



# NEWS RELEASE

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Contact: Betsy Herbert  
831-430-4627

## **SLV Water District Seeks to Annex Felton Water System**

Last night the San Lorenzo Valley Water District (SLVWD) Board of Directors voted unanimously to begin the process of annexing the Felton water system service area, currently served by Cal-Am, into SLVWD's service area. The vote also cleared the way for SLVWD to expand its sphere of influence and annex watershed property owned by Cal-Am.

Annexation is a necessary step in enabling SLVWD's potential acquisition of the water system now owned by Cal-Am, according to Jeffrey Oderman, SLVWD's special legal counsel, Rutan & Tucker, LLP.

The board's action was SLVWD's latest response to Felton voters' overwhelming approval (74.8%) of Measure W last July. Measure W authorized formation of a community facilities district, with SLVWD at the helm, to acquire the water system from Cal-Am. It also authorized the county to issue an \$11 million bond to finance the acquisition.

Several members of Felton's Friends of Locally Owned Water (FLOW) attended and spoke in support of the board's resolution. "We are appreciative of all the things you folks are doing, and we're glad it's moving along," said John Fasolas. Roberta McPherson, an SLVWD customer said, "This is David vs. Goliath...thank you all for doing it."

Evan Jacobs, a spokesperson for Cal-Am, spoke against the resolution, and reiterated that Cal-Am was "not a willing seller."

SLVWD Board President Jim Nelson said, "If Cal-Am is willing to engage in talks about a friendly sale, we will do that." Jacobs said he would relay that information to Cal-Am.

The next step is for SLVWD to apply to Santa Cruz Local Agency Formation Commission (LAFCO), which will review the application, hold hearings, and make a decision, a process that normally takes 4-6 months.

Because SLVWD plans to operate the Felton water system separately, without connecting to either of SLVWD's two existing systems, a change of ownership wouldn't require physical

changes to the environment, and is therefore exempt from California Environmental Quality Act (CEQA) review, according to Oderman.

“If SLVWD were to acquire the Felton water system, the most noticeable difference to water customers would be lower rates and far greater public accountability,” said SLVWD General Manager Jim Mueller.

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