

WATER DIVIDEND TRUST NEWS

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"WHEN THE WELL RUNS DRY, WE KNOW THE VALUE OF WATER." Ben Franklin

May 2004

Citizen's Group Announces Maine's Water Dividend Trust Campaign Initiative

By Dick Dyer

March 5, 2004, AUGUSTA -- A citizen's initiative, headed by former Maine Legislator Jim Wilfong, is on its way to the Legislature according to plans announced today at the State House. The initiative is to be known as "Maine's Water Dividend Trust" because dividend income will be raised from charges on bottled water mined from Maine's many aquifers. These funds will be invested for the benefit of all Maine's people, especially Maine's younger citizens.

At the press conference held today, Wilfong said, "For nearly 35 years, Maine people have invested billions of dollars, privately and publicly, in the stewardship of our groundwater resource -- making sure it is as plentiful and pristine as the glaciers left it ten thousand years ago. In this century, water is to Maine in importance, as oil has been to Saudi Arabia in the last one. For years, companies have been making significant margins bottling free water for consumption around the world. It is now time for Maine people to receive a dividend from their equity in Maine's groundwater."

According to a release, the Trust would be funded by a 20 cent per gallon clean water reimbursement charge. Trust income would be used to reduce local property taxes, encourage small business/family farm development and to make long-term investments in education. The projected revenues for the first year are expected to reach \$100 million dollars (based on an estimated one-half billion gallons of bottled water presently mined by commercial bottlers from Maine's groundwater inventory).

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OUR VISION

Maine's Water Dividend Trust, working to increase protection of our fresh water and OUR investment in Maine's economic future

Water is a Human Need and NOT a Human Right

United Nations and the World Bank policy

"Clean water is a universal human right."

Mikhail Gorbachev

Reasons for the Water Dividend Trust:

- ◆ To strengthen Maine's laws regarding the sustainability of our groundwater supplies
- ◆ To compensate Maine taxpayers for their vision and financial commitment to preserve and protect Maine's fresh water resource
- ◆ To form and fund a State Water Resources Conservation Commission
- ◆ Our generation must use this water dividend to create an ongoing trust for our children and grandchildren that helps them to live in Maine and prepares them to compete and thrive in a global, knowledge-based economy. Mutually prosperous Maine communities, communities with a bright future and opportunity, will be built in part by a skilled workforce, innovative entrepreneurs, fishermen and family farmers.

The Trust will invest in them and their ideas. Continued public and sustainable management of our most essential common resource, water, will work to the mutual benefit of Maine people and our corporate water partners.

A water dividend will provide an *expected* return on investment at a time when it can be best put to work for all generations of Maine people.

"It struck me...that all you had to do is take the water out of the ground and sell it for more than the price of wine, milk, or for that matter, oil."

Past Chairman, Perrier

How much Profit in a 24 ounce bottle of water??

Cost of one acre foot of water An acre foot of water is 43,560 cubic feet or roughly 326,000 gallons	\$ 1,630.00
Cost of Bottling	\$.10
Selling Price of 1 Bottle (wholesale)	\$.85
GROSS PROFIT for ONE ACRE FOOT SOLD	\$1,300,875.50

“The reasons for this initiative are many and include,” Wilfong added, “The need to strengthen Maine’s laws regarding the sustainability of our groundwater supplies and to compensate Maine taxpayers for their vision and financial commitment to preserve and protect Maine’s fresh water.” Wilfong continued, “Our generation must use this water dividend to create an ongoing trust for our children and grandchildren that helps them to live in Maine and prepares them to compete and thrive in a global, knowledge-based economy. Mutually prosperous Maine communities, communities with a bright future and opportunity, will be built in part by a skilled workforce, innovative entrepreneurs, fishermen and family farmers. The Trust will invest in them and their ideas. Continued public and sustainable management of our most essential common resource, water, will work to the mutual benefit of Maine people and our corporate water partners. A water dividend will provide an expected return on investment at a time when it can be best put to work for all generations of Maine people.”

Industry Comparison – Oil versus Water

	Oil Percentage	Water Percentage w/o tax
Processing and Packaging	19.0%	3.0%
Distribution and Marketing	9.0%	97.0%
Taxes	26.0%	0.0%
Raw Materials	46.0%	0.001%

“Under General Agreement on Tariff and Trade (GATT), water is a tradeable ‘good’”.

Blue Gold, by Maude Barlow

“Overpumping of groundwater in many of the world’s important grain-growing regions will be an increasing problem [as] about 1,000 tons of water are needed to produce a ton of grain.

...as countries press against the limits of available water between now and 2015, the possibility of conflict will increase.”

CIA Report, December 2000

¹ Source: USA Today, article by Rhonda Abrams, www.usatoday.com/money/smallbusiness/columns/abrams/2004-02-13-smallbiz_x.htm

² *ibid*

Just What IS the Resulting Investment in Jobs?

The Water Dividend Trust (WDT) will be investing a significant portion of the total monies collected each year to establish a revolving loan fund to help Maine small business and farm enterprises. This loan fund will be used for financing entrepreneurs and small farmers.

Fifty percent of all entrepreneurs begin their businesses between the ages of 24 and 44. Therefore, the trust will make a special effort to reach Maine’s young people. The key to having Maine’s Young Citizens stay in Maine is to create economic opportunity. “Our nation’s gross domestic product for 2002 was \$10.2 trillion...the small sector was just over \$5.3 trillion”, states Donald Wilson president of the Association of Small Business Development Centers. ¹Entrepreneurship is central to a increased economic activity and a more prosperous Maine Community.



“Entrepreneurs create between 60 to 80% of the new jobs nationwide and generate more than 50% of the nation’s gross domestic product. [Without entrepreneurs], President Bush stated last year, “the American dream would go unrealized.”²

We anticipate that the fund will be leveraged by reselling the portfolio on Wall Street. We will be holding ten percent of the fund as a reserve for bad debts and for the fund management costs. We also plan to leave an amount in excess of 25,000,000 as fund reserve which will grow as it will be tied to an escalator factor.

For the first two years, the fund will be allowed to grow with its interest earnings. No loans will be made in that timeframe. Once the reserves have been established to fiduciary standards, loans will be processed against the balance available.

<u>Anticipated Loan Amount</u>	<u>Number of Jobs Created</u>
Year 3 \$ 50,000,000	3,400
Year 4 \$ 90,000,000	6,100
Year 5 \$ 140,000,000	9,500

The adjacent table reflecting the number of jobs created is based upon the US Small Business Administration (SBA) figures. The SBA stated that for loans under \$ 50,000, a new job is created for each \$ 14,700 loaned.

For more information, to volunteer, or to contribute, contact us at: info@waterdividendtrust.com, or by snail mail at PO Box 52, Fryeburg ME 04037.