



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

February 10, 2012

Director Lynn Heidel
Director Keith Lewinger
Director Fern Steiner
Director Doug Wilson
San Diego County Water Authority
4766 Overland Avenue
San Diego, CA 92123

Dear Directors:

Proposed Biennial Budget and Associated Rates and Charges for FY 2012/13 and FY 2013/14

Finance and Insurance Committee Chair Grunfeld has asked me to respond to your letter dated February 3, 2012 regarding Metropolitan's Proposed Biennial Budget (Budget) and Associated Rates and Charges for 2012/2013 and 2013/2014 (Rates). Metropolitan thanks the San Diego County Water Authority for its input, comments, and questions on the Budget and Rates.

Your letter has been distributed to the Board for their review and consideration of your policy recommendations in the deliberations leading up to board action on these matters. The information you requested will be addressed in the reports and presentations for the upcoming Finance and Insurance Committee meetings and board workshops, to the extent not already provided in the January board letter, Cost of Service Studies, and other documents, or discussed at the January 24, 2012 Budget and Rates Workshop. We anticipate that the questions in your letter will be discussed and considered in these meetings, culminating in board action on the Budget and Rates.

Again, thank you for your input on this important topic.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Breaux".

Gary Breaux
Assistant General Manager/Chief Financial Officer

cc: J. Kightlinger
MWD Directors