



Private/Public Water Study

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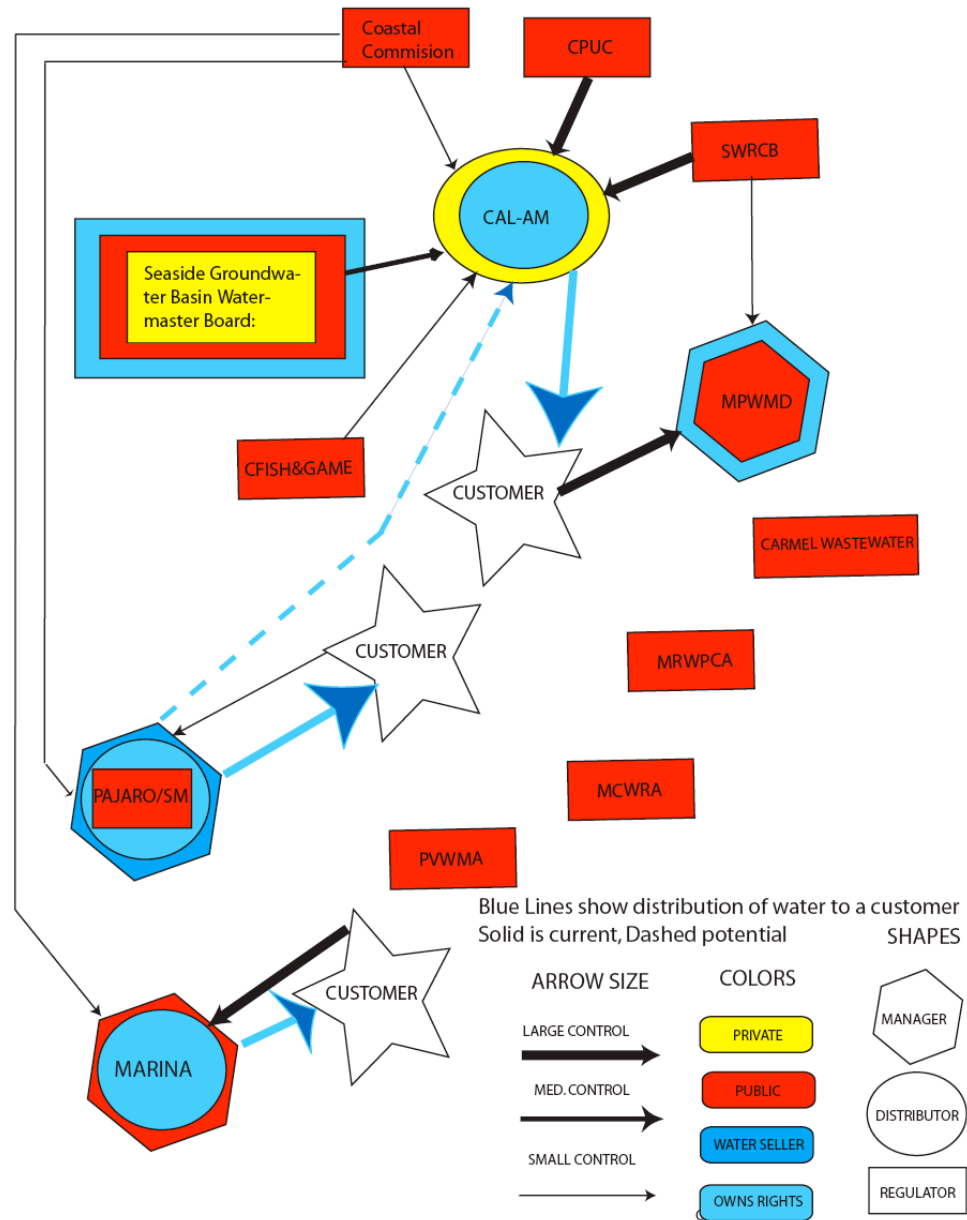
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Study Motivation

- Interest at LWVMP 2006 Annual meeting proposed and voted for study
- Measure B (2002) 66.0% Yes / 33.9% No
advisory vote, asking if the Monterey Peninsula Water Management District, serving Monterey Peninsula cities and Carmel Valley, should be dissolved.
- Measure W (2005) 37.37% Yes / 62.63% No
Shall the Monterey Peninsula Water Management District be directed to investigate the cost and process to publicly acquire the private water utility system presently owned and operated by the Monterey District of California American Water (Cal-Am), and be directed to recover up to \$550,000 for costs of the investigation as a surcharge upon water bills of Cal-Am customers?



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Questions to be considered

- Criteria for a well-run water system
- Conditions for consideration of a public owned water system
- Preferable acquisition methods/timing
- Parts of the system that should be purchased
- Type of agency
- International Ownership



Historical overview of area water systems ownership & debates

- Monterey Peninsula

- Monterey County

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| Agency | State/ Federal | Local/ Regional | Directly Elected | Indirectly Elected/ Appointed | Private | Water Supply | Water Distribution | Water Management | Other |
|---|-------------------|--------------------|---------------------|-------------------------------------|---------|-----------------|-----------------------|---------------------|--------------------------|
| Monterey County Water Resources Agency | | X | | X | | X | | | Flood Control |
| MPWMD | | X | X | X | | X | | X | |
| Cal-Am | | | | | X | X | X | | |
| Seaside Groundwater Basin Watermaster Board | | X | | X | | | | X | |
| MRWPCA | | X | | X | | X | | | Wastewater Treatment |
| Marina Coast Water District | | X | X | | | X | X | X | |
| PVWMA | | X | X | | | X | | X | |
| Pajaro- Sunny Mesa CSD | | X | | X | | X | X | | Parks/Street Lighting |
| Carmel Areas Wastewater District | | X | X | | | X | | | Wastewater Treatment |
| SWRCB | X | | | X | | | | X | Water Rights |
| California PUC | X | | | X | | | | X | Rate Setting |
| Calif. Dept. of Fish and Game | X | | | X | | | | X | |
| California Coastal Commission | X | | | X | | | | X | Coastal Permitting |

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Eminent Domain Information

- Kinds of eminent domain
- Reasons to consider eminent domain
- Processes of eminent domain
- Other Considerations



Rate Structures

- 19 in survey, all in "water scarce" areas
- Shows size, ownership and rate structure
- Typical mo. usage is 9 hcf, compared to 17-18 hcf in "water rich" areas



Rate Structures

- Median typical mo. cost is \$25.30
- Average mo. cost of 8 largest is \$27.88
- Cal Am typical mo. cost is \$37.92 (in 2006)

Rate Structures - public and private examples

| Location and/or Provider * ‡ | Public or Corporate | Number of Connections | Rate Structure: (Base \$ + hcf usage tiers @ \$/hcf) (hcf = hundred cubic feet = 748 gals = water unit) | Monthly Rate for typical home (based on 9 hcf/mo) |
|---|---------------------|-----------------------|---|---|
| MONTEREY COUNTY: RESIDENTIAL WATER RATES | | | | |
| Pajaro-Sunny Mesa CSD | Public | 1,600 | 9.13 + ea hcf@1.24 | \$20.29 |
| Castroville WD | Public | 1,500 | 14.87 + 0-5@.76, 6+@1.40 | \$24.27 |
| Salinas (CA Water Service Co) | Corporate | 27,000 | 10.30 + ea hcf@1.09 | \$20.11 |
| Marina Coast Water Dist | Public | 4,200 | 13.63 + 0-12@1.72 | \$29.11 |
| Monterey Peninsula (Cal Am) | Corporate | 38,000 | 6.89 + special formula § | \$37.92 + 20% rate increase |

CSD: Comm Water District WD: Water District

HELPFUL CONVERSIONS

1 acre-foot of water covers 1acre to a depth of 1foot

1 acre = 43,560 square feet

1 acre foot = 43,560 cubic feet = 325,900 gallons

100 cubic feet (hcf) = 748 gallons

9 hcf/month = 6,720 gals/mo

7.25 hcf/month = 5,425 gals/mo

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Rate Structures - public and private examples

| Location and/or Provider * ‡ | Public or Corporate | Number of Connections | Rate Structure: (Base \$ + hcf usage tiers @ \$/hcf) (hcf = hundred cubic feet = 748 gals = water unit) | Monthly Rate for typical home (based on 9 hcf/mo) |
|---|---------------------|-----------------------|---|---|
| OTHER CA COASTAL (N TO S): RESIDENTIAL WATER RATES | | | | |
| Half Moon Bay (Coastside WD) | Public | 6,000 | 8.80 + 0-8@2.88, 9-25@3.17 | \$29.25 |
| Montara Water and Sewer Dist | Public | 1,700 | 28.61 + 0-19@4.48 | \$55.49 |
| Santa Cruz city | Public | 24,500 | 13.40 + 0-4@1.21, 5-9@3.08 | \$33.64 |
| Felton (Cal Am) | Corporate | 1,300 | 23.50 + 0-5@3.11, 6-10@3.31 | \$52.29 |
| Cambria CSD | Public | 4,000 | 10.30 (incl 0-6), 7-15@5.23 | \$25.99 |
| Morro Bay city | Public | 5,500 | 16.43(0-3) + 4@5.56, + .03/hcf | \$50.24 |
| Los Osos CSD | Public | 300 | 25.30 (incl 0-9) | \$25.30 |
| Santa Barbara city | Public | 25,000 | 15.64 + 0-4@2.47, 5-20@4.14 | \$46.22 |
| Carpinteria WD | Public | 4,000 | 4.71 + 0-7@2.38, 8-15@2.29 | \$24.89 |
| Ventura city | Public | 31,000 | 4.91 + 1-16@1.60 | \$19.31 |
| Oxnard city | Public | 32,000 | 7.96 + 0-6@1.45, 6-12@1.59 | \$21.41 |
| Santa Monica city | Public | 17,000 | 5.68 + 1-14@.86 | \$12.84 |
| Huntington Beach city | Public | 52,000 | 7.743 + ea hcf@1.452 | \$20.82 |
| Carlsbad city | Public | 25,000 | 9.25 + ea hcf@1.60 | \$23.65 |

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Comparison of Private & Public Water Systems

• Rate Setting

- Private - approval by CPUC (correlated to needs including allowance for profit)
- Public - local agency (allocations may cover multiple services not explicit to water)
- Private - allowance for 10% profit
- rates - Private correlation to needs - defined by CPUC
 - Public - rates may cover multiple services; allocation to water may not be explicit

• Oversight/Transparency

Private - CPUC process;

- budget/priority setting/planning not public

Public - Brown & Public Records Act: require public access to most things

- sometimes difficult to enforce oversight

• Responsibility

Private - shareholders or owner profit

Public - consumer



Oversight - types of agency organization

- Directly Elected
- Appointed / Joint Powers Agency
- Appointed / Agency of City or County
 - Type of authority
 - Advisory
 - Community Service Agency
 - Dependent on where power is invested
- Defined by state legislation - Mix



Additional considerations with international ownership

- Type of ownership
- Oversight
- Trade Agreements / International Policies / US Foreign Policy



Summary

- **Consensus Mtg - March 7th** - 12-1:30 Mariposa Hall
- Study report will be on website (LWVMP.org)
Will also send report to members that ask for hard copy
- Consensus Questions will be on website
Members can submit views to be consider on March 7th
- Next Steps
 - position written from consensus results
 - reviewed by board
 - General mtg approves