

NEWS RELEASE

FOR IMMEDIATE RELEASE September 6, 2007

Contact: Jim Mueller 831-430-4625

SLVWD vs. Cal-Am trial to stay in Santa Cruz County:

Cal-Am's petition denied by Court of Appeals

The trial to decide whether the San Lorenzo Valley Water District (SLVWD) has the right to acquire the Felton water system from California-American Water Company (Cal-Am) will stay in Santa Cruz County. On September 4, 2007 the Sixth District Court of Appeals summarily dismissed Cal-Am's petition asking the appeals court to compel the Santa Cruz Superior Court to reverse itself, and to transfer the trial to another county.

The appeals court refused to hear the case, allowing the earlier decision of Superior Court Judge Paul Burdick, to stand. Judge Burdick denied Cal-Am's motion for a change of venue on June 21, 2007. Cal-Am had asserted they couldn't get a fair trial in Santa Cruz County. SLVWD argued that, despite Cal-Am's unpopularity among its Felton customers, those customers comprise only a small fraction of the Santa Cruz County population, and that Cal Am would have no difficulty obtaining a nonbiased jury.

"I'm pleased," said Jim Mueller, SLVWD District Manager. "State law is clear that because Cal-Am is doing business in this county, the case should be heard in this county." The court date to determine the right to take is set for January 14, 2008 in Santa Cruz Superior Court.