

# **AN OPEN LETTER TO THE BOARD OF SUPERVISORS OF MONTEREY COUNTY:**

The agreement between Monterey County and Cal Am reached December 4 and announced the next day as the main, front-page story in The Monterey County Herald is a wonderful proprietary achievement for the parties to the agreement but a sell-out to ratepayers who will have to pay the bill. The agreement lets the county off the hook for its irresponsible expenses on the dead or dormant Regional Desalination Project and permits Cal Am to go forward with a project that would greatly enrich its shareholders at the expense of Monterey Peninsula ratepayers—a project that could more than quadruple the value of Cal Am’s Monterey District but suffers from the very same vulnerabilities as the previous project: no water rights or rights to no water. To achieve this agreement, the county used its desalination ordinance as a bargaining chip. By agreeing not to enforce the ordinance only for Cal Am, the county has committed itself to the legally dubious and likely actionable course of selective enforcement. Meanwhile, in its endeavors to enrich its shareholders, Cal Am is again taking a reckless course, risk-free to shareholders but not to ratepayers, who face paying for yet another costly debacle.

Cal Am and Monterey County have not only sold out Monterey Peninsula ratepayers but the Marina Coast Water District, as well. While the Steve Collins case may be an embarrassment to the county, it has nothing to do with the merits of the Regional Desalination Project. The only problem with that project from the viewpoint of any of the parties to it is that it would make the Marina Coast Water District worth many times more than Cal Am’s Monterey District, a prospect that Cal Am’s managers found so intolerable that, with the connivance of the county, they unilaterally withdrew from the project in favor of one much more profitable to the company.

WaterPlus has tried to enter this fray in behalf of ratepayers, but we have been frustrated by our inability to secure legal representation because of the reluctance of attorneys to accept the delay in payment required by the CPUC’s intervenor compensation program. Unfortunately, all we can do now is say, “OUCH!” Which is what we just did.

Remorsefully,

Ron Weitzman  
President, WaterPlus

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