



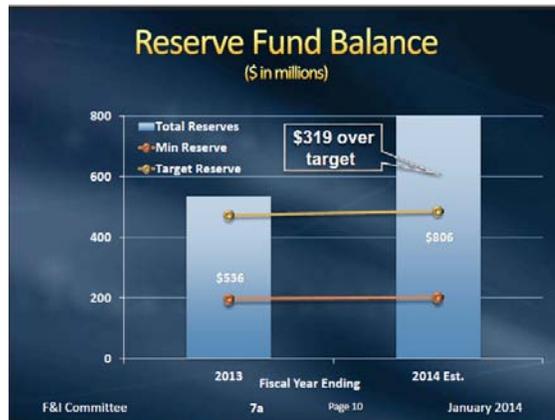
February 3, 2014

Dear Southern California Mayors:

As mayors of Southern California cities, we are all painfully aware of the fiscal challenges municipalities have faced over the past several years. These challenges have forced us to make difficult choices, including cutting key city services, laying off staff and freezing wages and salaries.

Against this backdrop, we were shocked to learn recently that the Metropolitan Water District of Southern California (MWD) has, over the past 21 months, collected almost \$600 million more from Southern California ratepayers than it planned for and said it needed in April of 2012 when it adopted its budget and adopted 5% water rate increases for each of the 2013 and 2014 calendar years.

By June 2013, less than 15 months after it adopted rates for 2013, MWD had already over-collected \$217 million more than necessary to pay 100% of its budgeted expenditures. Rather than refund these rates or roll back the planned increase for 2014 – which many cities and agencies requested – MWD voted to spend more money. It also “doubled down” on our constituents by also voting to suspend a reduction in property taxes which otherwise would have gone into effect on July 1, 2013. Amazingly, with more than \$217 million in hand over and above what it needed to pay 100% of its budgeted expenses, MWD claimed that these tax revenues were “essential to the fiscal integrity of the district.” Today, this over-collection stands at \$600 million and exceeding MWD’s own board-established maximum reserve level by \$320 million.



We all recognize the importance of planning for and having a reliable water supply for Southern California; but this is no excuse for collecting hundreds of millions of dollars from Southern California water ratepayers at the same time they are struggling to pay for other critical services, be they police, fire, parks or any number of demands for city services.

MWD begins its rate-setting process for calendar years 2015 and 2016 at committee and board meetings in Los Angeles on February 10 and 11, respectively. If we all stand together and demand answers, we believe it is possible that MWD will find that no water rate increases are necessary for the next two years. Here’s what you can do to help:

- Write a letter today, expressing your concerns to MWD’s board of directors (template attached).

- Send your email to the board secretary, Dawn Chin, at [dchin@mwdh20.com](mailto:dchin@mwdh20.com) .
- Plan to appear and provide public comments during the February 10 MWD Finance & Insurance committee meeting. The meeting begins at **9 a.m.** at MWD headquarters, located at:

**700 North Alameda Street Los Angeles**

**(Parking and public transit are available – MWD is located at Union Station)**

- Plan to appear and provide public comment during the March 11 public hearing. The meeting will also be conducted at the MWD’s headquarters.

If you would like to receive updates, please email [raterelief@sdcwa.org](mailto:raterelief@sdcwa.org). Thank you for your concern and interest in this important fiscal policy issue.

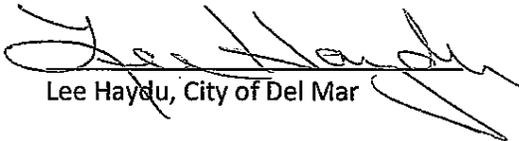
Sincerely,



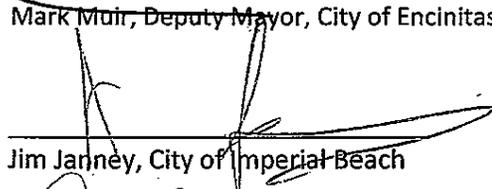
Matt Hall, City of Carlsbad



Mark Muir, Deputy Mayor, City of Encinitas



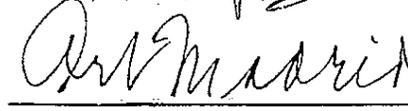
Lee Haydu, City of Del Mar



Jim Janney, City of Imperial Beach



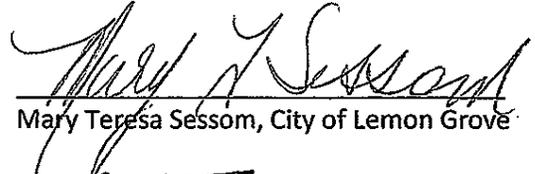
Sam Abed, City of Escondido



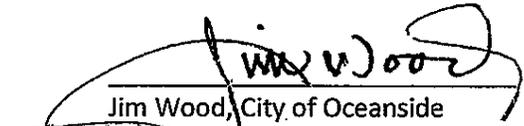
Art Madrid, City of La Mesa



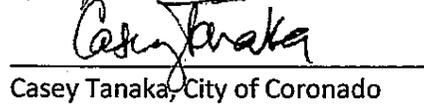
Ron Morrison, City of National City



Mary Teresa Sessom, City of Lemon Grove



Jim Wood, City of Oceanside



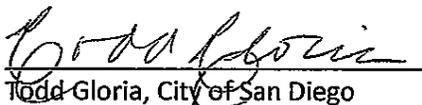
Casey Tanaka, City of Coronado



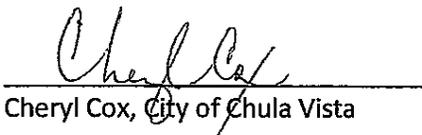
Don Higginson, City of Poway



Judy Ritter, City of Vista



Todd Gloria, City of San Diego



Cheryl Cox, City of Chula Vista