

May 5, 2016

Randy Record and
Members of the Board of Directors
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90065-0153

Carlsbad Municipal Water District

City of Del Mar

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City of National City

City of Oceanside

City of Poway

City of San Diego

Public Utility District

Helix Water District

Lakeside Water District

Olivenhain Municipal Water District

Otay Water District

Padre Dam Municipal Water District

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San Dieguito Water District

Santa Fe Irrigation District South Bay Irrigation District

Vallecitos Water District

Valley Center Municipal Water District

Vista Irrigation District

Yuima Municipal Water District

OTHER REPRESENTATIVE

County of San Diego

REQUEST TO CONTINUE ACTION PENDING BOARD REPORT ON COLORADO RIVER NEGOTIATIONS

Chairman Record and Members of the Board,

The Board received short informational reports last December and again at last month's Board meeting regarding dropping water levels in Lake Mead that we were told could severely impact Arizona and Nevada. We were also told in response to our questions of staff (no board report on this subject having been provided) that MWD was "largely protected," but that it might be willing to give up "some" water in order to secure "dry year reliability."

Board Memo 8-4: Authorize continuing participation in pilot program to fund water use

efficiency measures for the Colorado River and approve payment of up to \$1 million -

Surprising newspaper reports last week present a more detailed and quite different picture of MWD's participation in formal negotiations with the other Lower Basin states and the federal government. According to the *Desert Sun*, California has expressed a willingness to cut back 200,000-350,000 acre-feet if Lake Mead water levels drop between 1,045 and 1,025 feet. The newspaper also reports that MWD is engaged in formal negotiations with other California parties including Coachella Valley Water District, Imperial Irrigation District, and Palo Verde Irrigation District regarding how this potential reduction of California's senior water rights will be allocated between these parties, including MWD. The *Desert Sun* also reports that a tentative framework has been agreed upon, and that the objective is to have a final proposed agreement by the end of this year. None of this has been reported, or discussed by, let alone authorized by the MWD Board of Directors.

It is apparent that other agencies are briefing their members and stakeholders on the negotiations concerning these critical issues and the MWD Board should be briefed now in meaningful detail as well. A contribution of as much as 350,000 acre-feet to the shortage sharing objective for the benefit of Arizona and Nevada is more than "some" water - it would represent a material concession of eight percent (8%) of California's total 4.4 million acre-feet of Colorado River water per year. Such a voluntary agreement to give up longstanding, negotiated

Chairman Record and Members of the Board May 5, 2016 Page 2

Colorado River water rights is unprecedented, particularly in the absence of any described benefit to MWD or California.

It is imperative that the MWD Board understand how staff is approaching these negotiations and the potential concessions as well as benefits of any proposed agreement now under discussion. It will be too late for this Board to provide any guidance if we are presented with a "done deal" that can only be accepted or rejected at the 11th hour later this year. It is important for the Board, MWD's member agencies and the public to understand how any voluntary agreement to reduce California's senior water rights may impact our own ratepayers' water supply reliability and cost.

To be clear, we fully support staff's work to cooperate with the other Lower Basin states and federal government in seeking long-term solutions to shortages on the Colorado River. However, it is now apparent these discussions go far beyond developing projects to help maintain storage in Lake Mead and Lake Powell, and, that the contribution of as much as 350,000 acre-feet of this historically low cost, reliable water supply for the benefit of Arizona and Nevada is a matter that needs to be fully understood. We recommend and request a detailed briefing and an opportunity for member agencies and the public to be heard on this important subject before any further funding issues are addressed.

Board Memo 8-4 involves authorization of as much as \$1,000,000 toward the Colorado River issues under discussion. For the reasons stated above, we request that the Board continue this item for one month and save \$1,000,000 in MWD ratepayer dollars until the MWD Board can be fully briefed on the negotiations and *benefits that have yet to be described for MWD's ratepayers*. Given the special importance of this water supply, the Board may also wish to establish negotiating parameters to guide staff in these negotiations.

Michael T. Hogan Director Keith Lewinger Director

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Fern Steiner Director Yen C. Tu Director