



## Action Item 15:

Consider Formation of Ad-Hoc Committee to Assess WaterPlus Proposal for Public Ownership of California-American Water, Monterey District

Meeting Date: August 15, 2011  
Contact: Arlene Tavani





# Board Requests Charge to Ad-Hoc Subcommittee

- July 18, 2011 WaterPlus presentation re: analysis of cost to purchase Cal-Am
- Directors request staff develop draft charge for ad-hoc subcommittee that would:
  - Analyze cost for public ownership of Cal-Am's Monterey District
  - Describe governance for a publicly owned utility
  - Define utility's scope of responsibility
  - Do not recommend support or disapproval

# Draft Charge to Public Ownership Analysis Committee (POAC)

- Meet for six months, November 2011 through April 2012
- Meetings open to public in compliance with Brown Act
- Present report to Board in May 2012
- Utilize as reference, but not be limited to:
  - WaterPlus July 7, 2011 proposal for public acquisition of Cal-Am
  - Beacon Valuation Group, LLC 2005 report on Cal-Am's fair market value

# Draft Charge to Public Ownership Analysis Committee (POAC)

- Report will address the following:
  - Cost to purchase Cal-Am's Monterey District
  - Timeline to complete eminent domain process
  - Cost cap ratepayers would accept over defined time period
  - Cal-Am's contractual obligations that would transfer to publicly owned utility
  - Governance structure
  - Public utility's scope of responsibility
  - Impacts to Regional Water Project



# Membership on POAC

- POAC comprised of 9 members
  - 7 community members
    - Each director appoints one member. Must reside within the District and represent a community group
  - 1 representative from Cal-Am
  - 1 representative from WaterPlus
- MPWMD General Manager non-voting chair
- District staff provides support



# Committee Member Selection Process

## ■ Determine Community Interest in Serving on POAC

### – Option 1

- Directors contact representatives from list of community groups shown as Exhibit 15-B

### – Option 2


- Send letter to community groups (Exhibit 15-C) along with questionnaire (Exhibit 15-D) to identify organizations that would like to participate
- Each director may select a representative from the list of organizations that have indicated an interest in participation on the committee

# Committee Member Selection Process

- Alternatives for Committee Membership
  - Option B -- 9 member committee
    - 2 directors, 5 community members appointed by directors that are not seated on committee, 1 rep. from Cal-Am, and 1 rep. from Water Plus
  - Option C -- 16 member committee
    - 14 appointees (each director appoints 2 members), 1 rep. from Cal-Am and 1 rep. from Water Plus
  - Option D – concepts developed by Board



# Staff Recommendation

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- Adopt Draft Charge to the POAC submitted as Exhibit 15-A
  - Direct staff to send a letter to community groups soliciting their interest in participation on the committee
  - Consider confirmation of committee appointments at October 17, 2011 Board meeting