

WATER NEWS

News You Need to Know - NOW

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What do the November election results mean for the future of water on the Monterey Peninsula?

By Ron Weitzman, President, WaterPlus

The answer, in the simplest of terms, is continuation of the status quo on our limited water supply in order to control growth—regardless of the cost.

That is especially true in Carmel Valley where 5th district voters re-elected Supervisor David Potter. Residents of the valley are particularly concerned about its vulnerability to growth because it has so much undeveloped land relative to its Monterey Peninsula neighbors. Valley residents feared that Potter's opponent, Marc Del Piero, would not put the limits on desalination that the water management district, which Potter chairs, has promoted in its three-legged-stool water-supply proposal.

That is unfortunate because limiting desalination increases the cost of water to ratepayers. Ratepayers pay for their water by the amount of water they use, and the unit cost of water goes up as the total amount of desalinated water produced goes down. The most expensive desalinated water comes from small, boutique desalination plants like the one proposed by the water management district.

That is not the only way that voters acted to increase the cost of water. In Pacific Grove, only one of the four candidates elected for mayor or city council supports the city's efforts to develop a desalination

project in Moss Landing. This project is the only currently proposed water-supply project that would be publicly owned. The other two, Cal Am's and DeepWater, are privately-owned projects, and of these two Cal Am's has a far greater chance of going forward.

What does that mean for cost? Cal Am is authorized to charge ratepayers over 8% on money it borrows for capital-improvement projects, whereas a public agency can charge ratepayers only the interest it actually pays, no more than 3.5% on current loans. To produce 9,000 acre-feet of desalinated water annually, the difference in cost to ratepayers at these rates for financing a \$365 million Cal Am project and a \$128 million Moss Landing public project over 30 years is \$757 million dollars, hardly chump change. For a \$30 monthly bill, it could be the difference between an increase to \$35 under public ownership versus \$66 under Cal Am. This difference may be the price that ratepayers will have to pay because the residents of Pacific Grove, like residents of other Peninsula cities, do not want their city to take a leadership role in resolving our local water-supply problem.

Cost containment is not the only ratepayer sacrifice produced by the election. Adequacy and reliability of water supply are another two.

The Cal Am project limits the water supply to our current amount. That means, if Cal Am prevails, we are going to continue with our current tiered rate structure designed to promote conservation but prone to spikes and hardest on people of limited income. That means that we are not going to have sufficient water for all lots of record, for adding bathrooms to our homes, or for downtown development in cities like Monterey and Seaside, as well as Pacific Grove. That means that we have chosen to continue living on an inadequate water supply.

That also means that we have chosen to have an unreliable supply of water in our future. The reason: the two non-desalination legs of the three-legged stool depend on moderate or heavy winter rain, and the frequency of dry winters is likely to increase as global warming progresses. And that means that we can expect rationing as a way of life exacerbating the inconvenience that we are currently experiencing.

WaterPlus and other ratepayer advocacy groups have their work cut out for them. ♦

The logo for WaterPlus features the word "WATER" in a bold, sans-serif font, followed by "PLUS" in a similar font. A stylized water drop is positioned above the letter "I" in "PLUS".

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