

March 29, 2006

Felton

## **Felton residents see new window for purchase of waterworks**

By ROGER SIDEMAN  
SENTINEL STAFF REPORTER

Felton residents pushing to buy that area's water system from California American Water Co. are turning up the pressure following an announcement last week that Cal Am would become a publicly-traded company.

Before German multinational corporation RWE could spin off its American subsidiary, the plan must be approved by the state Public Utilities Commission. Members of the local grassroots group see that as a chance to convince the state to turn the waterworks into a public operation.

"We want them to do with Felton what they've done in Montara," said resident Jim Graham, referring to the small coastal town north of Half Moon Bay.

The PUC forced Cal Am to sell the Montara water operations to residents as a condition of the company's sale of all other holdings to RWE in 2002.

Residents have argued that Cal Am has mismanaged the water system evidenced by water bills that have more than doubled under its control in recent years.

In July, voters imposed a tax on themselves to buy the company.

"We raised \$11 million and so we also can show that the money is there to do it," said Graham, a volunteer with the Felton Friends of Locally Owned Water, or FLOW. "They'll see that we're serious."

FLOW has already teamed up with neighboring San Lorenzo Valley Water District, which is seeking to annex the Felton service area in anticipation of a public buyout.

Despite what he considers to be a very strong case, Graham still expects Cal Am to put up a fight.

"We have said the company is not up for sale," said Kevin Tilden, spokesperson for American Water Works, the RWE-owned parent company of Cal Am.

If Felton residents were to pursue eminent domain and the matter were to end up in court, residents must prove that they would be better served if the water company were publicly run.

"They will have to go to court to prove that the public would be better served," Tilden said.

Tilden estimates the company's Felton operation is worth considerably more than the \$11 million residents approved in a July bond measure.

FLOW is holding a community meeting tonight to discuss the group's ongoing, less publicized efforts since the closely watched bond measure process.

Contact Roger Sideman at [atrsideman@santacruzsentinel.com](mailto:atrsideman@santacruzsentinel.com)

if you go

**WHAT:** Felton Friends of Locally Owned Water community meeting.

**WHEN:** Wednesday, March 29, 6:30 p.m.

**WHERE:** Felton Firehouse Meeting Room, 131 Kirby Street.

Copyright © Santa Cruz Sentinel. All rights reserved