



Golden State Myths Revealed

Prepared by Ojai FLOW

Vote Yes on Measure V – August 27th

www.OjaiFlow.com



Golden State has water rights worth \$50 Million.

False. There is no value to any alleged water rights. Casitas says that, “water rights have no impact on the fair market value of Golden State’s Ojai water system and it appears to Casitas that Golden State and its supporters are using the \$50 million figure in an effort to scare people into thinking a public acquisition of GSW would be infeasible.” –Casitas Staff Report, March 8, 2013.

The bond is a water “grab” by Casitas to take over our water to make more money.

False. Ojai FLOW went to Casitas with a petition of 1,900 Golden State customers asking for Casitas to consider replacing Golden State. Casitas is a *not-for-profit public* agency. Golden State Water is a *for profit private* corporation with shareholders and a duty to maximize profits. We asked Casitas to help us.

We are buying the water system and just giving it to Casitas.

False. We are buying the water system and Casitas is operating it. Casitas is a *public* agency. The public will own the water system, just like the public owns Lake Casitas. Casitas is a *not-for-profit* agency that will use money collected in water rates to maintain the system, and not for shareholder dividends.

The bond will put a lien on my property that I have to pay off when I sell it.

False. The bond is like any other property tax. There is no requirement to pay off any amount of the bond when selling a home. If the property taxes are *overdue*, there will be a requirement to pay off the *overdue* amount at the time of sale.

The bond will affect my credit score and lower the equity of my home.

False. The bond will have no affect on your credit score and no affect on the equity in your home. No one calculates your property taxes when figuring out your credit score or the equity in your home. *Overdue* taxes may affect your credit score.

The bond will lower the value of my property.

False. The bond will *raise and protect* property values. Not only is the bond going to save our community money right away, but property values will go up due to overall community improvements. Local schools and parks will improve by saving thousands immediately, and property owners can landscape without paying outrageous water bills.

The bond amount went from \$33 Million to \$60 Million.

False. Ojai FLOW calculated the total acquisition costs at \$42 Million. Casitas predicts the total acquisition costs at \$42 Million. The remaining \$18 Million is contingency money to be used, *only if needed*, for acquisition costs and upgrading the system. The bond is capped at \$60 Million and cannot go any higher. Even if the full bond amount is used, there will still be \$680,000 in community savings in the first year.

Casitas can raise the water rates whenever they want.

False. Casitas cannot raise the rates whenever they want because a *public* water agency is subject to Prop. 218, which allows the citizens to contest the rate increase. There is no such right with the PUC who approves the rate increases for Golden State. We do know that the PUC has allowed Golden State to raise the rates at an average of 8.0% per year over the last 20 years, while Casitas has raised their rates an average of 4.2% per year over the same period.

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The water system is in poor shape so we are going to have to pay more to fix it up.

False. The system is in poor shape, but the bond includes contingency money to be used, *as needed*, to upgrade the system.

Casitas doesn't have enough water to serve their current customers and Ojai.

False. The water we receive from Golden State Water is from a completely different source. Golden State Water comes from underground wells while Casitas water comes from Lake Casitas.

The bond should be based on water usage, not property size.

False. The bond would not be affordable if it was based on water usage because the interest rate on the bond would be too high. Water usage has declined by 25% in Ojai over the past 3 years, mostly due to the efforts of conscientious customers and the outrageous Golden State rates, and a bond based on variable water usage would be too expensive.

Ojai FLOW is part of a worldwide movement to take over our water.

False. FLOW stands for Friends of Locally Owned Water. We are all Ojai FLOW. The Ojai FLOW steering committee is made up of 7 local citizens who are Golden State customers, are from Ojai, live in Ojai, and only have Ojai's best interests at heart. The opposition to Ojai FLOW is NOT from Ojai but from out-of-town lobbyists.

Ojai can use the difference in water rates between Golden State and Casitas to pay for the entire bond and still save money right away.

True. Ojai pays \$3.14 Million dollars more each year for water from Golden State than we would for the same amount of Casitas water. This \$3.14 Million annual difference, which increases each year with Golden State's rate increases, is the reason we can afford to buy the system and pay for the bond while still saving \$680,000 in the first year. The cumulative savings over the first 10 years is \$24 Million.

The community is going to save \$24 Million over the next 10 years by having Casitas as our water purveyor.

True. Because we will no longer be subjected to Golden State's rate increases, the projected savings continue to escalate year after year. We base our projections on the past 20 year average rate increase of 8.0% for Golden State and 4.2% for Casitas.

Golden State rates will go up even more because of their current infrastructure projects.

True. Golden State is working on many projects that will cause the rates to go up substantially. The 8.0% historical average is highly likely to increase substantially due to Golden State's infrastructure projects and the inflated costs of those projects.

Golden State gets extra money through rates when we use less water.

True. Believe it or not, Golden State can increase rates because of decreases in water usage. Because the PUC wants to promote water conservation, they allow Golden State to recover money lost from lower water usage, even if the lower usage is because of the outrageous water rates.

Ojai pays property taxes to Casitas, even though we aren't Casitas water customers.

True. Each year, Ojai pays nearly \$250,000 to Casitas in ad valorem taxes because Ojai resides in the Casitas Water District. And, Ojai just got done paying off a 50 year bond that was used to build the Casitas dam. We pay these taxes in addition to the rates we pay Golden State, even though we are not customers of Casitas.

IMPORTANT ELECTION INFORMATION supplied by www.ojaiFLOW.com:

Rev 6-18-2013

- Election date is **Tuesday, August 27, 2013.**
- We need 2/3 of the *people voting in the election* in order for the bond to pass. Not total voters, just 2/3 of people who vote in this election.
- Voting YES is a vote in favor of the bond. **We want YES votes!**
- Voting can be done in *all available methods*. There will be walk-in voting booths, absentee ballots, mail-in ballots, and any other available methods for voting.
- **Anyone registered at an address that receives Golden State Water is eligible to vote.**
- Everyone at each Golden State property is eligible, and you don't need to own the property or be named on the water bill to be eligible.