

## MONTEREY WATER ISSUE – MEASURE J

The water issue in Monterey is like the cockroach – we cannot get rid of it. The latest manifestation is Measure J put forth by Public Water Now (PWN). Both PWN and Cal Am have published arguments defending yes and no. Who do you believe?

The G16 Coalition ([www.g16coalition.com](http://www.g16coalition.com)) has studied the issue and **recommends a NO vote on Measure J.**

The rationale is as follows:

1. Why do we have a water shortage?

Simply said, Monterey is in a semi-arid area with droughts being normal. Furthermore, Monterey has two major consumers of water: lots of people and agriculture. The lack of water has been aggravated by environmentalists who have forced the State Resources Board to make the taking of river water illegal (1995 order 95-10) and the voters making bad decisions: years ago, we voted against fixing the San Clemente dam and now rain water is not stored and runs to the sea; secondly, we have voted in politicians who have made decisions about water far beyond their expertise and allowed bureaucrats too much authority. Perhaps most directly, we have allowed interest groups to use water as a hammer to enforce a “not in my backyard” mentality regarding development. Their advocacy has injected huge legal and administrative costs to any and all solutions.

The addressing and fixing the shortage of water is an engineering problem. **Measure J does nothing about addressing the shortage of water.**

2. Are Monterey costs for water the highest in the nation?

Water cost are high, too high. Whether they are the highest or not is immaterial. Look at your bill. Much of your monthly bill is due to fees and surcharges. None of these will go away with a change of ownership. The rest of your bill is the cost of delivering the water and the 10% profit. The delivery cost of the water includes the actual distribution of the water plus the administrative costs. The distribution costs are mainly the infrastructure costs of maintaining and running the system. The administrative costs are driven sky-high by the anti-growth folks, obstructing any attempt to fix the issue. None of these will go away with the change of ownership. The 10% profit will disappear with a public ownership but that is a relatively small amount that will certainly be eaten up by the inefficiencies of a government bureaucracy and the costs of government dictated labor rates.

Add to this the cost of the purchase of Cal Am. Whatever the projected cost, it will be more than predicted, and someone – we the customers – will have to pay for it. Cal Am is under State Order to resolve the water shortage issue and must proceed with the Desalinization plan. Allowing Cal Am to build and run the desal plant adds huge value to their asset and will raise the buyout price far beyond the purchase of a company that handles only the distribution of the water.

Yes, water costs too much but changing ownership does not appear to address the core issues of providing more water and/or being a net cost saver.

3. Will we, the residents of Monterey County, be better off if Measure J passes?

One thing is certain, the lawyers will get rich. There will be lawsuits galore, all of which will delay any progress of getting more water and add immense costs. And you know who will pay for that!

If it passes, the Monterey Peninsula Water Management District (MPWMD) is directed to do a feasibility study. That will not be cheap. And is there any doubt as what their conclusion will be: the WPWMD will be the government organization that will oversee the purchase and operation of the water system? They have “ a dog in the race”. Note also that the WPWMD does not have a great track record – operationally or fiscally.

The argument that this vote was for a feasibility study only seems to have been a LIE. The MPWMD has recently confirmed that they DO NOT intend to bring the buyout decision to a public vote, if they determine it is feasible. This vote may be the last chance the citizens have to weigh in on the matter.

#### CONCLUSION

We encourage the voters to review what PWN and Cal Am have published and come to their own decision as to how to vote. The G16 Coalition does not believe that the residents of Carmel, Carmel Valley, and Monterey Peninsula will be better off. There is no guarantee of more water and lesser prices but there is a guarantee of much confusion, noise, and expense.

Note also that the State Water Board has threatened us with strict rationing if clear progress is not made. Cal AM just received, in September 2018, the key permit from the CPUC for the Desalinization project. This project will satisfy the State Water Board and allow their Cease-and –Desist Order to be revoked and should remove the threat of drastic rationing.

Measure J is a distraction that we cannot afford.

The G16 Coalition believes that a compelling argument to change ownership has NOT been presented and that a **NO Vote on Measure J** is justified.