



January 24, 2019

Board Members
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

RE: Going Forward with the Implementation of Measure J

Dear Mdm. Chairman and Board Members,

As you move forward with your implementation of Measure J, the City Council of Sand City requests that you take the following actions:

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| Number one | All factual data that the board plans to use when undertaking the feasibility study be publicly listed |
| Number two | The board publicly articulate their definition and boundaries for the determination of feasibility before data collection takes place and which California American Water assets are being considered for condemnation. |
| Number three | Every effort be made by the board to make all of their discussions, deliberations, directions to consultants, consultant scopes of work, etc. transparent and available to the public. The board should not hide behind the potential threat of litigation to discuss in closed session items that they would rather not discuss an open session. The feasibility component that is the first step in the condemnation process does not involve any negotiations whatsoever. When you get to the bench trial on public necessity it will be in open court with no secrets. |
| Number four | The board should make it clear what the costs and risks are associated with each stage of the process. For example, what is the range of estimated costs for the |

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feasibility analysis, how much is budgeted to meet those costs, where will those dollars come from and what is the risk associated with that phase of the process. Assuming that the board finds acquisition feasible, what are the costs and risks associated going forward with the bench trial necessary to have the court find public necessity, which is necessary to actually condemn California American Water's assets? Assuming the bench trial is successful, what are the costs and risks associated with going forward with the jury trial to determine value of the California American Water assets?

Number five

Assuming a favorable bench trial and a jury trial that provides the adjudicated value of the California American Water assets, how will the purchase of those assets be financed? Sand City requests that the public have an opportunity to vote on the financing mechanism before the District moves forward with the actual condemnation of California American Water's assets.

Thank you for taking my community's questions and concerns into account. I ask that you publicly reply to these questions as I am sure that they are shared by almost every constituent of the Water Management District

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Sincerely,

Mary Ann Carbone
Mayor, City of Sand City

MC:sg