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Adopted
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Sonoma County Democratic Party

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1 **SONOMA COUNTY DEMOCRATIC CENTRAL COMMITTEE RESOLUTION**
2 **SUPPORTING NOT FOR PROFIT OWNERSHIP OF WATER**

3 **WHEREAS**, water is a limited resource and is essential to all life; and

4 **WHEREAS**, recent scientific reports on global climate change indicate great uncertainty about
5 changes in precipitation patterns and areas of drought or flood as warming continues, and

6 **WHEREAS**, thinking of water as a commodity to generate profit is contrary to our country's
7 values and morals, but for-profit companies, both domestic and foreign, now own 14 percent of
8 the United States water supplies and seek to acquire more, potentially endangering the public
9 health and safety and national security;

10 **THEREFORE BE IT RESOLVED** that the California Democratic Party, and Democratic
11 legislators in California will do everything in their power to achieve legislation at all levels of
12 government requiring that all water supplies and water districts be owned by local government
13 entities; and

14 **BE IT FURTHER RESOLVED** that the Sonoma County Democratic Central Committee
15 distribute copies of this resolution to Senators Feinstein and Boxer, members of the US House
16 of Representatives, California Senate, and California Assembly representing Sonoma County,
17 to such media outlets as the Public Relations Committee may deem appropriate; and to all other
18 California county Democratic central committees and to the California Democratic Party for
19 consideration and support.

20 Sponsored by:

21 Nick Caston, Representative for Assemblywoman Noreen Evans, Sonoma County Democratic Party
22 Thomas Gangale, Chair, Issues and Legislation Committee, Sonoma County Democratic Party

23 Adapted from Lake County Democratic Central Committee

Common Sense, Common Good, Common Destiny

1 Tide of support for public water system

2 JIM BOULER, a retired civil engineer who lives in Larkfield, discusses private versus public ownership of
3 community water systems.

4 PRESS DEMOCRAT: You are a founding member of a citizens' committee that is working to acquire the
5 Larkfield/Wikiup water system from RWE AG, an Essen, Germany, conglomerate that has owned the
6 system since 2002. Why does your group want public ownership?

7 BOULER: Water is a basic human need, second in importance only to the air that we breathe. It is not a
8 commodity to be traded on the New York Stock Exchange.

9 Secondly, we want local control of our water system. At present the residents of Larkfield have very little
10 say. We believe that the system should be controlled locally and the dollars we pay for service should be
11 kept local.

12 PRESS DEMOCRAT: Most U.S. community water systems are publicly owned, but some are owned by
13 large companies. What large companies own water systems in Sonoma County?

14 BOULER: Our water system here in Larkfield is owned by the California-American Water Company. Cal-
15 Am is a fourth-level subsidiary of RWE AG.

16 Five small water systems in Sonoma and Marin counties, including those that serve Guerneville and
17 Dillon Beach, are owned by California Water Service Company, headquartered in San Jose. It also owns
18 the water system at Lucerne, in Lake County.

19 PRESS DEMOCRAT: What will be the process for trying to take the Larkfield/Wikiup water system
20 public? What are the obstacles?

21 BOULER: First, we must update the feasibility study that was done in the year 2000. With the help of
22 Supervisor Paul Kelley we have obtained county funding to do the update. The update is now under way,
23 and we hope to be able to report at least partial results at our next community meeting on September 16.
24 See our Web site at www.markwestcsd.org .

25 Next, we must convince the Local Agency Formation Commission that we have a viable plan of action
26 and have the support of the people of Larkfield.

27 Finally, there will be an election that will address three issues: First will be the formation of a community
28 services district, second will be the election of a board of directors made up of local residents, and third
29 will be a bond issue to provide the funds with which to finance the purchase of the system.

30 There are several obstacles. One that we live with on a daily basis is funding. We need the financial
31 support of the community in order to pay the costs of mailings and other means of communicating with
32 the people. We also need volunteers to walk the neighborhoods and deliver fliers and circulate petitions,
33 etc.

34 A major obstacle will be Cal-Am. We have been informed by Cal-Am representatives that they will
35 vigorously oppose any attempt to take over the water system, as they did in the city of Monterey. There
36 they spent about \$250,000 to defeat the ballot measure.

37 PRESS DEMOCRAT: If you succeed in getting public ownership of the Larkfield/Wikiup water system, will
38 rates go down? Will service improve?

1 BOULER: We are not going to promise that rates will go down in the near term, nor will we promise that
2 service will dramatically improve, except that the customer service call center will be in Larkfield rather
3 than Alton, Illinois.

4 What we will promise is that we will quit renting our water system and start building equity toward full
5 ownership.

6 We do expect that in the long term the district's rates would be lower than they would be under Cal-Am's
7 ownership.

8 PRESS DEMOCRAT: A number of communities nationwide are trying to get public ownership of their
9 water systems. Can you give examples in California?

10 BOULER: The town of Felton, in Santa Cruz County, is well along in their effort to take over the water
11 system. They have passed their bond issue, and the San Lorenzo Valley Water District has agreed to
12 annex Felton. Cal-Am, which owns the Felton water system, is refusing to negotiate for the sale so it will
13 apparently go to condemnation.

14 The city of Monterey has a movement under way to take over their water system. As I stated before, their
15 ballot initiative was defeated, but the movement is still under way.

16 The community of Montara, on the San Francisco Peninsula, was successful in acquiring their water
17 system in 2002, and they are very happy that they separated from Cal-Am.

18 Lucerne, in Lake County, has a movement under way to acquire its water system from California Water
19 Service Company. That one could have implications for the four Sonoma County water systems and one
20 in Marin County owned by Cal Water.

21 A national organization called "Food and Water Watch" has a publication titled "Faulty Pipes" that gives
22 an excellent digest of the privatization issue and chronicles the efforts of communities nationwide in
23 attempting to end corporate control of their water systems. The publication can be viewed or downloaded
24 at the Food and Water Watch Web site at www.foodandwaterwatch.org.

25 PRESS DEMOCRAT: In the 1990s some companies, including Enron, decided selling water could be a
26 profitable business. They were welcomed by people who believed private enterprise could do a better job
27 managing the systems than government, especially those that needed expensive upgrades. What are the
28 pluses and minuses of private ownership?

29 BOULER: Frankly, I don't know of many pluses, and some large companies are beginning to realize that
30 their venture into the water business was ill advised.

31 Just four years after RWE AG acquired the Larkfield water system by purchasing Cal-Am's parent
32 company, RWE AG is now preparing to divest itself of the company. Harry Roels, RWE AG's chief
33 executive, stated, "It's a very local business. A global water company just doesn't have outstanding
34 advantages."

35 Still, large water companies claim there are several advantages to corporate ownership of water systems.

36 They say they can offer "economies of scale." That is, a larger company has greater access to capital,
37 has greater purchasing power and has better technical expertise.

38 my view, there is only an element of truth in that. Whatever "economies of scale" they may offer are more
39 than offset by the need to show a profit.

1 Publicly owned water systems do not have investors demanding a sizeable return on their investment.
2 That is evidenced by comparing Larkfield's rates with those of the surrounding communities. We pay
3 about 2½ times what Windsor residents pay and about twice what Forestville residents pay.

4 Privately owned companies claim that they are regulated by the Public Utilities Commission, where
5 publicly owned water systems have little or no regulatory control.

6 Again, only partly true. The California Public Utilities Commission does regulate the business aspects of
7 privately owned water systems and not publicly owned systems. The Commission sees it as a part of their
8 duties to assure that the company makes a profit so it can remain a viable company capable of delivering
9 water to their customers.

10 But the Department of Health Services regulates both publicly owned and privately owned water systems,
11 to assure that the water delivered meets federal and state health and safety standards.

12 A major part of the regulatory control of a water district would be exercised locally. A district would have
13 an elected board of directors who must be residents of the district. It would not be necessary to travel to
14 San Francisco to be heard by the California Public Utilities Commission. You would only need to attend
15 the board of directors meetings in the neighborhood.

16 Private companies also claim that they pay taxes, which go to support other community needs.

17 It is true that Cal-Am pays \$60,000 to \$70,000 in taxes each year to Sonoma County. Because of credit
18 for depreciation, Cal-Am only pays about \$2,700 in state income taxes and \$8,400 in federal income
19 taxes, probably less than the average middle-income ratepayer pays. All of this money is taken out of
20 Larkfield, and only a small fraction is returned to Larkfield.

21 By Mary Fricker, business reporter, Santa Rosa Press Democrat August 14, 2006

22 Food & Water Watch

23 <http://www.foodandwaterwatch.org/water>

24 Water sustains all life. We drink it, we bathe in it, we grow our food with it. We can't live without it. Yet
25 today, water is being polluted, depleted and diverted at a rapid rate. One in 6 people - more than 1 billion
26 - lack access to clean water. And that number will increase if we do not act now.

27 It is no wonder Fortune magazine calls water the oil of the 21st century - "the precious commodity that
28 determines the wealth of nations."

29 As a result of water scarcity, there's a battle brewing over who owns our water. Special interests seek to
30 exploit the water crisis for profit, at the expense of individuals and communities. It's called water
31 privatization, which means that the world's largest corporations, like Suez, Veolia and RWE, want to
32 control the world's water... and profit from it.

33 We promote the right to universal access to clean, affordable water. We support local, democratic control
34 of the world's water resources. Working with allies around the world, we campaign to keep water under
35 public control. We believe water is a human right and a common good. That is why we work with citizens,
36 businesses, and elected officials to strengthen the management of our public water resources. We hope
37 you'll join us.

38 Links:

39 www.lcwo.org

- 1 <http://media.www.kykernel.com/media/storage/paper305/news/2005/11/09/Opinions/Column.Corporate.Ownership.Guarantees.Citizens.No.Control.Over.Water-1050561.shtml>
- 2
- 3 <http://www.alternet.org/environment/58589/>
- 4 <http://www.commondreams.org/views03/0314-06.htm>
- 5 films to watch
- 6 http://www.pbs.org/pov/pov2004/thirst/special_neweconomy.html
- 7 more reading
- 8 <http://www.starwheels.com/starwheels/content/view/76/>