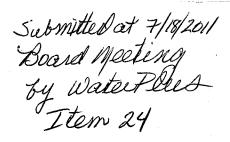
Buyout Cal-Am Fact Sheet



- Water Plus is a ratepayer advocacy group dedicated to reducing water rates by the purchase of Cal-Am.
- Public Ownership of water systems has been proven to be highly successful. In fact, over 85% of America's water systems are publically owned.
- Cal-Am's performance is dismal.
- Cal-Am's parent company, American Water, has a low credit rating of BBB, increasing borrowing costs which are then passed on to ratepayers.
- Public Ownership automatically eliminates the PUC along with its accompanying expenses.
- Public Ownership ensures local ratepayer control.
- Analysis proves rates will be much lower with Public Ownership.
- An Appraisal of Cal-Am was done in 2006. It shows a value of \$100 million composed of approximately \$50 million of equity and \$50 million of debt, which ratepayers are already paying.
- American Water recently sold its Arizona/New Mexico operations at \$2,700/customer. This equates to a total Monterey Peninsula Cal-Am value of \$108 million.
- **BOTTOM LINE**—Under Cal-Am, in the next few years, water bills may go up to 375% of the current rate. Under public ownership the expected rate would only be 129% of the current rate.

ESTIMATED AVERAGE MONTHLY COST IN DOLLARS			
Cost item	Ownership		Sovings
	Private	Public	Savings
Shareholder earnings ¹	10.45	0.00	10.45
Taxes (total) ²	9.76	0.00	9.76
Debt portion of bill ³	7.20	5.55	1.65
External administration ⁴	21.81	9.02	12.79
MPWMD (8.375%) ⁵	7.55	0.00	7.55
Citizens Premium ⁶	1.87	0.00	1.87
Purchase of Cal Am ⁷	0.00	6.60	-6.60
Eminent domain ⁸	0.00	0.05	-0.05
SUB-TOTAL	58.64	21.22	37.42
Currently unaffected expenditures	31.56	31.56	0.00
TOTAL MONTHLY BILL9	90.20	52.78	

EFFECT OF UPCOMING CAPITAL IMPROVEMENTS ON AN AVERAGE MONTHLY WATER BILL				
Cost item	Ownership			
	Private	Public		
Current bill ¹	90.20	52.76		
Removal of dam ²	18.37	12.70		
Proposed rate hike ³	33.55	4.40		
Regional Desal Project ⁴	122.49	46.46		
Debt equivalency⁵	72.16	0.00		
TOTAL	336.77	116.32		

FOR DOCUMENTATION, PLEASE SEE THE PROPOSAL TO THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT ON THE WATER PLUS WEB SITE:

www.waterplusmonterey.com