



# San Diego County Water Authority

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August 3, 2017

Jeff Kightlinger, General Manager  
Metropolitan Water District  
P. O. Box 54153  
Los Angeles, CA 90054-0153

RE: Discrepancies between MWD'S and Member Agencies' 2015 Urban Water Management Plans; and MWD's July 13, 2017 Letter Denying Request for Opportunity to Present Information to MWD Board of Directors

Dear Jeff:

When I sent my July 9, 2017 letter requesting an opportunity to make a presentation to the MWD Board of Directors, I had hoped to avoid having only "dueling" board memos on the important subject of the discrepancies between MWD's and MWD member agencies' 2015 Urban Water Management Plans (UWMP). Given your July 13 letter refusing the Water Authority's request, I wanted to respond briefly to the main subjects addressed your July 11, 2017 Water Planning and Stewardship Committee Item 8c: Report on MWD's 2015 UWMP (8c UWMP Report).<sup>i</sup>

1) **"Coordination" under UWMP Act.** The Water Authority has never claimed that MWD failed to conduct meetings with its member agencies regarding preparation of its UWMP; to the contrary, we are well aware that many meetings were conducted on the subject. The concern we have expressed is that, in spite of all the meetings, there was a material discrepancy between the UWMP information that was actually reported by MWD and its member agencies in their respective UWMPs. This is the subject of the Water Authority's March 15 Board Memo and Hess Report.

We believe that the requirement for agencies to coordinate under the UWMP Act<sup>ii</sup> is about more than "process," and that the coordination should result in some reasonable consistency between and among reporting agencies in order to avoid unnecessary investments and rate increases needed to pay for them. Here, as accurately reported in the Water Authority's March 15 Board Memo and Hess Report, MWD member agencies' collective MWD forecasted demand is lower than the demand forecasted by MWD, by hundreds of thousands of acre-feet at times (see report Figures 5-7).

MEMBER AGENCIES

- Carlsbad Municipal Water District
  - City of Del Mar
  - City of Escondido
  - City of National City
  - City of Oceanside
  - City of Poway
  - City of San Diego
  - Fallbrook Public Utility District
  - Helix Water District
  - Lakeside Water District
  - Olivenhain Municipal Water District
  - Otay Water District
  - Padre Dam Municipal Water District
  - Camp Pendleton Marine Corps Base
  - Rainbow Municipal Water District
  - Romona Municipal Water District
  - Rincon del Diablo Municipal Water District
  - 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

The Water Authority's March 15 Board Memo and Hess Report discuss data discrepancies that we believe it would be helpful to discuss and coordinate. If the data we have reported or the analysis we have conducted should prove to be inaccurate in any way, the Water Authority will stand to be corrected, as I offered in my July 9 letter. We are disappointed by the level of rhetoric in MWD's 8c UWMP Report,<sup>iii</sup> when the focus of the Water Authority analysis and Hess report was to provide a meaningful comparison of this important data.

2) **Continued reliance on flawed 2015 UWMP.** Your letter says that MWD's IRP and UWMP were adopted almost two years ago,<sup>iv</sup> as though it's too late for accurate planning information to be considered. But your 8c UWMP Report acknowledges that, "it is best to have extensive and *continued coordination* with the member agencies," and that is exactly the kind of engagement we were seeking to have with MWD through the March 15 Board Memo and Hess Report. One of the reasons we believed this was important is that MWD staff made a presentation to the MWD Board last September,<sup>v</sup> reporting that its UWMP was consistent with the UWMPs of its member agencies. But the reason for the apparent consistency as reported by MWD is that it was comparing its UWMP calculation of *demand for MWD water* with the total retail demands of its member agencies, *not all of which are planned to be met by buying water from MWD*. The Hess Report, by contrast, was an "apples to apples" comparison of MWD and its member agencies' projected demand for *MWD water*.

Needless to say, the reason this is so important is because MWD's UWMP is the planning basis for the water supply projects MWD is now planning -- and spending hundreds of millions if not billions of ratepayer dollars funding. The Water Authority doesn't intend to "falsely accuse" MWD of "overdeveloping and overinvesting in supplies;" all we are asking is that MWD staff address these planning discrepancies from a real world perspective that accounts for the fact that a number of MWD's member agencies, including the Water Authority, are implementing conservation and local water supply projects, as they should be doing.<sup>vi</sup>

3) **Continued reliance on flawed 2015 IRP Update.** The Water Authority and its Delegates have participated fully in all of MWD's meetings and written several letters about the 2015 IRP process, that we will not repeat here. We do not believe that the proper baseline or point of comparison for decisions about the nature and extent of future spending by MWD should be the artificial "do nothing" measure used in the 2015 IRP Update. Member agencies -- and their sub-agencies and municipalities -- are not "doing nothing."<sup>vii</sup> They are conserving water and developing local water supplies that will permanently replace demand for MWD water.

In closing, and with due respect, the problem here isn't that Gordon Hess didn't attend all of the meetings MWD held on its 2015 UWMP or IRP. In fact, my staff, which is very well-qualified and perfectly capable of understanding "sometimes arcane and intensely technical concepts," fully participated in the MWD meetings. The real problem is no more complex than simple math: MWD's projections of demand for MWD water supplies materially exceed its member agencies' projections of demand for MWD's imported water. The Hess Report establishes these numbers and there is nothing in MWD's 8c Report to refute these numbers.

We understand fully that it is difficult for MWD to adjust to a changing world in which there are real options to continued reliance on imported water. However, it is important that we work together to make our best planning estimates and adjustments now, to ensure we don't have a "repeat" of the experience with MWD's treated water facilities, now being mothballed due to reduced demand and projected growth in demand that never materialized.

Sincerely,



Maureen A. Stapleton,  
General Manager

Cc: MWD Board of Directors  
Water Authority Board of Directors

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<sup>1</sup> MWD's 8c UWMP Report discusses the Water Authority's March 15, 2017 Board Memo (Water Authority March 15 Board Memo) and the report by Gordon Hess & Associates, Inc., titled, *Comparison of: Metropolitan Water District's 2015 Urban Water Management Plan Projected Demand for MWD Water With its Member Agencies' 2015 UWMP Projected Demand for MWD Water* (Hess Report).

<sup>ii</sup> Your 8c UWMP Report says that the Water Authority's board memo and Hess Report "make much" of MWD taking the word "regional" out of the title of its UWMP, going on to say that DWR had "explained" the difference between individual and regional reporting in its updated 2015 Guidebook. But the Act and Guidelines have always contained specific requirements for "regional" urban management plan reporting, which MWD has never followed. The Water Authority noted this discrepancy in commenting on MWD's earlier UWMPs, improperly dubbed "RUWMPs" and discussed the subject in footnote 1 of the Water

Authority's March 15 Board Memo. As discussed, we agree with MWD's decision to remove this term from the title of its 2015 UWMP.

<sup>iii</sup> For example, statements that the Water Authority has "made misrepresentations," "falsely accused" MWD and provided a "purposeful distortion" of information. Nothing could be further from the truth, and none of these accusations is supported by either the content of the Hess Report or the Water Authority Board Memo.

<sup>iv</sup> MWD's IRP was adopted on January 12, 2016 and its UWMP was adopted on May 10, 2016; the Water Authority OPPOSED both board actions for many of the same reasons expressed in this and other letters to MWD. See, for example, September 10, 2010 letter from Maureen Stapleton to Jeffrey Kightlinger RE 2010 Integrated Resources Plan (with attachments); January 10, 2016 letter from Water Authority's MWD Delegates to Randy Record and Board of Directors RE Board Memo 8-3: Adopt the 2015 Integrated Resources Plan Update - REQUEST TO DEFER BOARD ACTION ADOPTING 2015 IRP UPDATE, OR IN THE ALTERNATIVE, OPPOSE; and May 8, 2016 letter from Water Authority's MWD Delegates to Randy Record and Board of Directors RE Board Memo 8-6: Adopt the 2015 Urban Water Management Plan and resolution for submittal to the State of California - SUPPORT FINDING THAT MWD HAS SUPPLY CAPABILITIES SUFFICIENT TO MEET EXPECTED DEMANDS; OPPOSE ADOPTION OF PROPOSED URBAN WATER MANAGEMENT PLAN. These letters are in possession of MWD and its Board of Directors, are part of the administrative record of the board proceedings, and are incorporated herein by reference.

<sup>v</sup> See September 27, 2016 presentation titled, *Review of Member Agency UWMP Local Supplies and Conservation*, Integrated Resources Planning Committee item 7b:  
<http://edmsidm.mwdh2o.com/idmweb/cache/MWD%20EDMS/003736996-1.pdf>

<sup>vi</sup> MWD's 8c UWMP Report states that the Hess Report misinterprets data in MWD's UWMP, and that

"purported surplus supply" does not exist. However, the term "surplus" and the amounts shown in the Hess Report are taken directly from MWD's UWMP Tables 2-4 through 2-6. There is no way a reader of MWD's UWMP could have known the explanation MWD has now provided that the "surplus" described in its own tables may not exist because MWD may choose to not exercise all of its available resources. If that is the case, then the UWMP should explain this, and, what criteria MWD would follow in choosing to **not** draw upon available resources that have already been funded by ratepayers.

<sup>vii</sup> As noted many times, MWD's IRP included only 20,000 acre-feet of these supplies in its "adaptive management strategy."