Ojai Customers: Please consider the facts.

OJAI FLOW SAYS IT COULD COST UP TO $44 MILLION

"The cost to buy the Golden State water system is $15.0—$20.0 million. The cost to fix the Ojai water system is $15.0—$24.0 million."
—Ojai FLOW flyer

BUT FLOW'S PLAN ONLY BORROWS $33 MILLION

"Hold an election among the registered voters of the proposed revenue improvement district to consider issuing revenue bonds, not to exceed $33,000,000, for the purposes of purchasing the Golden State water system and making needed improvements to that water system."
—Ojai FLOW website

In the Felton, California FLOW takeover, taxpayers paid $13.4 million—5.7 times more than the initial estimates.

FELTON'S PROMISES WERE WRONG

"(Former Santa Cruz County Supervisor) Jeff Almquist figured the system is worth $1 million to $2 million."
—Santa Cruz Sentinel
November 15, 2003

Who pays the difference when Ojai FLOW is wrong too?
Dear Ojai Customer:

Last week, Ojai FLOW launched a campaign to get you to pay higher property taxes for an eminent domain takeover of Golden State Water Company. To get your vote, they have made promises about rates and service that they will not be able to keep. They want you to make a 30-year commitment to pay for their plan, even though there has never been an independent review to see if what they are promising is real.

**Are you willing to give Ojai FLOW a blank check to borrow against your home?**

Consider the facts. Ojai FLOW claims that the cost to buy the system is $15–20 million, plus an additional $15–24 million in system improvements. They claim residents won’t pay more than $33 million in new property taxes to pay for the takeover. **Will Ojai FLOW pledge not to ask you for another tax increase when their $33 million promise is wrong?**

An eminent domain takeover requires Casitas Municipal Water District to sue Golden State. Under the law, a jury will be asked to determine “the highest price” a willing buyer would pay for the system and water rights. **This is important, because it will mean the purchase price will be much higher than what you are being told.** History shows that the actual cost of a takeover is two to five times more than initial estimates.

Remember the history of Felton FLOW and their misleading efforts to force a similar government takeover of a water system. Supporters initially promised that the purchase price of that water system would be two million dollars, but General Manager of the San Lorenzo Valley Water District Jim Mueller testified that the cost ended up being substantially higher—**$13.4 million**. Customers are paying approximately $535 annually in higher property taxes for 30 years, regardless of how much water they use, and their water rates have increased several times.

> “Since that time, you know, in the interest of full disclosure, yes, San Lorenzo Water District has raised its rates,” Mueller said. “In March of ’09, we implemented a twelve-percent increase. In July of 2010, we implemented another eight-percent increase. And we’re currently looking at a rate increase that would be somewhere about ten to fifteen percent, somewhere in there. And why are we raising water rates? You know, just like CalAm raised their water rates, you know, there’s operational costs that have increased. There are infrastructure costs that need to be replaced. If you looked at where water rates may be in the future, you know, I don’t think anyone is going to say that they’re going to be equal to or less than they are now. It’s just—it’s not in the industry.”

**Despite Ojai FLOW’s assurances, Casitas has never said what rates they would charge Ojai customers to run the water system.** Why would you borrow against your home without knowing what you will receive in return? If Casitas intends to maintain Golden State’s operational and improvement standards, Ojai customers will pay more now and in the future.

Instead of a contentious fight with Ojai FLOW, we want to work with customers on rates, investments and service. We heard Ojai customers and accounted for local input during the ratemaking process. If the California Public Utilities Commission approves the recent rate settlement, the average Ojai customer will see their water bills lowered in 2013.

We appreciate the chance to provide information and will continue to do so. Please don’t hesitate to contact us if you have any questions either by calling our 24-hour customer service center at 1-800-999-4033 or by visiting our Ojai Office.

Sincerely,

Denise Kruger
Senior Vice President, Regulated Utilities
Golden State Water Company