



MEMORANDUM

January 15, 2017

TO: CALIFORNIA WATER SERVICE

FROM: PAUL GOODWIN
Goodwin Simon Strategic Research

RE: Key Findings from Oroville Voter Survey

Bottom Line: A telephone survey recently conducted of voters in Oroville shows strong opposition to a government takeover of the water system. Cal Water earns high favorable ratings among voters familiar with it, and its customers are very satisfied with the service it provides. Voters are alarmed by the potential cost in tax dollars and water rates of a takeover. Further, they are intensely opposed to the city using eminent domain to seize Cal Water's assets.

Strong Opposition to a Local Government Takeover of the Water System

Following is the exact language asked of voters about a possible local government takeover of the water system. This question was placed early in the questionnaire, before any pro and con information was presented about the takeover:

Some people have suggested that a local government agency take over Oroville's water system from Cal Water. This would make that local government agency responsible for providing water service to most homes and businesses in Oroville, instead of Cal Water. Does this change sound like something you would generally favor or oppose?

Not only does overall opposition outweigh support, but by two to one voters "strongly" oppose a takeover over "strongly" favoring it.

ALL FAVOR	ALL OPPOSE	Str. Favor	SW Favor	SW Oppose	Str. Oppose	Not Sure
29%	52%	16%	13%	20%	32%	19%

Voters in the Cal Water, South Feather, and Thermalito water service areas have essentially identical views on this question.

Not a Priority for Voters

In an open-ended question, voters were asked to share what they think is “the most important problem facing Oroville” that they would like “city leaders to do something about.”

At the top of the list is crime and safety at 23%. Next is homelessness and poverty, cited by 21%, with unemployment at 12%. Road and street maintenance were named by 10%. The cost of water or the need to replace Cal Water was mentioned by just 4% of respondents.

Cal Water Earns a Favorable Rating from Most Voters Familiar with It/Huge Majority of Cal Water Customers Satisfied with Its Water Services

About 70% of Oroville voters are familiar enough with Cal Water to have a favorable or unfavorable opinion of it. Among those voters, Cal Water earns a solid 58% favorable rating. Further, 75% of the Oroville voters who live in its service area are satisfied with how Cal Water is delivering on its core responsibility of providing reliable water service to its customers.

Voters Intensely Oppose the Use of Eminent Domain

Fully 82% of Oroville voters oppose the use of eminent domain by local government, including 64% who “strongly” oppose it. This opinion was shared before any questions were asked about the proposed takeover of Cal Water.

Eminent domain is a process that allows government to seize or take over private property without a vote of the people. Do you generally favor or oppose allowing government to have this power of eminent domain?

ALL FAVOR	ALL OPPOSE	Str. Favor	SW Favor	SW Oppose	Str. Oppose	Not Sure
13%	82%	3%	10%	18%	64%	5%

Nearly Eight in Ten Voters Oppose Takeover of Cal Water via Eminent Domain

When voters were told that local government would use eminent domain to take the water system from Cal Water at a cost to taxpayers, opposition to the takeover reached 78%.

The only way any local government agency, including South Feather, could take the water system from Cal Water is through a process known as eminent domain. As I

previously mentioned, eminent domain allows government to seize or take private property without a vote of the people. Taking the water system from Cal Water would likely cost tens of millions of dollars, which would be paid by taxpayers in Oroville. Having heard more, does this change sound like something you would favor or oppose?

ALL FAVOR	ALL OPPOSE	Str. Favor	SW Favor	SW Oppose	Str. Oppose	Not Sure
14%	79%	6%	8%	16%	63%	7%

Voters are Very Concerned About the Cost of a Takeover

Fully 73% said it would be “very” important to them to know how much the takeover would cost taxpayers, and 70% said it would be very important to them to know how much the takeover would mean for water rates. Given that taxpayers and water users would share in the multi-million dollar cost of a takeover of Cal Water’s system, it seems likely that voters would be paying attention to this issue and would be dismayed by what they learn.

Implications

The implications of these findings are as follows:

- A majority of voters in Oroville oppose a government takeover of the water system based on what they have heard at present.
- Opposition will only grow if there is a public debate on this issue in which voters are exposed to the impact on their water rates and taxes of a takeover via the very unpopular use of eminent domain.
- Elected and appointed officials in Oroville who are preparing to spend tax dollars on a takeover will find themselves fighting an uphill battle, with the public against them.
- If a takeover plan reaches the ballot, it will very likely be defeated.

Methodology:

Goodwin Simon Strategic Research conducted a telephone survey with 301 registered voters in Oroville between January 8 and January 11, 2017. We conducted interviews using both land lines and wireless numbers. The margin of error is plus or minus 5.5% at a 95% confidence level.