
- In most public water systems governing boards composed of elected members of the community do not have the political will or skill to raise rates.
- Public systems may enjoy lower rates, because the water distribution systems are neglected. This occurs across the country and in CA.
- Public systems do raise rates to meet ever increasing Federal drinking water standards, climate change (draught), public pension requirements and other factors when they have no other choice.
- Rates are not a direct indicator of the cost of water since many systems also impose other costs added to property tax bill and other fees.

Public water is more affordable

FIGURE 4

In California's urban areas, monthly water bills have been growing two to three times faster than inflation



Atlanta, Chicago, Las Vegas, and San Francisco are among the cities that enacted annual double-digit increases between 2011 and 2014. Baltimore, Charlotte, Detroit, Houston, and Tucson had annual increases in the 9-percent range during those years.

'Between 2010 and 2017 water rates in Los Angeles jumped 71 percent.'

Rates were \$110 a month in El Porvenir and \$72 a month in Cantua Creek for water that the state deemed unsafe.

In San Francisco water rates increased 119–127 percent (depending on usage) during the same period.

Water agency with highest salaries in region to raise rates again

BY BRAD BRANAN

March 19, 2017 12:00 AM

Updated March 20, 2017 06:17 AM

One of the largest water providers in the Sacramento region is once again facing criticism for employee compensation, this time as it seeks to raise rates by 41 percent over five years.

The average annual salary at the San Juan Water District was \$76,000 in 2015, the highest amount out of nine independent water agencies in Sacramento County, according to the most recent data from the State Controller's Office.

Rates up despite decline in water use; Districts ***increasing*** charges to make up for lost revenue, Mark Prado, Marin Independent Journal (***California***), A,A; Pg. 1, (July 1, 2017 Saturday)

South Pasadena s water rate increases **reach 147 percent** since 2008, Zen Vuong, Pasadena Star-News (***California***), NEWS, (January 19, 2014 Sunday)

“Our rates are now two-and-a-half times those in the city of Napa,” says Geoff Ellsworth, a member of the St. Helena City Council.

In the East Bay Municipal Utility District alone, which provides drinking water for 1.4 million people, household water deliveries were interrupted for more than 8,000 residences in 2015 due to unpaid bills. In July 2017, the utility’s board voted to increase rates 19 percent over two years.

Water ***rate increases*** in works; Any changes made to offset drought-related revenue loss would occur no sooner than fiscal year 2017-18, Megan Barnes , Torrance Daily Breeze (***California***), A,A; Pg. 3, (December 4, 2015 Friday)

Torrance readies water-***rate increase***, Nick Green, Torrance Daily Breeze (***California***), A,A; Pg. 3, (November 13, 2017 Monday)

City Reminds Residents of August Water ***Rate Increase***, City News Service, (June 8, 2018 Friday) ***Rates increase*** for city water system; officials still intend to sell, Mike Sprague, Whittier Daily News (***California***), A,A; Pg. 26, (January 13, 2017 Friday)

Higher water, electric rates on tap; City Council approves the ***utility hikes*** that will take place in July and January, Ryan Hagen, Chico Enterprise-Record (***California***), A,A; Pg. 3, (May 24, 2018 Thursday)

Report says Central Basin ***Municipal Water*** District violated Brown Act when it set up \$2.7 million slush fund, Mike Sprague, Pasadena Star-News (***California***), NEWS, (March 24, 2014 Monday)

California to audit finances of Central Basin ***Municipal Water*** District, Mike Sprague, Pasadena Star-News (***California***), NEWS, (March 4, 2015 Wednesday)

Milpitas council proposes 57% water ***rate increase*** over two years, By Ian Bauer, Milpitas Post, San Jose Mercury News (***California***), BREAKING; Communities; News, (October 8, 2015 Thursday)

Upgrade set for water system; The \$60 million project for the decades-old infrastructure will add 7 miles of pipeline, a pump station and a ***rate increase*** after its completion, Cynthia Washicko, Torrance Daily Breeze (***California***), A,A; Pg. 27, (November 24, 2017 Friday)

Central Basin ***Municipal Water*** District's recycled ***water*** price to increase, Mike Sprague, San Gabriel Valley Tribune (***California***), NEWS, (March 3, 2015 Tuesday)

Big hike in ***water*** bills for MMWD; Households could be hit with 27 percent ***increase***, Nels Johnson, Marin Independent Journal (***California***), A,A; Pg. 1, (November 8, 2015 Sunday)

Vallejo eyes 2017 water ***rate increase***, John Glidden, Vallejo Times-Herald (***California***), A,A; Pg. 3, (December 23, 2016 Friday)

Steep water ***rate increases*** eyed for EBMUD customers, By Denis Cuff , Contra Costa Times (***California***), BREAKING; Environment; News; Local, (March 24, 2015 Tuesday)

Board OKs 24% water ***rate increase***, Mike Sprague, Long Beach Press-Telegram (Long Beach, CA), A,A; Pg. 5, (August 23, 2016 Tuesday)

Water bill ***increases*** causing issues; ***Rate increases***, coupled with change in billing cycles, is leading some bewildered residents to publicly question the validity of their bills, Craig Shultz, Chico Enterprise-Record (***California***), B,B; Pg. 3, (September 14, 2017 Thursday)

This water-***rate increase*** smells bad all around, Redlands Daily Facts (***California***), A,A; Pg. 11, (February 7, 2016 Sunday)

East Bay water board to vote Tuesday on big water ***rate increase***, Denis Cuff, The East Bay Times (***California***), (July 11, 2017 Tuesday)

Water board OKs 24.5% ***rate increase***; District officials say customers' bills would rise by about \$1.55 a year, Mike Sprague, San Gabriel Valley Tribune (***California***), A,A; Pg. 2, (August 23, 2016 Tuesday)

California is served by more than 400 large public water agencies.

360,000 Californians have unsafe drinking water. Are you one of them?

BY DALE KASLER, PHILLIP REESE AND RYAN SABALOW

June 01, 2018 03:55 AM

At least 18 million Americans were at risk of drinking lead-contaminated water last year

By Sarah Frostenson @sfrostenson sarah.frostenson@vox.com Jun 28, 2016, 4:40pm EDT

More than 5,000 community water systems violated a federal lead rule

NRDC analyzed thousands of Environmental Protection Agency violation and enforcement records and found 5,363 community water systems that were in violation of the Lead and Copper Rule, a federal requirement for monitoring of lead and copper levels in water.