



NEWS ADVISORY

Sept. 19, 2014

For immediate release

No Change in Our Approach, Mayor Says in Wake of Carlyle's Attempt to Sell Mountain Water

MISSOULA – Today's announcement that Carlyle Infrastructure Partners reached an agreement to sell Mountain Water and its sister companies to a Canadian corporation won't change the way the City of Missoula litigates its case against Carlyle and its pursuit of public ownership of the private utility.

"We began the legal process to buy our water utility because we knew this announcement was coming, and we wanted to be prepared," said Missoula Mayor John Engen. "Carlyle can make announcements all day long, but ownership of Missoula's water company is not a unilateral decision made by anonymous investors, but a decision of a Missoula judge. I'm assuming the Canadian corporation is aware of that fact, but if not, we certainly intend to make them aware."

The City's effort to acquire Mountain Water, the for-profit company owned by Carlyle that provides the majority of Missoula its water, is based on its belief that a privately owned monopoly utility cannot operate in the best interests of the public.

"The City of Missoula is committed to fair rates, continued investment in critical infrastructure, protecting this essential resource and ensuring that clean, safe, affordable water is available for generations to come," Engen said. "We believe that such a critical resource should be owned and operated by the citizens of Missoula, not investors whose only interest is profit. It doesn't matter whether those are Carlyle's investors or investors in this Canadian company, their interest in profit will always outweigh the best interests of Missoulians."

Mayor Engen and City of Missoula staff and attorneys learned of Carlyle's proposed sale of Park Water Company to Algonquin Power & Utilities Corp. early Friday morning. Public information made available by Algonquin quotes a purchase price of \$327 million and cites "constructive regulatory environments in California and Montana" as favorable to "stable and predictable earnings." It also says the sale aligns with its "on-going roll-up strategy of U.S. regulated utilities."

A municipal water system should provide public service to the residents and businesses of a community, rather than profits to global investors, said City Council representative Bryan von Lossberg.

"Today's announcement from yet another company interested in Missoula's water highlights in stark relief that despite their assertion that they are not in the business of flipping assets, that is exactly what Carlyle is in the business of doing – to the surprise of no one," von Lossberg said. "And it will be on the backs of Missoula ratepayers to finance continued successive sales to profit-driven companies."

The City of Missoula supported the sale of Park Water Company to the Carlyle Group in December 2011 with the understanding that Carlyle would consider in good faith any City of Missoula offers to purchase Mountain Water and intended to sell Mountain Water to the City after one year of ownership. However, Carlyle instead rejected all City offers to purchase the company, beginning in January 2013. The City of Missoula filed for an order of condemnation under Montana's eminent domain law in District Court. The City and its legal counsel are preparing for a March court date before Judge Karen Townsend.

Mayor John Engen, City Council President Marilyn Marler and Council representatives Jason Wiener and Bryan von Lossberg spoke with reporters on Friday afternoon in the Mayor's Office.

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Ginny Merriam, Public Information/Communications Director, 552-6007 office; 546-7692 cell