



San Diego County Water Authority

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October 4, 2017

Randy Record, Chairman
Metropolitan Water District of Southern California
P. O. Box 54153
Los Angeles, CA 90054-0153

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
- Ramona Municipal Water District
- Rincon del Diabolo 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

RE: California WaterFix - Request for Documents

Dear Chairman Record,

I received the General Manager’s letter dated October 2, 2017 refusing to provide copies of the implementation agreements staff is seeking authority to execute as part of its recommendation to approve MWD’s participation in California WaterFix. I do not appreciate the General Manager's characterization of my request as wanting to become involved in drafting legal documents. I was a general manager myself for more than 11 years (of my 40 years in the public sector), and I know full well the difference between staff and legal work on the one hand, and what information the Board of Directors is properly entitled to receive and review to meet fiduciary and board responsibilities to the public.

The responses the General Manager provided in his October 4 letter are inconsistent with reports and information that has been provided to other State Water Project contractors, and do not provide complete information regarding the potential financial risks for members participating in the financing JPA, particularly if DWR’s validation case is unsuccessful. Based on what I have read in other reports, the JPA does not appear to have authority to impose property taxes, so there wouldn’t be a backstop if a party defaults, in which case the JPA, not all SWP contractors, would be financially on the hook for all of the costs.

My level of concern might be different if MWD staff was only seeking an expression of support for the project on October 10, but it is asking for authority to spend up to 26% of total project costs even though the rest of the project participants have yet to be identified. While MWD's State Water Project share may be set initially at 26%, that amount of financial contribution to the financing JPA could quickly and even ultimately represent, for all practical purposes, 100% of the at-risk money if the only other agency signed up remains Zone 7 (about 1%). Perhaps there are provisions in the financing JPA

OTHER REPRESENTATIVE

County of San Diego

to address my concerns, but I don't know that because board members are not allowed to look at the documents.

The Water Authority's board process approving the Carlsbad desalination plant has nothing to do with my request. I was intimately involved with that process as Chairman of the Water Authority Board and I can assure you that any director's request such as the one I am making of MWD staff would have been promptly and fully addressed by providing the requested information. I hope as Chairman of the MWD Board of Directors, you will direct staff to comply with my request.

I am asking again for copies of the draft documents staff is requesting authority to implement following the October 10 board vote.

Sincerely,

A handwritten signature in black ink that reads "Michael T. Hogan". The signature is written in a cursive, slightly slanted style.

Michael T. Hogan
Director

cc: Jeff Kightlinger, General Manager
MWD Board of Directors
Water Authority Board of Directors