

As a board member for Public Water Now, I would like to make several official comments to the Board tonight with regard to this item on your agenda. Due to an injury, our Managing Director was unable to attend and apologizes for his absence.

As you know, we are circulating a petition that we believe will move us an important step closer to solving our water problems. This initiative approach is far ahead of anything promoted in the past.

It will give the Monterey Peninsula Water Management District the authority to buy Cal-Am's local assets and establish a publicly-owned, board-elected water company. And by taking over control of our water from an outside corporation, it will also say good-bye to the PUC, and to all the interveners.

Technically, when the Public Water Now Initiative is passed by the voters in June 2014, it will instruct the Water Management District to complete work in nine months on a plan to put Monterey water under local control, and then to implement the purchase.

This is not some wild-eyed demand. It is based on the presumption that the plan will show that it makes financial sense to buy out Cal-Am. We know it will be economically practical for us to manage our water resources since Cal-Am is a profit-generating monopoly serving only the wishes of its shareholders.

We are optimistic that the initiative will be approved by the voters. We are confident the ensuing Feasibility Analysis and Acquisition Plan written by the Water Management District will clearly show that the people can control our

water resources more efficiently and at far less cost than a company headquartered in New Jersey.

What we are saying is that we have lost faith in Cal-Am and the CPUC, and it's time for them to go. For too long we have struggled with a company that has been grossly unresponsive at all levels. We simply don't trust them anymore because of the way they have operated and the way they have treated us.

Regarding tonight, we understand it would be too controversial to actually ask the Board to support the Initiative right now, but we would encourage you to do the following three things:

1. Remain neutral until all the signatures have been gathered and it qualifies for the ballot
2. Affirm your support for the democratic process the initiative represents,
3. And unambiguously pledge that if the initiative passes, you will support the will of the people and faithfully implement the new rules and regulations which it contains.

Finally, Public Water Now would like the opportunity to have a conversation with the Board about the reasons we are sure our initiative is an essential part of the solution for affordable water services. We will address the many issues we have considered including whether or not we can afford to buy Cal-Am, why public ownership can enhance the water supply effort, and why you should eventually fully endorse our effort. This presentation/discussion could occur during a regularly scheduled board meeting or in a special Board session.

Thank you for your time.