
LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY


LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 www.monterey.lafco.ca.gov

Kate McKenna, AICP
Executive Officer

MEMORANDUM

DATE: January 4, 2022

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, Executive Officer, AICP 

SUBJECT: Supplemental Memorandum #1 Transmitting Correspondence from noon on December 23, 2021 to 12:30 on January 4, 2022 regarding Special LAFCO Meeting Agenda Item No. 6 – Adoption of a resolution formalizing and effectuating the Commission’s December 6, 2021 decision to deny the District’s proposed activation of latent powers to provide and maintain potable water production and distribution services for retail customers (LAFCO File #21-01)

After distributing the agenda packet for the January 5, 2022 Special LAFCO meeting, our office has received additional correspondence commenting on Agenda Item No. 6. Correspondence received from December 23, 2021 to January 4, 2022 is attached to this memorandum. We anticipate additional correspondence and will share it at the meeting.

Attachment: Correspondence from after 12:00 p.m. on December 23, 2021 to 12:30 p.m. on January 4, 2022 regarding Agenda Item No. 6 on the January 5, 2022 Special LAFCO Meeting Agenda.

SUPPLEMENT 6.3

Correspondence from
December 23, 2021 (noon)
to
January 4, 2022
(12:30 pm)



December 29, 2021

Ms. Kate McKenna
Executive Officer
Local Agency Formation Commission of Monterey County
132 W. Gabilan St., Suite 102
Salinas, CA 93901

Via Email

Subject: Monterey Peninsula Water Management District 2021 Sphere of Influence, Annexation, and Latent Power Activation Proposal

Dear Ms. McKenna:

This letter is to inform you that LAFCO's staff report in the agenda packet for its January 5, 2022 meeting is deficient, misleading, and continues to exacerbate untruths regarding the potential impact on water rates in the non-acquired "Central Satellite" systems of California American Water Company (Cal-Am), especially with respect to Chualar. In LAFCO's proposed Resolution for activation of the District's latent powers, Section 2, regarding Government Code section 56668(b) under item 2), LAFCO concludes "*the Commission determines that the potential future cost increases to areas served by Cal-Am's remaining "satellite" water systems and wastewater systems would be a probable undue hardship for residents of these communities.*"¹

Commissioner and Supervisor Lopez's first and visceral response was to protect the 178 residential connections of Chualar, rather than consider the greater good of the 34,597 residential connections of the region subject to District acquisition, who also voted overwhelmingly to approve an acquisition of Cal-Am. Yet the substantial evidence shows that a change to Chualar's rate structure is NOT at risk and the LAFCO finding may be arbitrary and capricious.

On December 23, 2021, Cal-Am filed Advice Letter 1353 with the California Public Utilities Commission (CPUC), several pages of which are excerpted and included as an attachment to this letter. Key among that filed Advice Letter is a renewal of this statement, cited by the District to LAFCO previously:

"BR. Central Division - Chualar System – Tariff Rate Design

1. OVERVIEW:

The Chualar service area in the Central Division was acquired from the County of

¹ LAFCO staff report, Agenda Item No. 6 for January 5, 2022 meeting, Attachment 6.1

Monterey in 2003 and approved by the Commission in Resolution W-4365 (approving California American Water Advice Letter No.565). According to the California State Water Resources Control Board, Chualar is a disadvantaged community (“DAC”) defined as “community with a median household income (MHI) less than 80% of the Statewide average.” At the time of acquisition, the Chualar service area had a rate design comprised of a high monthly service fee and a small quantity rate charge (one design for all customers except public schools which had its own rate design). Part of the approved acquisition authorized the rates in the Chualar area to transition to the Monterey Main rate design over a 5-year period. Once the Monterey rate design was noticed in Advice Letter 654 to place the Chualar service area on a Monterey style rates design with tiered rates and a low service charge, a significant protest was lodged by the Chualar customers.

A negotiation mediated by the Water Division took place and it was agreed upon by all parties, that the Chualar rate design would continually remain in place and only a CPI adder would ever be placed annually on the rates effective for the prior year.

2. EFFECTIVE DATE/DURATION:

This rate design process was effectuated by the approval of Advice Letter 654-A (December 21, 2006) and has remained in place in each and every GRC henceforth.

3. PURPOSE:

The purpose of this statement is to ensure that, unless changed by Commission order, the rate in the Chualar area will remain on the same rate design on only be inflated by annual changes in CPI.

Emphasis has been added. Please read the highlights. There is no existential risk to the water ratepayers of Chualar.

The District has also previously informed LAFCO that the 8 wastewater systems operators were taken out of the financial feasibility analysis, hence have not been discounted. Further, the remaining four “Central Satellite” water systems are still separate from the local Monterey Water System to be acquired for rate-making purposes.² Since most of their “economies of scale” relate to back-office operations such as billing, customer service, and regulatory compliance, it is highly unlikely that any of those cost efficiencies would go away if the District acquired the 95.5% of the local system and Cal-Am had to maintain the remainder – at least until they sold the remainder off and left Monterey County.

Further, as the District has pointed out to LAFCO previously, there are several methods that any loss of cost efficiencies could be ameliorated with little to no impact on the satellites and wastewater operations. Two of these included (i) Statewide surcharge on remaining Cal-Am

² See District letter to K. McKenna, LAFCO, dated 11-15-21

service areas, and (ii) Cal-Am receives “severance” damages as part of the eminent domain award to offset such costs.

LAFCO’s own consultant recognized the second bullet point in its 11-22-2021 supplemental memo. That memo also stated that “assertions of rates doubling have not been documented and impacts could be mitigated in a number of ways.”

There is substantial evidence showing that any loss of economic efficiencies for the small satellites could likely be avoided by the small satellite systems themselves. Regarding the concept of statewide surcharges cited above, there is real and compelling evidence that such is an available mitigation method approved by the CPUC. As an important model, in its most recent rate case decision³ the CPUC has allowed Cal-Am to do the following:

- Cal-Am shall seek recovery of any wildfire-related costs incurred after May 31, 2019, on a statewide basis, pursuant to the provisions adopted in Decision 19-07-015.
- Cal-Am shall recover the 2017 Larkfield Wildfire related costs, net of received insurance claims, on a statewide basis.
- The CPUC settlement provides an agreement to allocate the costs associated with Cal-Am’s acquisitions of Fruitridge, Vista, Rio Plaza, and Hillview (none of which are near Monterey County) across all ratemaking areas statewide.
- In previous rate cases, the CPUC has allowed a state-wide surcharge for acquisition of Citizens Water assets by Cal-Am across all regions, including Monterey despite no such assets located here.

The evidence is clear that the CPUC has the option of spreading costs across the statewide Cal-Am systems to negate the impact of any loss of as yet unproven cost efficiencies.

The District has therefore determined that your finding on page 6 of the LAFCO packet for Item No. 6 which states “*the remaining “satellite” water systems and wastewater systems would be a probable undue hardship for residents of these communities Commission determines that that potential future cost increases to areas served by Cal-Am’s*” at this time is **purely speculative**. Further the District believes that LAFCO has mis-weighed the sense of scale between the few 178 residential connections in Chualar and the larger 34,597 number of connections reflecting affected and benefitted citizens most of whom voted in favor of Measure J.

The Monterey Peninsula Water Management District appreciates your continued consideration on our application. Now is not the time to dismiss.

³ Cal-Am Application 19-07-004 to CPUC for General Rate Case, decision rendered November 2021

Ms. Kate McKenna
Page 4 of 4
December 29, 2021

Sincerely,

A handwritten signature in blue ink that reads "David Stoldt". The signature is written in a cursive style with a large, stylized "D" and "S".

David Stoldt
General Manager
Monterey Peninsula Water Management District

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: California American Water	Date Mailed to Service List: December 23, 2021
District: All Service Area	
CPUC Utility #: U210W	Protest Deadline (20th Day): January 12, 2022
Advice Letter #: 1353	Review Deadline (30th Day): January 22, 2022
Tier <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> Compliance	Requested Effective Date: March 4, 2022
Authorization D.21-11-018	Rate Impact: \$See AL See AL%
Description: California American Water 2019 General Rate Case Implementation Advice Letter	

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Kamilah Jones
Phone: 916-568-4232
Email: Kamilah.Jones@amwater.com

Utility Contact: Jonathan Morse
Phone: 916-568-4237
Email: Jonathan.Morse@amwater.com

DWA Contact: Tariff Unit
Phone: (415) 703-1133
Email: Water.Division@cpuc.ca.gov

DWA USE ONLY		
DATE	STAFF	COMMENTS
_____	_____	_____
_____	_____	_____

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____



December 23, 2021

ADVICE LETTER NO. 1353

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Pursuant to General Order 96-B, California-American Water Company (“California American Water”) (U210W) submits for filing the attached changes in tariff schedules applicable to all Districts:

Purpose:

Decision (“D.”) 21-11-018, issued November 28, 2021, resolved California American Water’s general rate case application A.19-07-004. The purpose of this advice letter filing is to file implementation tariffs in compliance with Ordering Paragraph 3 of D.21-11-018, which states:

No later than 30 days following the issuance of this Decision, California American Water Company (Cal-Am) shall file its Tier 1 General Rate Case implementation advice letter, including updated tariffs as necessary to reflect all of the agreements related to capital expenditures and projects in the Los Angeles County, San Diego County, Ventura County, Central Division, Monterey County Wastewater, Sacramento County, and Larkfield Districts reached between the Public Advocates Office of the California Public Utilities Commission; the Cities of Duarte, San Marino, and Thousand Oaks; the Las Palmas Wastewater Committee; the Monterey Peninsula Water Management District; and Cal-Am. Given the timing of the issuance of the decision, the 2021 authorized rates and tariff changes shall be implemented concurrently with California American Water’s escalation filing for attrition year 2022.

Discussion:

In compliance with D.21-11-018, California American Water submits these implementation tariffs. The following describes and reflects all rate changes included in the implementation tariffs that have occurred since A.19-07-004 was filed.¹ Additionally, California American Water made several modifications to the implementation tariffs from the exemplary tariffs included in Appendix B to D.21-11-018.

- Northern Division
 - Schedule ND-1
 - Added Conservation Refunds schedule from Advice Letter 1322
 - Included current special condition language for 2020 WRAM/MCBA filings

¹ D.21-11-018, p.153 (“Cal-Am’s implementation Advice Letter for this Decision should describe and reflect all rate changes that have occurred in the time since A.19-07-004 was filed.”)

655 W. Broadway, Suite 1410
San Diego, CA 92101

PRELIMINARY STATEMENT
(Continued)

Sheet 1

BQ. Central Satellite Service Area- Cost Allocation Tariff

(N)

1. PURPOSE:

As requested by California American Water A.19-07-004 and pursuant to D. 21-11-018, the test year revenue requirement for the Central Satellite Service Area, including Chualar, will be established by escalating the Central Satellite and Chualar revenue requirement by the lower of the total Monterey County District revenue requirement increase or the applicable annual compounded Consumer Price Index (CPI). Additionally, as authorized by the CPUC, the entire revenue requirement of all the various systems have been consolidated for ratemaking purposes, resulting in only one cost of service and summary of earnings for the entire Central Division.

The application of the CPI to determine the test year revenue requirement for the Chualar tariff area has been in effect for many years, recognizing the unique socioeconomic issues of the Chualar service area. As the costs for the other Central Satellite Division become separated from the water supply issues on the Monterey Peninsula, it is appropriate that the cost allocation follow a similar approach.

2. EFFECTIVE DATE/DUARTION:

The Central Satellite Cost Allocation process was established effective January 1, 2021 by the Commission and shall be effective until modified by further Commission action.

3. APPLICABILITY:

Applicable to California American Water’s Central Satellite Service Area, which includes customers in Ambler, Toro, Ralph Lane, Garrapata and Chualar.

4. RATEMAKING PROCEDURE:

The revenue in the Monterey Main system (total system minus the Satellite systems) must be captured and accounted for separately from the revenues in the Satellite systems. Within the Central Satellite systems, the revenues for Chualar must be kept separate from the revenues of the remainder of the Central Satellite systems.

(N)

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1353	J. T. LINAM	Date Filed _____
Decision	DIRECTOR - Rates & Regulatory	Effective _____
	9	Resolution _____

PRELIMINARY STATEMENT
(Continued)

Sheet 2

BQ. Central Division-Satellite System - Cost Allocation Tariff (Continued)

(N)

6. RATEMAKING PROCEDURE:

The revenue requirements for the entire Central Division water system must first be determined in any rate change process (GRC and Advice Letter). To develop the cost of service at present rates in a proposed Test, Escalation or Attrition year, the revenues for the three separate rate areas (Monterey Main, Chualar, remainder of Satellite Systems) must be developed by multiplying the then present rates by the Test, Escalation or Attrition year average customers and projected annual average consumption. For Test Year purposes, the total revenues at present rates in the Satellite systems, including Chualar, will be escalated by the lower of the overall Central Division system proposed increase, or the CPI projected increase for the Test Year. Subtracting the projected proposed rate revenues of the Chualar system and other Satellite systems from the total Central Division revenue requirement will produce the Monterey Main system projected revenue requirement.

This same process will be followed for all Escalation and Attrition year purposes, wherein the lower of the Annual CPI or the overall Central Division authorized rate increase will be used to escalate the satellite system revenue requirements.

(N)

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1353	J. T. LINAM	Date Filed	_____
Decision		DIRECTOR - Rates & Regulatory	Effective	_____
			Resolution	_____

655 W. Broadway, Suite 1410
San Diego, CA 92101

PRELIMINARY STATEMENT
(Continued)

Sheet 1

BR. Central Division - Chualar System – Tariff Rate Design

(N)

1. OVERVIEW:

The Chualar service area in the Central Division was acquired from the County of Monterey in 2003 and approved by the Commission in Resolution W-4365 (approving California American Water Advice Letter No.565). According to the California State Water Resources Control Board, Chualar is a disadvantaged community (“DAC”) defined as “community with a median household income (MHI) less than 80% of the Statewide average.” At the time of acquisition, the Chualar service area had a rate design comprised of a high monthly service fee and a small quantity rate charge (one design for all customers except public schools which had its own rate design). Part of the approved acquisition authorized the rates in the Chualar area to transition to the Monterey Main rate design over a 5 year period. Once the Monterey rate design was noticed in Advice Letter 654 to place the Chualar service area on a Monterey style rates design with tiered rates and a low service charge, a significant protest was lodged by the Chualar customers. A negotiation mediated by the Water Division took place and it was agreed upon by all parties, that the Chualar rate design would continually remain in place and only a CPI adder would ever be placed annually on the rates effective for the prior year.

2. EFFECTIVE DATE/DURATION:

This rate design process was effectuated by the approval of Advice Letter 654-A (December 21, 2006) and has remained in place in each and every GRC henceforth.

3. PURPOSE:

The purpose of this statement is to ensure that, unless changed by Commission order, the rates in the Chualar area will remain on the same rate design on only be inflated by annual changes in CPI.

4. APPLICABILITY:

Applicable to California American Water’s Chualar service area.

5. ACCOUNTING PROCEDURE:

The revenue in the Chualar service area must be kept separate from the revenues of the remainder of the satellite systems.

6. RATEMAKING PROCEDURE:

The revenue requirement in the Chualar area will be established by multiplying the present rates annually increased by the actual and projected CPI to the adopted annual consumption and average annual customers.

(N)

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1353	J. T. LINAM	Date Filed	_____
Decision		DIRECTOR - Rates & Regulatory	Effective	_____
			Resolution	_____



December 30, 2021

Ms. Kate McKenna
Executive Officer
Local Agency Formation Commission of Monterey County
132 W. Gabilan St., Suite 102
Salinas, CA 93901

Via Email

Subject: Monterey Peninsula Water Management District 2021 Sphere of Influence,
Annexation, and Latent Power Activation Proposal

Dear Ms. McKenna:

This letter is to inform you that LAFCO's staff report in the agenda packet for its January 5, 2022 meeting is deficient, misleading, and continues to exacerbate untruths regarding the potential impact of property tax losses to local tax receiving agencies. The staff report also confuses macroeconomic impacts with microeconomic impacts, and thus further misleads LAFCO Commissioners.

First, LAFCO's staff report, Agenda Item No. 6, on page four repeats the often District-refuted statement that over a twenty-year period the property tax losses will "*be more than \$75 million according to the District's Raftelis report.*"¹ As we have previously informed LAFCO, the Raftelis report included an additional \$891,300 in annual property tax payments (2020 dollars) for the portion of the desalination plant then-assumed to be funded by Company equity. That tax revenue assumed to be generated from a Cal-Am owned desalination plant does not appear to be moving forward at this time and thus cannot be considered lost revenue. Those phantom revenues have never been accrued by any local taxing agency. Those theoretic property taxes will thus not inure to the County, nor be distributed to the agencies. For this reason, the Raftelis report overstates property tax impacts. Even so, financial feasibility of the District's proposal has been shown. LAFCO's erroneous statement should be stricken from the staff report.

Second, regarding LAFCO's conclusion regarding property tax impacts, the LAFCO staff report for Agenda Item No. 6, on page four, also states "*the Commission determines that property tax reductions resulting from the requested latent powers activation would represent a substantial and unwarranted long-term impact to local agencies.*" However, the District demonstrated both (i) the impacts are, in fact, NOT substantial, (generally less than one-half of one-percent of each agency's total revenue) and (ii) the impacts are not long-term. The District's proposed Revenue Neutrality Transition Agreements can bring local taxing districts back to whole – or at a minimum, ameliorate near-term losses, yet still keep pace with inflation.

¹ LAFCO January 5, 2022 Agenda Item No. 6, page 4

Ms. Kate McKenna
Page 2 of 2
December 30, 2021

The District has already sent proposed tax-sharing agreements to the fourteen local taxing agencies identified by LAFCO and expressed our desire to negotiate a transition. The proposed agreements would, in fact, guarantee interim financial relief to local agencies. Hence, LAFCO's erroneous statement should be stricken from the staff report.

The Monterey Peninsula Water Management District appreciates your continued consideration on our application. Now is the time to weigh the substantial evidence already provided and approve the District application.

Sincerely,



David Stoldt
General Manager

January 3, 2022

Ms. Kate McKenna
Executive Officer, LAFCO of Monterey County
132 W. Gabilan St., Suite 102
Salinas, CA 93901

Re: January 5, 2022 LAFCO Meeting (Agenda Item No. 6): Adoption of a resolution formalizing and effectuating the Commission's December 6, 2021 decision to deny the Monterey Peninsula Water Management District's proposed activation of latent powers to provide and maintain potable water production and distribution services for retail customers (LAFCO File #21-01)

Dear Ms. McKenna:

This responds to the December 29 and 30, 2021 letters sent to LAFCO by David Stoldt on behalf of MPWMD.

Loss of Property Tax Revenues

Mr. Stoldt's December 30 letter asserts that LAFCO's staff report "*continues to exacerbate untruths*" and "*misleads LAFCO Commissioners*" about the economic impacts of tax losses that County agencies would suffer as a result of the District's project.

The staff report contains no untruths, and attack on staff's property tax analysis is inappropriate and misguided. For example:

- The projected loss of more than \$75 million to the agencies comes directly from the District's own financial analysis that was conducted by Raftelis. The analysis was submitted to LAFCO to supposedly demonstrate the "savings" the District could use to reduce water rates. For the District to now claim that its own \$75 million plus in "savings" is overstated undermines the very foundation for the financial analysis that is the rationale for the District's takeover proposal.
- The supposed "tax sharing agreements" the District suggests can be negotiated with fourteen agencies to "ameliorate near-term losses" do not exist. They are purely speculative. And even in the District's imagination, the agreements would be short-term band-aids for only a few years,

January 3, 2022

Page 2

leaving the agencies with permanent losses of annual property tax revenues.

Impacts to Remaining Customers

Mr. Stoldt's December 29 letter says that LAFCO's staff report is "*deficient, misleading, and continues to exacerbate untruths*" about the impact on water and wastewater rates for those residents, such as in Chualar, who will remain Cal-Am customers after 95% of Cal-Am's water system is taken by the District. The letter argues that the Public Utilities Commission rate-setting process will limit any rate increases for those customers by enforcing a ceiling based upon the Consumer Price Index.

Attached is a letter from Jeffrey Linam, Cal-Am's Senior Director of Rates, which demonstrates that the District is ignoring the reality of how rates are set by the PUC, and how they will be set in the future if the District takes 95% of Cal-Am's water system. In short, Chualar residents and the others in the "satellite systems" would likely suffer increased rates in the next PUC rate-setting cycle because Cal-Am's "revenue requirement" (cost to serve those residents) will be higher once they are in "stand alone" utility systems without the benefit of Cal-Am's main water system facilities and personnel. The District refuses to acknowledge or confront the reality of these negative impacts of its proposal.

Sincerely,



George M. Soneff

cc: Richard Berkson
Jonathan Brinkman
Darren McBain
David Stoldt

400942752.1



January 3, 2022

Ms. Kate McKenna
Executive Officer, LAFCO of Monterey County
132 W. Gabilan St., Suite 102
Salinas, CA 93901

Re: January 5, 2022 LAFCO Hearing Agenda Item 6
Adoption of Resolution re Monterey Peninsula Water Management District

Dear Ms. McKenna:

I am the Senior Director of Rates for California-American Water Company ("Cal-Am"). I am responsible for overseeing the preparation, filing, and processing of requests for rate adjustments, financing, acquisitions or any other applications filed by Cal-Am before the California Public Utilities Commission ("CPUC"). I have been employed by Cal-Am since October 2009. I received a Bachelor of Arts degree from Claremont McKenna College in Mathematics and Economics and an MBA from the Anderson School of Management at UCLA. I am a certified Public Accountant and a Certified Management Accountant.

I am writing in response to David Stoldt's December 29, 2021 letter to you regarding the above-referenced matter—specifically in response to Mr. Stoldt's erroneous assertions regarding rate setting for the Chualar Water System operated by Cal-Am as part of its Central Division.

Mr. Stoldt quotes from Cal-Am's Advice Letter 1353, which implements water rates for all of Cal-Am's water systems in California, as determined by the CPUC in its Decision 21-11-018, issued on November 23, 2021. As a Class A water utility, Cal-Am is required to file a general rate case with the CPUC every three years. The CPUC determines Cal-Am's revenue requirement for each of its water systems statewide and sets rates designed to meet those revenue requirements. Cal-Am's next general rate case is scheduled to be filed before the CPUC in July 2022.

Mr. Stoldt quotes a portion of the submitted tariff applicable to Chualar. The portion quoted by Mr. Stoldt makes clear that Chualar's water rates **may be changed at any time by the CPUC**:

3. PURPOSE

The purpose of this statement is to ensure that, **unless changed by Commission order**, the rate in the Chualar area will remain on the same rate design or only be inflated by annual changes in CPI. (Stoldt December 29, 2021 letter, at p. 2, emphasis added.)

Similarly, Cal-Am's submitted cost allocation tariff that accompanies Mr. Stoldt's letter states that the Central Satellite Cost Allocation process "**shall be effective until modified by further Commission action.**" (Attachment to Stoldt Letter, at p. 3, ¶2, emphasis added.)

Mr. Stoldt overlooks these provisions when he asserts that "[t]here is no existential risk to the water ratepayers of Chualar." (Stoldt December 29, 2021 letter, at p. 2.) He incorrectly assumes that future Chualar water rates after MPWMD's proposed acquisition would apply current water rates that have been set based on entirely different current conditions—namely, that Chualar ratepayers are part of Cal-Am's Central Division and enjoy economies of scale that derive from being part of a larger water system. If MPWMD were to acquire 95.5% of Cal-Am's Central Division—as it proposes to do—Chualar would no longer derive the benefits and economies of

scale from being part of Cal-Am's larger Central Division, and its future water rates would be set to reflect this entirely new situation.

This means that the CPUC would consider setting water rates for Chualar customers in a future rate case **as a standalone system**, without the benefits and economies of scale of being part of a larger water district. Mr. Stoldt's assumption that Chualar's water rates would not increase in the future is simply incorrect.

Mr. Stoldt has failed to provide another portion of Cal-Am's proposed tariff which makes clear how Chualar's rates are subsidized by other customers in Cal-Am's Central Division. Cal-Am's proposed Schedule No. CEN-SAT (a part of Advice Letter 1353) provides:

Chualar's rates are inflated in each General Rate Case based on the five-year average Consumer Price Index. Chualar's total revenue is deducted from Central Division's revenue requirement and **the remaining amount is collected from the other Central Satellite and the Monterey Service Areas**. (See Exhibit A attached, at p. 3, ¶4, emphasis added.)

If MPWMD's proposed acquisition of the Monterey Service Area were to proceed, Chualar's "remaining amount" could not be collected from the nearly 40,000 connections in the Monterey Service Area. A different rate structure for Chualar would need to be designed and implemented, with a serious risk to Chualar ratepayers of a significant increase in rates. Mr. Stoldt's suggestion that Chualar's remaining amount could be collected from Cal-Am's other customers statewide is rank speculation. The argument that LAFCO should rely on the CPUC requiring Cal-Am customers in Los Angeles or some other county to subsidize Chualar residents assumes that the Public Advocates Office and the ratepayers in those other areas would not successfully object. It is an assumption that is hard to justify. Similarly, the argument that future "severance damages" *might* be awarded to protect Chualar residents also finds no support in anything that has been submitted to LAFCO or the CPUC.

The history of Cal-Am's acquisition of the Chualar Water System shows that deconsolidating Chualar from Cal-Am's Central Division would be detrimental to Chualar's ratepayers.

Cal-Am acquired the Chualar Water System (along with the Ralph Lane Water System) from the County of Monterey in a transaction approved by the CPUC on January 16, 2003 by Resolution No. W-4365. A copy of the CPUC's resolution is attached to this letter as Exhibit B. As the Resolution indicates, the County had been subsidizing the Chualar Water System for many years and no longer wanted to do so:

The County has heavily subsidized [Ralph Lane Water] and [Chualar Water] over the years and does not wish to continue doing so. In order for the two systems to stand-alone financially without being subsidized, the County would have to raise rates considerably. In negotiations with Cal-Am regarding the possible sale of the two systems, the County determined that Cal-Am was not only ready and willing to purchase and operate the two systems, but would also be able to charge rates that would be lower than what the County would eventually have to charge. In view of this, the County Board of Supervisors, at its regular meeting of October 16, 2001, approved the sale of RLW and CW to Cal-Am. (Exh. B, p. 2.)

Thus, the County recognized 20 years ago that it "**would have to raise rates considerably**" for Chualar to be operated on a standalone basis, without continued subsidization. The County did not want to continue to own and operate the Chualar water system, and now MPWMD does not want to acquire Chualar either. While Cal-Am has been able to subsidize the Chualar system as part of Cal-Am's larger Central Division, that subsidy would end if MPWMD acquired 95.5% of Cal-Am's Central Division, as it proposes to do. The revenue requirement that would be needed to operate the Chualar system as a standalone system (or as part of the remaining 4.5% of

Cal-Am's Central Division that MPWMD is not proposing to acquire) would need to be significantly larger on a per-customer basis. The CPUC would need to consider this entirely new array of facts in setting future water rates for Chualar customers. The CPUC is not somehow foreclosed from doing so, as Mr. Stoldt tries to argue.

Cal-Am's acquisition of the Chualar water system was supported by state policies that encourage, and recognize the benefits of, larger water systems like Cal-Am acquiring and operating smaller systems like Chualar.

The Legislature adopted the Public Water System Investment and Consolidation Act of 1997 (Pub. Util. Code §§2718 *et seq.*) to encourage the consolidation of smaller water systems into larger systems. The Legislature found that "[s]cale economies are achievable in the operation of public water systems" and that consolidations "will provide benefits to ratepayers." (Pub. Util. Code §2719(b) and (d).) By deconsolidating Chualar from Cal-Am's Central Division—as MPWMD proposes—scale economies recognized by the Legislature would be lost, as would the "benefits to ratepayers" in Chualar.

The CPUC's Water Action Plan (<https://docs.cpuc.ca.gov/PUBLISHED/Graphics/125501.PDF>) likewise encourages larger water systems to acquire and operate smaller systems. It provides:

Smaller water companies often do not have the resources or expertise to operate in full compliance with increasingly stringent and complex water quality regulations. Many water companies are too small to be viable in the long-term, raising questions as to whether they will be able to continue to provide clean and reliable water in the future. DPH requests Class A utilities (over 10,000 connections) to report on an annual basis which smaller utilities they might consider purchasing. (Water Action Plan, at p. 9.)

The State Water Resources Control Board also supports consolidation of small water systems into larger ones, recognizing that "[s]mall public water systems are often less resilient to natural disasters, such as drought and fire, have more difficulty adjusting to regulatory changes, and may struggle to fund infrastructure maintenance and replacement due to poor economies of scale and lack of staff."

(https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/waterpartnership.html) The State Water Resources Control Board is even empowered to *order* the consolidation of smaller systems into large ones when the smaller system fails to provide an adequate supply of safe drinking water. See Health & Safety Code §116682.

All of these state policies recognize the benefits and economies of scale that resulted from the Chualar system's consolidation into Cal-Am's Central Division. MPWMD's proposal to acquire 95.5% of Cal-Am's Central Division—but not Chualar and other smaller satellite systems—would negate these benefits and economies of scale. If MPWMD's acquisition were to proceed, the CPUC would necessarily consider the completely different set of circumstances when setting future water rates for Chualar and Cal-Am's other remaining systems.

In sum, Chualar customers are being asked to suffer the negative consequences of deconsolidation which are inherent in MPWMD's proposal. MPWMD's assertion that Chualar's rates will not be raised in the future because they have not been raised while Chualar has experienced the benefits of consolidation is simply wrong.

Sincerely,



Jeffrey T. Linam

Exhibit A

Schedule No. CEN-SAT
Central Satellite Tariff Area
GENERAL METERED SERVICE

Sheet 1

APPLICABILITY

Applicable to all water furnished on a metered basis.

CENTRAL DIVISION TARIFF AREA RATES:

(N)

Central Satellite Service Area - Amber Park, Toro, Ralph Lane, Garrapata

(N)

TERRITORY

Toro sub-unit, Monterey County, Ambler Park Subdivision, Oaks subdivision, Rim Rock subdivision, Rancho El Toro Country Club (located nine miles southwest of Salinas), Chualar sub-units, Ralph Lane, and vicinity. The unincorporated communities, subdivisions, and adjacent areas generally known as Garrapata and vicinity.

RATES:

Quantity Rates:

Residential Customers:

Base Rate
Per 100 gal (CGL)

For the first 59.8 CGL.....	\$0.6753	(I)
For the next 74.8 CGL.....	\$1.1253	
For the next 650.8 CGL.....	\$1.3504	
For all water over 785.4 CGL.....	\$1.9694	(I)

All Other Customers:

For all water delivered, per CGL.....	\$1.1253	(I)
---------------------------------------	----------	-----

Service Charge: General Metered

Per Meter
Per Month

For 5/8 x 3/4-inch meter.....	\$14.58	(I)
For 3/4-inch meter.....	\$21.87	
For 1-inch meter.....	\$36.45	
For 1-1/2-inch meter.....	\$72.89	
For 2-inch meter.....	\$116.62	
For 3-inch meter.....	\$218.65	
For 4-inch meter.....	\$364.43	
For 6-inch meter.....	\$728.86	
For 8-inch meter.....	\$1,166.18	(I)

The Meter Charge is a readiness-to-serve charge applicable to all metered service and to which is added to the charge for water furnished, which is based on Quantity Rates.

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY C.P.U.C.)

Advice 1353

J. T. LINAM

Date Filed _____

Decision

DIRECTOR - Rates & Regulatory

Effective _____

Resolution _____

Schedule No. CEN-SAT
Central Satellite Tariff Area
GENERAL METERED SERVICE

Sheet 2

CENTRAL DIVISION (continued)

CENTRAL SATELLITE TARIFF AREA (Continued):

Chualar Service Area

RATES:

Residential Customers:

	<u>Base Rate</u>	
	<u>Per 100 gal (CGL)</u>	
For all water delivered, per CGL.....	\$0.0995	(I)
Meter Charge for all sizes.....	\$25.98	(L)

Public Schools:

For all water delivered, per CGL.....	\$0.0603	(I)
Meter Charge for all sizes.....	\$33.90	(L)

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 1353
Decision

ISSUED BY

J. T. LINAM
DIRECTOR - Rates & Regulatory

21

(TO BE INSERTED BY C.P.U.C.)

Date Filed _____
Effective _____
Resolution _____

Schedule No. CEN-SAT
Central Satellite Tariff Area
GENERAL METERED SERVICE

Sheet 3

CENTRAL DIVISION TARIFF AREA

(N)

SPECIAL CONDITIONS:

General Items:

ALL CENTRAL SATELLITE SERVICE AREA

(N)

1. Qualifying customers can receive a discount on their bill. Customers must apply with the Company for acceptance into the Customer Assistance Program. For additional details, please see Tariff Schedule No. CA-CAP. (D)
2. In accordance with Section 2714 of the Public Utilities Code, if a tenant in a rental unit leaves owing California American Water money, service to subsequent tenants in that unit will, at California American Water's option, be furnished on the account of the landlord or property owner. (D)
3. In accordance with the Preliminary Statements, the cost allocation for the Central Satellite Tariff Area established in the General Rate Case process is based on an inflationary increase. (N)
4. Chualar's rates are inflated in each General Rate Case based on the five-year average Consumer Price Index. Chualar's total revenue is deducted from Central Division's revenue requirement and the remaining amount is collected from the other Central Satellite and the Monterey Service Areas.
5. Pursuant to Decision D.18-05-027 and in accordance with the Preliminary Statement, the Annual Consumption Adjustment Mechanism (ACAM) provides for an annual adjustment to California American Water Central Satellite Tariff Area rates based on the 12-month actual consumption ending September 30th of the prior year. The Chualar Service Area is excluded from the ACAM. (N)

(N)

Fees and Surcharges:

ALL CENTRAL SATELLITE SERVICE AREA

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF
2. A 1.00% surcharge is included on each bill to collect franchise taxes and/or business license fees paid to Monterey County. The amount collected is based on a percentage of the gross revenues of each bill.
3. A surcharge for the Customer Assistance Program (CAP) program is applied to each California American Water customer bill. Please refer to tariff CA-FEES for charges and details. (D)
(C)
(C)
4. Per D.21-11-018, the under-collected balance in the Central Satellite Consolidated Expense Balancing Account will be recovered through a quantity-based surcharge of \$0.0397 per 100 gallons over 24 months. This total amount will be recovered from all classes of customers except for Chualar customers. The surcharge will be updated in California American Water's 2022 Escalation filing. (C)
(C)
(C)

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY C.P.U.C.)

Advice 1353

J. T. LINAM

Date Filed _____

Decision

DIRECTOR - Rates & Regulatory

Effective _____

Resolution _____

Schedule No. CEN-SAT
Central Satellite Tariff Area
GENERAL METERED SERVICE

Sheet 4

CENTRAL DIVISION TARIFF AREA (Continued)

SPECIAL CONDITIONS

Fees and Surcharges (Continued):

ALL CENTRAL SATELLITE SERVICE AREA (Continued)

- 5. Per Advice Letter 1327, a surcharge/surcredit is included in each bill to recover the net under/over-collection in the Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA). For the period ending December 31, 2020, the net under-collection totals \$545,912 including interest. The surcharge of \$0.1906 per 100 gallons is set to recover the under-collection at a rate equal to 15% of the authorized revenue requirement as approved by D.21-11-018. The Chualar service area is excluded from this surcharge. (C)
- 6. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Related Accumulated Deferred Income Tax will be refunded to customers over the 12-month period beginning November 1, 2021, as shown in the table below. (D)
(D)

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.38
3/4	\$0.57
1	\$0.95
1 1/2	\$1.89
2	\$3.03
3	\$5.68
4	\$9.46
6	\$18.93
8	\$30.28
10	\$43.53

(T)

AMBLER PARK SERVICE AREA ONLY

Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA) Surcharge

- 1. A surcharge/surcredit is included in each bill to recover the net under/over-collection in the Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA). For the period ending December 31, 2020, the net under-collection totals \$694,352 including interest. The surcharge of \$0.1894 per 100 gallons is set to recover the under-collection at a rate equal to 15% of the authorized revenue requirement as approved by D.21-11-018. (C)

(D)

(D)

(L)

(C)

(L)

(Continued)

(TO BE INSERTED BY UTILITY)
Advice 1353
Decision

ISSUED BY
J. T. LINAM
DIRECTOR - Rates & Regulatory

(TO BE INSERTED BY C.P.U.C.)
Date Filed _____
Effective _____
Resolution _____

Schedule No. CEN-SAT
Central Satellite Tariff Area
GENERAL METERED SERVICE

Sheet 5

CENTRAL DIVISION TARIFF AREA (Continued)

SPECIAL CONDITIONS (Continued)

Fees and Surcharges (Continued):

TORO SERVICE AREA ONLY

Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA) Surcharge

- 1. A surcharge/surcredit is included in each bill to recover the net under/over-collection in the Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA). For the period ending December 31, 2020, the net under-collection totals \$321,998 including interest. The surcharge of \$0.1982 per 100 gallons is set to recover the under-collection at a rate equal to 15% of the authorized revenue requirement as approved by D.21-11-018.

(L)

(C)

GARRAPATA SERVICE AREA ONLY

- 1. The Safe Drinking Water State Revolving Fund (SDWSRF) surcharge is in addition to the water bill. This surcharge must be identified on each bill. The surcharge is specifically for the repayment of a loan under the American Recovery and Reinvestment Act for SDWSRF projects authorized by Resolution W-4788, dated September 24, 2009. The surcharge to repay the loan will last until the loan is fully paid. The surcharge rates are subject to periodic adjustment. The monthly surcharge is \$16.62 for years 1-10; and \$15.11 for years 11-19 of the repayment period. The surcharge revenues shall be tracked separately and shall be used only for the repayment for the SDWSRF loan described in Resolution W-4788. This surcharge only applies to customers in the Garrapata service area.

(L)

(TO BE INSERTED BY UTILITY)

Advice 1353
Decision

ISSUED BY

J. T. LINAM
DIRECTOR - Rates & Regulatory

(TO BE INSERTED BY C.P.U.C.)

Date Filed _____
Effective _____
Resolution _____

Exhibit B

WATER/ABJ/PTL:jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**WATER DIVISION
Water Branch**

**RESOLUTION NO. W-4365
January 16, 2003**

R E S O L U T I O N

(RES. NO. W-4365), CALIFORNIA-AMERICAN WATER COMPANY (CAL-AM). ORDER AUTHORIZING CAL-AM TO FILE RATE SCHEDULES FOR RALPH LANE WATER SYSTEM AND CHUALAR WATER SYSTEM WHICH ARE TO BE ACQUIRED FROM MONTEREY COUNTY.

SUMMARY

By Advice Letter No. 565, filed May 6, 2002, Cal-Am requests the authority to purchase the County of Monterey's (County) Ralph Lane Water System (RLW) and Chualar Water System (CW). Section 4.01 of Appendix D of Commission Decision (D.) 99-10-064, dated October 21, 1999, in the "Order Instituting Rulemaking On The Commission's Own Motion to Set Rules and to Provide Guidelines for the Acquisition and Mergers of Water Companies," does not require a privately-owned utility to obtain authorization from the Commission before acquiring a publicly-owned utility. Therefore, this resolution grants Cal-Am authority to file rate schedules for RLW and CW once the two systems are acquired from Monterey County.

BACKGROUND

Cal-Am requests authority to purchase RLW and CW from the County in conformance with the terms and conditions of Section 4.00 of Appendix D to Decision 99-10-064, in the Order Instituting Rulemaking on the Commission's Own Motion to Set Rules and to Provide Guidelines for the Acquisition and Mergers of Water Companies. As indicated in the Summary Section above, D.99-10-064 does not require a privately-owned utility to obtain authorization from the Commission before acquiring a publicly-owned utility. Cal-Am submits the new rate schedules and revised service area maps delineating the territory it proposes to acquire under Section V of General Order 96-A (GO 96-A) and Section 455 of the Public Utilities Code.

Section 4.00 of Appendix D to D.99-10-064, "Acquisition of Mutual and Publicly-owned Water Systems" is the applicable authority for this advice letter.

The County has heavily subsidized RLW and CW over the years and does not wish to continue doing so. In order for the two systems to stand-alone financially without being subsidized, the County would have to raise rates considerably. In negotiations with Cal-Am regarding the possible sale of the two systems, the County determined that Cal-Am was not only ready and willing to purchase and operate the two systems, but would also be able to charge rates that would be lower than what the County would eventually have to charge. In view of this, the County Board of Supervisors, at its regular meeting of October 16, 2001, approved the sale of RLW and CW to Cal-Am. The County reviewed the legal requirements regarding the sale of the two systems and determined that they were not required to hold an election among system customers for approval. The current monthly bill for a RLW customer using 1400 cubic feet of water is \$67.14. The current monthly bill for a CW customer using 1400 cubic feet of water is \$27.60.

Section 4.02 of Appendix D to D.99-10-064 states in part,

".... the acquiring utility should be authorized to file an advice letter placing into effect the existing rates of its adjacent or nearby water system, the acquired system's rates, or rates lower than either."

Cal-Am requests authorization to apply the tariff rates applicable as of January 1, 2002, for its Hidden Hills Subdivision, immediately to the customers of RLW, which will produce a monthly bill of \$52.84. Cal-Am also requests authorization to retain the existing rates the County charges CW customers and incrementally increases the rates over the next five years until they reach the same level as those in its Hidden Hills Subdivision, which is nearby.

DISCUSSION

As required on page 10 of the Mergers and Acquisition OIR, the utility may propose rates for the acquired systems; the Commission must decide whether those proposed rates are reasonable. Both the RLW and CW systems will be merged with Cal-Am's Monterey District. The Monterey District rates, which have been determined to be fair and reasonable by the Commission in its last general rate case, are presently lower than RLW's current rates and higher than CW's current rates.

Cal-Am proposes to reduce RLW's rates to match its Monterey District rates. Because the number of customers in the RLW system is insignificant compared to the number of customers in the Monterey District, there will be no impact on the cost of providing

service and, therefore, no effect on rates in the Monterey District after Cal-Am acquires RLW. In view of this, the Division believes that the rates proposed for Cal-Am's newly acquired RLW customers are fair and reasonable.

As stated above, CW's rates are currently lower than the Monterey District's rates. In order to alleviate rate shock to the CW customers, Cal-Am proposes to keep the CW rates as they are and incrementally increase the rates over the next five years until they reach the same level as those in the Monterey District into which it will be merged. Because the number of customers in the CW system is insignificant compared to the number of customers in the Monterey District, the lower rates assessed the CW customers will have no impact on the cost of providing service and, therefore, no effect on rates in the Monterey District after Cal-Am acquires CW. In view of this, the Division believes that the rates proposed for Cal-Am's newly acquired CW customers are fair and reasonable.

NOTICE AND PUBLIC MEETINGS

Over the last year-and-one-half, the County has held several community town meetings with RLW and CW customers discussing the sale and the potential rate implications. All customers were individually notified of the meetings and were invited to participate in the discussions.

The County held a formal public meeting on October 10, 2001, to discuss the sale and potential rate implications on customers. All RLW and CW customers were individually notified of the meeting. The comparison of rates both under Cal-Am ownership and under the ownership of the County were the focus of discussion at the meeting. There were no protests concerning the proposed sale.

FINDINGS AND CONCLUSIONS

1. It is in the ratepayer's interest that Cal-Am purchase and take over ownership of the RLW and CW systems.
2. The rates for RLW and CW meet the requirements of D.99-10-064.

THEREFORE IT IS ORDERED THAT:

1. California-American Water Company is ordered to provide to the Water Division a true copy of the instrument effecting the sale and transfer of ownership of Ralph Lane Water System and the Chualar Water System from Monterey County to California-American Water Company once the sale and transfer is consummated.

January 16, 2003

2. California-American Water Company is authorized to make effective Schedule No. MO CO-1, General Metered Service, revised Schedule No. MO-4, Private Fire Protection Service, and revised service area maps, attached to Advice Letter 565, upon compliance with requirement set forth in Ordering Paragraph 1. Revised rate schedules and service area maps will become effective five days after receipt of sale and transfer instrument required in Ordering Paragraph 1.
3. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on January 16, 2003; the following Commissioners voting favorably thereon:

WESLEY M. FRANKLIN
Executive Director

MICHAEL R. PEEVEY
President

CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY

Commissioners

From: Ron Weitzman <ronweitzman@redshift.com>
Sent: Friday, December 24, 2021 12:03:38 PM
To: waterplus@redshift.com <waterplus@redshift.com>
Subject: Two Water Letters in Today's Herald

All: Please excuse my brief editorializing re the two letters below: Hurrah! --Ron

Also: Merry Christmas to All!

Anti-Cal Am buyout letters made unsupported claims

Three recent letters have made many unsupported claims. The actual facts indicate: 1. Satellite systems' rates would not double. Chualar rate increases would actually be minimal because they are protected by the CPUC from any rate increase beyond the CPI, which has run 1-2% over the past years. Only 15 of the 40 affected agencies would lose more than \$5,000 annually. The water district has made a commitment to make up a substantial portion of tax losses over several years. The total loss to the 40 affected communities would be \$1.26 million. 2. Most school districts would lose nothing because they are made whole by the state backfilling policy. 3. The fire district would lose \$140,000 not the millions as stated in one claim. 4. Some of the best financial experts in the country have determined that the buyout of Cal Am is feasible and in the residents' interest because of significantly lower customer rates. 5. A public agency tasked with carrying out the mandate of 24,000+ voters is not a special interest group. 6. It took two public agencies working together to produce the only new water source in our area — the award-winning Pure Water Monterey projects. 7. The cost of the debt is unknown because the final cost of Cal Am assets by a jury will set the price. 8. The minimal rate increase for 904 households does not trump the desire for much lower rates to 39,489 households. Democracy supports the will of the majority.

— *Walt Notley, Carmel*

LAFCO should reverse its Cal Am buyout vote

LAFCO's decision to deny the Monterey Peninsula Water Management District's (MPWMD) request to activate its latent powers was unconscionable.

The buyout was found to be financially feasible. LAFCO's own independent consultant confirmed that the buyout is feasible. LAFCO's own staff recommended approval.

The LAFCO board ignored the facts and based their decision on personal biases like Commissioner Matt Gourley's comment, "the government cannot run anything efficiently," and irrelevant statements about water supply.

Cal Am has owned the Peninsula's water delivery system for over a half century. But, it is the MPWMD that has successfully developed several water supply projects for the Peninsula. The latest project, Pure Water Monterey (PWM), developed in partnership with Monterey One, is now producing sufficient water to allow Cal Am to stop its illegal overdrafting of the Carmel River.

Cal Am has known for several years that the PWM expansion project is feasible, cost effective and environmentally superior to its desal plant. However, Cal Am continues to promote its desal and stall the PWM expansion at the CPUC. Why?

Drinking water is a public resource that should be managed by public agencies, not private companies. Cal Am's profit motivation is at odds with the public good.

We have a capable, well-run water management district with a well-qualified, diligent staff, outstanding general manager, counsel and a board of directors that is attuned to the needs of its constituents.

For the good of all our communities, I urge LAFCO to reconsider and reverse its decision on Jan. 5.

— *Anna Thompson, Carmel*

From: Timothy Ward <tward74058@aol.com>
Sent: Friday, December 24, 2021 2:05 PM
To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Public Comment

Dear LAFCO members,

Please reconsider your vote that denies Monterey Peninsula and Carmel Valley residents the right to have affordable water. We voted overwhelmingly to buy out Cal Am. We would still be paying taxes when it becomes a public utility. I don't think that private interests of Cal Am staying in business should overturn the will of the people. I see a lot of waste in Cal Am's business model, including millions spent on attorney fees and meaningless public relations programs that add to our monthly bill.

Sincerely,

Timothy Ward
Carmel Valley

From: Ron Weitzman <ronweitzman@redshift.com>
Sent: Saturday, December 25, 2021 9:32:06 AM
To: waterplus@redshift.com <waterplus@redshift.com>
Subject: Water Letters on the CRYCO Decision in this Week's Pine Cone

NO LAFFING MATTER

Water District Saved the Day

Dear Editor,

It was sad to see the letter last week from Lauren Cohen who applauded LAFCO's denial of the Water District's latent powers to run a water service, as required by Measure J. The writer even recommended that the Water District be disbanded! Is the writer is totally unaware that in the past 5 years the Water District working with Monterey One Water has given us 3,500 acre-feet of new water from Pure Water Monterey. This water is the only reason Cal Am can meet the State's cease and desist order to stop over drafting the Carmel River. Even the Marina Coast Water District is involved. All of them are government agencies doing good work! And, they are doing it publicly, not privately with no accountability.

Cal Am hasn't provided one drop of new water for the Peninsula despite the CDO on the Carmel River since 1995. They have instead opposed and impeded the expansion of Pure Water Monterey. Once the Expansion is complete we will have all the water we need for the next 20 to 30 years.

Cal Am's only effort has been to try to develop an ill-conceived (slant wells in Marina's aquifer) and illegal (no water rights) desal plant of their dreams—one that would (if ever built) provide water, yes, but it would be the most expensive water in the world. Everything they do is a money grab. Rates are going up now.

Desal is definitely in our future—we will need it one day, but it should be properly planned as a regional desal for the entire Monterey Bay Area. It would provide economy of scale, be publicly owned and run, with open books for the public to see and not one designed to provide ever greater dividends to Cal Am shareholders.

Myrleen Fisher, Carmel

Carmel Pine Cone | December 17, 2021

Buyout deserves 'fair process'

Dear Editor,

The Pine Cone's recent article about the vote to deny the Monterey Peninsula Water Management District's LAFCO application omitted a crucial fact: LAFCO was only being asked for conditional approval. LAFCO's professional staff spent 9 months researching and evaluating every objection to the application, and had imposed 6 detailed conditions to minimize any potential negative effects of a successful buyout of Cal Am. For example, the District was required to work with every organization that would lose \$5,000 or more in annual tax revenues if the buyout was successful and to document good faith efforts to compensate each organization for its loss. Even though the District had not begun any buyout, it had already begun working with those organizations.

LAFCO'S staff recommended conditional approval 3 times. LAFCO could still have denied final approval after a court rendered its verdict if any conditions were not met. This was a no risk vote for LAFCO. The five commissioners who voted to deny mentioned things that could have been addressed successfully through the conditions. This made their votes seem senseless, and simply aimed at overturning Measure J and blocking all efforts at a buyout.

It is hard to imagine that the no votes from Salinas Valley Commissioners, who don't pay Cal Am's rates, are based on any understanding of the facts, or of the reasons people on the Peninsula voted for a buyout and truly deserve a fair process.

Marli Melton, Carmel Valley

Will of the voters

Dear Editor,

Thanks for covering the recent LAFCO meeting. It was stunning to witness the

vote on conditionally approving MPWMD's application to enact its legal latent power to become a public retail water agency, denying the will of the voters and staff and consultant recommendations.

Commissioners voting no went outside LAFCO's scope with issues unrelated to approving latent powers. They focused on whether or not the peninsula should have Cal Am's desal plant, and government cannot do anything right, as stated by Matt Gourley, complaining that the public was in the way of Cal Am. Kimbley Craig noted it was clear the peninsula didn't want desal, then complained the peninsula is taking water from Salinas. Seventy-five percent of recycled water goes back to Salinas valley farmland and we also contribute 40 percent of the wastewater. While repeatedly saying they had concerns about estimated 1% tax reductions and satellite systems, no real discussion ensued.

As a condition of approval, MPWMD already agreed to negotiate agreements to soften tax revenue impacts. A motion to include satellite systems was voted down.

LAFCO must legally issue a written decision based on evidence, not opinion. It now may be decided in court, undoubtedly in MPWMD's favor. LAFCO will incur high legal fees, along with MPWMD—passed on to us.

Susan L. Schiavone, Seaside

LAFCO Writes off democracy

Dear Editor,

LAFCO's Dec 6 no-vote by five commissioners, four from Salinas, one from Monterey Peninsula, made a mockery of democracy. They displayed alarming special interests politics and partisan prejudice.

Ironically, the voters who approved the buyout of Cal-Am are the same voters who pay the taxes that support the fire district and other agencies who voted against approval because they would lose tax revenue (less than 1%) if MPWMD's buyout succeeds. These naysayers were appointed to LAFCO, which is unbalanced in favor of Salinas Valley. Chair Lopez was disingenuous in claiming the buyout will bring higher water rates for his constituents when he knows the CPUC has a protective rate cap for Chualar as a disadvantaged community. Commissioner Gourley contradicts himself by denigrating government while serving in government! Some

commissioners exhibit poor judgment, such as driving under the influence for which two have been arrested in the past.

Let the public hold these commissioners accountable. Let our democracy flourish and not be stifled by self-serving politicians who flout the principles of democracy. Corporations have become over-sized monopolies worshipping their one idol – money, defying free market competition. Greed cannot sustain a constitutional republic.

LAFCO's decision will add to the tax revenue loss as it diminishes county coffers, incurring costly litigation fees. How many firefighters would that cover? LAFCO defied its own staff approval recommendation and the independent consultant it hired to confirm buyout feasibility.

MPWMD is in the right to support the voters' mandate and fight against CalAm's tyranny.

Vive Democracy!

Margaret-Anne Coppernoll, Marina

Disband water district

Dear Editor,

We should all applaud LAFCO's rejection of the water management district's attempt to take over Cal Am, a private company. Finally, an agency with some oversight took an honest, commonsense look and exposed what this is really all about, a power and money grab. How much taxpayer money has been spent and will be spent to save the current customers of Cal Am a whopping \$22 per month? This entire issue of water control comes down to the lesser of two evils, and while Cal Am has not been stellar, it is preferable over unrestrained government agencies that simply want to control the behavior of private citizens.

For MPWMD to use the argument that this is "the will of the people" and should be honored is just about the most hypocritical statement to ever come from a big government agency. Let's all remember that the will of the people not very long ago was to dissolve the Monterey Peninsula Water Management District completely as they had failed in their mission to find new water sources for those it serves. Of course, in that instance they did not like the will

of the people and found a local politician to find a way to ignore it.

How about we honor that original vote now?

Lauren Cohen, Monterey

Why Did LAFCO block the buyout?

Dear Editor,

Should LAFCO's board of appointed commissioners from Salinas and South County have the right to block the Cal Am buyout on the Peninsula?

It was clear from the LAFCO staff report and the \$70,000 LAFCO consultant's report that the water district could afford to buy Cal Am and operate the water system at a reasonable cost. That was the only question LAFCO was supposed to consider and the only one it was supposed to vote on. LAFCO staff recommended approval TWICE. There were no grounds to deny the water district's application. So why vote no?

They claimed this was about the tiny tax revenue loss of less than 1% for some of the affected special districts and the "possible" minimal Cal Am rate hikes to five satellite water districts. But make no mistake; this was a vote on water supply with the Salinas Valley once again trying to dictate water policy to the Peninsula.

LAFCO commissioner and south county Supervisor, Chris Lopez, believes the Peninsula must have Cal Am's desal, so he and Salinas Mayor Kimbley Craig voted against the buyout in an attempt to force desal on the Peninsula. Three other commissioners followed their lead. The problem is that LAFCO has no authority on water supply, so they had to disguise their no-vote with other issues.

The tax revenue losses can be mitigated and none of the issues raised justify blocking the will of the voters and the water district's mandate to move forward on Measure J.

This is Monterey County lettuce curtain politics at its worst.

Melodie Chrislock, Carmel

Investigate LAFCO

Dear Editor,

Can someone please explain to me how LAFCO can make a decision on our relationship with CalAm, which completely opposes even their own findings?

Please correct me on any of this if I am wrong, but over 25,000 citizens voted to oust the grifting waterworks, which has already a terrible reputation for taking water that is not theirs, and charging homeowners for it...(OK, perhaps they were/are charging for its transportation to our homes? But how can they charge us if the pipes are shooting brown water out of spigots...indicating that in all these years, they have done little to assuage using that as an excuse for 'services rendered.')

We all want to know exactly what the logical reason is for ignoring their own findings.

Transparency is much needed on LAFCO's decision-making process. Let's subpoena communications if we don't get a satisfactory response. That would be an investigation that many community members would find worth reading about.

Cate Mulligan, Seaside

From: Ron Weitzman <ronweitzman@redshift.com>
Sent: Saturday, December 25, 2021 9:56:45 AM
To: waterplus@redshift.com <waterplus@redshift.com>
Subject: Water Letters on LAFCO Debacle in Today's Herald

Your opinions

Cal Am, not voters, are special interest to LAFCO

Doreen Cursio was correct in her letter that we see politicians go against special interest much too infrequently today. However, she is completely wrong that LAFCO (Local Agency Formation Commission) stood up to special interest. The special interest in this case is not Public Water Now and the substantial majority of voters who want local control of their water supply. The special interest is, by definition, Cal Am. They are the privately owned company seeking to maximize profits. That does not make them evil but it does require that their decisions are based on increasing revenues and thus stock value. The greater good for the people of Monterey is a clear (hopefully) second priority. The catastrophic outcomes being touted by Cal Am supporters simply do not hold up under scrutiny. It is always less work to fearmonger but a genuine look at one of the three independent studies conducted on a public take over of Cal Am, or even the LAFCO's own staff report, shows how exaggerated the doomsday claims are. LAFCO's straightforward responsibility was to keep this process moving to the next step and not put their personal prejudices ahead of Monterey Peninsula voters' unambiguous desire to control our local water supply.

— Gary Kreeger, Del Rey Oaks

LAFCO did not objectively approach buyout vote

I write to question Rick Heuer's assertion that fiscal sanity reigned when LAFCO recently turned down the water management district's application.

Surely it was not fiscal sanity from the point of view of Cal Am ratepayers who pay the highest water rates in the country. Yes, the highest!

Heuer also claims that the LAFCO board objectively viewed the water management district's application. Not so. Many reasons were given by those who voted against the water management district. But none of the reasons

given were appropriate bases for a no vote, given LAFCO's limited and specific authority.

Finally, Heuer suggests that there will be a loss of tax revenues by school districts and other public agencies as a result of a public agency buyout of Cal Am. The water management district is already working with the 15 agencies that would lose more than \$5,000 of tax revenue annually. The district has agreed to mitigate those potential losses, which, at worst, represent less than 1% of the tax revenues received by these agencies.

— *Renee Franken, Monterey*

From: Michael Baer <mgbisme@yahoo.com>
Sent: Monday, December 27, 2021 7:42:54 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: letter to LAFCO

To the 5 naysaying Commissioners,

Your decision to deny MPWMD's application to release its latent powers is not only unjust it is irresponsible. By repeatedly refusing to consider staff recommendations and your own independent third party review, you have revealed your true nature as beholden to special interests uninterested in following the mandates of your charter as LAFCO commissioners, and selling your votes to your campaign contributors. You are corrupt.

Rational argument will not change your mind; It is unlikely that threats will either, but I will give it a go.

Your disregard for your staff is embarrassing. I'm surprised that some haven't resigned, but they may not be financially able to do so. You have put them in an impossible position, to reverse months of careful study and analysis merely to attempt to justify your political whims.

The district will sue and you will be crushed in court. I have recommended that the district not only seek to be reimbursed their legal fees from LAFCO, but also to be refunded the money spent on the Berkson analysis, since you completely ignored their findings. The district is competent and intelligent and will do what they decide.

I'm not sure you can be held individually personally liable for your reckless action, but if you can, those paths should be pursued as well.

Your actions are shameless. You should all be recalled. You are not fooling anybody. You will long be remembered for the stain you are making. "The LAFCO FIASCO of 2021"

It is not too late to turn back, but I hold no hope that you will.

I will not be making public comment on the January 5. It is not worth the breath I would be wasting.

Truly,

Michael Baer

From: Rick Heuer <rick@wearehma.com>
Sent: Monday, December 27, 2021 12:11:32 PM
To: Brinkmann, Jonathan x5121 <BrinkmannJ@monterey.lafco.ca.gov>
Subject: RE: LAFCO of Monterey County - January 5, 2022 Meeting Packet, Item 6 and Public Hearing Notice for Protest Proceedings for MPWMD Annexation

Please distribute the attached letter to the Commission in advance of the meeting.

Thank You

From: Brinkmann, Jonathan x5121 <BrinkmannJ@monterey.lafco.ca.gov>
Sent: Thursday, December 23, 2021 10:57 AM
To: Brinkmann, Jonathan x5121 <BrinkmannJ@monterey.lafco.ca.gov>
Subject: LAFCO of Monterey County - January 5, 2022 Meeting Packet, Item 6 and Public Hearing Notice for Protest Proceedings for MPWMD Annexation

Good morning,

I'm writing to transmit the attached LAFCO meeting agenda and staff report regarding Item 6, consideration of a resolution formalizing and effectuating the Commission's Dec. 6, 2021 decision to deny the Monterey Peninsula Water Management District's (MPWMD's) proposed activation of latent powers (LAFCO File #21-01), for Wednesday, January 5, 2022 at 11:00 am.

The January 5, 2022 LAFCO special meeting agenda and meeting packet are also available at the following link: <https://www.co.monterey.ca.us/government/government-links/lafco/current-agenda-and-meeting-packet>

Also, attached to this email is a Public Hearing Notice regarding conducting authority (protest) proceedings on January 24, 2022 for MPWMD's Yankee Point and Hidden Hills Annexation, which the Commission approved on Dec. 6, 2021.

Thank you,

Jonathan

Jonathan Brinkmann
Senior Analyst
LAFCO of Monterey County
831-755-5121



**Monterey Peninsula Taxpayers Association
PO Box 15 – Monterey – CA - 93942**

December 21, 2021

Ms. Kate McKenna
Executive Officer
Local Agency Formation Commission of Monterey County
132 W. Gabilan St., Ste 102
Salinas, CA 93901

Subject: MPWMD Sphere of Influence Annexation & Latent Powers.

BY : Email

Dear Ms. McKenna:

In listening to the presentation by LAFCO's expert hired to review MPWMD's proposal what struck me was the gentlemen's lack of knowledge about school district funding. There are two funding models for school districts, Basic Aid and LCFF.

Monterey Peninsula Unified School District is funded via LCFF in other words a set amount by average daily attendance (ADA). Carmel and Pacific Grove School Districts, however, are Basic Aid districts and as such are funded directly from property tax revenues. It is surprising that the consultant did not know this, granted there are very few Basic Aid Districts in California. Basic Aid districts would lose funding as a result of MPUSD's proposal.

Given this gross oversight, it makes one wonder what else may have been missed. Another area not explored is how MPUSD could make the agencies whole in revenue without that being considered a gift of public funds and thus illegal.

Sincerely,

Rick Heuer
President

From: Ron Weitzman <ronweitzman@redshift.com>
Sent: Tuesday, December 28, 2021 8:11:51 AM
To: waterplus@redshift.com <waterplus@redshift.com>
Subject: Water Letter in Today's Herald

Thankful for letter writer rebutting false claims

I'd like to thank Walt Notley of Carmel for his exceptional rebuttal of those false claims by those anti-Cal Am buyout folks. Also, Anna Thompson of Carmel asks an interesting question: Why Cal Am is pushing desal and stalling the Pure Water Monterey project? I have a feeling she knows and many of us as well.

Cal Am's guaranteed monopolistic profits are at stake. Profits are miniscule buying water compared to building a desal project.

— *Charles Biller, Monterey*

From: William B. Donovan <wbdpad@sbcglobal.net>
Sent: Tuesday, December 28, 2021 7:45 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: To LAFCO Board

**PLEASE LISTEN TO THE VOTERS WHO WANT
CHEAPER WATER**

**Bill Donovan, MD
CARMEL**

From: Dave Stoldt <dstoldt@mpwmd.net>
Sent: Wednesday, December 29, 2021 1:13 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Brinkmann, Jonathan x5121 <BrinkmannJ@monterey.lafco.ca.gov>; Dave Laredo <dave@laredolaw.net>
Subject: MPWMD Application to LAFCO

Hi Kate,

Please see attached correspondence.

Dave

David J. Stoldt
General Manager
Monterey Peninsula Water Management District
5 Harris Court – Bldg G
Monterey, CA 93940

831.658.5651

From: Dave Stoldt <dstoldt@mpwmd.net>
Sent: Thursday, December 30, 2021 12:07 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Brinkmann, Jonathan x5121 <BrinkmannJ@monterey.lafco.ca.gov>; Dave Laredo <dave@laredolaw.net>
Subject: MPWMD Application to LAFCO

Please see attached correspondence.

David J. Stoldt
General Manager
Monterey Peninsula Water Management District
5 Harris Court – Bldg G
Monterey, CA 93940

831.658.5651

From: Rochelle Dolan <rk1dolan@gmail.com>
Sent: Friday, October 22, 2021 3:55 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject:

Kate McKenna, AICP, Executive Officer
LAFCO of Monterey County

Dear Ms. McKenna:

I am a Monterey Peninsula resident, have been a Cal Am customer for two decades, and am a voter who voted YES on Measure J.

- The Cal Am buyout is the will of 24,000 Monterey Peninsula voters who passed Measure J.
- The Water Management District is capable of financing the Cal Am buyout. This has been verified by international investment bankers and financial consultants.
- MPWMD is a legislatively created and publicly elected government agency that should be allowed to make its own policy decisions without interference.
- No one can know the cost of Cal Am's system until a jury decides the price. But the District's feasibility study estimate was on the high end. It included Cal Am's \$330 million desal plant, which is unlikely to ever be built.
- Leave it to the court to decide if this is in the public interest.

Please approve the Cal Am buyout by the MPWMD that we can have a publicly-owned water provider accountable to Peninsula residents.

Sincerely,
Rochelle Dolan
Pacific Grove, CA

Sent from [Mail](#) for Windows

From: Marli Melton <marlimelton@yahoo.com>
Sent: Thursday, December 30, 2021 2:14 PM
To: McKennaK@monterey.co.lafco.gov; McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: PUBLIC COMMENT LETTER - AGENDA ITEM 6 - LAFCO MTG JAN 5

---note to staff: previous email did not have Executive Officer Kate McKenna's correct address, so am re-sending. Please note that section 56325.1 of the CKH act still exists but with a new number (see below and p. 53 of the 2021 Legislative update). Also, have revised MP population downward to 90,000 people, tho there are plenty of 2nd home part-year residents who will benefit, too. Last but certainly not least, many thanks to all the LAFCO professional staff for all your careful and diligent work on the MPWMD application. May your New Year be full of health and happiness. --

December 30, 2021
PUBLIC COMMENT LETTER, AGENDA ITEM 6, LAFCO MEETING OF
JANUARY 5, 2021

To: Monterey County LAFCO Commission Board Members and Staff – please send to all board members

With respect, LAFCO’s December 6, 2021 decision to deny conditional approval for the Monterey Peninsula Water Management District’s application to activate the District’s latent powers authority to provide and maintain potable water production and distribution services for retail customers was wrongly decided. Here’s why:

Section 56325.1 (now renumbered as section 56331.4) of the Cortese–Knox–Hertzberg Act , requires that:

“While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall

represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.”

Personal opinions or worries, unsupported by verifiable facts directly relevant to the particular application, do not constitute “independent judgment.” Yet the reasons commissioners gave for voting no on conditional approval violated the Cortese-Knox-Hertzberg Act, since they cited:

- the particular interests of the bodies that appointed the commissioners,
- exaggerated and unsupported claims of harm to constituents in the Salinas Valley who would not be affected by conditional approval,
- personal opinions, unsupported by facts, and that ignored the actual facts of the case,
- a number of false financial claims that both LAFCO’s special consultant and its professional staff had investigated and shown were not supported by facts, and
 - potential but avoidable events, ignoring the fact that they must all be addressed successfully as part of the six very detailed conditions the District is required to fulfill.

Tax Impacts on Local Districts are Very Small, so please note that:

- Cal Am does not pay property taxes; the ratepayers pay them
- The most likely total reduction in annual tax revenues from a Cal Am buyout is less than \$1.3 million..
- Of the 40 affected agencies, only 14 would lose more than \$5,000 per year.
- None of these would lose even 1% of total revenues. 13 of the 14 would lose less than 1% of total tax revenues; the 14th would lose only 1.06%.

- Conditional approval requires the District to submit documented proof of its work with all 14 agencies to address and mitigate the shortfall and fill the gaps.
- The District has already begun meeting with local agencies to address potential shortfalls, even though a buyout has not yet begun.

Cal Am claimed tax losses would be larger, but its numbers include a desal project that lacks source water, lacks permits, has been disapproved twice, and is unlikely to occur. Realistic calculations show affected agencies will be in stronger financial positions following a successful buyout. Also, approximately 90,000 people will benefit from 14% - 17% savings on water costs.

In conclusion,

- MPWMD has fulfilled all application requirements for conditional approval,
- Independent studies by leading financial entities indicate a buyout is financially feasible.
- Cal Am will have many opportunities to present its case in court
- A judge will determine whether a buyout is in the public interest
- Only when a judge orders Cal Am to open its books for independent, critical review will we know the true value of the assets subject to buyout.
- Conditional approval means the District must successfully address LAFCO's legitimate concerns to gain final approval.
- Contrary to outright lies, Monterey Peninsula residents support a strong economy that includes affordable housing with affordable water!
- The Peninsula is highly likely to be able to deliver more affordable and sustainable results in a variety of joint projects with other parts of the county if we are no longer paying for Cal Am's profits, delays, and many surcharges.

Please Prioritize Genuine Public Benefits

The Monterey Peninsula has furnished 40% of the water used to help the Salinas Valley in a variety of projects, yet some of you are pinning your hopes on Cal Am's, expensive, economically inefficient, desal, which has no water source, has twice been denied permits, and is unlikely to be built. The District has a history of successfully developing new water sources; it's not under pressure to make big profits, it does not extract millions from the local economy to send elsewhere (like Cal Am does), and it has a good track record of conducting successful joint projects.

Sometimes the people have to lead the way--in this case, with a resounding vote for Measure J--until their leaders wake up to the real facts. Kindly wake up! Please grant conditional approval to MPWMD's application and then enjoy the ways we all win.

With best wishes for the New Year,

Marli Melton, Carmel Valley

From: susan schiavone <s.schiavone@sbcglobal.net>
Sent: Thursday, December 30, 2021 10:09 PM
To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: LAFCO Meeting, January 5, 2021 - MPWMD-LAFCO File #21-01 - Agenda Item 6

January 30, 2021

In re: Monterey Peninsula Water Management District's proposed activation of latent powers to provide and maintain potable water production and distribution services for retail customers (LAFCO File #21-01)

Dear Chair Lopez and LAFCO Commissioners:

I am writing to urge you to reverse your vote on the application of MPWMD and approve the district's application for latent powers so this matter can go to a court of law for a proper decision. It is not too late to reverse your misguided and incorrect actions.

The ability of MPWMD to buy out Cal Am has been deemed feasible by nationally recognized financial consultants, LAFCO's own staff and LAFCO's hired consultant. The final "debt issuance" will not be known until it goes before the court. This district has been more than amenable to your concerns.

The total annual loss in tax revenue for 40 affected public agencies would be \$1.26 million. This represents a loss of .31% of the total \$406 million in tax revenue. A total of 15 would lose more than \$5,000 annually. The district already agreed to mitigate these losses annually as part of approval, and also offered to mitigate the loss of one firefighter.

As stated in MPWMD's letter to you prior to your December meeting, Section 99.02 of the California Revenue and Taxation Code provides MPWMD flexibility to achieve tax sharing purposes. The district plans to utilize its own share of the County-wide 1% property tax assessment to fund the tax sharing effort; and would not require the district to use revenues from rates and charges. As the tax base grows, in over just a few years' time, tax losses are erased. The impact on small satellite systems would be minimal, not the doubling that Cal Am claims and they might be sold to MPWMD.

Those on the commission voting no, and their reasons why, violate a key requirement of the Cortese-Knox-Hertzberg Reorganization Act of 2000, specifically the Legislative Intent in GC 56325.1, which states:

"...While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments *shall represent the interests of the public as a whole and not solely the interests of the appointing authority*. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person." https://calafco.org/sites/default/files/resources/Legislative_Intent.pdf

Yet, those who voted no, tenaciously did so for personal opinion reasons--about governmental ability, or for narrow constituency views, and worse, political attempts to make water supply policy through LAFCO, a totally inappropriate and ineffective attempt in regard to the question at hand.

Again, please reverse your vote and approve the MPWMD's application to enact its rightful and legally available latent powers in order to move forward on the legally binding directive it was given under Measure J. Your previous unfounded refusal is an affront to the democratic process and LAFCO's own rules and will not stand under legal scrutiny.

Sincerely,

Susan Schiavone, Seaside

From: Ron Weitzman <ronweitzman@redshift.com>
Sent: Friday, December 31, 2021 10:45:03 AM
To: waterplus@redshift.com <waterplus@redshift.com>
Subject: Water Letter in Today's Herald

Water district is not a special interest group

The Water Management District is a public agency tasked with buying out Cal Am as mandated by Measure J. It is NOT a special interest group as Doreen Cursio's letter claims.

In a Cal Am buyout, the tax revenue loss to public agencies is less than 1% — \$1.26 million annually across 40 agencies. And remember, it's the public, not Cal Am, who pays these taxes.

Gary Cursio and Mary Anne Leffel sit on the Monterey Peninsula Airport District board. Leffel is the Airport District appointee to LAFCO and one of the five LAFCO commissioners who recently voted to block the Cal Am buyout. Why? It's not because of the eight-five cents in tax revenue that the Airport District would lose annually.

LAFCO is wasting public dollars. Cursio should be asking who will pay for the lawsuit against LAFCO to correct its arbitrary and capricious decision to block the buyout, and who paid the \$64 million for water we never used in the last drought? The public pays for all this, while Cal Am and its attorneys profit.

How much taxpayer money has been spent to support Cal Am (American Water) shareholders? That would be a daunting figure.

LAFCO politicians are bending to the will of a special interest all right — Cal Am and its money.

Leffel should be recalled from the Airport District board. She has defied the governing rules of LAFCO and the will of 24,000 Peninsula voters.

— *Phil Wellman, Carmel*

From: mwchrislock@redshift.com <mwchrislock@redshift.com>
Sent: Friday, December 31, 2021 2:18 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Letters to the Editor 12/10/21 to 12/16/21

Please add these letters to the editor to the record. Thanks.

Melodie Chrislock
Managing Director
PUBLIC WATER NOW
<http://www.publicwaternow.org>
mwchrislock@redshift.com

Monterey Herald | December 10, 2021

Irresponsible decision by LAFCO on Cal Am buyout

Is Monterey County dysfunctional or what? It is hard to imagine a more irresponsible decision than the one the LAFCO board made on Monday by putting a boulder right in the middle of the road to freedom of the Monterey Peninsula from the costly clutches of Cal Am and the CPUC (California Public Utilities Commission). Commissioner Matt Gourley supported Cal Am because he believes the private sector can run anything more efficiently than the government. Cal Am does not run the water system independently, with efficiency created by competition, as a private business would; it runs it as a monopoly, with no competition, regulated by the CPUC, which is a government (like LAFCO, inefficient?) agency.

So, like the other LAFCO naysayers, his argument for rejection holds no water. The commission in fact was stupidly irresponsible to make the decision it did. That is because either decision, yea or nay, could lead to a lawsuit, but, while the water management district would pay LAFCO for defending a yea vote in court, LAFCO will have to pay its own costs for defending its nay vote if it loses, which it will.

The money to pay for that loss will come from county coffers and simply add to any loss of county revenue due to the municipalization of Cal Am.

Ron Weitzman, Carmel

Monterey Herald | December 12, 2021

Demand LAFCO Accountability

Five out of the seven LAFCO commissioners' votes defied both logic and facts at their Dec. 6 regular meeting on agenda item 14, to not allow the Monterey Peninsula Water Management District to reactivate their latent powers to operate as a retail water purveyor. The majority of commissioners voted with their special interest groups in mind and disregarded their professional staff recommendation (who all should be highly commended), their consultant, Berkson and Associates (which did the third analysis study, all paid for by Cal Am ratepayers), and the 24,000 voters for Measure J (2018).

According to LAFCO's mission statement, "LAFCO is also charged with reviewing and approving ways to reorganize, simplify, and streamline governmental organizations." Apparently, these are just words without any meaning. Why doesn't LAFCO apply this mission to your own commission?

There's a lot of foot-draggings when it comes to Cal Am and new water projects that they do not own and can't take all of the profits. These are some of the reasons why we need public water! There are no profits, and thus the savings to ratepayers!

— *Troy Ishikawa, Carmel*

Monterey Herald | December 15, 2021

LAFCO vote goes against the will of the people

How is it possible that a nonelected board (LAFCO) can stop the will of the people expressed in an open, honest vote?

Has Trumpism hit the Monterey Peninsula? Hope not.

— *Dan Presser, Carmel*

LAFCO derelict in its duty to the local voters

Astoundingly, as noted in Monterey Herald's article on Dec. 8, the LAFCO (Local Agency Formation Commission) board voted to deny the Monterey Peninsula Water Management District's application to activate its legislatively approved latent powers. The shocking fact is the blatant disregard for voter-approved Measure J and violation of California Government Code (Cortese-Knox-Hertzberg Act) Section 56668 (n), which codifies the requirement that LAFCO must consider the interests of the voters who overwhelmingly approved Measure J, which is the mandate of the "voters or residents of the affected territory."

This LAFCO proposal cost the water district \$240,000. It included meticulous expert feasibility analyses. LAFCO's independent consultant confirmed buyout feasibility and LAFCO dedicated, competent staff repeatedly recommended approval.

These five no-vote commissioners only considered special interests and future electability, ignoring their job to respect voters' and affected residents' lawful interests. Their water supply issues fall outside LAFCO's jurisdictional charter.

This decision ensures LAFCO will assume future litigation costs, reducing county coffer funds and exacerbating the 1% or less tax loss special districts could incur, which the water district generously offered to compensate, thus fully offsetting any tax loss while providing the huge plus of cheaper water rates.

LAFCO is derelict in its duty to uphold the voter's constitutional rights.

— *Margaret-Anne Coppernoll, Marina*

LAFCO vote a disgrace to Peninsula residents

Your Monday vote is a disgrace to the already victims on the Monterey Peninsula of unbelievable years of ever-increasing costs of water provided by a corporation that seeks and always receives complete support from such state agencies as the California Public Utilities Commission and LAFCO. Your agency is supposed to be a county-wide agency that has

adopted its policies and action by encouraging the orderly formation of local governmental agencies reserving agricultural land resources, discouraging urban sprawl, all in the delivery of encouraging the efficient local government. These policies and actions are important and should be followed on all issues before LAFCO's board. A proper and accurate result is extremely important, especially when a current and major issue regarding the acquisition of California American Water's main distribution systems by the county water district before the agency's board.

Last week, your majority on the board ignored the appropriate process of making decisions that result in appropriate, fair and helpful conclusions. Personal bias and politics should not be involved. Rather, making a decision should be based only on reviewing data and information provided by experienced persons, including your staff. Instead, recommendations from your staff and consideration of other information provided to you how LAFCO is supposed to be reviewing issues. They should be based on facts and consistent with the appropriate and best results for those affected.

I would expect you would have jumped to "preserving ag lands" that help those who live and work there. And you would do the same for "discouraging urban sprawl" of Salinas and other valley cities. But you obviously don't have the interest or concern to help the Peninsula citizens who receive their water from Cal Am. You clearly have ignored helping those who will suffer when you have voted against LAFCO's own policy and action to ensure the "delivery of encouraging efficient ... government service."

It's sad but easy to wonder how you got on the board in the first place, with no concern about representing all of the people in the grand county of Monterey.

— *William S. Hood Jr., Former and part-time Peninsula resident, former AMBAG executive director*

Monterey Herald | December 16, 2021

No logical reason for LAFCO to oppose buyout

What is going on with an entity like LAFCO (Local Agency Formation

Commission), set up to review and make decisions on our never-ending Cal Am debacle, only to find that their decision was contrary to the interests of those 25,000-plus voters whose choice was to terminate this Cal Am interference in our progress to manage our own water!

I wouldn't criticize, but in reading their own research/ findings, you will see they have not listed ANY logical reason that supports their ultimate decision, which is highly suspect if you ask me.

Perhaps further investigation will bear out the political or monetary ties that bind us to the second largest grift on our community. I would be interested to read the Monterey Herald's investigation on exactly how this decision was reached.

— *Cate Mulligan, Seaside*

MC Weekly • Letters to the Editor 12.16.21

Water Worked

We knew it would be a long, hard slog getting public control of our water situation, but we didn't know that this public agency, LAFCO, would work against it ("A rejection of next steps for a buyout of Cal Am is a failure of democracy," Dec. 9-15). Fortunately, we still have the California Coastal Commission on our side. They actually believed the work of their staff.

Myrleen Fisher | Carmel

Fisher is on the board of Public Water Now, the group that wrote Measure J.

This article is inspirational. Many thanks for defending voters, democracy and our constitutional republic.

Margaret-Anne Coppernoll | Marina

Thank you for a common-sense analysis of LAFCO's majority decision to oppose the public's approval of a Cal Am buyout. In LAFCO's tunnel-vision mindset, one \$140,000 firefighter is more important to the county than millions of (potential) savings to more than 40,000 county residents. Feasibility studies have given substantial indication that a public owned and

operated water utility will provide lower consumer rates than Cal Am, a privately owned monopoly, which must contribute to its New Jersey-based parent, American Water Works (AWK).

Every year American Water must pay its dividend, currently \$2.41, to 181.5 million shares. Nationwide over 85 percent of water utilities are publicly owned. Why? Because they have lower rates than private monopolies. That should put an end LAFCO Commissioner Matt Gourley's position "that government can't run anything efficiently."

Roland Martin | Carmel Valley

From: mwchrislock@redshift.com <mwchrislock@redshift.com>
Sent: Friday, December 31, 2021 2:20 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Letters to the Editor 12/17/21

Please add these letters to the editor to the record. Thanks.

Melodie Chrislock
Managing Director
PUBLIC WATER NOW
<http://www.publicwaternow.org>
mwchrislock@redshift.com
831 624-2282

<http://pineconearchive.fileburstcdn.com/211217PCA.pdf>

Carmel Pine Cone | December 17, 2021

Buyout deserves 'fair process'

Dear Editor,

The Pine Cone's recent article about the vote to deny the Monterey Peninsula Water Management District's LAFCO application omitted a crucial fact: LAFCO was only being asked for conditional approval. LAFCO's professional staff spent 9 months researching and evaluating every objection to the application, and had imposed 6 detailed conditions to minimize any potential negative effects of a successful buyout of Cal Am. For example, the District was required to work with every organization that would lose \$5,000 or more in annual tax revenues if the buyout was successful and to document good faith efforts to compensate each organization for its loss. Even though the District had not begun any buyout, it had already begun working with those organizations.

LAFCO'S staff recommended conditional approval 3 times. LAFCO could still have denied final approval after a court rendered its verdict if any conditions were not met. This was a no risk vote for LAFCO. The five commissioners who voted to deny mentioned things that could have been addressed successfully through the conditions. This made their votes seem senseless, and simply aimed at overturning Measure J and blocking all

efforts at a buyout.

It is hard to imagine that the no votes from Salinas Valley Commissioners, who don't pay Cal Am's rates, are based on any understanding of the facts, or of the reasons people on the Peninsula voted for a buyout and truly deserve a fair process.

Marli Melton, Carmel Valley

Will of the voters

Dear Editor,

Thanks for covering the recent LAFCO meeting. It was stunning to witness the vote on conditionally approving MPWMD's application to enact its legal latent power to become a public retail water agency, denying the will of the voters and staff and consultant recommendations.

Commissioners voting no went outside LAFCO's scope with issues unrelated to approving latent powers. They focused on whether or not the peninsula should have Cal Am's desal plant, and government cannot do anything right, as stated by Matt Gourley, complaining that the public was in the way of Cal Am. Kimbley Craig noted it was clear the peninsula didn't want desal, then complained the peninsula is taking water from Salinas. Seventy-five percent of recycled water goes back to Salinas valley farmland and we also contribute 40 percent of the wastewater. While repeatedly saying they had concerns about estimated 1% tax reductions and satellite systems, no real discussion ensued.

As a condition of approval, MPWMD already agreed to negotiate agreements to soften tax revenue impacts. A motion to include satellite systems was voted down.

LAFCO must legally issue a written decision based on evidence, not opinion. It now may be decided in court, undoubtedly in MPWMD's favor. LAFCO will incur high legal fees, along with MPWMD—passed on to us.

Susan L. Schiavone, Seaside

LAFCO Writes off democracy

Dear Editor,

LAFCO's Dec 6 no-vote by five commissioners, four from Salinas, one from Monterey Peninsula, made a mockery of democracy. They displayed alarming special interests politics and partisan prejudice.

Ironically, the voters who approved the buyout of Cal-Am are the same voters who pay the taxes that support the fire district and other agencies who voted against approval because they would lose tax revenue (less than 1%) if MPWMD's buyout succeeds. These naysayers were appointed to LAFCO, which is unbalanced in favor of Salinas Valley. Chair Lopez was disingenuous in claiming the buyout will bring higher water rates for his constituents when he knows the CPUC has a protective rate cap for Chualar as a disadvantaged community. Commissioner Gourley contradicts himself by denigrating government while serving in government! Some commissioners exhibit poor judgment, such as driving under the influence for which two have been arrested in the past.

Let the public hold these commissioners accountable. Let our democracy flourish and not be stifled by self-serving politicians who flout the principles of democracy. Corporations have become over-sized monopolies worshipping their one idol – money, defying free market competition. Greed cannot sustain a constitutional republic.

LAFCO's decision will add to the tax revenue loss as it diminishes county coffers, incurring costly litigation fees. How many firefighters would that cover? LAFCO defied its own staff approval recommendation and the independent consultant it hired to confirm buyout feasibility.

MPWMD is in the right to support the voters' mandate and fight against CalAm's tyranny.

Vive Democracy!

Margaret-Anne Coppernoll, Marina

Why Did LAFCO block the buyout?

Dear Editor,

Should LAFCO's board of appointed commissioners from Salinas and South County have the right to block the Cal Am buyout on the Peninsula?

It was clear from the LAFCO staff report and the \$70,000 LAFCO consultant's report that the water district could afford to buy Cal Am and operate the water system at a reasonable cost. That was the only question LAFCO was supposed to consider and the only one it was supposed to vote on. LAFCO staff recommended approval TWICE. There were no grounds to deny the water district's application. So why vote no?

They claimed this was about the tiny tax revenue loss of less than 1% for some of the affected special districts and the "possible" minimal Cal Am rate hikes to five satellite water districts. But make no mistake; this was a vote on water supply with the Salinas Valley once again trying to dictate water policy to the Peninsula.

LAFCO commissioner and south county Supervisor, Chris Lopez, believes the Peninsula must have Cal Am's desal, so he and Salinas Mayor Kimbley Craig voted against the buyout in an attempt to force desal on the Peninsula. Three other commissioners followed their lead. The problem is that LAFCO has no authority on water supply, so they had to disguise their no-vote with other issues.

The tax revenue losses can be mitigated and none of the issues raised justify blocking the will of the voters and the water district's mandate to move forward on Measure J.

This is Monterey County lettuce curtain politics at its worst.

Melodie Chrislock, Carmel

Investigate LAFCO

Dear Editor,

Can someone please explain to me how LAFCO can make a decision on our relationship with CalAm, which completely opposes even their own findings?

Please correct me on any of this if I am wrong, but over 25,000 citizens voted to oust the grifting waterworks, which has already a terrible reputation for taking water that is not theirs, and charging homeowners for it...(OK, perhaps they were/are charging for its transportation to our homes? But how can they charge us if the pipes are shooting brown water out of spigots...indicating that in all these years, they have done little to assuage using that as an excuse for 'services rendered.')

We all want to know exactly what the logical reason is for ignoring their own findings.

Transparency is much needed on LAFCO's decision-making process. Let's subpoena communications if we don't get a satisfactory response. That would be an investigation that many community members would find worth reading about.

Cate Mulligan, Seaside

From: mwchrislock@redshift.com <mwchrislock@redshift.com>
Sent: Friday, December 31, 2021 2:23 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Letters to the Editor 12/23/21 to 12/28/21

Please add these letters to the editor to the record. Thanks.

Melodie Chrislock
Managing Director
PUBLIC WATER NOW
<http://www.publicwaternow.org>
mwchrislock@redshift.com
831 624-2282

Monterey Herald | December 28, 2021

Thankful for letter writer rebutting false claims

I'd like to thank Walt Notley of Carmel for his exceptional rebuttal of those false claims by those anti-Cal Am buyout folks. Also, Anna Thompson of Carmel asks an interesting question: Why is Cal Am pushing desal and stalling the Pure Water Monterey project? I have a feeling she knows and many of us as well.

Cal Am's guaranteed monopolistic profits are at stake. Profits are miniscule buying water compared to building a desal project.

Charles Biller, Monterey

Monterey Herald | December 25, 2021

Cal Am, not voters, are special interest to LAFCO

Doreen Cursio was correct in her letter that we see politicians go against special interest much too infrequently today. However, she is completely wrong that LAFCO (Local Agency Formation Commission) stood up to special interest. The special interest in this case is not Public Water Now and the substantial majority of voters who want local control of their water supply. The special interest is, by definition, Cal Am. They are the privately owned company seeking to maximize profits. That does not make them evil

but it does require that their decisions are based on increasing revenues and thus stock value. The greater good for the people of Monterey is a clear (hopefully) second priority. The catastrophic outcomes being touted by Cal Am supporters simply do not hold up under scrutiny. It is always less work to fearmonger but a genuine look at one of the three independent studies conducted on a public take over of Cal Am, or even the LAFCO's own staff report, shows how exaggerated the doomsday claims are. LAFCO's straightforward responsibility was to keep this process moving to the next step and not put their personal prejudices ahead of Monterey Peninsula voters' unambiguous desire to control our local water supply.

Gary Kreeger, Del Rey Oaks

LAFCO did not objectively approach buyout vote

I write to question Rick Heuer's assertion that fiscal sanity reigned when LAFCO recently turned down the water management district's application.

Surely it was not fiscal sanity from the point of view of Cal Am ratepayers who pay the highest water rates in the country. Yes, the highest!

Heuer also claims that the LAFCO board objectively viewed the water management district's application. Not so. Many reasons were given by those who voted against the water management district. But none of the reasons given were appropriate bases for a no vote, given LAFCO's limited and specific authority.

Finally, Heuer suggests that there will be a loss of tax revenues by school districts and other public agencies as a result of a public agency buyout of Cal Am. The water management district is already working with the 15 agencies that would lose more than \$5,000 of tax revenue annually. The district has agreed to mitigate those potential losses, which, at worst, represent less than 1% of the tax revenues received by these agencies.

Renee Franken, Monterey

Carmel Pine Cone | December 24, 2021

Water District Saved the Day

Dear Editor,

It was sad to see the letter last week from Lauren Cohen who applauded LAFCO's denial of the Water District's latent powers to run a water service, as required by Measure J. The writer even recommended that the Water District be disbanded! Is the writer is totally unaware that in the past 5 years the Water District working with Monterey One Water has given us 3,500 acre-feet of new water from Pure Water Monterey. This water is the only reason Cal Am can meet the State's cease and desist order to stop over drafting the Carmel River. Even the Marina Coast Water District is involved. All of them are government agencies doing good work! And, they are doing it publicly, not privately with no accountability.

Cal Am hasn't provided one drop of new water for the Peninsula despite the CDO on the Carmel River since 1995. They have instead opposed and impeded the expansion of Pure Water Monterey. Once the Expansion is complete we will have all the water we need for the next 20 to 30 years.

Cal Am's only effort has been to try to develop an ill-conceived (slant wells in Marina's aquifer) and illegal (no water rights) desal plant of their dreams—one that would (if ever built) provide water, yes, but it would be the most expensive water in the world. Everything they do is a money grab. Rates are going up now.

Desal is definitely in our future—we will need it one day, but it should be properly planned as a regional desal for the entire Monterey Bay Area. It would provide economy of scale, be publicly owned and run, with open books for the public to see and not one designed to provide ever greater dividends to Cal Am shareholders.

Myrleen Fisher, Carmel

Monterey Herald | December 24, 2021

Anti-Cal Am buyout letters made unsupported claims

Three recent letters have made many unsupported claims.

The actual facts indicate: 1. Satellite systems' rates would not double. Chualar rate increases would actually be minimal because they are protected by the CPUC from any rate increase beyond the CPI, which has run 1-2% over the past years. Only 15 of the 40 affected agencies would lose more than \$5,000 annually. The water district has made a commitment to make up a substantial portion of tax losses over several years. The total loss to the 40 affected communities would be \$1.26 million.

2. Most school districts would lose nothing because they are made whole by the state backfilling policy.

3. The fire district would lose \$140,000 not the millions as stated in one claim.

4. Some of the best financial experts in the country have determined that the buyout of Cal Am is feasible and in the residents' interest because of significantly lower customer rates.

5. A public agency tasked with carrying out the mandate of 24,000+ voters is not a special interest group.

6. It took two public agencies working together to produce the only new water source in our area — the award-winning Pure Water Monterey projects.

7. The cost of the debt is unknown because the final cost of Cal Am assets by a jury will set the price.

8. The minimal rate increase for 904 households does not trump the desire for much lower rates to 39,489 households. Democracy supports the will of the majority.

Walt Notley, Carmel

LAFCO should reverse its Cal Am buyout vote

LAFCO's decision to deny the Monterey Peninsula Water Management District's (MPWMD) request to activate its latent powers was unconscionable.

The buyout was found to be financially feasible. LAFCO's own independent consultant confirmed that the buyout is feasible. LAFCO's own staff recommended approval.

The LAFCO board ignored the facts and based their decision on personal biases like Commissioner Matt Gourley's comment, "the government cannot run anything efficiently," and irrelevant statements about water supply.

Cal Am has owned the Peninsula's water delivery system for over a half century. But, it is the MPWMD that has successfully developed several water supply projects for the Peninsula. The latest project, Pure Water Monterey (PWM), developed in partnership with Monterey One, is now producing sufficient water to allow Cal Am to stop its illegal overdrafting of the Carmel River.

Cal Am has known for several years that the PWM expansion project is feasible, cost effective and environmentally superior to its desal plant. However, Cal Am continues to promote its desal and stall the PWM expansion at the CPUC. Why?

Drinking water is a public resource that should be managed by public agencies, not private companies. Cal Am's profit motivation is at odds with the public good.

We have a capable, well-run water management district with a well-qualified, diligent staff, outstanding general manager, counsel and a board of directors that is attuned to the needs of its constituents.

For the good of all our communities, I urge LAFCO to reconsider and reverse its decision on Jan. 5.

Anna Thompson, Carmel

Monterey Herald | December 23, 2021

Cal Am skims profit that public entity would not

Something I learned in business a long time ago is that every dollar in my pocket was once earned by my customers. LAFCO (Local Agency Formation Commission) has forgotten that every dollar in taxes that Cal Am pays was paid to them by Monterey residents. Tax dollars are the people's dollars. Cal Am arguing that local agencies would be losing "revenues" doesn't make any sense at all. We could pay ourselves those same funds in a public water system and still have lower water bills. No one seems to mention the huge profits that Cal Am is skimming off of income from residents that a public entity would not. Those dollars leave the pockets of residents and Monterey never to be seen again.

Roy Beckham, Monterey

From: Ron Weitzman <ronweitzman@redshift.com>
Sent: Friday, December 31, 2021 1:09:45 PM
To: waterplus@redshift.com <waterplus@redshift.com>
Subject: FW: MC Weekly letters

MC Weekly | Dec 30, 2021

Down Stream

LAFCO's decision to deny the Monterey Peninsula Water Management District's request to activate its latent powers was unconscionable ("A rejection of next steps for a buyout of Cal Am is a failure of democracy," Dec. 9-15).

The buyout was found to be financially feasible. LAFCO's own independent consultant confirmed that the buyout is feasible. LAFCO's own staff recommended approval.

LAFCO's board ignored the facts and based their decision on personal biases like Commissioner Matt Gourley's comment, "the government cannot run anything efficiently" and other irrelevant excuses. Drinking water is a public resource that should be managed by public agencies, not private companies. Cal Am's profit motivation is at odds with the public's best interests. For the good of all our communities, I urge LAFCO to reconsider and reverse its decision on Jan. 5 ("Barring buyout vote flip, local water district prepares for court," Dec. 30-Jan. 5).

Anna Thompson | Carmel

LAFCO was supposed to base its decision on the mandate of the voters and whether or not the water district can afford to buy Cal Am and operate the water system. Instead this was a proxy vote on water supply with the Salinas Valley once again trying to dictate water policy to the Peninsula.

But LAFCO has no authority on water supply, so they had to disguise it with other issues, like the tiny loss of tax revenue – less than 1 percent – to a few special districts or the minimal rate hikes to satellite water districts. All of these issues can be mitigated and none rise to the level of blocking the will of the voters and the water district's mandate to move forward on

Measure J.

Melodie Chrislock | Carmel

Chrislock is managing director of Public Water Now.

It's bad enough that the LAFCO board disregarded their staff's report on the Cal Am buyout, but to then order the staff to write another report to agree with the board's bad decision is unconscionable.

Now if the staff prepares a new report as directed they lose all credibility, essentially admitting the original report was totally bogus. For the staff, the decision is will they stay or will they go.

Mike Gunby | Pacific Grove

On 12/31/21, 10:45 AM, "Ron Weitzman" <ronweitzman@redshift.com> wrote:

Water district is not a special interest group

The Water Management District is a public agency tasked with buying out Cal Am as mandated by Measure J. It is NOT a special interest group as Doreen Cursio's letter claims.

In a Cal Am buyout, the tax revenue loss to public agencies is less than 1% — \$1.26 million annually across 40 agencies. And remember, it's the public, not Cal Am, who pays these taxes.

Gary Cursio and Mary Anne Leffel sit on the Monterey Peninsula Airport District board. Leffel is the Airport District appointee to LAFCO and one of the five LAFCO commissioners who recently voted to block the Cal Am buyout. Why? It's not because of the eight-five cents in tax revenue that the Airport District would lose annually.

LAFCO is wasting public dollars. Cursio should be asking who will pay for the lawsuit against LAFCO to correct its arbitrary and capricious decision to block the buyout, and who paid the \$64 million for water we never used in the last drought? The public pays for all this, while Cal Am and its attorneys profit.

How much taxpayer money has been spent to support Cal Am (American Water) shareholders? That would be a daunting figure.

LAFCO politicians are bending to the will of a special interest all right — Cal Am and its money.

Leffel should be recalled from the Airport District board. She has defied the governing rules of LAFCO and the will of 24,000 Peninsula voters.

— *Phil Wellman, Carmel*

From: mcopperma@aol.com <mcopperma@aol.com>
Sent: Friday, December 31, 2021 3:22 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Letter to LAFCO for Jan 5, 2022 meeting re MPWMD Application to Activate Latent Powers

Attached is my letter of input to LAFCO re Jan 5, 2022 meeting on MPWMD's Application to activate its Latent Powers.

Very respectfully,
Margaret-Anne Coppernoll, Ph.D.

From: mcopperma@aol.com <mcopperma@aol.com>
Sent: Friday, December 31, 2021 3:49 PM
To: 100-District 3 (831) 385-8333 <district3@co.monterey.ca.us>; Lopez, Christopher M. x3535 <LopezCM@co.monterey.ca.us>; IOglesby@ci.seaside.ca.us; Salinasmayor@ci.salinas.ca.us; mgourley@sbcglobal.net; mal@leffelconstruction.com; mleffel@montereyairport.com; wppoitras@gmail.com; 100-District 4 (831) 883-7570 <district4@co.monterey.ca.us>; sjsnodgrass@gmail.com; anna.velazquez@cityofsoledad.com; McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Letter of Input to LAFCO re Jan 5, 2022 meeting on MPWMD's Application to Activate Latent Powers

Dear Commissioners,

I humbly submit this attached letter for your consideration. It is my hope that we all can work together in the coming New Year to achieve a success that will benefit our communities as well as reinforce our founding principles and respect for the rule of law.

We hold you all in high esteem and know, deep in our hearts, that you will be courageous, heroic in supporting the will of the people whom you represent and serve.

Thank you so much for your service to our communities. We look forward to a harmonious relationship in the new year. In the final analysis, we all are here to create a wonderful future life for our children and their children. We thank you for being part of that effort and energy.

Very respectfully,
Margaret-Anne Coppernoll

December 31, 2021

LAFCO of Monterey County
c/o Executive Officer Kate McKenna
Chair Lopez and Commissioners
Via email:

Dear Chair Lopez and Commissioners:

SUBJECT: Request for Reconsideration of 5-2 No Vote on MPWMD's Application to Activate its Latent Powers to Sell Water Retail

Introduction:

On January 5, 2022 LAFCO has an opportunity to redeem itself from future embarrassment and financial legal burden by reversing its No Vote to a Yes for Conditional Approval of MPWMD's legislatively-approved Latent Powers as stipulated in its Application for Activation.

This is the United States of America. Therefore, the rule of law applies, as does the fiduciary responsibility implied in the oaths of office you took as a public servant representing the will of the people, as well as California law (Cortese-Knox-Hertzberg Act) and the Constitution of the United States of America. Measure J embodies the democratic process provided by our constitution. By defying these instruments of the rule of law and disrespecting the will of the people as legitimately and legally expressed in Measure J, LAFCO denies democracy. The people have spoken; you were entrusted with the confidence and trust of the people to perform your duty to uphold the will of the people whom you represent. Instead, you are serving your own political agendas, emotional imaginations, and cow-towing to misinformation, propaganda, and outright misrepresentations from a party that has consistently demonstrated the urgent necessity for its acquisition under public control, as water has become a stock market commodity that exploits rather than provides. Water is a survival requirement, deserved by all and exploited by none.

Discussion of Issues:

Several Issues have presented to obstruct the MPWMD Application. These issues are neither substantive nor constitute a reason to deny approval of the

application to activate latent powers, powers that already have state legislature approval.

Tax Revenues vs. Tax Exempt Status:

It is astounding to me that these tax-exempt agencies that exist thanks to the taxpayers, have the unmitigated gall to want to extort “tax revenue losses” as a way to obtain LAFCO approval or pose uncertainty to invite denial. These agencies do not even mention the finding in the Raftelis report that some of these agencies will realize a 14-17% reduction in water bills. Perhaps all will gain, but that precise information is not yet analyzed. However, it seems logical that all will realize some reduction in water bills, probably more than enough to offset any tax revenue loss (approximately 1%) as a result of the MPWMD acquisition. How, I ask, can these tax-exempt agencies want to take tax funds from another tax-exempt agency? What is their motive since they are sure to receive less expensive water bills, a major plus also for all the taxpayers who subsidize their existence? Are they also bought like some of our politicians have been? No, these agencies will gain via their water bills, and gain due to the generosity of MPWMD with its offer to compensate tax revenue losses. At least one has to recognize the nobility in this offer. Certainly to require it of a tax-exempt agency is less than noble, especially as a condition of approval, or lack thereof, an uncertainty that requires denial. In fact, MPWMD had begun working with these agencies on any potential tax revenue loss even before starting the buyout process, out of a spirit of generosity and selfless concern for others. Where is the concern from these tax-exempt agencies for the taxpayers who have been paying unsustainably high water rates while watching their water supply disappear as CalAm ignored year after year, decade after decade, the SWRCB Cease and Desist Orders to stop its illegal water extractions from the Carmel River? These same taxpayers will continue to pay to support them after the acquisition, while enabling their water bills to decrease, apparently a lot according to the Raftelis Report, effectively 13-16% (14-17% water bill rate reduction minus 1% tax revenue loss) more than their tax revenue loss of approximately 1%, depending on the agency affected. The Fire Department enjoys the special privilege of having rate-free water whenever it has to use fire hydrant water for fire fighting purposes or other emergency. Still, MPWMD has offered to compensate the Fire Department for the tax revenue loss it will incur as a result of the acquisition. And yes, they will also benefit from lower water rates on their monthly water bills, as stated above, which will be significant over time.

MPWMD has exhibited a genuine willingness to mitigate these tax revenue losses, despite its own tax-exempt status. Withholding approval based on this issue is a form of extortion, and totally unjustified, as conditional approval ensures follow-through on tax revenue loss relief for these agencies. MPUSD's cry of loss is off base because the State backfills such losses to public education institutions. This backfill exists partially due to the fluctuations in home values and affected property tax collections. Right now, those taxes have risen with property values. Insurance costs rise as well, which affect the property owners' operating budgets.

MPWMD should be commended for their noble offer to compensate these agencies for their tax revenue losses resulting from the buyout of CalAm. It did not require a LAFCO condition for MPWMD to step forward with this funding assistance. MPWMD was proactive and deserves recognition for that big-hearted effort. LAFCO, on the other hand, is unfair to use anticipated tax revenue loss as a cudgel requirement for approval. It must be recognized too that new development will bring additional tax revenues to these agencies.

CalAm ratepayers deserve the relief they seek via Measure J and the acquisition. CalAm shareholders, as far as I know, do not live here and do not benefit our local economy. The millions of dollars CalAm garners each year in profits go elsewhere. Who can support this out-of-balance enterprise? Where is the fair market competition? It does not exist. For these reasons alone, the acquisition is justifiable and desperately needed.

Necessity:

While not a formal requirement, necessity was presented as such by some. The facts prove necessity of the acquisition. One cannot be faulted for sticking to the facts. There is a long history beginning in the mid-nineteen-nineties that demonstrates the reasons behind Measure J. The SWRCB issued Cease and Desist Orders to CalAm to stop its illegal water extractions from the Carmel River and the endangerment of threatened species like the steelhead trout and the red-legged frog. CalAm ignored multiple such orders, requesting extensions for each imposed deadline. Finally, the SWRCB put its foot down and demanded compliance by December 31, 2021, meaning a large water supply reduction beginning on January 1, 2022. These statistics have been provided in multiple communications and documents. Pushing up against this final ultimatum, CalAm continued to impede and obstruct Pure Water Monterey Expansion, always hoping to force its unwanted desalination plant on to the Peninsula. It is still

insisting on its desalination plant by including it in its valuation estimate for the MPWMD buyout and by refusing to sign a water purchase agreement for the PWM Expansion, that is, until MPWMD filed a complaint with the CPUC in an attempt to require CalAm to negotiate and sign a water purchase agreement. CalAm had already influenced its allies to impede approval for the Supplemental Environmental Impact Report (SEIR) for Pure Water Monterey Expansion, costing M1W and MPWMD approximately \$250,000 in additional funds to update the SEIR a year later. All the while, future water supply was being stalled at every turn, bumping up against the SWRCB deadline. CalAm used this pressure to demand the desalination plant inclusion in the water purchase agreement, a desperately needed document for expansion to move forward. All these CalAm stall machinations ensured the expansion water supply would be delayed by years, not months, a delay that would hopefully allow CalAm to persist in its desalination plans. Is this an example of a company motivated to serve its community? From my perspective, quite the opposite is true.

Salinas falsely believes, I think, that CalAm will be its savior, providing them additional water supplies. Why is this belief so erroneous? It is incorrect because CalAm cannot lawfully deplete the SVGB aquifers or induce so much seawater intrusion that the water is non-potable and non-usable. CalAm persists because it has deceived the communities. The real motive, per my understanding, is to completely render the SVGB aquifers totally seawater intruded, thereby justifying its desalination plant, which will cost communities astronomically high water bills plus increase at an equally astronomical rate the cost of agricultural products. This situation has to be taken into the decision calculus. Wisdom requires proper thinking and weighing of options. It is obvious, from my perspective, that the acquisition will literally save the SVGB from certain destruction. That is not a doomsday sentiment. It is an observation based on evolving situations over many years.

Fact: CalAm failed for decades to comply with the SWRCB mandate to provide an alternate water supply. It was MCWD, M1W and MPWMD, all public agencies, that collaborated to create an alternate water supply that saved CalAm's bacon. CalAm did all it could to prevent implementation of this alternate water supply. Why? Because it wanted to ramrod its desalination plant through no matter the cost or angst generated. It had already over-pumped the Seaside Basin to the point of adjudication. Next it installed its slant well, with untested technology, in

Marina's primary potable water supply, the Salinas Valley Groundwater Basin (SVGB) aquifers, the Dunes Sand and 180/400 Foot Aquifers. CalAm failed to obtain a permit and had no water rights to those aquifers. It was blatantly stealing Marina's water. It was contravening the Agency Act, the California Constitution (Article X), and California's Sustainable Groundwater Management Act (SGMA). The Agency Act prohibits exporting SVGB water out of the area. AEM (Aerial Electromagnetic) scientific research surveys, coupled with hydro-geologists' analyses, proved slant wells induce seawater intrusion. SVGB was, and still is, on the California list of critically over-drafted groundwater basins. Thus, CalAm could not possibly obtain any water rights. There is no surplus water. In fact, overlying water rights owners will be facing water allocations in order to restore, preserve, and protect the SVGB, bringing it to sustainable levels.

The CalAm desalination plant was disqualified for another reason: Marina is a disadvantaged community, thus precluding construction of another large industrial facility in the area. CalAm still insists on building the desalination plant despite the absolute impossibility of doing so. It has no permits, no water rights, and flails against environmental justice requirements. Therefore, it has been less than honest by including its desalination plant in the estimate of its acquisition value, forcing its acknowledgement in the water purchase agreement proposal, and by continuing to include it in every calculation. In my opinion, this behavior flies in the face of integrity. All should remember that it was CalAm that withdrew from the very workable regional desalination project. Greed prevailed as CalAm wanted all the profits for itself, and resented the savings implicit in the large federal grant that would have covered the multi-million dollar conveyance pipeline system needed for water transport and delivery. This is another historical example where CalAm let the public down as it succumbed to avarice and shareholder satisfaction. It is unquestionable that the acquisition is needed. This acquisition will provide affordable water supply for decades, giving ample time to develop a region-wide, viable, water supply system that more than likely could include desalination, once ecological and environmental conditions can be accommodated safely and efficiently.

The LAFCO approval can greatly assist in making this water future a reality. The LAFCO approval can greatly assist in supporting the public's valid demand for sustainable, affordable water without encountering more yet unknown threats and malevolent actions on the part of CalAm. Naysayers need to do their

homework, examine all the documentation and arguments presented that debunk the misrepresentations and fear mongering efforts put forth by CalAm.

So, is the buyout necessary? Of course, it is. CalAm ratepayers have the highest water rates in the nation and they keep climbing. Ratepayers are weary of having to pay for CalAm's acquisition of other water companies, its political and charitable contributions, its advertising to bolster its image in the community, its financial support of other enterprises, its lawsuits, its intervenor compensation in multiple CPUC CalAm proceedings, taxes, and other expenses it claims to be operational charges and surcharges – it even charged for water ratepayers never used because they were good water conservationists during drought years! CalAm takes credit, while the ratepayers pay dearly. The shareholders are laughing all the way to their banks, while Monterey Peninsula residents are wondering if they will have to move away or become homeless if they cannot afford to move.

There has to be an end to this exploitation. Yes, the buyout is absolutely necessary. CalAm promised to provide cheap desalinated water to Castroville while putting the burden of subsidizing that water onto the Monterey Peninsula ratepayers: \$100 an acre foot for Castroville, but \$6,000 an acre foot for Monterey Peninsula ratepayers for water they will not receive or benefit from. Naturally, Salinas was happy with the proposal, but the huge financial cost was way too high to be fair or acceptable to Peninsula ratepayers. Castroville may not have realized that this proposal of cheap desalinated water was only temporary, to last only a few years.

CalAm fully intends to block every approach to the buyout In order to promote its desalination plant. Its motive? Huge profits! However, CalAm's desalination facility would do to the SVGB what CalAm's illegal over-pumping did to the Carmel River and the Seaside Basin. The SVGB is critically over-drafted and seawater intruded, which precludes installing the untenable, overly sized and priced desalination plant whose slant wells, per expert hydrogeologists' analyses, have already induced even more seawater intrusion and diminished the freshwater Dunes Sand Aquifers.

A regional desalination project is surely in the future when improved technology could make it feasible, but in the meantime MCWD, M1W and MPWMD are the

local heroes whose creative genius and dedication to excellence, developed this alternate water supply that saved the day, and CalAm from penalties and disastrous failure. CalAm did not produce a viable alternate water supply. Instead, it insisted on wasting massive amounts of money on frivolous lawsuits and pursuing a non-starter desalination plant that was unsustainable and unworkable from every angle. There may not be a more poignant example of stubbornness blinded by greed. As the famous Sisyphus in Greek mythology discovered, if one keeps doing the same unproductive action over and over again, expecting a different outcome, this is defined as insanity, as some define that unfruitful process.

Feasibility vs. Uncertainty:

Feasibility was a condition placed on moving forward with Measure J stipulations. It is obvious from all the analyses and recommendations from staff and consultants that feasibility for the MPWMD buyout of CalAm is indisputably financially feasible, despite all the smoke and mirrors to the contrary presented by CalAm attorneys. CalAm even had the audacity to submit a Resolution for Denial of MPWMD's application, usurping the staff's prerogative and duty to prepare such resolution by commission direction. It was not CalAm's place to prepare and submit a Resolution for Denial, most especially due to its obvious bias. It does reveal the extent to which CalAm will go to exert its influence. In my opinion, that was not an upright action. This effort to influence outcomes caused one commissioner to recuse himself for conflict of interest; he had accepted political campaign contributions from CalAm associates. Fortunately, LAFCO staff has since crafted its own Resolution that clearly points out that staff recommended conditional approval of MPWMD's application. This is significant. Conditional approval contains a provision that conditions must be met or approval will not stand. This is the best insurance LAFCO has, and the most cost effective in terms of legal proceedings costs. It protects LAFCO from any repercussions, other than a dissatisfied CalAm, that will more than likely file a lawsuit to demonstrate that dissatisfaction. Suing is CalAm's modus operandi. However, CalAm will incur those legal expenses, not LAFCO. LAFCO must, in my opinion, support the public, not an out-of-state, even out-of-the-country monopoly hell-bent on sucking the community dry in favor of higher and higher capital gains for shareholders. Affordable water is not even in CalAm's rear view mirror. It is not part of its vision or mission. LAFCO commissioners need to wake up to this fact. Support the people you swore to serve, not the god of money.

LAFCO staff and the independent consultant have recommended approval of MPWMD's latent powers. There is no uncertainty expressed. There are some unknown factors because CalAm has steadfastly refused to open its financial and infrastructure maintenance records for review in order to determine a more accurate buyout estimate. By including a non-existent desalination plant cost in their valuation estimate, CalAm has put forth a faulty buyout price. This lack of transparency and false pricing skews the analysis intentionally.

Notwithstanding CalAm's lack of transparency, feasibility has been upheld by all experts. Commissioners, why have you denied your own staff's valid, competent, thorough work and recommendations? Why do you put forth issues that are easily resolved or non-existent or irrelevant to your job to examine the feasibility of the MPWMD application and buyout process validity? All boxes have been checked in the positive column. Your reasons for denial do not pertain to the issue before you. January 5, 2022 is your opportunity to correct course, to do the right thing, to stay within your jurisdictional authority. Be assured, there is no uncertainty pertaining to MPWMD's Application to Activate its Latent Powers.

Small Satellite Water Systems:

The five small satellite water systems that remain under CalAm auspices should not be a road blocker issue. Chair Lopez has made allegations that his constituents will suffer higher water bills due to the acquisition. He believed the CalAm misinformation that their water bills will double, even though he is very much aware of the special status all these water systems have, with Chualar enjoying a CPUC protective rate cap, apart from increases due to the inflation rate, because Chualar is a designated disadvantaged community (DAC).

The MPWMD November 15, 2021 letter clearly explains the status of these satellite water systems. Their rates cannot arbitrarily double, as CalAm claims. Any issues these water systems may have, must be addressed to CalAm and the CPUC, not MPWMD. CalAm instills fear as a strategy to get its way, regardless of the facts being contradicted or falsely imputed. It is unreasonable for CalAm to state it will have to increase personnel costs, etc. since these water systems will remain intact as they are currently, per my understanding. They are outside the MPWMD jurisdictional boundaries and thus not the responsibility of MPWMD. The CPUC maintains responsibility to approve or disapprove proposed CalAm rate increases, not MPWMD. These satellite water systems have the right to invoke

assistance from the CPUC Public Advocates Office whose job is to support/assist ratepayers in resolving issues. Any observer can see that CalAm consistently and persistently raises operational costs so it can present these increases to the CPUC as cover to request more rate increases. Many items come under operations. The statement that water rates will rise as a result of the acquisition is not verified. What is verified is that CalAm will continue to raise water rates no matter what. That is a proven fact based on history. Blaming its intentions on the acquisition is just another fear tactic that CalAm is expert at deploying.

Conclusion:

CalAm will always try to raise water rates, which is the crux of the issue at hand. Ratepayers must execute the buyout as a survival action. The water rates have been skyrocketing to the point of absolute unsustainability. The ratepayers have to acquire CalAm in order to survive, plus be able to pay all the other costs that also escalate, some due to inflation, higher transportation, housing, and food costs, other utility bills, etc. All are required for survival, with water being the most urgent necessity.

To clarify, I am not against CalAm. I am absolutely not in favor of CalAm's undemocratic and authoritarian methodologies used to impose unfair, unjust conditions on the public. That is what I oppose – not their people, but their ill-advised actions. Our society supports fair trade competition. Monopoly destroys that competition. I support fair and just action, not tyranny. That is one of the reasons I urge LAFCO to support its community, not an ever-encroaching monopolistic enterprise.

The public knows best, per our own Founding Fathers. Please have the wisdom to listen. Founding Father Benjamin Franklin responded to a pastor after the signing of the new Constitution of the United States of America. The pastor inquired as to what type of government the constitution signers had created. Franklin responded, a constitutional republic, if you can keep it. Franklin further elucidated that only a religious and moral people can sustain a constitutional republic. Erosion of this republic can only happen if moral men and women do not act in accordance with our founding principles. LAFCO has the blessed opportunity to follow in the footsteps of our Founding Fathers to support our constitutional republic and preserve all that it stands for.

On December 6, 2021 LAFCO did not act in good faith or in accordance with the law when it voted to deny MPWMD's application to activate its legislatively-approved latent powers granted to it at its inception. LAFCO has not acted in good faith by failing to be informed by reading all the supporting documentation and staff and independent consultant recommendations, which was evident in the discussions unrelated to the application's request, but rather focused on extraneous issues not under LAFCO purview, such as water supply or the inefficiency of public governmental agencies, of which LAFCO is one. It is important to point out that three public agencies created the only viable alternate water supply to augment CalAm's, a private company, failure to provide the SWRCB mandated alternate water supply. No, it was MCWD, M1W, and MPWMD, all public governmental agencies, that developed that critically needed alternate water supply. The no-vote commissioners did not acknowledge that fact, nor did they recognize its inherent value and their heroic action in the face of looming severe water shortages created by CalAm's obstinance and failures.

When LAFCO does decide to vote in favor of MPWMD's application on January 5, 2022, no one will, I believe, make any negative inputs. Rather all will applaud this wonderful re-evaluation effort and applaud the humility of those willing to change course in light of additional feedback. Bravissimo will be the response. Let us lock arms and walk together for team success, for community well-being, happiness, safety and good health. And for truth.

Thus far, LAFCO has failed in its duty to uphold the will of the people and their constitutional rights. LAFCO commissioners are appointed, but also elected by their appointing agencies, thereby incurring by oath of office the fiduciary responsibility to support Measure J, as Measure J is the will of the people and their mandate to buyout CalAm, if feasible. Incontrovertibly, feasibility has been proved. The naysayers coming out of the proverbial woodwork at the midnight hour are highly suspect and misinformed.

The decades long history of CalAm malfeasance and disregard for the rule of law and the severity of its adverse impacts on both the environment and humanity, leave a record of a lack of good will and good faith to provide a survival level water service to our communities. Instead, it worked to divest itself of any obligation to serve while succeeding exceptionally well in lining the pockets of politicians, shareholders and other invested parties. CalAm placed priority on

profit, not service. The opposite is true of MPWMD and its affiliates, M1W and MCWD, that created the only viable alternate potable water supply available going forward to augment the significantly large Carmel River water reductions. Necessity informed this genius accomplishment. Wisdom and longsuffering patience inspired its follow-through.

The CalAm track record speaks volumes and does not need my testimony to persuade you to reverse course and vote yes for conditional approval. This yes vote leaves the final outcome to the court, thereby relieving LAFCO of any repercussions of its vote, from a financial, legal, and community well-being perspective. The court process provides for discovery, which will require CalAm to open its records for review. Only then will the court be able to ascertain the true cost of the acquisition. LAFCO has an obligation to enable this court action and final analysis and decision. LAFCO's job is to approve the application for activation of latent powers so the process can move through the legal system to obtain a conclusion. By doing so, LAFCO incurs no legal fees. However, if LAFCO persists in its denial, then LAFCO will incur court costs and attorney fees. There is no valid basis to deny the MPWMD application. There is ample substantive, documented basis to approve the MPWMD application – a clear “no-brainer” for a yes vote for approval, in the vernacular language.

LAFCO can act heroically, or it can act cowardly. LAFCO, be the Hero that you can be. Support the will of the people and our constitutional republic. Act to save the Salinas Valley Groundwater Basin and safeguard its precious life-giving and life-supporting aquifers. These are gifts from our Creator. We are entrusted with the responsibility to care for them. That is within your power and authority. LAFCO can be in agreement and synchronicity with the hard-working SVGB Groundwater Sustainability Agency's (GSA) invaluable work to save our SVGB from further harm while doing all it can to bolster its restoration, protection, and preservation. Your yes for conditional approval decision moves in the right direction to ensure that mission. It also supports the California mandate that all water resources available must be recycled in order to capture all possible water supplies that otherwise could be wasted or runoff into the Monterey Bay. These three public agencies acted in concert when others did not want to decontaminate heavily polluted waters like the Blanco Drain and the Reclamation Ditch. Because of this lack of will to purify these unused water sources, our three public agencies took on the responsibility, which reinforces the argument in favor of MPWMD's application.

To claim, as one commissioner has done, that this Salinas Water belongs to Salinas, implying MPWMD is in the wrong to use those water sources, is disingenuous. It is also an unfair assessment because Salinas was not using this water; it had refused to decontaminate this water, so these three public agencies obtained water rights to purify that horribly polluted water to potable standards. In reality, those standards have been exceeded. This commissioner, Kimbley Craig, has a divisive attitude, not a team spirit attitude. Instead of applauding this monumentally successful water recycling to potable standards project, she denigrates it in a most divisive way. Where was she when Salinas was asked to decontaminate that same water supply? No where in sight, as Salinas adamantly refused to decontaminate that water, seriously polluted by agricultural activities. Commissioner Craig, as a public servant, has an obligation to be a team player, not a divisive anti-solution official rendering disservice to our communities. The truth lies in the heart and informs one's attitude and approach to life. What does Commissioner Craig propose to do to dispose of this environmentally unsafe polluted water source? She did not offer a solution. Perhaps she implies that now that this water has been purified, it again belongs to Salinas. She merely claimed the water belongs to Salinas with no proposed intelligent solution or appreciation for this miraculous water transformation, or that the water rights to this water now legally belong to these public agencies.

Water belongs to all humans, and those who worked to preserve and transform that water into a useful source, deserve high praise, not divisive put downs. Everyone is working harmoniously together under the SVGB GSA auspices to find regional water solutions to restore and protect our resources. The negative energy in divisiveness does nothing to create solutions. MPWMD is acting to be a positive partner in creating viable, long-term solutions. It is my hope that Commissioner Craig, and the other no-vote commissioners, will reflect on this input and realize their role in the future well-being of our society. We are facing an existential threat. MPWMD is working assiduously to develop a solid foundation to support the water supply going forward. The attitude should be "This is our water" and what can we do to improve its healthy longevity and sharing for the good of all, not just a few. We are a community made up of different cities and rural communities. We all have an obligation to be good neighbors. That is our hope for our future.

It is noteworthy that these award-winning public agencies received national acclaim as a role model for recycling water for potable and irrigation purposes. This national accolade should assure you that support for the subject MPWMD application is essential to the well-being of our communities.

I urge LAFCO to follow the rule of law and demonstrate respect for our constitutional republic. I urge LAFCO to be part of the positive solution – vote yes for conditional approval of MPWMD’s application to activate its latent powers to sell water retail. MPWMD will not disappoint. MPWMD will make you and all of us proud, as it is already doing with its remarkable recycled water projects and aquifer storage system that guarantee future water supply for decades, even when there are drought years. This fantastic accomplishment, along with all their other successes, merit your yes vote for application conditional approval.

By this statement of facts, and assertion of opinion, I do not wish to disparage anyone. The facts speak the truth. No sense in shooting the messenger. My opinion is based in fact and direct observation over a period of many years.

A corporate monopoly has to answer to its shareholders. That alone explains its behavior. LAFCO, on the other hand, has to answer to the people whom they represent. To do that representation responsibly and honorably, the only vote that supports that responsibility, indeed obligation under oath, is approval of MPWMD’s legally valid, voter approved, application to activate its latent powers.

Thank you for considering my input. Thank you, Kate McKenna and staff. You can be proud that you truly did a substantial, thoroughly comprehensive analysis and recommendation to approve. You recognized the valid and morally justified will of the people to seek an affordable water supply for our communities while preserving ecological and environmental justice.

“We the People” are counting on you, Commissioners. In God we trust.

With warmest wishes for a blessed, healthy, happy New Year!

Very respectfully,
//s//Margaret-Anne Coppernoll
Margaret-Anne Coppernoll, Ph.D.
Marina

From: Jose Rafael Ramos <joserafaelramos@yahoo.com>
Sent: Friday, December 31, 2021 8:27 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: LAFCO Board NO vote on MPWMD latent powers contrarily to law

LAFCO Board Members:

The recent 5 “NO” votes on the latent powers of the MPWMD were contrary to the intent of the law. The reasons given for the NO votes make the decision invalid. The publicly stated reasons for those “NO” votes were the loss of a small percentage of the revenue from the taxation of CalAm Water for the districts which the NO voters represented. The “NO” vote reasons were based on small, compensable, and geographically isolated revenue impacts.

The law, Government Code §56331.4, requires that LAFCO Commission members exercise their independent judgment in behalf of the interests of residents “as a whole.” “Any member appointed on behalf of local governments shall represent the interest of the public as a whole and not solely the interests of the appointing authority.”

The reasons given for the decisions of LAFCO Board Members are the equivalent of “findings” given for a land-use decision. If the “findings “ or the reasons given for a decision do not support the decision, the decision cannot stand—it is invalid.

I urge that the Board Members who voted NO on the latent powers of the MPWMD reconsider their vote in the light of their legal duty and that the reasons that they have given for voting NO makes their decision invalid.

Respectfully,

José Rafael Ramos, Esq.
74 Via Descanso
Monterey, California 93940-6110
(831) 655 1555

From: wallace notley <wwnotley@gmail.com>
Sent: Saturday, January 1, 2022 2:26 PM
To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: January 5th Commission Meeting

To Safarina Maluki, Kate McKenna, and Staff

It is time to lay ties to Cal Am--their attorneys, lobbying efforts, and campaign contributions, Monterey Business Community, Monterey County Construction Industry, Monterey County Business Council, Chambers of Commerce, the interests of special districts, and the Hospitality Industry aside and represent the interests of the whole county which is what legally LAFCO was formed and is essentially all about. Reasons Include:

1. Put the responsibility on the court to decide if this change is in the public interest.
2. Satellite System rates would be minimally affected. Chualar rate increases are protected by the CPUC from any rate increase beyond the CPI which has run 1-2% over the past years. Only 15 of the 40 affected agencies would lose more than \$5000 annually. The Water District has made a commitment to make up a substantial portion of tax losses over several years. The total loss to the 40 affected communities would be \$1.26 million.
3. Most school districts would lose nothing because they are made whole by the state backfilling policy.
4. The Fire District would lose \$140,000 which the Water District has also promised to work with and minimize.
5. Many of the best financial experts in the nation have determined that the buyout is feasible and in the residents'/ratepayers' interest because of significantly lower customer water rates.

and most importantly--fairly consider minimal rate increase for 904 households in the Satellite Systems versus the justice to fairly represent the desire of 39,489 households in the Water District for lower water rates. We currently are paying the highest water rates in the nation. LAFCO's legal requirement states that "While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interest of the public as a whole and not solely the interests of the appointing authority.

The "no" votes emphasized specific interests to their own areas of representation. This is clearly in conflict with the expressed intent of the legal mandate of LAFCO as updated and specified in the Cortese-Knox-Hertzberg Reorganization Act of 2000.

The "yes" votes were in the context of 1) a larger community benefit, 2) the public support expressed in the overwhelming voter approval of Measure J in 2018. 3) financial confirmation requested by the Commission, and 4) extensive and consistent professional advice by staff and consultants.

It is my sincere wish that no unnecessary county wide divisions be incurred and that we can listen to and support our needs together as a countywide community.

Wallace Notley
Carmel, Ca 93923

From: Marilyn <mason.marilyn@yahoo.com>
Sent: Saturday, January 1, 2022 3:25 PM
To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>; McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: Cal Am Buyout comment

LAFCO:

I am so disappointed in your vote to not proceed with a buyout of CalAm Monterey peninsula water management, which the majority of residents have voted to seriously proceed with. You have ignored the facts, your staff's recommendations, your independent consultant's report, and the mandate of 24,000 Measure J voters. Looking at the reasoning of each who voted against it, it really smacks of greed instead of seeking the common good for the peninsula residents. The loss of taxes from Cal Am is negligible in the grand scheme of things, and all residents know that. You are setting each of yourselves up to be voted out, as well as lose your legacy for doing something really beneficial for the peninsula.

I urge you to do whatever possible to retract your votes, so there is no need to spend lots of money on legal action against your negative vote on this issue.

Sincerely,

Marilyn Mason
Seaside

From: Jose Rafael Ramos <joseraphaelramos@yahoo.com>
Sent: Friday, December 31, 2021 8:27:18 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: LAFCO Board NO vote on MPWMD latent powers contrarily to law

LAFCO Board Members:

The recent 5 “NO” votes on the latent powers of the MPWMD were contrary to the intent of the law. The reasons given for the NO votes make the decision invalid. The publicly stated reasons for those “NO” votes were the loss of a small percentage of the revenue from the taxation of CalAm Water for the districts which the NO voters represented. The “NO” vote reasons were based on small, compensable, and geographically isolated revenue impacts.

The law, Government Code §56331.4, requires that LAFCO Commission members exercise their independent judgment in behalf of the interests of residents “as a whole.” “Any member appointed on behalf of local governments shall represent the interest of the public as a whole and not solely the interests of the appointing authority.”

The reasons given for the decisions of LAFCO Board Members are the equivalent of “findings” given for a land-use decision. If the “findings “ or the reasons given for a decision do not support the decision, the decision cannot stand—it is invalid.

I urge that the Board Members who voted NO on the latent powers of the MPWMD reconsider their vote in the light of their legal duty and that the reasons that they have given for voting NO makes their decision invalid.

Respectfully,

José Rafael Ramos, Esq.
74 Via Descanso
Monterey, California 93940-6110
(831) 655 1555

From: Alice Ann Glenn <aa1glenn9@aol.com>
Sent: Saturday, January 1, 2022 4:09 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: reconsider your NO vote and approve the Water Management District's latent powers

Dear LAFCO Commission of Monterey County.

Please reconsider your NO vote and approve the Water Management District's latent powers

I was VERY disappointed that you voted NO to approve the Water Management District's latent powers. I believe LAFCO acted inappropriately, ignoring the intent of the voter initiative Measure J .

By voting to approve the Water Management District's latent powers, you would be protecting LAFCO, putting any responsibility on the court. The court can decide if this change is in the public interest.

I also find it irresponsible that some of the reasons given for voting NO, had **no** validity to the point being voted. I expect better out of public officials.

I urge you to reconsider the NO vote, with the reconsideration being a firm YES vote to approve the Water Management District's latent powers.

Sincerely,
Rev. Alice Ann Glenn
Monterey
Cal Am Customer

From: Roberta Myers <rmyers1934@icloud.com>
Sent: Saturday, January 1, 2022 10:29 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: LAFCO Final vote Wednesday, January 5

To: LAFCO Executive Officer, Kate McKenna Hello .

Hello Ms. McKenna,

On the LAFCO website, I see the LAFCO mission statement:

“LAFCO's mission is to promote orderly growth and development in Monterey County by:

- Encouraging orderly growth of local government agencies
- Preserving agricultural lands and open space
- Discouraging urban sprawl
- Efficiently provide local government services”

The Monterey Peninsula Water Management District needs LAFCO to approve a change in service and activate their latent power to sell water retail.

MPWMD is a public agency, which will sell water more efficiently than a for-profit company beholden to its shareholders

There is nothing in your mission statement indicating that you should finalize the surprising vote against the CalAm buyout, which was overwhelmingly approved by Monterey County voters.

Roberta Myers

781 Terry Street, Monterey, CA 93940

From: cvpatree <tpatricia325@gmail.com>

Sent: Sunday, January 2, 2022 11:12 AM

To: McKenna, Kate x5016

Subject: LAFCO vote

To the LAFCO board

As a very long time resident on the Monterey Peninsula water issues have been discussed and an issue for as long

As i can remember. As residents we voted to start the process of having Cal

Am bought out. Please Please Please listen to your constituents and consider the history. Trying to repeat the same thing over and over again expecting different results does not work. I ask you to represent what the constituents have asked for. Please re consider your no

Vote. Patricia Taylor

From: kate mulligan <argylebeardsley@yahoo.com>
Sent: Sunday, January 2, 2022 11:39 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Please reconsider LAFCO's decision

Hello Kathleen.

After reading so much about the LAFCO decision, I have to say the corrupt way in which this decision was determined, will surely come back to haunt.

We see ALL the reasons via pwn and no one I talk to is satisfied with this decision.

Please don't waste any more of the public's money, as court proceedings just to be doing the right thing in this case, will also be remembered at the next election.

Sincerely,

Cate Mulligan

[Cate Mulligan | 408 674 6460 | CateMulligan.com | Mulligan@mail.com](mailto:Mulligan@mail.com)

From: Pat Venza <patvenza@me.com>
Sent: Sunday, January 2, 2022 12:22:28 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: LAFCO vote on MPWMD application

Dear LAFCO Commissioners of Monterey County:

I am hoping that those of you who have voted against the MPWMD application to buy out Cal Am have reconsidered. None of you have articulated why your NO vote falls within the LAFCO guidance of what are the considerations for approval/non-approval.

Your LAFCO staff and the outside counsel, that you hired, have told you to approve the application. Rather than follow their educated guidance you went back to them and told them to LIE in a statement for denial. How is that going to sound to the court? This fiasco that you are creating because of some unknown reason has already cost the taxpayers and Cal Am ratepayers too much. The MPWMD having to take LAFCO to court is only going to add to that. With staff and outside consultants telling you that approval is the right thing to do what can be said in court in your defense of a NO vote?

Please follow the LAFCO mandates/guidance as to what you are to be looking out for in this vote. Remove yourselves from the Cal Am influence that has somehow jaded you.

You are representing me as a taxpayer and as the ratepayer of Cal Am. I want you to vote YES for the buy out of Cal Am by the MPWMD.

Patricia R. Venza
Monterey Resident

From: mcopperma@aol.com <mcopperma@aol.com>

Sent: Sunday, January 2, 2022 2:10 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>

Subject: Fwd: Request for LAFCO staff and/or counsel re Jan 5,2022 commission meeting on MPWMD Application to Activate Latent Powers

Hello Kate,

Please consider the message below, but only act on it if it will not cause extra concern or create concerns for you, staff, or legal counsel. The request is meant to inform commissioners who apparently did not vote per the CKH Act provisions for LAFCO authority and jurisdiction. If these commissioners are not open to such information, then at least the information will have been provided to them, and in doing so, provide protection for those imparting this information. As the old adage informs us, "one can lead a horse to water, but one cannot make the horse drink the water." Unfortunately, there seem to be underlying motives, and as such, are hidden from view and difficult to address.

Thank you so much for all the intense work and thorough analyses that you and staff did to present a full array of facts and details supporting a yes approval. All of us out here in public land want what is best for you and we feel deeply for you in this situation, and we all appreciate so very much all your remarkable, conscientious research efforts and follow-up work. You are a superb role model for our community. We love you no matter what.

God bless you and staff. Have a Happy and Blessed New Year. You have done an outstanding job to be very proud of.

Warmest wishes, margaret-anne

-----Original Message-----

From: mcopperma@aol.com

To: mcopperma@aol.com

Sent: Sat, Jan 1, 2022 7:04 pm

Subject: Request for LAFCO staff and/or counsel re Jan 5,2022 commission meeting on MPWMD Application to Activate Latent Powers

Hello Kate,

Happy New Year! As stated earlier, the work you and your staff have accomplished is impressive and very much appreciated.

To start the New Year off right, I would like to make a request of you and your staff and LAFCO legal counsel to include important information in briefing the

LAFCO members pertaining to the Jan 5, 2022 meeting on the MPWMD Application to Activate Latent Powers. Although I was unable to attend the Dec 6, 2021 meeting on this same subject matter due to being out of town on travel, it has been brought to my attention that neither staff nor legal counsel apprised the commissioners on their duties per the Coretse-Knox-Hertzberg Reorganization Act of 3000 (CKH Act). This legal document sets forth the provisions and responsibilities for LAFCO, as you know. It may have been assumed that commissioners were fully aware of the the CKH Act since multiple public members have mentioned this law previously and commissioners more than likely received briefings and training upon taking office.

Because a majority of commissioners exhibited a lack of knowledge of their area of jurisdiction and authority, it seems appropriate, and necessary, that staff and/or legal counsel apprise them of their specific duties and limitations. I had mentioned the CKH Act in my public comment written input for the Dec 6, 2021 meeting, but it seemed that these commissioners did not avail themselves of this input or the majority of the documentation prepared by consultants and the written staff recommendation report. Given this need to educate and filling in for any gaps in understanding of the CKH Act, I am requesting that this area of information be presented formally to the commission to ensure they know their duty and responsibilities, and those areas that do not come under their authority.

This seeming lack of knowledge has led to the Resolution for Denial of MPWMD's Application to Activate its Latent Powers. Denial despite staff's and independent consultant's remarkably comprehensive research and reports recommending approval. I submitted a request for re-consideration of the denial decision. However, I think reinforcement of the provisions of the CKH Act is in order because the issues presented for the denial decision fall outside the jurisdiction and authority of LAFCO for the MPWMD Application to Activate its Latent Powers.

I hope your presentation can go a long way in setting the record straight and clarify the correct basis and issues that commissioners should legally vote on. Special district interests, water supply, and potential loss of tax revenues from another tax-exempt public agency are not legitimate issues, per my understanding, especially since MPWMD had already, prior to initiating the buyout process, approached these agencies re a potential tax revenue loss in order to offer compensation for that loss.

It is important that conditional approval holds the insurance that MPWMD must fulfill all conditions or approval will not stand. This is solid ground for approval given that all the other conditions and requirements have been checked off in the positive column per staff's recommendation.

One of my concerns is that MPWMD is under legal mandate by Measure J, coupled with the rock solid findings that a CalAm buyout is indeed feasible, making MPWMD liable to proceed to file a lawsuit against LAFCO if it persists in denying its right to proceed with this buyout per the majority vote of the affected residents of the territory concerned. This lawsuit would cost the county the attorney and court costs related to such a lawsuit, thus depleting even further county coffers. This action should be unnecessary but commissioners who ordered a Resolution to Deny the MPWMD Application to Activate its Latent Powers, already approved by state legislature, were voting based on issues not related to their jurisdiction or authority. It seems that commissioners may reverse course to vote approval once they are made aware of precisely what their jurisdiction and authority are in this application case. It is frustrating to many because some of us made the effort to inform LAFCO on the provisions of the CKH Act as it pertains to their oath of office and duties to the public and property owners, and all the voters who overwhelmingly approved Measure J.

Section 56331.4 (was Section 56325.1):stipulates the following:

"While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section shall not require the abstention of any member on any matter, nor does it create a right action in any person." (Renumbered by State 2021, Ch. 31)

As noted, some commissioners voted solely on the interests of their appointing authority and not in the interests of the public as a whole. Others voted on issues unrelated to the MPWMD Application to Activate its Latent Powers, such as public agencies are not efficient while private ones are, or water supply issues, or small tax revenues losses. The vote was supposed to be based on the feasibility of MPWMD to financially provide water supply services and conduct water retail sales. Feasibility was irrefutably proven. The MPWMD Application is in total synchronicity with the interests of

the residents, property owners and the public as a whole that approved Measure J and its mandate to buyout CalAm.

It concerns me that these commissioners failed to respect the rule of law and their duty to the public. It also concerns me that the buyout will be prolonged due to this Resolution to Deny and the concomitant fall out that county coffers will be diminished due to expensive court costs and legal fees incurred as a result of MPWMD being forced to file a lawsuit to protect the interests of the people and the democratic process embodied in our constitution. Commissioners have a chance to reverse course, but it appears that a reminder of the CKH Act provisions could assist in their decision to approve.

Thank you so very much for any assistance you can provide in this regard. As an old saying tells us, "A stitch in time saves nine."

Very respectfully,
Margaret-Anne Coppernoll

From: mcopperma@aol.com <mcopperma@aol.com>
Sent: Sunday, January 2, 2022 2:24 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: One correction

Hello Kate,

My eyes are a bit weary looking at the tiny print of many docs coming my way. I inadvertently missed the typo on the CKH Act - it is the Cortese-Knox-Hertzberg Reorganizations Act of 2000 - NOT 3000. If you can make this corrections, I am much obliged.

Keep your chin up, :) Kindest regards, margaret-anne coppernoll

From: Jose Rafael Ramos <joserafaelramos@yahoo.com>
Sent: Sunday, January 2, 2022 3:50 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Comments on the Proposed Findings by the Commission on the recognition of the MPWMD's latent powers on Jan 5,2022

Honorable Members of the Monterey County Local Agency Formation Commission:

Comments on the Proposed Findings by the Commission on the recognition of the MPWMD's latent powers on Jan 5, 2022

The comments made by the public agencies, for example, the Monterey Peninsula School District, Finding *j*), found on pages 6, and 7, should not be part of the Findings of the Commission. Those comments are not the considered judgment—the Findings-- of the members of LAFCO.

The Fire District explicitly set forth its loss of revenue from the non-taxation of CalAm: \$139,591.60. “For the Fire district, this loss equates to one firefighter position. . . the loss of a single firefighter is a critical loss for our District,” The District does not go on to set forth its total budget and what percentage of its budget this loss represents.

Without this knowledge, the Commission cannot make a considered judgment whether this is a “critical loss” for the Fire District. And, in fact, the Commission does not make its own judgment or Finding whether this is a critical loss to the District but accepts the asserted impact on the Fire District as fact.

The assertions in the comments by the Monterey Peninsula Unified School District are even vaguer. The School Districts claims that approval of the Proposal, without proper mitigation measures, will result in a “significant funding shortfall.” The District gives no dollar amounts of shortfall nor the “shortfall’s” percentage of the District’s revenue. Thus there is no concrete evidence to support the comment which is not the considered judgment or Finding by the Commission

The Commission staff is right in inserting that “the agency comments cited above provide additional documentation of impacts related to property tax revenue losses. . .”

Other proposed Findings presented for the Commission’s approval are contrary to the evidence presented to the Commission by the independent consultant and consist of reassertions of claims made by CalAm.

Finding on factor *k*) The outcome of a condemnation action in which the MPWMD seeks to seize the water distribution system by eminent domain from CalAm may be uncertain. But is it up to LAFCO to deny the recognition of the District’s latent powers if the District is willing to sustain the potential loss?

Finding on factor *l*) This Finding appears to be contrary to the evidence. The water supply projected by the MPWMD, without invading the Salinas Valley water supply, seems reasonable.
Respectfully submitted,

José Rafael Ramos, Esq.

74 Via Descanso

Monterey, California 93940-6110

(831) 655 1555

From: carmelcellogal@comcast.net <carmelcellogal@comcast.net>
Sent: Sunday, January 2, 2022 5:39 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>; Amy Anderson <carmelcellogal@comcast.net>
Subject: LAFCO Commissioners

Dear Ms. McKenna,

I hope you had a good holiday and are ready to tackle some sticky stuff again! Please forward this email to your Commissioners.

I was very distressed by the LAFCO discussion and vote on Dec. 6, 2021. Distressed because five of the commissioners seemed to ignore the importance and gravity of their positions on the LAFCO Board. Their comments did not reflect thoughtful consideration of the matters presented before them, nor did their comments suggest that all of the Commissioners had read the requests or considered the opinions of the experts that their Agency hired, at great expense.

LAFCO is supposed to represent the good of the whole county. The 1% tax loss of a special district should not trump the greater good of the Cal Am customers who pay these taxes. The 5 'no' votes violate a key requirement of the Cortese-Knox-Hertzberg Reorganization Act of 2000, specifically the legislative intent in GC 56331.4, which states:

Independent judgment of members 56325.1 56331.4:

“While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the **public as a whole** and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.”

(Renumbered by Stats. 2021, Ch. 31)

LAFCO’s staff or their attorney should have pointed out during discussion on Dec. 6 that the five commissioners who voted ‘no’ ignored LAFCO’s governing rules in direct violation of Cortese-Knox-Hertzberg intent.

I ask the LAFCO commissioners to request a new vote. To reconsider their opinions and to carefully review the Summary presented at the Dec 6 meeting, which was so clearly presented by Ms. McKenna and the experts you hired. I also ask them to think of the entire community and the importance of an election. A majority of voters approved Measure J and have asked you to allow the Water District to move forward in this process to buy out Cal Am. The Courts should make the final decision.

Respectfully,
Amy Anderson
Carmel

From: Lisa Haas <paintqueen@gmail.com>

Sent: Sunday, January 2, 2022 8:54 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Subject: Change your No Vote to Yes for your community!

Dear Lafco Members,

I urge you to reconsider your no vote to approve the Water Management District's powers! This was a terrible disappointment for all of the Monterey Peninsula residents and voters that are fed up with Cal Am's shenanigans and exorbitant rates! As a county we voted to find a way to buy out Cal Am and move forward with a plan for a public water system. There are many players that have been doing a wonderful job making this possible for our area!

I am a local business owner, voter and a homeowner for over 35 years. I am also a big supporter of this community. That said, I have felt the impact of Cal Ams greed for the last decade. I have done my part on conservation with no avail, conformed to all the suggested low flow efforts for my properties over the years only to watch my water bills quadruple monthly in the last several years with almost half the use! That is frustrating for everyone rich or poor in this area.

I personally feel that affordable water should be a human right in a country as great as ours. Monterey water is not affordable!

I, as a Monterey county voter, voted for change in the public interest. It saddens me that you have chosen big money interests over your community!

I beg you to help get money out of politics! Change your vote Please! You are all being negatively talked about by so many. Stand up for the Community you are supposed to be working for and living in! I hope you consider changing your vote and being on the right side of politics.

Thanks for listening! Lisa Haas

Lisa Haas Design and Paint

Web. www.lisahaasdesign.com

Phone 831-595-2819

Email paintqueen@gmail.com

From: Jon Wizard <jonathanwizard@gmail.com>
Sent: Sunday, January 2, 2022 10:20:17 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: Item 6

Hello Ms. McKenna,

I do not believe the rationale provided by the commissioners who voted to deny the public buyout of Cal Am meets the criteria of the Cortese-Knox-Hertzberg Act, given that they cited specific concerns about individual communities or outcomes affecting individual public agencies, rather than evaluating MPWMD's application on its merits and respecting the democratic process that followed the passage of Measure J in 2018. Given the district manager's public remarks—and the strong public sentiment—that MPWMD may sue to invalidate the LAFCO commissioners' vote, I ask that you recommend Item 6 be tabled and the matter taken up in closed session to prevent LAFCO from further unwanted media attention and expensive litigation it is likely to lose. As an elected official myself, I would be hard-pressed to support writing LAFCO a check to cover its legal fees for denying an application for something my constituents and the MPWMD electorate supported, and I would be surprised if the jurisdictions within the MPWMD service area felt differently.

Thank you,
Jon

From: Sylvia Shih <58eugenia58@gmail.com>

Sent: Monday, January 3, 2022 9:47:53 AM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Subject: approval of water district application

Dear commissioners of LAFCO.

I know some have voted Yes. Thank you.

For those who have voted NO I urge you to vote YES and approve the application from the water district to grant its latent power to proceed with fulfilling the mandate from voter approved Measure J.

The LAFCO mission is to encourage and help the local agencies to succeed.

Please fulfill your mission.

To me your reason for objection is like picking bones in order for the agency to fail.

Just remember all the money comes from the ratepayers for whatever is required. Not going through CalAm, a for profit entity will save money which would go to the community instead of to CalAm's shareholders.

Please respect the voters who have voted YES to ask a public agency to consider managing our water supply.

sylvia Shih
Seaside, CA

From: v. wayne thompson <vwayne.thompson@live.com>
Sent: Monday, January 3, 2022 10:30 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: LAFCO Decision on Authority of the MPWMD

I was very dismayed to learn that LAFCO denied the MPWMD the authority to continue actions directed toward a potential buyout of the California American Water (CalAm) facilities servicing the greater Monterey Peninsula area. Pursuant to the passage of Measure J, the MPWMD has conducted the necessary studies to show that the proposed purchase of the CalAm facilities is both feasible and serves the best interests of the population currently served by CalAm.

In a vote of 5 to 2, LAFCO commissioners voted to deny the MPWMD the necessary latent powers to proceed with the purchase of the CalAm facilities. Many of those commissioners voting no on this matter, do not live in the areas serviced by CalAm and/or failed to offer substantial reasons for denying the MPWMD the authority to proceed with a potential buyout. Basically, this no vote served to nullify this results of the election that started this whole process.

I urge the LAFCO commissioners to reconsider their stance on this matter and rescind their no vote to block further action by the MPWMD to continue their work in securing a buyout of CalAm's facilities. Each commissioner's vote should be based on the greater interests of the population served by CalAm. The substantial majority of voters who secured the passage of Measure J should not be summarily disenfranchised.

Victor W Thompson
Carmel

From: Soneff, George <GSoneff@manatt.com>

Sent: Monday, January 3, 2022 10:53 AM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; McBain, Darren J. x5302 <McBainD@monterey.lafco.ca.gov>; Brinkmann, Jonathan x5121 <BrinkmannJ@monterey.lafco.ca.gov>; Dave Stoldt <dstoldt@mpwmd.net>

Subject: LAFCO meeting January 5, 2022 re Adoption of Resolution (Agenda Item No. 6)

In connection with the upcoming January 5, 2022 LAFCO meeting, attached are letters on behalf of Cal-Am responding to the December 29 and 30 letters sent by David Stoldt to LAFCO.

George Soneff

Partner

Manatt, Phelps & Phillips, LLP

2049 Century Park East

Suite 1700

Los Angeles, CA 90067

D (310) 312-4186 **F** (310) 996-6970

GSoneff@manatt.com

manatt.com

From: tbharris146@aol.com <tbharris146@aol.com>
Sent: Monday, January 3, 2022 12:16 PM
To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: MPWMD vote

To all the member of LAFCO who have voted no to MPWMD's petition.
Please reconsider your negative vote and serve the interests of the public, not Cal Am's.
Everything I've read suggests that MPWMD will prevail in court. The objections you have put forth aren't supportable and only hurt the public taxpayer by creating unnecessary court costs.
Tamara Harris, Monterey County

From: Troy Ishikawa <ishikawatroy@yahoo.com>
Sent: Monday, January 3, 2022 12:28 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: LAFCO - Jan. 5, 2022 special meeting Agenda item 6 public comment

Dear Ms. Kate McKenna, LAFCO Executive Officer
Dear Ms. Safarina Maluki, LAFCO Clerk to the Commissioners/Office
Administrator

TO: LAFCO Commissioners – Chair Lopez, Root Askew, Craig, Olgesby,
Poitras, Gourley, and Leffel,

This letter is in regards to (Agenda item 6) of your Jan. 5, 2022 special meeting.

Do you know Cal-Am “earns” 25% of their entire California revenue from their Monterey district? Cal-Am’s Monterey district is made up of over 95,000 citizens. The California American Water company owns many water districts in our state including communities within the Larkfield, Sacramento, and Los Angeles areas. All of this revenue is sent to Cal-Am’s parent company, the American Water Works Company in New Jersey where it is publicly traded on the NYSE (AWK). The Monterey or Central district is the “cash cow” for Cal-Am!!

Do you know Cal-Am’s shareholders are guaranteed a 10.13% return on investment (ROI) set by the California Public Utility Commission? In recent years, Cal-Am has requested this rate of return be increased! Cal-Am obviously is “earning” more profit from its ratepayers and want to pass it along to their shareholders and increase their stock value.

Do you know every time, Cal-Am acquires a new water system (East Pasadena in 2021) us ratepayers pay for this acquisition.

Do you know the majority of Monterey Cal-Am ratepayers demand public water. We even voted to pass Measure J in 2018.

Why would any one want Cal-Am as their retail water purveyor?

I am certain Monterey County counsel explained to your commission about a definite lawsuit by the MPWMD against your commission and the cost to the county to pay for it. The outcome looks very grim if your (5-2) “No” vote is approved. Your staff’s revised determinations

- Potential increased costs to Cal-Am's remaining water and wastewater customers ("satellite systems") including Chualar, a designated Disadvantaged Community;
- Annual property tax revenue losses to local agencies;
- Financial feasibility concerns; and
- Monterey Peninsula water supply concerns

These have all been addressed by MPWMD who has offered to mitigate property tax losses in goodwill. Overall, your commission's reasoning violates the Cortese-Knox-Hertzberg Reorganization Act of 2000.

I strongly urge the Local Area Formation commissioners to re-vote to approve MPWMD's request for reinstatement of their latent powers. LAFCO's independent consultant even says to vote to approve, by the way, ratepayers paid \$240,000 for this third and independent study!

Sincerely,
Troy Ishikawa
Carmel, CA

From: MWChrislock <mwchrislock@redshift.com>
Date: Mon, 03 Jan 2022 12:34:11 -0800
To: Chris Lopez <LopezCM@co.monterey.ca.us>, Ian Oglesby <IOglesby@ci.seaside.ca.us>, Kimbley Craig <salinasmayor@ci.salinas.ca.us>, Matt Gourley <mgourley@sbcglobal.net>, Mary Ann Leffel <mal@leffelconstruction.com>, Warren Poitras <wppoitras@gmail.com>, Wendy Root Askew <district4@co.monterey.ca.us>, Steve Snodgrass <sjsnodgrass@gmail.com>, Anna Velazquez <nnvelazquez@yahoo.com>, Graig Stephens <grraigstephens@yahoo.com>, Luis Alejo <district1@co.monterey.ca.us>, <mleffel@montereyairport.com>
Cc: Kate McKenna <McKennaK@monterey.lafco.ca.gov>, Safarina Maluki <malukis@monterey.lafco.ca.gov>, Kelly Donlon <donlonkl@co.monterey.ca.us>
Conversation: Public Water Now Response to Resolution on MPWMD latent powers
Subject: Public Water Now Response to Resolution on MPWMD latent powers



January 3, 2022

LAFCO of Monterey County
c/o Executive Officer, Kate McKenna
132 W. Gabilan Street, Ste. 102
Salinas Ca 93901

Re: LAFCO Resolution on MPWMD's latent powers

Chair Lopez and Commission Members and Staff:

According to LAFCO's governing codes, commissioners are required to represent the public as a whole, not the special districts or agencies that appoint them.

The recent LAFCO decision to deny the Water Management District's latent powers violates this key requirement of the Cortese-Knox-Hertzberg Reorganization Act of 2000.

<https://calafco.org/sites/default/files/documents/CKH%20Guide%20Update%202021.pdf>

The legislative intent stated in GC 56331.4 on page 43 is clear – Independent judgment of members reads:

"While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person."

We wonder whether LAFCO commissioners understand the laws they are governed by? Perhaps staff needs to make this clear to the commissioners.

Those who voted NO cited small tax losses to their special districts or purely speculative rate hikes to small numbers of their own constituents as grounds for their vote. They ignored the greater good of 95,000 Cal Am customers and the mandate of Measure J.

Your resolution claims probable undue hardship for residents of satellite communities. This is speculative. What about the real and current hardship for Cal Am's Peninsula customers? Isn't paying the highest water costs in the country an undue hardship?

Commissioner Leffel argued that the buyout would rob Peter to pay Paul, saying, "I do not believe I can in good faith take from one part of the community to make another part of the community happy." But she is not concerned that Cal Am is robbing the Peninsula with extraordinary water costs to pay its shareholders. She clearly does not understand who she is supposed to be representing on LAFCO. She has always supported Cal Am and the Peninsula business community against the residents. Her bias requires recusal.

Commissioner Poitras argues that the reason for his NO vote is his fire district's loss of \$140,000 in tax revenue and the tax loss of \$1.26 million, in total, to all 40 special districts. This is a tax revenue loss of less than 1%. He is considering only his own special district's interest, not the "interests of the public as a whole," as directed by LAFCO guidelines. The Water Management District has made a specific proposal to lessen the small tax impacts to his fire district and the other affected agencies.

Commissioner Lopez argued his concern that a buyout of Cal Am's Peninsula system would raise rates for the five satellite Cal Am systems that serve smaller communities such as Chualar and Corral de Tierra. This argument is hypothetical. There is absolutely no proof that any rate increases to satellite systems would actually occur. The CPUC would make that decision, and Cal Am would likely be allowed to spread any increased costs over its entire California base as it has done before.

Citing environmental justice for Chualar is a false argument. Commissioner Lopez knows very well that the CPUC protects Chualar's water rates. Under its disadvantaged community status, Cal Am cannot raise Chualar's water rates by more than the Consumer Price Index. Yet Lopez disingenuously used Chualar as his primary reason to vote NO, ignoring the clear legislative intent in LAFCO law.

Commissioner Lopez fails to recognize the environmental injustice to the Seaside resident living on \$35,000 a year whose water bill for 5,000 gallons is \$125 a month compared to Salinas at \$50 or Chualar at \$30 a month for that same amount of water.

Commissioner Craig argued that Salinas water should stay in Salinas. This is troubling. Isn't LAFCO supposed to be addressing the activation of the Water Management District's latent powers and the ownership of the Peninsula's water system?

Water supply for the Peninsula is a separate matter and one that LAFCO does not have the expertise to dictate.

There are no unresolved questions on water supply that apply here. But it's now quite clear that water supply is the real reason behind the NO votes of Commissioners Craig, Lopez, and Leffel. These commissioners are using LAFCO in an attempt to control water policy on the Peninsula. They want

Cal Am in charge because they continue to believe Cal Am's desal is the solution. They oppose the Expansion of Pure Water Monterey based on the false belief that the Expansion takes Salinas Valley water. But the treated agricultural sewer water that will be used for the Expansion belongs to Monterey One Water, not the Salinas Valley.

The truth is that this entire LAFCO vote has been orchestrated to control water. Personal beliefs on water supply and bias in support of Cal Am's desal project should not be the grounds for a LAFCO vote on the activation of the Water District's latent powers. Commissioners Craig, Lopez, and Leffel should be recused if they cannot bring themselves to vote on the facts and the matter before them.

Cal Am is the problem, not the solution. Cal Am's desal has no path forward. Cal Am has not provided one drop of new water in the last 56 years. It blocked the new water supply from the Pure Water Monterey Expansion for almost two years and is still attempting to delay the Water Purchase Agreement for the Expansion, which is now before the CPUC.

On the other hand, the Water Management District, working with other public agencies, has given the Peninsula over 7,000 acre-feet of new water to solve our water supply shortage. These are the facts that LAFCO commissioners choose to ignore.

Lopez and Craig cited "too many uncertainties" and unanswered questions. But after nine months, all of their questions have been answered in detail by the Water Management District. They simple don't like the answers.

In casting his NO vote, Commissioner Gourley stated, "I'm definitely from the private sector, not the public sector. I don't think government can run anything efficiently." Gourley is clearly biased against the Water Management District. With his stated attitude, why is he serving on any government board? One wonders how many times over his twenty years on this LAFCO board he has voted against a public agency without cause based solely on his personal prejudice. Gourley should be removed from LAFCO immediately.

In voting NO, Commissioners Chris Lopez, Kimbley Craig, Matt Gourley, Mary Ann Leffel, and Warren Poitras ignored LAFCO's governing rules in direct violation of Cortese-Knox-Hertzberg intent. They dismissed the will of

the voters and abandoned democracy. Instead, they voted for their own special interests, and LAFCO control of the Peninsula's water policy.

On January 5, we urge the LAFCO majority to reconsider its flagrant disregard of the law and recognize the benefit of the Cal Am buyout to the public as a whole.

Melodie Chrislock
Managing Director

PUBLIC WATER NOW

<http://www.publicwaternow.org>

mwchrislock@redshift.com

From: Anne Canright <acanright@comcast.net>
Sent: Monday, January 3, 2022 1:27 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buyout of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

I strongly believe that our water should be in the hands of the public to the extent possible, and not beholden to corporate shareholders. Let us, via MPWMD, continue to explore those options, as the voters mandated in 2018.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Anne Canright
Del Rey Oaks, CA

From: candyih@aol.com <candyih@aol.com>

Sent: Monday, January 3, 2022 1:28 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Cc: landwatch@mclw.org

Subject: Reconsider "No" Vote on Agenda Item 6

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From: Suzette Cavanaugh <suzettecavanaugh@gmail.com>
Sent: Monday, January 3, 2022 1:31 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Honor our Democracy -- Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people and further destroying our democracy.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Suzette Singer

From: LandWatch Monterey County <subscriptions@landwatch.org>
Sent: Monday, January 3, 2022 1:21 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: Ask LAFCO to Respect Voters

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LandWatch
monterey county



LAFCO Meets Jan. 5 to Decide if Peninsula Water Goes Public or Stays Private

Consider Donating Complex Assets

If you are looking for creative ways to give outside of charitable gifts of cash, learn more about complex assets in this [Fidelity article](#). Donating these assets (like private C- and S-corporation stocks) prior to a forced liquidity event could eliminate capital gains taxes. You might be able to get creative with your giving and save yourself some money in the

Dear Friends,

We are starting out the new year with an urgent action alert to request that the Local Agency Formation Commission (LAFCO) reconsider its “no” vote and approve the Monterey Peninsula Water Management District’s (MPWMD) latent powers. LAFCO should respect the will of the people and make it possible for MPWMD to move forward and acquire Cal Am. **We hope you’ll send an email to LAFCO to this effect by noon, Tuesday, January 4th.**

The LAFCO board meets Wednesday, January 5th to seemingly double-down on its earlier decision to undo the will of the voters. In December 2021, LAFCO adopted a resolution that thwarted the intent of the 2018 voter approved initiative Measure J by activating the District’s

process while also supporting LandWatch. Talk to your tax advisor.

15 Minute Cities

[This article in the Congress for the New Urbanism](#)

outlines how the geography of place plays into our human needs and ability to get to those places efficiently. Used as a sustainable planning tool, a 15-minute city provides access to all human needs by walking or biking in a quarter hour or less. How we plan our communities should consider access, transportation, and timing for reaching these amenities.

[Donate Online](#)

Contributions to LandWatch protect the beauty and economic vitality of Monterey County and are tax-deductible!

latent powers authority to provide and maintain potable water production and distribution services for retail customers. Failure to comply with the will of the voters on Measure J stops the MPWMD from continuing with the acquisition of Cal Am's Monterey Main water system through negotiation or a condemnation proceeding.

Here are few reasons LandWatch asks for a reconsideration of the resolution:

- Financial feasibility has been verified by independent consultants and re-verified by LAFCO's own consultant.
- Monterey Peninsula water supply concerns are outside LAFCO's expertise or authority and have nothing to do with the activation of MPWMD's latent powers and the issue of ownership before LAFCO.
- LAFCO is wasting taxpayer funds to help Cal Am block the voter mandated buyout.

Please submit comments via email by noon on Tuesday (January 4th) to ensure they are included in the supplemental agenda packet that goes to Commissioners. A sample email is below.

Sincerely,



Michael D. DeLapa
Executive Director,
LandWatch Monterey County

Email Instructions

Clicking on the [email link](#) automatically pre-populates a letter that is sent to the LAFCO asking the Commission to reconsider its position on Agenda Item 6. You have the ability to add, edit, or delete content within the email to personalize it. **Be sure to add your first and last name**

[Donate online here!](#)

Engage With Us



and city for the record. Additionally, the email is also shared with us. This link may not work with all email configurations. If you have trouble with it, paste the text and emails below into your own email message.

To: Executive Officer, Kate McKenna
<McKennaK@monterey.lafco.ca.gov> Safarina Maluki
<malukis@monterey.lafco.ca.gov>

Cc: LandWatch <landwatch@mclw.org>

Subject: Reconsider "No" Vote on Agenda Item 6

Content:

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

<Your Name>

<Your City>

LandWatch Monterey County promotes and inspires sound land-use legislation.

LandWatch is dedicated to preserving our community's economic vitality, high agricultural productivity, and the health of our environment by encouraging greater public participation in planning.

LandWatch will keep the public informed about the status of land-use planning in the county. We will monitor the local government agencies responsible for land use decisions, and participate in the public process to promote land use policies that protect the environment, and that will maintain economic vitality. LandWatch is the only professionally-staffed nonprofit organization in Monterey County dedicated solely to this mission.

LandWatch Monterey County

Box 1876 · Salinas, CA 93902 · 831-759-2824 · FAX: 831-759-2825

Landwatch@mclw.org · www.landwatch.org

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From: Scott Douglas Laxier <scottlaxier@gmail.com>
Sent: Monday, January 3, 2022 1:42 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

[CAUTION: This email originated from outside of the County. Do not click links or open attachments unless you recognize the sender and know the content is safe.]

Decision making through greed & deceit undermines our community. The will of voters dwarfs desires of out-of-touch commission members. It's GOP sewage trickling down to the local level while community members pay the (literal) price, and it's one perturbed legacy.

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Scott Douglas Laxier

From: Pat McNeill <pmcneill@sbcglobal.net>
Sent: Monday, January 3, 2022 1:46 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6. The people were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely, Patrick McNeill

Observation-hypothesis-evidence-Theory

From: ecklesmpg@aol.com
To: MunozDM@monterey.lafco.ca.gov <MunozDM@monterey.lafco.ca.gov>
Sent: Mon, Jan 3, 2022 1:43 pm
Subject: Jan 5th Lafco meeting regarding CalAm

For LAFCO representatives and to whom it may concern:

So Many Lies

A Felton resident was paraded before the media to express disagreement with Felton's successful buyout of CalAM. All of the dozen or so residents I personally spoke to at random, on the streets, in a hall of worship, in businesses, police and fire departments were exuberantly satisfied with their accomplishment and expressed consternation at her motive. (years ago I lived at the family cabin at 770 Brookside Dr and the Citizens Utility monthly water bill was under \$10)

The entire desal fiasco: The desal slant wells will have no deleterious effect upon the Salinas river already overdrawn aquifers contradictory to the Stanford surface penetrating radar study, a even rudimentary hydrology and physics knowledge, The threat to Marina's water supply, A site most prone to erosion on the entire California coast and given sea level rise, The energy, upkeep and extraordinary costs of water produced, Building upon a marine and wildlife sanctuary, Etc. The perpetuation of this project grew to only serve the IMAGINARY value of this project on the record, to roughly double the value of CalAM for the purpose to deny public ownership.

LAFCO representatives please see the lies; do not be used by CalAm attorneys, officials, their propaganda machine that somehow CalAM is a friend of the people, and do right thing; vote to allow the public buyout. If not, an investigation and lawsuit may lead to unnecessary expense and further delay for what is in the best interest of all the citizens of Monterey County.

In this age of pandemic, CalAM has earned a new acronym-CalAmovid. This disease of corporate greed has been hanging on too long. The potential custodians of public ownership are capable, civil and worthy of your trust. Please support the public's far better interest, take care, vaccinate.

very truly yours,
Mark Magruder Eckles
Pacific Grove

From: Pat McNeill <pmcneill@sbcglobal.net>
Sent: Monday, January 3, 2022 1:47 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,
Patrick McNeill, Monterey

Observation-hypothesis-evidence-Theory

From: Rodger Langland <rlangland@comcast.net>
Sent: Monday, January 3, 2022 1:48 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Rodger Langland

Carmel Valley

From: Heather Johnston <hjarch@sbcglobal.net>
Sent: Monday, January 3, 2022 1:52 PM
To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Reconsider 'no' vote on Agenda Item 6

Safarina Maluki,

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Heather Johnston, AIA

Monterey, CA

Heather Johnston Architect
Better living is designed
www.hjarchitect.com
858.344.9291

From: Pat McNeill <pmcneill64@gmail.com>

Sent: Monday, January 3, 2022 1:55 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Cc: landwatch@mclw.org

Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people. For too long the residents of Monterey have been abused by CalAm. \$10 million per year, poof! Overdrafting the Carmel river and ruining steelhead spawning.

I urge your reconsideration on Agenda Item 6.

Sincerely, Pat McNeill, Monterey

From: Michael DeLapa <execdir@landwatch.org>
Sent: Monday, January 3, 2022 1:57 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Reconsider "No" Vote on Agenda Item 6

LAFCO Board of Directors,

LandWatch Monterey County urges LAFCO to reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

LandWatch urges your reconsideration on Agenda Item 6.

Sincerely,

Michael

Please subscribe to the LandWatch newsletter, "like" us on Facebook and follow us on Twitter.

Michael D. DeLapa
Executive Director
[LandWatch Monterey County](http://LandWatchMontereyCounty.com)
execdir@landwatch.org
650.291.4991 m

Subscribe www.landwatch.org
Twitter [@landwatch_mc](https://twitter.com/landwatch_mc)
Facebook facebook.com/LandWatchMontereyCounty/

From: Sandra Schachter <schachtersj@comcast.net>
Sent: Monday, January 3, 2022 2:02 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: LandWatch <landwatch@mclw.org>
Subject: Reconsider "No" Vote on Agenda Item 6

To: Executive Officer, Kate McKenna <McKennaK@monterey.lafco.ca.gov> Safarina Maluki <malukis@monterey.lafco.ca.gov>

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Sandra Schachter

Carmel Valley, CA

From: John Adair <adair.john1@gmail.com>
Sent: Monday, January 3, 2022 2:03 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Recent decision on PWN

Please reconsider your recent decision to block PWN from purchasing Cal Am. Follow your staffs recommendation.

John Adair, M.D. Carmel resident

Sent from my iPhone

From: Harry Robins <paa_bear@comcast.net>
Sent: Monday, January 3, 2022 2:05 PM
To: al schader <alschader@gmail.com>; Al Schader <Al.schader@sbcglobal.net>; McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: FW: LAFCO Vote
Importance: High

I have dealt with this person in the past on governmental matters. Her vote reaffirms that she is the proverbial "loose cannon" in many important matters, and that she should be held accountable for same. This was submitted to the Herald today.

Onward!

Harry Robins

From: Harry Robins <paa_bear@comcast.net>
Sent: Monday, January 3, 2022 1:58 PM
To: 'dkellogg@montereyherald.com' <dkellogg@montereyherald.com>
Subject: LAFCO Vote
Importance: High

Mr. Kellogg,

Not to add fuel to the fire, but this aspect of the LAFCO farce needs to be discussed in a public forum.

Thank you for considering it.

Harry Robins

Cell: (831) 236-9500

1/3/22

Dear Editor,

Recent letters published in the Herald have expressed considerable legitimate dismay and concern over the LAFCO vote to deny the Water Management District's efforts to takeover CalAm's operations, and rightfully so. CalAm has been, and remains, a monopoly that cares not for its customers, but only its pursuit of the great American dollar.

Among those LAFCO commissioners voting against the district was the current Mayor of Salinas, who has also announced her candidacy for the North County Supervisorial District. Aside from the expressed ludicrous reasons for her vote, the voters of this County, and especially those of the Second Supervisorial District, need to ask, "Do we need a person devoid of common sense, logic, and reason to run the future business of our County?" The answer should be intuitively obvious to all. Not only no, but hell **NO!**

Harry Robins
Monterey

From: Angel <angewings@att.net>
Sent: Monday, January 3, 2022 2:06 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Angela Look
Monterey, Ca

Sent from my iPhone

From: Patie McCracken <patie.mccracken@gmail.com>
Sent: Monday, January 3, 2022 2:07 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I URGE the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6. It is so very important to keep democracy strong and listen to the voters!

Sincerely,
Patie McCracken
Monterey, CA

From: Rosemary Luke <rosemaryluke42@gmail.com>
Sent: Monday, January 3, 2022 2:13 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

[CAUTION: This email originated from outside of the County. Do not click links or open attachments unless you recognize the sender and know the content is safe.]

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,
Rosemary luke

Sent from my iPhone

From: Inge Lorentzen Daumer <ilwd50@gmail.com>
Sent: Monday, January 3, 2022 2:15 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Are you really representing the voters, or only your own self-interests and "territories"?

Sincerely,

Inge Lorentzen Daumer
Pacific Grove, CA

From: Doug Smith <dougsmith600@gmail.com>

Sent: Monday, January 3, 2022 2:15 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Cc: landwatch@mclw.org

Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission to reconsider your "No" Vote on Agenda Item 6.

County voters approved Measure J, indicating that a buy out of the Cal Am facilities was necessary. The Monterey Peninsula Water Management District (MPWMD) is fully capable of serving the region's water needs without the added ratepayer expense of supporting corporate profit.

Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Dr. Doug Smith
Marina

From: lvirshup@yahoo.com <lvirshup@yahoo.com>
Sent: Monday, January 3, 2022 2:19 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: I'm asking you to reconsider your "No" Vote on Agenda Item 6

I expect government bodies to respect the will of voters. As a Monterey County resident and an informed voter, I'm writing to request the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters like me were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. If the Commission denies the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

THAT IS WRONG.

The Commission is operating outside its boundaries and is stepping on the voters' will LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

Don't abrogate the authority of the voters I urge your reconsideration on Agenda Item 6.

Sincerely,
Lauren Virshup
Monterey County resident and voter

Sent from my iPhone

From: Myrleen Fisher <myrfisher@comcast.net>

Sent: Monday, January 3, 2022 2:20 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Cc: landwatch@mclw.org

Subject: Reconsider Decision on Agenda Item 6

To the Commissioners and Staff of LAFCO

As a Monterey County resident and a resident in the MPWMDistrict, I urge the Commission to reconsider its denial of the water district's latent powers. I applaud the careful and considered recommendations made by the staff of LAFCO to permit latent powers; but I lament the Commission's NO decision on Agenda Item 6, contrary to their staff's recommendations. The Commission had already approved the necessary boundary changes—how perplexing is that?

The passage of Measure J was a mandate from the voters to buy-out the Cal Am facilities and provide us with an openly managed public water system. A "conditional approval" of MPWMD's latent powers by LAFCO would enable this issue to progress to the Court of Eminent Domain, where careful examination would ensue, as required by law.

If the court should happen to determine the district to be unable to carry out the purchase and the running of the system, THEN a denial by LAFCO could be done appropriately. Therefore a "conditional approval" now can be a win for LAFCO—but disapproval before court action is a miscarriage of LAFCO's prescribed role and a denial of the democratic process.

I urge your reconsideration of Agenda Item 6. It's not too late. LAFCO can still do the right thing.

Sincerely,

Myrleen Fisher
Carmel, CA

From: mikeynewm@netscape.net <mikeynewm@netscape.net>
Sent: Monday, January 3, 2022 2:22 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6. Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people. LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters. I urge your reconsideration on Agenda Item 6. Sincerely,
The public voted to explore purchasing CalAm so please allow the process to proceed to resolution.
Thank you

Michael Newman
200 Camino Aguajito
Suite 304
Monterey, CA 93940

From: bdmatterson@gmail.com <bdmatterson@gmail.com>

Sent: Monday, January 3, 2022 2:26 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Cc: landwatch@mclw.org

Subject: Reconsider "No" Vote on Agenda Item 6

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Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO's own consultants as well as independent consultants verified the financial feasibility of the buyout.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Betty Matterson

212 1st Street, Pacific Grove

From: Mark Anicetti <markanicetti@gmail.com>

Sent: Monday, January 3, 2022 2:32 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Cc: Landwatch Monterey County Land Watch <landwatch@mclw.org>

Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Mark E Anicetti

From: t.tollner@yahoo.com <t.tollner@yahoo.com>
Sent: Monday, January 3, 2022 2:36 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

Members of LAFCO,

I was pretty stunned to learn that even after the voters said they want to give MPWMD the ability to negotiate with Cal Am, that you would go against our wishes. As a Monterey County resident, I urge the Commission reconsider its “No” vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District’s (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the “what if scenarios” associated with future revenues and losses of local agencies. This fear mongering isn’t helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Tony Tollner

From: Hetty Eddy <hettyeddy1@me.com>
Sent: Monday, January 3, 2022 2:47 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Hetty Eddy
hettyeddy1@me.com
831-262-1420

From: Larry Bacon <baconco92@gmail.com>
Sent: Monday, January 3, 2022 2:51 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: MPWMD - Vote to Approve

Kate:

We were stunned to learn of the reasoning behind the Commission's vote to deny MPWMD's application to operate a regional water system, replacing CalAm. From what's been reported, the Commission acted with unjustified and willful disregard of the vote approving Measure J. We urge that LAFCO reconsider its previous no vote at its meeting this week and allow this project to move forward.

Respectfully,
Larry and Sharon Bacon
27175 Meadows Road
Carmel Valley, CA 93923

From: Vicki Pearse <vpearse@gmail.com>
Sent: Monday, January 3, 2022 3:01 PM
To: mal@leffelconstruction.com; mleffel@montereyairport.com
Cc: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Reverse the vote

To: Mary Ann Leffel, LAFCO

Dear Ms. Leffel,

I am a member of the “public as a whole” on behalf of whose interests you serve on LAFCO.

You have already heard from many other members of the public about the mistaken vote by you and 4 other commissioners who groundlessly and illegally blocked a publicly owned water supply, against the researched recommendations of your own staff and paid consultants.

Fortunately, you have the power to reverse the vote, undo that documented violation of your office, and restore some measure of credibility to LAFCO. Use that power.

Besides the compelling civic and legal reasons for doing so, please also consider the damaging economic and environmental consequences of Cal Am’s announced plans for a huge, expensive, and wholly unnecessary desalination plant. Estimates vary but all of them point to costs, in both money and energy, several times those of the MPWMD’s fully adequate projects.

Thank you for taking this responsible action. I hope you will urge fellow commissioners to follow your example.

Respectfully,
Vicki Pearse
Pacific Grove

From: Rosalie Pinkert <rpgkms@gmail.com>
Sent: Monday, January 3, 2022 3:10 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters. I lived for over fifty years in a community with a public water system. It was efficient, fair, and affordable with elected members on the board who reflected their community and its needs. I have seen this system work efficiently and we have voted to invest in this type of system for our county.

I urge your reconsideration on Agenda Item 6. Thank you.

Sincerely,
Rosalie Pinkert

Sent from my iPhone

From: Don Gruber <mrycrow@hotmail.com>
Sent: Monday, January 3, 2022 3:19 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Don Gruber

831-238-2787

Broker
DRE# 01377367

Don Gruber Real Estate

...and Fine Art
<http://www.biggreenzucchini.com>

From: Janie Silveria <dancinjanie@gmail.com>

Sent: Monday, January 3, 2022 3:25 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Cc: landwatch@mclw.org

Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters, and follow the recommendation of your own staff.

I strongly urge your reconsideration on Agenda Item 6.

Sincerely,

Janie B. Silveria

Monterey (Monterey County resident and homeowner since 1977)

From: Jean Lovell <jeangirafe@sbcglobal.net>
Sent: Monday, January 3, 2022 3:30 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: <landwatch@mclw.org

To: Executive Officer, Kate McKenna <> Safarina Maluki <malukis@monterey.lafco.ca.gov>

Cc: LandWatch <landwatch@mclw.org>

Subject: Reconsider "No" Vote on Agenda Item 6

Content:

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,
Jean Lovell
Carmel, CA

From: Antony Tersol <atersol@gmail.com>
Sent: Monday, January 3, 2022 3:35 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Commissioners should not be considering revenue implications for their agencies in making their decisions. Similar considerations would be grounds for recusal for many government bodies (e.g. a council member would need to recuse for any issue that affected their financial interests). It threatens LAFCO's legitimacy in the eyes of the public.

Voters indicated with their support for Measure J that a buy out of the Cal Am facilities was their wish. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the interests of LAFCO Commissioner's local agencies. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Antony Tersol

From: Karen Hewitt <karen.hewitt@gmail.com>
Sent: Monday, January 3, 2022 3:42 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Siding with Cal Am against local citizens is bad for Monterey County

I was dismayed when I read about LAFCO's rejection of the Monterey Peninsula Water district plan to buy out Cal Am facilities in order to provide a publicly owned source of water for our county.

I am extremely concerned about having access to affordable water throughout the county, and I am troubled that some LAFCO commissioners believe "the government can't run anything efficiently." All of the studies from independent, outside agencies, including LAFCO's own independent analysis showed that MPWMD can run a water distribution program.

I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

A clear majority of voters supported Measure J to buy out the Cal Am facilities. Cal Am delayed complying with the cease and desist order for Carmel River. It is trying to build a desalination plant that will ruin the Salinas aquifer that some LAFCO commissioners are worried about. Not only that, the extraordinary cost of the desal plant will impact the lower income communities in the Salinas Valley. The Monterey Peninsula Water Management District has been careful and responsible in its estimations and LAFCO's vote should be overturned.

It is urgent for our entire region, not just the residents on the peninsula, that we have local control of our water. Please reconsider the negative vote on Agenda Item 6.

Sincerely,
Karen Hewitt
Pacific Grove, CA 93950

From: Renee Franken <rbfranken@aol.com>

Sent: Monday, January 3, 2022 3:52 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Subject: Please share this letter with other staff and all commissioners.

Please share my letter with each LAFCO commissioner, and with staff:

Dear Chair Lopez, Commission Members and Staff:

I write to ask the Commission to reconsider its "no" vote on the Water Management District's application to activate its latent powers.

It is distressing, as a citizen, to have watched LAFCO's actions on this application. The Water Management District asked for LAFCO's approval of two relatively small things: an adjustment to its boundaries to be able to serve a few residents now served by Cal-Am, and activation of its latent powers.

LAFCO acted to deny the application to activate its latent powers and to delay the entire process. This benefits only Cal-Am. The role of LAFCO, however, is not to decide matters in the interest of private companies but to look at the issue fairly, gather the facts at hand, and decide matters in the public interest. LAFCO has a relatively narrow responsibility here. Instead, LAFCO created a big detour by requiring yet another study to determine feasibility of the Cal-Am buyout, saddling the Water District with both a hefty cost and a big delay. And what did all of that prove? That the report the Water District commissioned was correct -- a buyout is feasible. LAFCO knows that a court of law will eventually have to determine the value of Cal-Am. Now a second study has established that a buyout is feasible.

It was extremely distressing to hear the reasons that various members of LAFCO expressed to support their "no" vote. "Public" member Gormley doesn't appear to believe in government, and suggests that government can't do anything as efficiently as the private sector. In this very case, the comparison of Cal-Am and the Water District challenge Gormley's opinion. My concern is that someone who doesn't believe in government doing anything better than the private sector is a person whose bias was blatantly evident in his vote. That is improper. Mr. Gormley should recuse himself from voting on this matter.

Whether focused on small tax losses, which the Water District is seeking to mitigate to a large degree, or claims that a public buyout of Cal-Am will raise water rates in small and impoverished communities like Chualar, the arguments do not focus on the matters that LAFCO can legitimately consider.

I don't think that LAFCO members were thinking about the right of voters to pursue a public buyout if such a buyout was found to be feasible. It is not LAFCO's role to create a needless roadblock to the buyout process. LAFCO's own staff did extensive research

and recommended a conditional approval of the Water District's application. Five commissioners voted against that recommendation. That's not how public agencies should act.

I implore you to reconsider your last decision and conditionally approve the Water District's latent powers.

Sincerely,

Renee Franken

From: Robert Armstrong <robert321@redshift.com>
Sent: Monday, January 3, 2022 3:54 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6. Let the buyout go forward to best serve all concerned.
Thank you.
Sincerely,
Robert Armstrong
Carmel Valley

From: Josie Wilson <jwilson@sou.edu>
Sent: Monday, January 3, 2022 3:58 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

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LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Josie Wilson
Pacific Grove, CA

From: Adriana Rodriguez Leyva <a3ana@aol.com>
Sent: Monday, January 3, 2022 4:01 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

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Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Adriana Rodriguez Leyva
Cell: 408.529.8108

From: Daniel Larson <dalarson@csumb.edu>
Sent: Monday, January 3, 2022 4:07 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

Hello,

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,
Dan

From: Teresa Edmonds <teresal@sonic.net>
Sent: Monday, January 3, 2022 4:08 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Teresa L Edmonds
Carmel Valley Resident

From: David Dickins <dfdickins@sbcglobal.net>
Sent: Monday, January 3, 2022 4:11 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

David Dickins
Monterey

From: bdmoore100@aol.com <bdmoore100@aol.com>
Sent: Monday, January 3, 2022 4:21 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Agenda Item 6 for January 5, 2022 meeting

Dear Ms. McKenna,

I request that prior to the January 5 meeting you provide a copy of my email to each of the following: Chair Lopez, all Commission members, and Kelly Donlon, Deputy County Counsel. I further request that a copy of my email be made part of the official Commission record.

Dear Commission Members and Staff:

I request that you reconsider and rescind the Commission's action, taken at the December meeting, at which a majority of the Commission members voted to deny the MPWMD's application to approve its latent powers. The reasons articulated by those voting against the MPWMD are tainted because they are specious, ignore facts and/or reflect a conflict of interest.

In addition, those commissioners who voted "No" ignored their legislative responsibility and acted beyond their limited authority. You are required to act on behalf of the interests of the public as a whole and not solely on the interests of your appointing authority. Your decisions are also supposed to be based on fact; not conjecture and certainly not bias.

A majority of the Commission previously voted to require MPWMD to pay for another study as to whether a buyout of Cal Am is feasible, despite the fact that the District had already obtained such a study as required by Measure J. Then, in December, those who voted "No" ignored the findings of the second study which also concluded that the buyout was financially feasible. These Commissioners are wasting taxpayer money and continuing to causing inappropriate delay by now ensuring this issue will have to go to court, where any reasonable judge will rule against the Commission. As a taxpayer and as a Cal Am ratepayer, I vehemently object to the additional costs and delays.

Furthermore, Commissioner Gourley should immediately recuse himself and should be removed from the Commission due to a serious conflict of interest and bias. It is ludicrous that he should be serving on a public entity

when he bases his votes on his personal beliefs. His vote against the MPMWD's application favors Cal Am, a private entity, over the District, a public entity, in defiance of the facts and predicated only on his personal prejudice. He has no business being on LAFCO, and he should recuse himself at once.

Chair Lopez' vote based on his belief that Chualar would be subjected to higher rates is factually inaccurate, as he either knows or should know, and is not a proper basis for his vote.

Several commissioners based their no votes on some minor tax increases, thereby taking no notice of the overall public interest nor of the District's amelioration of such increases.

For all of these reasons, and others which I won't take more time to spell out, the Commission should rescind its prior action and vote to approve the District's latent powers so the District can move forward.

Barbara Moore
Monterey

From: Christina Zimmerman <zimmerman102@comcast.net>
Sent: Monday, January 3, 2022 4:22 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: ! Reconsider “No” Vote on Agenda Item 6!

As a Monterey County resident, I urge the Commission’s reconsideration of its “No” vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District’s (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the “what if scenarios” associated with future revenues and losses of local agencies. This fear mongering isn’t helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

NELSON ZIMMERMAN DESIGN

Christina Zimmerman
102 Laurel Drive
Carmel Valley, CA 93924
831.236.6116

From: Kmur617 <kmur617@aol.com>
Sent: Monday, January 3, 2022 4:28 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I am appalled by your "no" on this item. Especially since this was overwhelming approved by the citizens of the water management district. Please support what the voters say. It is your responsibility to do so as a public servant.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Konny Murray

From: Elizabeth Carlson <kiwicarlson@gmail.com>
Sent: Monday, January 3, 2022 4:33 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,
Joan and Burford Carlson

From: Bev Kreps <bkreps1017@gmail.com>
Sent: Monday, January 3, 2022 4:39 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch <landwatch@mclw.org>
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6. This issue is so important to everyone in Carmel.

Sincerely Bev Kreps, Carmel Valley

From: Lorraine Yglesias <lorraineyglesias@hotmail.com>
Sent: Monday, January 3, 2022 5:01 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No"Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buyout of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, **LAFCO is directly ignoring the vote of the people.**

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Lorraine Yglesias

Carmel Valley

From: susan schiavone <s.schiavone@sbcglobal.net>

Sent: Monday, January 3, 2022 5:02 PM

To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Subject: LAFCO Meeting, January 5, 2021 - MPWMD-LAFCO File #21-01 - Agenda Item 6 - Date on letter incorrect - RESENT Jan. 3

December 30, 2021

In re: Monterey Peninsula Water Management District's proposed activation of latent powers to provide and maintain potable water production and distribution services for retail customers (LAFCO File #21-01)

Dear Chair Lopez and LAFCO Commissioners:

I am writing to urge you to reverse your vote on the application of MPWMD and approve the district's application for latent powers so this matter can go to a court of law for a proper decision. It is not too late to reverse your misguided and incorrect actions.

The ability of MPWMD to buy out Cal Am has been deemed feasible by nationally recognized financial consultants, LAFCO's own staff and LAFCO's hired consultant. The final "debt issuance" will not be known until it goes before the court. This district has been more than amenable to your concerns.

The total annual loss in tax revenue for 40 affected public agencies would be \$1.26 million. This represents a loss of .31% of the total \$406 million in tax revenue. A total of 15 would lose more than \$5,000 annually. The district already agreed to mitigate these losses annually as part of approval, and also offered to mitigate the loss of one firefighter.

As stated in MPWMD's letter to you prior to your December meeting, Section 99.02 of the California Revenue and Taxation Code provides MPWMD flexibility to achieve tax sharing purposes. The district plans to utilize its own share of the County-wide 1% property tax assessment to fund the tax sharing effort; and would not require the district to use revenues from rates and charges. As the tax base grows, in over just a few years' time, tax losses are erased. The impact on small satellite systems would be minimal, not the doubling that Cal Am claims and they might be sold to MPWMD.

Those on the commission voting no, and their reasons why, violate a key requirement of the Cortese-Knox-Hertzberg Reorganization Act of 2000, specifically the Legislative Intent in GC 56325.1, which states:

"...While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments *shall represent the interests of the public as a whole and not solely the interests of the appointing authority*. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person." https://calafco.org/sites/default/files/resources/Legislative_Intent.pdf

Yet, those who voted no, tenaciously did so for personal opinion reasons--about governmental ability, or for narrow constituency views, and worse, political attempts to make water supply policy through LAFCO, a totally inappropriate and ineffective attempt in regard to the question at hand.

Again, please reverse your vote and approve the MPWMD's application to enact its rightful and legally available latent powers in order to move forward on the legally binding directive it was given under Measure J. Your previous unfounded refusal is an affront to the democratic process and LAFCO's own rules and will not stand under legal scrutiny.

Sincerely,

Susan Schiavone, Seaside

From: Bill Zimmerman <bill@svwpco.com>
Sent: Monday, January 3, 2022 5:05 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Sent from my iPhone

From: Rich Jordan <rich.richideas@gmail.com>
Sent: Monday, January 3, 2022 5:10 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6. PLEASE!!!

Sincerely,

Richard L Jordan

From: Amy Pofcher <amybiking@gmail.com>
Sent: Monday, January 3, 2022 5:14 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

Dear Commissioners:

I live in Salinas but I follow water issues all over Monterey County. Voters in the Cal Am jurisdiction clearly voted to pass the water authority to MPWMD. Please follow what the voters want as they address water concerns that are happening here and now instead of speculating on the future loss of possible tax revenue. The water crisis is happening now.

Please reconsider your vote. Do not deny the voters what they want. Vote YES on Agenda Item 6.

Thank you for your time.

Sincerely,
Amy Pofcher
30 Marshfield Circle
Salinas, CA

From: Cassady Elischer <c.elischer@sbcglobal.net>
Sent: Monday, January 3, 2022 5:20 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Cassady D. Elischer
Del rey Oaks

From: Eric Tynan <eric@castrovillecsd.org>
Sent: Monday, January 3, 2022 5:26 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: DO NOT Reconsider "Yes" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission to not reconsideration of its "yes" vote on Agenda Item 6.

I believe the LAFCO Commissioners are doing a great job. They noted that only voters from the Peninsula were in their support for Measure J and out of 94,000 CalAm's connections only 24,000 voted for Measure J. But no one from the Over-Drafted Salinas Valley voted for Measure J and that is where the vast majority of water will be coming from. The Commission should deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, and in doing so, LAFCO is doing exactly what it was meant to do by protecting the whole from and overly load and vocal few. If you want to take water from the Salinas Valley let voters who represent this basin vote on solving the Peninsula's water problems on the back of the SVGWB and see how the vote for "the vote of the people" goes.

In my opinion, PWN and their ilk have been instrumental in stalling long-term water supply projects and limiting water supply in order to deny growth particularly when it comes to affordable housing. Each of these previous water supply projects had a cost to develop and now the Measure J and PWN blame CalAm for the cost of water.

Meanwhile the "Public Agency" flip-flops on a solution as new Board members are elected from one vocal group or another and was close to being dissolved just a few years ago due to its inability to develop a long term water supply.

LAFCO decisions should remain focused on its duties such as "Preserving Agricultural lands" which would be impossible if North County does not have water to expand CSIP.

If the Peninsula needs recycle so much, build their own or even better take it from the Golf courses, instead of the "what if scenarios" associated with future water sources by using CalAm's existing Staff and infrastructure all while incurring massive debt, and depending on an agency that has never run a water system and it will dump this risk on the very people who sold this project on supposed "huge savings". This fear mongering and name calling by anti-growth, anti-affordable housing isn't helpful or relevant. Finally, the head of Public Water Now in her submission to the California Coastal Commission of her water bills neglected to redact the fact she uses 4X more water than a SFR on the peninsula, so evidently the cost of water and damage to the Carmel River is not too much for her to stop using so much water from the Carmel River and further delaying an equitable water solution for Castroville, Marina and North County.

I compliment the LAFCO Commissioners for representing all of the county residents and not cringing to the loud and vocal few who in my opinion have for way too long put the Peninsula water supply in chaos and now want to spread this contagion to the Salinas Valley

I urge you not to reconsideration on Agenda Item 6.

Sincerely,

J. Eric Tynan

Resident of CASTROVILLE

Where we grow food not putting greens

From: Angela Stone <angmosto@sbcglobal.net>

Sent: Monday, January 3, 2022 5:48 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Cc: landwatch@mclw.org

Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6. Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people. LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters. I urge your reconsideration on Agenda Item 6.

Sincerely,

Angela Stone

Salinas

From: nancy@nancyrunyon.com <nancy@nancyrunyon.com>
Sent: Monday, January 3, 2022 6:08 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

Dear LAFCO Commissioners:

As a Monterey County Senior Citizen, trying to survive on my Social Security of less than \$15,000/year, I urge you to reconsideration your "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy-out of the Cal-Am facilities was necessary and important. We have had enough of Cal-Am's mismanagement that has brought us the highest water bills in the country. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

The financial feasibility has been verified by independent consultants and re-verified by LAFCO's own consultant. The Monterey Peninsula water supply concerns are outside LAFCO's expertise or authority and have nothing to do with the activation of MPWMD's latent powers and the issue of ownership before LAFCO. LAFCO is wasting taxpayer funds to help Cal Am block the voter mandated buyout.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

If your water bills were the highest in the country and you can't cut back any further—you would understand why Cal-Am has to go. 87% of Californian have PUBLICALLY owned water. We deserve it too.

Please reconsider your vote on Agenda Item 6, as your findings will not hold up in court.

Sincerely,

Nancy Runyon
nancy@nancyrunyon.com
1195 Hoffman Avenue
Monterey, CA 93940

From: Andrew <allison.aa@gmail.com>
Sent: Monday, January 3, 2022 6:19 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch <landwatch@mclw.org>
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its blatant disregard of the will of the electorate in voting NO on Item 6 on the January 5 agenda.

Voters were loud and clear in their support for Measure J. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Andrew Allison
25420 Via Cicindela, Carmel CA 93923

From: stvhillman (null) <stvhillman@aol.com>
Sent: Monday, January 3, 2022 6:39 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,
Steven Hillman

From: Whitney Stewart Gravel <whitney.stewart.gravel@gmail.com>
Sent: Monday, January 3, 2022 6:44 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

[CAUTION: This email originated from outside of the County. Do not click links or open attachments unless you recognize the sender and know the content is safe.]

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Sent from my iPad

From: Natalie Anicetti <natalieanicetti@gmail.com>
Sent: Monday, January 3, 2022 6:53 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

[CAUTION: This email originated from outside of the County. Do not click links or open attachments unless you recognize the sender and know the content is safe.]

I am a Monterey County resident and I ask that LAFCO respect the will of the voters and their support for Measure J. The voters want MPWMD to buy out Cal Am facilities.
I believe water, our most valuable resource, should be publicly owned.

On Agenda item 6, please respect the will of the voters, refrain from disrupting this process and reconsider your vote.

Sincerely,

Natalie Dix-Anicetti.

Sent from my iPhone

From: Larry Parrish <lparrish@toast.net>
Sent: Monday, January 3, 2022 6:58 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Letter to the COMMISSIONERS of LAFCO

ATTN. : LAFCO COMMISSION:

To - **the FIVE FAILURES** who voted against the MPWMD application, and their supposed ringleader Luis Alejo. Perhaps you think you're clever or something by wasting all the public's time and expense, but what's very clear is that you have failed your constituents, your party, and Monterey County voters as well. You have no understanding of your role on LAFCO, or the application, or the feasibility study, or even the law for that matter. So, before you embarrass yourselves further, it's time to quit horsing around and vote to approve the application. In some ways, I hope you don't vote yes because you certainly don't deserve to continue on this commission. And you won't, for very long if that's your position.

You have irreversibly stained the reputation of LAFCO and irrevocably stained your own reputations and your political careers as well. You have, in an instant, created 24,000 NEW political enemies - and you can bank on that. Do you think people won't remember your lame decisions and who you really cow tow to? Do any of you that are Democrats believe you will ever get an endorsement from the Central Committee again? Forget about it. Do you think you can overturn the results of a fair and honest election and get away with it? Don't bet on it, and efforts are already underway to rectify this situation.

So, go ahead and vote NO and make further fools out of yourselves. You will never win in court because you have no legitimate arguments for denial. They're all just Cal-Am propaganda

and your own statements as well will doom you, not only in court, but at the ballot box. Voters don't forget - and won't forget.

Seriously yours,
Larry Parrish

From: Lauren Keenan <bill.lauren.keenan@gmail.com>
Sent: Monday, January 3, 2022 7:18 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,
William & Lauren Keenan
Unincorporated Salinas

From: Sheila Smith <gardensheila@sbcglobal.net>
Sent: Monday, January 3, 2022 7:54 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

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Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,
Sheila Smith

Sent from my iPad

From: Mary Conway <m.conway@comcast.net>
Sent: Monday, January 3, 2022 8:20 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Mary Conway
Monterey, Ca 93940

From: DALE & CHRIS MCCAULEY <chris_dale@comcast.net>

Sent: Monday, January 3, 2022 8:46 PM

To: Mckenna@monterey.lafco.ca.gov; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Subject: RECONSIDER No Vote on Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Dale McCauley

Chris Roberts

270 El Caminito Rd. Carmel Valley, CA 93924

From: Emily Zefferman <ezefferman@gmail.com>

Sent: Monday, January 3, 2022 9:16 PM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Subject: Support MPWMD latent powers- reconsider "no" vote!

Dear LAFCO members,

I am writing to encourage you to reconsider LAFCO's "No" vote on Agenda Item 6.

I am a Monterey County resident, and I support the approval of the Monterey Peninsula Water Management District's latent powers to provide and maintain potable water production and distribution services for retail customers.

There seems to be no principled reason to deny the latent powers except to protect Cal Am from a buy out that the voters want, as shown by their support for Measure J.

Please support the will of the people and reconsider the vote on Agenda Item 6.

Sincerely,

Emily Zefferman, PhD

Monterey County resident

From: Anna Thompson <waynesbiz@live.com>
Sent: Monday, January 3, 2022 9:42 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: LAFCO Resolution on MPWMD's latent powers

Chair Lopez and Commission Members and Staff:

I urge LAFCO to reconsider its NO vote and approve the Water Management District's latent powers.

LAFCO chose to believe Cal Am's claims carte blanche. Independent financial experts have conclusively shown that the buyout of Cal Am is financially feasible and will lower water costs. The debt to buy Cal Am is covered by the profits we save under public ownership. Public ownership also carries the benefit of lower interests costs of financing infrastructure improvements, while eliminating perverse, investor-driven incentives associated with a for-profit monopoly.

Cal Am has owned the Peninsula's water delivery system for over a half century. But, it is the Water Management District that has successfully developed several water supply projects for the Peninsula. The latest project, Pure Water Monterey (PWM), developed in partnership with Monterey One, is now producing sufficient water to allow Cal Am to stop its illegal over-drafting of the Carmel River. We have a capable, well-run Water Management District with a well-qualified, diligent staff, outstanding General Manager, Counsel and a Board of Directors that is attuned to the needs of its constituents.

Water costs on the Peninsula under Cal Am are documented to be the highest in the nation for water systems with 10,000 or more customers. Cal Am's record shows that it places profit ahead of all other considerations in establishing its rate structure and in promoting only water supply projects that are highly profitable.

Public ownership of water systems will benefit ratepayers by lowering water service costs, guaranteeing transparency and affording full accountability through locally elected officials. Cal Am's profit motivation conflicts with the public's best interests.

As mandated by LAFCO rules, the commissioners should focus on the greater good of the whole population served by Cal Am. I urge LAFCO to grant conditional approval of the Water Management District's latent powers.

Anna Thompson, Carmel

From: Tammy Jennings <4tlj1959@att.net>
Sent: Monday, January 3, 2022 10:12 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Reconsider "No" Vote on Agenda Item 6

Chair Lopez and Commissioners:

As a Monterey County resident, I urge the Commission to reconsider its flagrant disregard of the law and recognize the benefit of the Cal Am buyout to the public as a whole.

Monterey Peninsula water supply concerns are outside LAFCO's expertise or authority and have nothing to do with the activation of MPWMD's latent powers and the issue of ownership before LAFCO.

Voters were loud and clear in their support for Measure J that a buyout of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people, as well as the recommendations of LAFCO's independent consultant and staff.

LAFCO's governing codes state that commissioners are required to represent the "interests of the public as a whole," not the special districts or agencies that appoint them. LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. Increased costs to Cal Am's satellite systems is purely speculative and under the control of the CPUC. What-if scenarios are not a basis for denial of MPWMD's latent powers. This fear mongering isn't helpful or relevant. Please uphold the will of the voters.

I urge your reconsideration of Agenda Item 6.

Sincerely,

Tammy L. Jennings

423 Dela Vina Avenue
Monterey, CA 93940
(831) 373-2151

From: Nancy Selfridge <self48@icloud.com>
Sent: Tuesday, January 4, 2022 2:42 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,
Nancy Selfridge
Monterey

Sent from my iPhone

From: Michael Wellborn <wellborn.michael@gmail.com>
Sent: Tuesday, January 4, 2022 5:56:40 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org <landwatch@mclw.org>
Subject: Reconsider "No" Vote on Agenda Item 6

Dear LAFCO ~

As a Carmel Valley property owner, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Michael Wellborn

From: Michael Cate <mcate@sbcglobal.net>
Sent: Tuesday, January 4, 2022 6:16 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Michael Cate
POBox 178
Carmel CA 93921
831.594.5177

From: John Whisler Comcast <johnwhisler@comcast.net>
Sent: Tuesday, January 4, 2022 6:21:25 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org <landwatch@mclw.org>
Subject: Reconsider "No" Vote on Agenda Item 6

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Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

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I urge your reconsideration on Agenda Item 6.

Sincerely,
Bonnie and John Whisler
Seaside

Sent from my iPhone

From: mwchrislock@redshift.com <mwchrislock@redshift.com>
Sent: Tuesday, January 4, 2022 8:26 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Letters to the Editor 12/30

Please add this to the record for agenda item 6 and distribute to the commissioners.

Thanks,

Melodie Chrislock
Managing Director
PUBLIC WATER NOW
<http://www.publicwaternow.org>
mwchrislock@redshift.com

Monterey Herald | January 4, 2021

Did LAFCO Read Its Own Rules?

According to LAFCO's governing codes, commissioners are supposed to represent the public as a whole, not the special districts or agencies they are appointed by.

But the recent LAFCO decision against the Water Management District violates this key requirement of the Cortese-Knox-Hertzberg Reorganization Act of 2000.

The legislative intent stated in GC 56331.4 is clear:

“While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.”

Do LAFCO commissioners understand the rules they are governed by? Those who voted NO cited small tax losses to their special districts or purely speculative rate hikes to small numbers of their own constituents as grounds for their vote. They ignored the greater good of 95,000 Cal Am ratepayers and the mandate of Measure J.

Melodie Chrislock, Carmel

Tear down the Lettuce Curtain

I continue to ponder the recent LAFCO vote to reject the Monterey Peninsula Water Management District's plan to buy Cal Am.

How much longer will the "lettuce curtain" be the stumbling block to regional cooperation? How many ways can narrow-minded elected officials and their allies thwart working relationships between the Peninsula and the Salinas Valley? Why do selfish attitudes and false arguments prevail in a county that urgently needs to work together?

How much longer will the Valley stand in the way of the Peninsula's solution to its water shortage? Why do Valley interests side with Cal Am instead of the Water Management District?

And how can the Peninsula's vote for public ownership be ignored by LAFCO?

LAFCO should reconsider its recent NO vote and start a new era of working out differences. I continue to wait.

Alice Ann Glenn, Monterey

MC Weekly | Dec 30, 2021

Down Stream

LAFCO's decision to deny the Monterey Peninsula Water Management

District's request to activate its latent powers was unconscionable ("A rejection of next steps for a buyout of Cal Am is a failure of democracy," Dec. 9-15).

The buyout was found to be financially feasible. LAFCO's own independent consultant confirmed that the buyout is feasible. LAFCO's own staff recommended approval.

LAFCO's board ignored the facts and based their decision on personal biases like Commissioner Matt Gourley's comment, "the government cannot run anything efficiently" and other irrelevant excuses. Drinking water is a public resource that should be managed by public agencies, not private companies. Cal Am's profit motivation is at odds with the public's best interests. For the good of all our communities, I urge LAFCO to reconsider and reverse its decision on Jan. 5 ("Barring buyout vote flip, local water district prepares for court," Dec. 30-Jan. 5).

Anna Thompson | Carmel

LAFCO was supposed to base its decision on the mandate of the voters and whether or not the water district can afford to buy Cal Am and operate the water system. Instead this was a proxy vote on water supply with the Salinas Valley once again trying to dictate water policy to the Peninsula.

But LAFCO has no authority on water supply, so they had to disguise it with other issues, like the tiny loss of tax revenue – less than 1 percent – to a few special districts or the minimal rate hikes to satellite water districts. All of these issues can be mitigated and none rise to the level of blocking the will of the voters and the water district's mandate to move forward on Measure J.

Melodie Chrislock | Carmel

Chrislock is managing director of Public Water Now.

It's bad enough that the LAFCO board disregarded their staff's report on the Cal Am buyout, but to then order the staff to write another report to agree with the board's bad decision is unconscionable.

Now if the staff prepares a new report as directed they lose all credibility, essentially admitting the original report was totally bogus. For the staff, the

decision is will they stay or will they go.

Mike Gunby | *Pacific Grove*

Monterey Herald | December 30, 2021

Water district is not a special interest group

The Water Management District is a public agency tasked with buying out Cal Am as mandated by Measure J. It is NOT a special interest group as Doreen Cursio's letter claims.

In a Cal Am buyout, the tax revenue loss to public agencies is less than 1% — \$1.26 million annually across 40 agencies. And remember, it's the public, not Cal Am, who pays these taxes.

Gary Cursio and Mary Anne Leffel sit on the Monterey Peninsula Airport District board. Leffel is the Airport District appointee to LAFCO and one of the five LAFCO commissioners who recently voted to block the Cal Am buyout. Why? It's not because of the eight-five cents in tax revenue that the Airport District would lose annually.

LAFCO is wasting public dollars. Cursio should be asking who will pay for the lawsuit against LAFCO to correct its arbitrary and capricious decision to block the buyout, and who paid the \$64 million for water we never used in the last drought? The public pays for all this, while Cal Am and its attorneys profit.

How much taxpayer money has been spent to support Cal Am (American Water) shareholders? That would be a daunting figure.

LAFCO politicians are bending to the will of a special interest all right — Cal Am and its money.

Leffel should be recalled from the Airport District board. She has defied the governing rules of LAFCO and the will of 24,000 Peninsula voters.

Phil Wellman, *Carmel*

From: mwchrislock@redshift.com <mwchrislock@redshift.com>
Sent: Tuesday, January 4, 2022 8:35 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Letters for Agenda item 6

Please add this to the record for agenda item 6 and distribute to the commissioners.

Thanks,

Melodie Chrislock
Managing Director
PUBLIC WATER NOW
<http://www.publicwaternow.org>
mwchrislock@redshift.com

Pacific Grove Press 12/17/21

OUR WATER

by Karen Paull*

Pure Water Monterey Wins National Engineering Award

The Monterey Peninsula's water recycling project, Pure Water Monterey, has won an award from the American Society for Civil Engineers (ASCE). It is one of only *eleven projects nationwide* to receive ASCE's 2021 "Honor Award" for innovative projects. The eleven projects – most of them large projects, some in major cities – will be recognized at ASCE's Outstanding Projects and Leaders Gala in October 2022.

Pure Water Monterey (PWM) augments the Monterey Peninsula's limited water supply, and at the same time helps restore the overdrafted Seaside Basin Aquifer. Stormwater runoff, agricultural runoff, and other "wastewater" that would otherwise flow to the ocean is captured, purified using state-of-the-art techniques, and injected into the Seaside Aquifer. Months later, it is extracted, purified again, and tested to ensure that it meets drinking water standards.

Pure Water Monterey began delivering potable water in September 2020.

Thanks to the 3500 acre-feet of water annually it will provide, Cal Am will be able to meet a December 2021 deadline to reduce the amount of water it pumps from the Carmel River. It has been taking far more than it is legally entitled to for decades, and the river has suffered as a result. The District conducts restoration work, but reduced pumping will aid the recovery of the River and the water levels in the Carmel River Basin.

Who brought us this much needed addition to our water supply? Two public agencies, Monterey One Water and the Monterey Peninsula Water Management District. They partnered to plan, finance, construct, and operate it. The Water Management District sells the recycled water to Cal Am at cost under a long-term contract.

An earlier project by the two agencies captures excess Carmel River water during the rainy season if river flow is sufficient, and injects it into the Seaside Aquifer for use during the dry summer months. That project, called Aquifer Storage and Recovery, contributes to our available water supply without damaging the Carmel River. Like Pure Water Monterey, this project helps the Seaside Aquifer recover from years of unsustainable overdrafting by Cal Am and others.

These two projects are the only ones that have added “new water” to the Monterey Peninsula water supply. Both were brought to us not by the private sector but by public agencies.

Why do I bring up this up? It has to do with one of the reasons given for LAFCO’s December 6 vote to thwart the Water Management District’s buyout of Cal Am by denying its request to expand its services if the buyout is successful. LAFCO commissioner Matt Gourley made the motion to deny the Water District’s request with this explanation: “I’m definitely from the private sector, not the public sector. I don’t think government can run anything efficiently.”

Think about that statement!

Investor-owned Cal Am continues to fight for a desal plant that is oversized and unaffordable for its Monterey Peninsula ratepayers. This effort is not going well. The project is stalled. Cal Am has been trying to get a permit from the Coastal Commission for three years, without success. Why is this? Because the project appears to present environmental problems (and

other problems related to land and water rights) that may be insurmountable. People with expertise on these issues have said that the problems were foreseeable. This does not strike me as an example of efficient project management.

After years of water supply projects that never made it to the finish line, two public agencies managed to complete two successful projects. Pure Water Monterey even won a national award for innovative engineering!!

In our community, which has been more efficient in augmenting our water supply – the investor-owned utility or the public agencies? Which has served the public interest better?

Regardless of one's views on public vs private control of water service, LAFCO commissioners are supposed to make their decisions based on the facts and expert analysis prepared for them, and based on criteria specified in the law governing LAFCO decisions. The LAFCO commissioners who voted no on December 6 seem to have forgotten that. Let's see what they do in January.

What's Happening With the Expansion of Pure Water Monterey?

Expanding Pure Water Monterey would provide additional water, which is desperately needed. The Water Management District and Monterey One Water have been ready to move ahead with the Expansion for many months, but Cal Am put up roadblocks that I've described in previous columns.

In an effort to break the deadlock, in late April, the District filed a complaint informing the California Public Utilities Commission (CPUC) that the Expansion is urgently needed. The District asked the CPUC to order Cal Am to enter into a Water Purchase Agreement (WPA) so that the Expansion could be financed and construction could begin.

In late October the CPUC ordered Cal Am to file an application for approval of a WPA within 30 days. Around the same time, the District, Monterey One Water, and Cal Am reached agreement on WPA terms. Cal Am filed its application for approval of the WPA on November 29.

That sounds like progress, right? Yes and no. The application itself

requests CPUC approval of the WPA, but the supporting documents -- attachments providing required information -- say Pure Water Monterey can't be relied upon. Cal Am argues that for this reason, its desal project is still the answer to Monterey's water needs. (Yes, the one that is stalled.) I am not making this up.

Entering into a WPA for the Expansion and getting it approved by the CPUC could have been relatively simple and quick. Cal Am has made its application much more complicated than it needs to be, which means it will take longer for the CPUC to make a decision. Not good for our water supply.

Measure J Update

LAFCO to meet again on January 5

As described in this column last week, LAFCO will meet again on January 5 to vote on a resolution denying the District's application. The resolution they voted down on December 6 *approved* the application, because that was the LAFCO's staff's recommendation. Now LAFCO staff has been ordered to write a resolution going the other way. We'll see what they come up with.

Cal Am loses CEQA lawsuit against MPWMD

A change of ownership of a water system does not require an Environmental Impact Report (EIR) if the new owner plans to operate the water system more or less in the same manner as the previous owner. This type of acquisition is exempt under an "existing facilities" exemption in the California Environmental Quality Act (CEQA). When Cal Am has acquired other water companies, it has not prepared EIRs based on this exemption.

Anticipating a CEQA lawsuit from Cal Am no matter what, the District prepared an EIR even though it is not required. The District hoped that this way, all CEQA challenges could be resolved in one lawsuit. As expected, Cal Am sued the District, contending that an EIR is required for this buyout and that the District's EIR is inadequate.

In late November, the court rejected both of Cal Am's claims and ruled in

favor of the District.

Concluding thoughts

I've been asked whether the LAFCO decision means the public buyout can't go forward. As I wrote last week, what happened at LAFCO is a setback, but this isn't over. LAFCO has not yet made a final decision. There's a chance the LAFCO commissioners who voted no in December will reconsider. If they don't, the Water Management District can challenge LAFCO's decision in court. The District is not giving up on implementing Measure J. So stay informed and stay engaged. It makes all the difference.

**Monterey Peninsula Water Management Director, Division 4 (Pacific Grove, Pebble Beach, Carmel Woods). In this column I express only my own views.*

Pacific Grove Press 12/10/21

OUR WATER

by Karen Paull*

LAFCO Sides with Cal Am, Tries To Block Public Buyout

Measure J implementation hit a roadblock this week. The Local Agency Formation Commission of Monterey County (LAFCO) voted to reject its staff's recommendation to grant the Monterey Peninsula Water Management District's request to "activate the District's latent powers" to provide retail water service if it succeeds in buying the water system from Cal Am.

This decision is a serious setback for the public buyout effort. Regrettably, it will further delay the transition to public ownership and control of our water. But it is just one more Cal Am roadblock we'll have to clear. It's not the first and won't be the last. LAFCO's decision is unlikely to hold up in court because there's an enormous record supporting approval, and almost nothing to justify denial. The public won't stand for LAFCO blocking

Measure J, either. I will come back to this point after I answer a few questions.

Q: Why does the Water Management District need LAFCO's permission to buy out Cal Am? Doesn't it already have that authority?

A: Yes, the Water District has the authority to buy out Cal Am. The 1977 law creating the District gave it the authority to buy out Cal Am, by eminent domain (a court-ordered buyout) if necessary. Then in 2018, the voters passed Measure J, directing the District to buy the water system from Cal Am if feasible, and operate it as a not-for-profit public utility service. So the District not only has the authority to buy out Cal Am, it has been specifically directed to do so, provided it's feasible.

Q: So why is LAFCO involved?

A.: When local agencies want to expand their service territory or provide additional services, they may need permission from LAFCO. LAFCO is supposed to make sure that local agencies don't bite off more than they can chew, that is, that they have the resources to provide more services. LAFCO is also supposed to make sure we don't end up with two agencies claiming jurisdiction over the same service territory. If the Water District buys out Cal Am, the scope of services it provides will expand, as explained below. Arguably this expansion of services requires LAFCO's signoff.

Q. What exactly did the District ask LAFCO to approve?

A.: Two things.

First, a boundary adjustment. There are a few parcels served by Cal Am that lie just outside the District's boundaries. The District needs LAFCO's approval to annex those parcels so it can serve them if the buyout goes through.

Q: Did LAFCO approve the boundary adjustment?

A: Yes it did. That is important even though it didn't get much attention in the press.

Q: What was the District’s second request to LAFCO?

To allow the District to “activate its latent power” to provide retail service. Here’s what this legalese means. If the buyout is successful, the District will provide some services it is not providing now. It will be responsible for providing water service directly to all customers within the District. This function is known as “retail service.” The District currently provides retail service only to a limited extent. For that reason, its authority to serve *all* customers within the District is considered "latent."

Q: What reasons did LAFCO Commissioners give for rejecting the staff resolution?

A: Stated reasons included:

- Too many uncertainties (including the cost of acquisition, which will be decided by a court later in an eminent domain proceeding).
- According to Cal Am, it will likely raise rates in several small “satellite” systems that will not be included in a buyout.
- Public agencies will lose property taxes revenues because the Water District, as a public agency, will not pay property taxes on utility property. (Comments: (1) Cal Am’s taxes are paid by its customers, through rates. Publicly owned utilities don’t have to pay those taxes, so their customers don’t have to pay them, either. (2) The revenues that would be “lost” amount to less than 1% of agency revenues in almost every case. In one case it is less than 2%. (3) As a condition of LAFCO approval the District agreed to negotiate agreements with affected agencies to soften the tax revenue impacts.)
- Desire to protect Salinas Valley water from the Peninsula.
- Support for Cal Am’s desal plant and opposition to recycling.
- A belief that the private sector does things better than government.

Some stated reasons were unrelated to criteria LAFCO is supposed to consider in this type of decision. It is unclear whether there is a factual

basis for some of the concerns expressed. Nonetheless, LAFCO is required to issue a written decision supported by findings that are based on evidence. Because the majority of Commissioners rejected the staff recommendation, Chair Lopez directed staff to prepare a new resolution reaching the opposite result. Staff is to come up with findings based on the comments made during the meeting by the commissioners who voted no. Those of us who listened to the meeting are wondering how on earth staff is going to do that! I would not want to be in the shoes of LAFCO staff!

LAFCO will meet again on January 5th to vote on the replacement resolution that someone has to write.

Q. Which Commissioners wanted to approve the District's request?

Wendy Root Askew, Chair of the County Board of Supervisors, and Ian Oglesby, Mayor of Seaside. Alternate Commissioner Anna Velazquez, the Mayor of Soledad, spoke in favor of approval but she did not have a vote.

.Q: What can the District do about LAFCO's decision?

Once LAFCO makes a final decision, the District can challenge it in court. The District will consider next steps in a closed session within the next few days.

I hope readers now have a pretty good understanding of the LAFCO Roadblock.

Concluding thoughts

LAFCO's refusal to activate the Water District's "latent powers" is a setback but not cause for despair. The public participation in this LAFCO proceeding has been remarkable. LAFCO received about 150 letters and emails before its December 6 meeting, the overwhelming majority of them urging LAFCO not to block a public buyout. The District has the public at its back and remains committed to doing what the voters asked it to do. My message to readers who care about this issue is: stay informed, and stay engaged. It makes all the difference.

*Monterey Peninsula Water Management Director, Division 4 (Pacific Grove, Pebble Beach, Carmel Woods). In this column I express only my own

From: ma lloyd <famlloyd84@gmail.com>
Sent: Tuesday, January 4, 2022 8:42 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

We voters were loud and clear in our support for Measure J which will result in a buy out of the Cal Am facilities. It is imperative, necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) power to take this action, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely, Mary Anne Teed
Post Office Box 2005
Carmel, CA 93921

From: Maha Malek <mahamalek@gmail.com>
Sent: Tuesday, January 4, 2022 9:15 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: LAFCO Decision on MPWMD's Latent Powers

Chair Lopez and Commissioners:

The LAFCO vote to deny the Water District's latent powers is more sham than fact. You've "cherry picked" the issues to make your case. The exaggerated concern over a potential \$1.7 million impact on property taxes was never put in perspective. It's less than a 1% loss. And the District's proposal to moderate those losses over several years was not even mentioned.

This 'denial' resolution is based on opinion, not fact. One Commissioner said she did not believe the purchase was possible. Did she read the MPWMD feasibility report? Another Commissioner said perhaps more time would be helpful, then voted against allowing more time. Several opinion letters were cited, including Cal Am's opinion. Seriously? Who would cite Cal Am's arguments as valid! It is obvious where Cal Am stands. Citing Cal Am's objections as reasons to support denial is ridiculous.

The NO voters elevated speculation over lost property taxes and exaggerated possible minimal rate increases as reasons to defy a voter mandated buyout. They completely ignored projected customer savings of approximately \$5 million in water costs under public ownership detailed in the Feasibility Report in LAFCO's record.

The 'approval' resolution of December 6 cited studies and facts from water professionals and consultants. But the 'denial' resolution slated for January 5 relies on opinions. This 'denial' resolution will never hold up in court. This is a waste of time and taxpayer money.

What are these five LAFCO commissioners thinking? What a shame. LAFCO is in serious need of reform!

Maha Malek, Carmel

From: Jean Lovell <jeangirafe@sbcglobal.net>
Sent: Tuesday, January 4, 2022 10:43 AM
To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6. Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people. LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters. I urge your reconsideration on Agenda Item 6. Sincerely,
Judi Zaches
Carmel

From: fgltsprynet.com <fglt@sprynet.com>
Sent: Tuesday, January 4, 2022 10:46 AM
To: McKennaK@monterey.lafco.ca.org
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Agenda Item 6

Please enter the attachment in record for agenda item 6.

Thank you

Forrest Gunnison

January 4, 2022

Chair Lopez and Commissioners:

Re: Agenda Item 6

I urge you to reconsider and reverse the vote against activating the Monterey Peninsula Water Management District's power to become a water utility. The rationale presented for not activating the power goes against your own staff's recommendation as well as the will of the people as documented by their vote on this subject.

Such a momentous decision should only be based on well-reasoned and supportable facts and not on hypothetical arguments, personal biases, and undocumented uncertainties. However, an examination of the reasons for the vote against the activation shows that no reason for rejecting the staff recommendation was presented and that no consistent rationale for rejecting the vote of the people was presented. Rather, the support for the rejection was just hypothetical arguments, personal biases, and undocumented uncertainties, e.g., at best opinions only.

You are certainly wise enough to know that an approach based primarily on opinion cannot survive a lawsuit and will certainly be overturned by the courts. Therefore, requiring a law suit to accomplish what should be done by you not only wastes tax payer money but also delays implementing an action directed by the voters.

Therefore, I urge you to reconsider and to vote for the 'approval' resolution of Dec 6, which cited studies and facts from water professionals and consultants rather than mere opinions. Your failure to reverse the vote not only will lead to litigation, but also will lead to calls for reform of LAFCO.

/Forrest Gunnison/
Forrest Gunnison

Carmel, CA

From: Charles Biller <charlesjbiller@gmail.com>
Sent: Tuesday, January 4, 2022 10:51 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Cc: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: MPWMD purchase of Cal am

We the people have spoken a few years ago.

We, the majority of people, want a municipal/community water system, not the most expensive water in the country by Cal AM.

Your professional staff and your paid professional expert stated that this is feasible.

The majority on the board has let their biases and conflict of interest overrule all instead of following your own rules, regulations and guides.

I urge you all to reconsider your misguided votes and vote yes now.

Charles Biller

From: Douglas Downs <dougdowns74@icloud.com>
Sent: Tuesday, January 4, 2022 10:58 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Please reconsider "No" Vote on Agenda Item 6

As Monterey County residents, we urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

We the voters of Monterey County made it clear for our support for Measure J. A buy out of the Cal Am facilities is necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO it will be directly ignoring the vote of the people. Please don't ignore and take away our vote!

LAFCO decisions must remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Please uphold the will of the voters !

We urge your reconsideration on Agenda Item 6.

Sincerely,

Anne and Douglas Downs
405 Alder Street
Pacific Grove, Ca. 93950
831 375-3650

From: brad <oleada94@gmail.com>

Sent: Tuesday, January 4, 2022 10:58:04 AM

To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Cc: landwatch@mclw.org <landwatch@mclw.org>

Subject: Reconsider "No" Vote on Agenda Item 6

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LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Brad Niebling, Pebble Beach

From: Laura Niebling <leebling82@gmail.com>
Sent: Tuesday, January 4, 2022 11:02 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

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Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Laura

From: Jeff Hawkins <jeff.hawkins@sbcglobal.net>
Sent: Tuesday, January 4, 2022 11:02:18 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org <landwatch@mclw.org>
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident for 30 years, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

I voted strongly to support for Measure J indicating a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters. I urge your reconsideration on Agenda Item 6.

Sincerely,
Jeff Hawkins
25495 Via Paloma
Carmel, CA 93923

From: R. J. Roland <rjayroland@gmail.com>
Sent: Tuesday, January 4, 2022 11:23:44 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: malukis@monterey.lafco.ca.gov

Subject: The LAFCO Decision Concerning Water Management for the Monterey Peninsula for Years Hence

Dear Ms. McKenna,

I am a member of the public and a CAL-AM client. I am writing in dismay at the recent decision of the LAFCO Commission to support the CAL-AM in their attempt to thwart the public's attempt to control their water delivery and remove the private interests. Please take just a moment to review my brief list of concerns with respect to LAFCO's resolution to deny MPWMD's latent powers.
Thank you.

- Increased costs to Cal Am's satellite systems are purely speculative and under the control of the CPUC. What-if scenarios are not a basis for denial of MPWMD's latent powers.
- As a designated Disadvantaged Community Chualar's CAL-AM rates are protected by the CPUC. They can only be increased by the Consumer Price Index percentage.
- LAFCO is empowered to consider the public good as a whole. The 1% tax loss of a special district should not trump the greater good of the Cal Am customers who pay these taxes.
- Annual property tax revenue losses to local agencies of \$1.26 million out of a total of \$406 million in tax revenues do not justify supporting CAL-AM's management.
- The total annual property tax revenue loss for the 40 affected public agencies would be \$1.26 million. That is a loss of .31% of the total \$406 million in tax revenue these agencies collect. Only 15 of these 40 agencies would lose more than \$5,000 annually. This small loss of tax revenue does not justify denying the greater needs of the public as a whole.
- There is NO \$75 million tax loss. The \$75 million figure over 20 years was calculated from the Raftellis feasibility report which included the cost of desalinization. CAL-AM is claiming a tax loss on a facility that does not exist.
- Water costs on the Peninsula under CAL-AM are documented to be the highest in the nation for water systems with 10,000 or more customers. CAL-AM's future harm to 95,000 water customers trumps the less than 1% tax loss to 40 agencies.
- Financial feasibility has been verified by independent consultants and re-verified by LAFCO's own consultant.
- Monterey Peninsula water supply concerns are outside LAFCO's expertise or authority and have nothing to do with the activation of MPWMD's latent powers and the issue of ownership before LAFCO.
- LAFCO's decision goes against "locally adopted policies" (Measure J) implemented by Peninsula voters.
- The 5 'no' votes may violate a key requirement of the Cortese-Knox-Hertzberg Reorganization Act of 2000, specifically the legislative intent in GC 56331.4.

Thank you for your judgments and all the best for the new year.

Respectfully,

R. Jay Roland, Ph.D.

120 Del Rey Gardens Drive

Del Rey Oaks, CA 93940

Office/Mobile: 831.402.8607

RJayRoland@gmail.com

From: Nancy Skager <skagernj@gmail.com>
Sent: Tuesday, January 4, 2022 11:39 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Nancy Skager
Salinas, CA 93908

From: mwchrislock@redshift.com <mwchrislock@redshift.com>

Sent: Tuesday, January 4, 2022 11:42 AM

To: Mary Ann Leffel <mal@leffelconstruction.com>; mleffel@montereyairport.com; McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>

Subject: Please rethink your LAFCO vote - Agenda #6



January 4, 2021

Mary Anne Leffel
Airport District Representative to LAFCO

Commissioner Leffel,

Your stated reason for voting to deny the Water Management's latent powers was "I do not believe I can in good faith take from one part of the community to make another part of the community happy." But why aren't you at all concerned that Cal Am is taking an extraordinary amount of money from our community to make its shareholders happy? And where is your good faith effort toward the 95,000 Cal Am ratepayers you are supposed to represent on LAFCO?

The tax revenue losses you claim concern over are miniscule. Your own airport district would lose only eighty-five cents annually in tax revenue. The Water Management District has made specific proposals to lessen the small tax impacts to the 15 affected agencies.

How do you justify support of this private corporation against the voters you are supposed to represent?

I realize you have always supported Cal Am and the Peninsula business community. In the past I have asked a number of your business coalition allies why they still support Cal Am and its proposed desal. Perhaps you can explain this loyalty to corporate control of the Peninsula's water. It certainly can't be because Cal Am has done a great job.

More than \$20 million of Cal Am's revenue leaves this community annually, money that could stay on the Peninsula and improve our economy. From a business perspective, there is no value in exporting money from the Peninsula to Cal Am shareholders.

Cal Am has mismanaged our watershed for decades, limiting water supply and growth and charging all of us extreme water costs because of their mismanagement. How does the business coalition justify the fact that Salinas pays \$50 for 5,000 gallons of water while the Peninsula pays \$125?

Many wonder why the business coalition is afraid of ownership under the Water Management District? Working with other public agencies, the District has given the Peninsula over 7,000 acre-feet of water in the past 20 years to resolve our water supply shortage. This is the only reason Cal Am can now meet the CDO on the Carmel River. In its 56 years of ownership, Cal Am has never provided one drop of new water and is even now attempting to delay the Water Purchase Agreement for the Pure Water Monterey Expansion before the CPUC.

We realize your vote against the Water Management district is just a thinly veiled vote for Cal Am's desal. With a track record like Cal Am's, why would you want them to build, own and operate a desal plant? What could possibly go wrong? Why do you want a desal plant that Cal Am says would double the average water bill? Seriously, why do you and the business coalition continue to trust Cal Am and believe that its desal is the solution?

The case for activation of the Water District's latent powers is strong. Are you clear on who you are supposed to be representing and the laws LAFCO is governed by?

The legislative intent stated in GC 56331.4 on page 43 is clear – Independent judgment of members reads:

"While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of

any member on any matter, nor does it create a right of action in any person."

How will you answer to the voters you have betrayed in the next election?

Please rethink your vote on this denial resolution.

Melodie Chrislock
Managing Director

PUBLIC WATER NOW

<http://www.publicwaternow.org>

mwchrislock@redshift.com

From: Phil Wellman <phil@wellmanad.com>
Sent: Tuesday, January 4, 2022 11:48 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: FW: Letter for Agenda Item 6

January 4, 2022

LAFCO of Monterey County
132 W. Gabilan Street, Ste. 102
Salinas Ca 93901

Re: LAFCO Resolution on MPWMD's latent powers

Chair Lopez and Commission Members:

This application was intended to be about the simple activation of the Water District's latent powers. The LAFCO majority has turned it into a vote on water supply and Cal Am's failed desal.

Why do you still trust Cal Am? What have they done that makes you think they have the solution to Salinas Valley water supply issues?

If you don't live on the Peninsula, how can you even begin to understand why people here want to get rid of Cal Am? Most of you did not live through Measure J and the lies Cal Am used to intimidate people into voting against their own interests.

Personal beliefs on water supply, and bias in support of Cal Am's desal project, should not be the grounds for a LAFCO vote on ownership of the Peninsula's water system.

Please allow the vote that mandated a buyout of Cal Am to move ahead. Don't waste more taxpayer money on a lawsuit you can't win.

Phil Wellman
Carmel

From: mwchrislock@redshift.com <mwchrislock@redshift.com>
Sent: Tuesday, January 4, 2022 11:54 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: Letter to LAFCO - Agenda item 6

From: Zan Henson <zancan@aol.com>

January 4, 2022

LAFCO of Monterey County
132 W. Gabilan Street, Ste. 102
Salinas Ca 93901

Honorable Commissioners:

I am writing on behalf of Public Water Now to state the proposed decision to deny the MPWMD the use of its latent authority to condemn Cal Am's water system for the Monterey Peninsula and to provide water service within the District, is arbitrary, capricious, and contrary to law and common-sense. The decision as proposed in the Denial Resolution lacks adequate findings and the findings presented are not supported by substantial evidence.

The Resolution states, "the Commission determines that property tax reductions resulting from the requested latent powers activation would represent a substantial and unwarranted long-term impact to local agencies." There is no substantial evidence in the record to support this finding. It is true taking the water system from private property to a public use would diminish property tax income from the water system. But MPWMD in this application made it clear it intended to make up for any property tax shortfall to any affected agency for a period of years sufficient to allow overall property value increases to increase property tax revenues so there was NO loss of property tax revenues to other agencies.

The assertion in the Resolution that "the staff recommended condition of approval requiring dispute resolution agreements would not necessarily provide adequate guarantees of interim financial relief to the local agencies", is speculative and without any factual foundation presented nor even possible. If a condition of approval requires an action, then that action is required and the project cannot go forward without compliance with the condition. The finding fails to explain why the proposed conditional

approval “would not necessarily provide adequate guarantees of interim financial relief to the local agencies.”

The proposed Resolution asserts without evidence in support that, “the potential future cost increases to areas served by Cal Am’s remaining ‘satellite’ water systems and wastewater systems would be an undue hardship for residents of these communities.” What evidence is there that there will be future cost increases? What evidence is in the record that these cost increases “would be an undue hardship for residents of these communities”? There is no such evidence. There is evidence in the record that the CPUC has the legal duty to ensure water and sewer service costs DO NOT impose an undue hardship on the residents of these communities served by Cal Am.

The proposed resolution finds that the “District’s proposal and other evidence in the record does not adequately establish that district’s acquisition and ongoing ownership of the water system is financially feasible”. This finding is ambiguous and does not support the decision. It states there is not adequate evidence in the record to demonstrate that acquisition is financially feasible. However, there is such evidence in the record. The issue is that the value is contested and cannot be resolved short of a trial. Further, the Commission demanded and received a third party analysis of the costs which analysis concluded the acquisition was feasible. The Commission is acting capriciously in rejecting the conclusions of the analysis it had performed at a cost of thousands of dollars to the MPWMD.

As to the proposed finding in the resolution that the district’s proposed efforts to expand the water supply will not be sufficient to meet current and future needs, there is no evidence in the record to support this conclusion. Similarly, the concept that the District cannot meet the water supply needs without potentially harming the Salinas Valley groundwater basin is also without any factual support in the record. What evidence supports this unfounded assertion of harm?

To conclude, the California Legislature created the MPWMD to provide water to the Monterey Peninsula. The Commission’s proposed denial is an improper, illegal nullification of this Legislation. By a majority vote of the affected population, the local water company is to be condemned and made a public service. For 5 commissioners to negate the will of the Legislature and the will of a majority of the residents of the Monterey Peninsula is unconscionable and illegal.

Sincerely,

Alexander T. Henson
831-659-4100

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COMMUNICATION**

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Please immediately notify The Law Office of Alexander Henson, either by telephone at (831) 659-4100 or by electronic mail if you have received this email in error, and delete it from your system.

From: makapaca 3000 <morales.r.paco@gmail.com>
Sent: Tuesday, January 4, 2022 11:58:28 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: Comentário Público De Parte De P.M.R.

January 3, 2021

A: Monterey County LAFCO

Estoy escribiendo esta carta de parte de mi familia y las familias de bajo ingreso de Carmel Valley, Seaside y Monterey. Raramente tenemos la oportunidad de hablar ante las autoridades que pretenden representar la comunidad Latina en nuestro condado.

Trato de ser breve: Estamos sufriendo bajo las riendas, cada vez más apretadas, de California American Water. Mi familia es una entre cientos de familias que están atrasadas en pagar las altísimas facturas de agua.

Hay mucha gente trabajadora de pocos ingresos que están viviendo en comunidades donde supuestamente hay mucho dinero, pero nosotros no disfrutamos de esta bondad. Trabajamos duro y siempre el costo del agua sube y sube y parece que no hay límites para California American Water.

Mi esposa y yo sabemos que muchas familias están teniendo dificultades para pagar el agua, y tienen pena de decirlo públicamente. Ojala que mi voz sirviera para representar adecuadamente las familias Latinas que están sufriendo.

Por Favor ayúdanos a bajar el gran costo del agua. El agua es vida, no podemos vivir sin ella.

Attentamente:

Pascual Morales Rodriguez.
Carmel Valley CA. 93924

The following is a Google translation of the above email:

To: Monterey County LAFCO

I am writing this letter on behalf of my family and the low-income families of Carmel Valley, Seaside, and Monterey. We rarely have the opportunity to speak to authorities who claim to represent the Latino community in our county.

I try to be brief: We are suffering under the ever tighter reins of California American Water. My family is one of hundreds of families behind in paying sky-high water bills.

There are many low-income working people who are living in communities where there is supposedly a lot of money, but we do not enjoy this goodness. We work hard and the cost of water always goes up and up and it seems like there are no limits for California American Water.

My wife and I know that many families are having a hard time paying for water, and they are embarrassed to say so publicly. Hopefully my voice would serve to adequately represent Latino families who are suffering.

Please help us lower the great cost of water. Water is life, we cannot live without it.

Sincerely,
Pascual Morales Rodriguez.
Carmel Valley CA. 93924

From: S. Folsom <sgfolsom@gmail.com>
Sent: Tuesday, January 4, 2022 11:59:27 AM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: Public Comment

January 4th, 2021

LAFCO of Monterey County
c/o Executive Officer, Kate McKenna
132 W. Gabilan Street, Ste. 102
Salinas Ca 93901
Sent via email to:
McKennaK@monterey.lafco.ca.gov

Chair Lopez and Commission Members:

I write on behalf of myself and many other low-income families here in Carmel Valley Village. We are astounded that LAFCO continues to block the popular Measure J mandate to purchase our water back from a company that hasn't brought us a single new drop of water in 50+ years and who charges our community the highest water rates in the U.S.A.: CalAm Water.

We are DROWNING in high cost water bills that are about to get much higher, thanks to LAFCO helping CalAm to delay our much needed buyout. Please see my attached water bill. My family of four is currently in debt to CalAm water and we have been ever since June of 2020. A water leak that we didn't know about, the pandemic, and family emergencies mean that we are now in water debt to the tune of \$445+ We do not qualify for the discount and we don't qualify for pandemic relief of the bill. We aren't broke enough to get assistance and we're not rich enough to pay on time. We constantly receive cut-off threats from CalAm. Do you know what that is like? Do you think we wouldn't like to pay it off if we could?

Chair Lopez and his pro-CalAm cronies on the LAFCO board have made a false assumption that there are no low-income families living and working here on the peninsula. They assert that there aren't four and five families crammed together in one house, four people living in a one-room studio, all over Seaside, Monterey,

and Carmel Valley. There are only rich white people who can afford to pay the highest water rates in the country and because of that, our communities deserve to be gouged, right? Wrong.

I sincerely ask LAFCO: Why should low income working-class families in Seaside, Monterey, and Carmel Valley pay \$125 for the same amount of water Chualar receives for \$30? What makes us any less deserving of getting a small break on the cost of our water bills? What does LAFCO think, that we are “rich by proximity?”

Has LAFCO ever heard of something called a “false dichotomy?” A false dichotomy is an old rhetorical argument that says that there are only two ways to look at an issue. Here, Chair Lopez has followed a CalAm tact or maybe I should say a “threat” that is a false dichotomy; LAFCO should vote against all low-income families on the peninsula and in the valley because Chualar **MIGHT** be impacted because CalAm wants to raise their water rates. CalAm loves to create these threatening narratives that help stall the buyout as long as possible so they can raise valley and peninsula water rates even more and continue to gouge our communities.

But the facts that MC LAFCO must acknowledge are these:

- **Blocking the public water buyout on the peninsula will not stop CalAm from continuing to attempt to raise Chualar’s water rates.** CalAm has tried to raise rates in Chualar many times before, to make Chualar residents pay as much as Hidden Hills does, and they failed due to Chualar’s community organizing. How ironic that Chualar is now being used as a CalAm tool to foist high water bills on the peninsula’s low-income residents. I wonder if Chualar community members are aware of how they are being used by CalAm. Chualar needs to buy their water back from CalAm too and if Chair Lopez and MC LAFCO genuinely cared at all about that community, they would be working with the Monterey Peninsula Water Management District to do just that.
- **Chualar pays \$30 for the same amount of water that costs peninsula & valley residents \$125.** Due to community organizing with the CPUC low-income families in Chualar are protected from the highest water bills in the

US, and low-income families on the peninsula and in the valley are not. People on the peninsula are being gouged by CalAm, we are being used by CalAm to subsidize Chualar's low water rates. Is that Environmental Justice?

- **There are MANY impoverished and low-income families living in the valley and the peninsula, despite CalAm's false dichotomy, "divide-and-conquer" rhetoric that MC LAFCO is parroting.** The following numbers are from 2020 Census data. Living in poverty means that these people are under the 2020 federal poverty guidelines of living on less than \$12,760/year.

To Seaside's 4,200+ residents "living in poverty" MC LAFCO says; "pay more for your water!"

To Monterey's 3,020+ residents "living in poverty" MC LAFCO says "\$125/month for water isn't enough!"

To Carmel Valley's 300+ residents "living in poverty" MC LAFCO says "we won't help you!"

This is NOT an exhaustive list, it's just a quick snapshot for MC LAFCO of what kind of burden a \$125/month water bill really is for these families. Not including my own which is 200% of the Federal Poverty Level, and we still can't afford to pay our water bill every month!! We still have to decide on which utility bill to pay every month. And if a family emergency arises, we quickly go into water debt. I know we aren't alone in this struggle. MC LAFCO needs to grant MPWMD latent powers now. Families like mine are suffering!

I demand, on behalf of all low-income and impoverished families living in the valley and the peninsula:

MC LAFCO; please stop standing in the way of our access to affordable water. Low-income customers are DROWNING in high water bills. We VOTED FOR and NEED the buyout to proceed. Reconsider your decision. Grant MPWMD it's

latent powers today. Families like mine and poorer, are suffering and we need your help to stop the CalAm water gouging.

Saoirse Folsom
Low-Income CalAm Customer
Carmel Valley, CA
93924

Saoirse Folsom (pronounced sairsha)

The content of this email is confidential and intended for the recipient specified in message only. It is strictly forbidden to share any part of this message with any third party, without a written consent of the sender. If you received this message by mistake, please reply to this message and follow with its deletion, so that we can ensure such a mistake does not occur in the future.



WE KEEP LIFE FLOWING™

Service Address:

SAOIRSE FOLSOM



THANK YOU FOR BEING OUR CUSTOMER.

Important Account Messages

- Want to get to know us better? Visit www.californiaamwater.com to learn more about the services we provide.
- The Due Date shown on your bill applies to current charges only. **However, \$357.63 is past due and is due immediately.** To see if other payment options are available, please contact us.

For more information, visit www.californiaamwater.com

Statement

Account No. [REDACTED]

Total Amount Due:	\$442.61
Payment Due By:	January 21, 2022

A portion of your account balance is past due. Please see account messages for more information.

Billing Date:	December 30, 2021
Service Period:	Nov 30 to Dec 28 (29 Days)
Total Gallons:	2,692

Account Summary – See page 3 for Account Detail

Prior Billing:		\$357.63
Payments:	-	\$0.00
Balance Forward - Past Due	=	\$357.63
Fees and Adjustments:	+	\$3.50
Service Related Charges:	+	\$64.93
Pass Through Charges:	+	\$14.62
Taxes:	+	\$1.93
Total Amount Due:	=	\$442.61



View your account information or pay your bill anytime at: www.amwater.com/MyAccount



Pay by Phone: Pay anytime at 1-855-748-6066



Customer Service: 1-888-237-1333
M-F 7:00am to 7:00pm – Emergencies 24/7



CALIFORNIA AMERICAN WATER
PO BOX 7150
PASADENA, CA 91109-7150

Please return bottom portion with your payment. DO NOT send cash. Retain upper portion for your records.

Account No. [REDACTED]

Total Amount Due:	\$442.61
Payment Due By:	January 21, 2022

If paying after 1/21/22, pay this amount: \$447.36



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P.O. BOX 91623
RANTOUL, IL 61866-8623

Service to [REDACTED]

CARMEL VALLEY, CA 93924

Amount Enclosed \$

SAOIRSE FOLSOM

CARMEL VALLEY, CA 93924

CALIFORNIA AMERICAN WATER
PO BOX 7150
PASADENA, CA 91109-7150



Messages from California American Water

- Sometimes figuring out how to save water isn't obvious. From Water Wise House Calls to appliance rebates, we have programs to help you. Visit our website or call us at (831) 646-3205



YOU MAY BE ELIGIBLE FOR A MONTHLY DISCOUNT

With our Customer Assistance Program, you may be eligible to receive a monthly discount on your water or wastewater charges. To learn more, please visit: californiaamwater.com > Customer Service & Billing > Customer Assistance Programs.



CALIFORNIA AMERICAN WATER
WE KEEP LIFE FLOWING™





CUSTOMER SERVICE: 1-888-237-1333
Conservation Hotline: 1-831-646-3205


HOURS: M–F, 7a.m.–7p.m. • Emergencies: 24/7

TTY/TDD FOR THE HEARING IMPAIRED:
711 (and then reference Customer Service)
number listed above


SERVICES

 **Go Paperless:** Save time. Save money. Sign up for **Paperless Billing and Auto Pay** on My Account at amwater.com/myaccount. Not registered? Log in and be sure to have your account number handy.

 **Water Quality:** We take water quality seriously. When it comes to complying with federal drinking water standards, we consistently score better than the industry average. For a copy of the annual water quality report for your area, visit californiaamwater.com. Under Water Quality, select Water Quality Reports.

 **H2O Help To Others:** This program helps low-income customers who qualify with their water bills. For more information, visit californiaamwater.com. Under Customer Service & Billing, select Low Income Program.

EXPLANATION OF DISPUTES

 **Disputes:** Should you question this bill, please request an explanation from the company within five (5) days of the receipt of this bill. This bill is due and payable upon date of presentation. It will become past due if not paid within nineteen (19) days from the date of the mailing. If you believe there is an error on your

bill or have a question about your service, please call California American Water Company customer support at 1-888-237-1333. If you are not satisfied with California American Water Company's response, submit a complaint to the California Public Utilities Commission (CPUC) by visiting www.cpuc.ca.gov/complaints. Billing and service complaints are handled by the CPUC's Consumer Affairs Branch (CAB), which can be reached by the following means if you prefer not to submit your complaint online:

TTY: 1-800-649-7570 (8:30 AM to 4:30 PM, Monday through Friday)

Mail: California Public Utilities Commission, Consumer Affairs Branch
505 Van Ness Avenue, Room 2003, San Francisco, CA 94102

If you have limitations hearing or speaking, dial 711 to reach the California Relay Service, which is for those needing direct assistance relaying telephone conversations, as well their friends, family, and business contacts. If you prefer having your calls immediately answered in your mode of communication, dial one of the toll-free language-specific numbers below to be routed to the California Relay Service provider.

TYPE OF CALL	LANGUAGE	TOLL-FREE 800 NUMBER
TTY/VCO/HCO to Voice	English	1-800-735-2929
	Spanish	1-800-855-3000
Voice to TTY/VCO/HCO	English	1-800-735-2922
	Spanish	1-800-855-3000
From or to Speech-to-Speech	English & Spanish	1-800-854-7784

To avoid having service turned off while you wait for the outcome of a complaint to the CPUC **specifically regarding the accuracy of your bill**, please contact CAB for assistance. If your case meets the eligibility criteria, CAB will provide you with instructions on how to mail a check or money order to be impounded pending resolution of your case. You must continue to pay your current charges while your complaint is under review to keep your service turned on.

Address Change(s)

Name _____

Address _____

City _____

State _____ Zip Code _____

() _____ Mobile Number

Phone Number _____

E-mail Address _____

Other ways to pay your bill



Auto Pay



Online



In Person

Save time and money. Enroll in Auto Pay, and your bill will be paid on time, every time, directly from your bank account on the due date. No stamps required!

With My Account, you can pay your bill free anytime, anywhere. Registration is fast and easy. Visit www.amwater.com/MyAccount or pay without registration at www.amwater.com/billpay.

We have agreements with several authorized payment locations in our service areas. Visit our website to find one near you.

Total Amount Due  \$442.61

Bill Inserts and Important Notices

We encourage you to click the link(s) below to view any bill inserts and other important notices you would have received with your printed bill.

<https://amwater.com/files/OACA13.pdf>

From: Paul Gee <pauldavidgee@gmail.com>
Sent: Tuesday, January 4, 2022 12:01:48 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>
Subject: LAFCO - Agenda Item 6

Chair Lopez and Commissioners:

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buyout of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,

Paul Gee
Carmel

Sent from my iPhone

From: linny@cruzio.com <linny@cruzio.com>
Sent: Tuesday, January 4, 2022 12:05 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Cc: landwatch@mclw.org
Subject: Reconsider "No" Vote on Agenda Item 6

As a Monterey County resident, I urge the Commission's reconsideration of its "No" vote on Agenda Item 6.

Voters were loud and clear in their support for Measure J that a buy out of the Cal Am facilities was necessary and important. Should the Commission deny the Monterey Peninsula Water Management District's (MPWMD) latent powers, LAFCO is directly ignoring the vote of the people.

LAFCO decisions should remain focused on its duties instead of the "what if scenarios" associated with future revenues and losses of local agencies. This fear mongering isn't helpful or relevant. Uphold the will of the voters.

I urge your reconsideration on Agenda Item 6.

Sincerely,
Linda Eucalyptus, Royal Oaks

From: susan schiavone <s.schiavone@sbcglobal.net>
Sent: Tuesday, January 4, 2022 12:05 PM
To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: To LAFO COMMISSIONERS FOR MEETING JANUARY 5, 2022

From: susan schiavone <s.schiavone@sbcglobal.net>
Sent: Tuesday, January 4, 2022 12:12 PM
To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: LAFTCO letter to Commissioners Jan. 5 - resent due to typos - please replace the earlier letter with his one

Dear Chair Lopez and Commissioners:

In response to the issue of Chualar losing its low-income status for reduced water rates, it would appear that this alarm is yet another ploy by Cal Am to inhibit approval of the MPWMD's latent powers to purchase Cal Am's water system.

Given that the CPUC was amenable to reducing their rates when Cal Am attempted to raise them in the recent past, there is no reason to think that they would not affirm that commitment in the future.

Recent US census data reports Chualar has a 2020 population of **1,512**. The average household income in Chualar is \$69,241 with a poverty rate of 23.28%. Seaside has a population of **32,366**, with a median home value of \$488,400; 48.2% speak another language than English, 43% Latino, and other minorities, with white only are 32.1%. Median income is \$63,575, actually less than Chualar. we have a per capita income of \$26,172 per the recent census. Per capita income serves as a measurement of the stability and wealth within a particular region. With a poverty rate of 13.4%, nearly **2,263** Seaside residents live below the federal poverty level. Seaside has a 43% low-income population. We have a large minority population with 43% Latino residents, 7.3% African American and 7% Asian; 11% of residents are seniors, many on fixed incomes.

Yet, Seaside low-income residents, who are comparable in many ways to Chualar, pay the same high rates for water as wealthier residents. They are not eligible for assistance unless below the poverty rate and own their own meter--most poor people are renters, not owners, and those that are owners and low income are struggling to pay for water.

Seaside low-income Cal Am ratepayers bear a much higher cost per income level for water, and bear disruptions for infrastructure construction for pipelines, road stress from construction vehicles, and emissions. Cal Am is currently approved to raise its Monterey area average customers' bills by nearly 18 percent over a three-year period from 2021-2023. And is now applying for yet another increase.

Seaside, Monterey, Carmel Valley and other low-income residents on the Monterey Peninsula are being hurt every month by Cal Am's outrageous water bills. A Seaside home owner living on \$35,000 a year pays \$125 a month for 5,000 gallons of water, compared to a Chualar resident who pays \$30 a month for that same amount of water.

Cal Am is deceptive in its arguments and tried to raise Chualar's rates to the same as Hidden Hills, but residents rose up and Cal-Am relented. Therefore, CPUC crafted the current structure. Cal Am essentially uses low-income disadvantaged customers on the Peninsula to subsidize disadvantaged customers in Chualar and elsewhere. Is this environmental justice?

Please reconsider your denial of the voter mandate to buyout Cal Am. The majority of low-income families in Monterey County will benefit from a buyout of Cal Am.

Sincerely,

Susan Schiavone, Seaside

From: jane sanders <ajs@caltech.edu>
Sent: Tuesday, January 4, 2022 12:05:28 PM
To: McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>
Subject: LAFCO Resolution on MPWMD's latent powers

LAFCO of Monterey County
c/o Executive Officer, Kate McKenna
132 W. Gabilan Street, Ste. 102
Salinas Ca 93901

Re: LAFCO Resolution on MPWMD's latent powers

Chair Lopez and Commission Members and Staff:

I am a resident of the Monterey Peninsula and a user of expensive Cal Am water.

I was horrified by your vote to disallow progress toward the public buyout of Cal Am which I and my fellow citizens voted for in Proposition J. We want to own our own water and not have to pay exorbitant rates so that American Water stock holders can have a high return. Your vote will lead to more costs to rate-payers in the form of legal fees and also a delay in the production of new water by Monterey One Water. *The arguments you put forward in defense of your vote are not in the interests of the community as a whole and will not stand up in court.*

I urge you to reconsider your vote and allow MPWMD's latent powers to be activated.

Jane Z. Sanders, Pacific Grove

From: Timothy Sanders <tds@oxy.edu>
Sent: Tuesday, January 4, 2022 12:19 PM
To: Maluki, Safarina x5109 <MalukiS@monterey.lafco.ca.gov>; McKenna, Kate x5016 <McKennaK@monterey.lafco.ca.gov>; cc: Melodie Chrislock <mwchrislock@redshift.com>; bcc: Jane Sanders <jzs@caltech.edu>
Subject: OPPOSITION to DISAPPROVAL of MPWMD Latent Powers

**Members of Monterey County LAFCO; Chair Lopez
c/o
Ms. Kate McKenna, AICP
Executive Officer
Local Agency Formation Commission (LAFCO) of Monterey County
Via Email**

Re: OPPOSITION to DISAPPROVAL of MPWMD Latent Powers

LAFCO's immediate APPROVAL of the activation of the MPWMD's latent powers to provide and maintain potable water production and distribution services for retail customers is URGENT. The County, and in particular the affected customers in the MPWMD service area, can **afford no further delay and public expense** in establishing reliable and permanent water service for MPWMD residents and businesses.

While LAFCO continues to dawdle and dither over relatively minor details of issues whose *solution already is provided for* in the existing **orderly process** (which includes negotiation at the later valuation stage) as prescribed by law for public acquisition of existing private water services – that is, while the **Monterey County LAFCO causes significant disruption and inefficiencies in the exercise of its own obligations**, the cease-and-desist order expires, the vagaries of drought and climate change proceed apace, and ratepayers continue to pay a 20% to 30% premium on their water bills for the “privilege” of having private ownership of the system. This is “efficiency”?

Note that about 85% of water delivery by existing water systems in California is through public water systems, not private. Also note that conversion from private to public ownership has been accomplished successfully in California in recent decades, so the relatively small fiscal effects (~1% of affected tax revenues) are in fact manageable through the eminent domain valuation process.

The “new” findings LAFCO ordered its staff to construct in order to rationalize its new conclusion – on the basis of **no new evidence** – contradicting the staff's previous independent findings, are nothing more than excuses to accommodate LAFCO members' opinions, speculations and prejudices that are not supported by reliable evidence. The trick of identifying ambiguities and choosing one's favorite interpretation, as exercised in the “postmodern” academic fads of a previous academic generation are clearly visible in this selection of “findings”; simultaneously the “losings” – previously acknowledged facts now ignored or de-emphasized in the final report – enhance the deception.

He pressures of reality persist, and do not wait upon dithery and deception. Conditionally **APPROVE** the **activation of the MPWMD's latent powers; NOW.**

Respectfully,

Timothy D. Sanders
651 Sinex Ave., M102
Pacific Grove, CA 93950
(831) 238-3278

