



April 29, 2021

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 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

VIA EMAIL

Marcia Scully, General Counsel
Metropolitan Water District of Southern California
700 N. Alameda Street
Los Angeles, CA 90012
(mscully@mwdh2o.com)

Re: Response to MWD Correspondence

Dear Ms. Scully:

We are in receipt of your letter of April 23 regarding how MWD characterizes our agency's QSA water in its Urban Water Management Plan. Your letter confirms that since the signing of the Exchange Agreement in 2003 until now MWD has properly characterized the water as a Local Supply of the Water Authority's. However, MWD has now suddenly chosen to alter its 18 years of prior reporting practice to shift to a method that makes it appear to the uninformed that MWD has a larger water supply than it does. The clear terms of the Exchange Agreement and MWD's 18 years of prior reporting speak for themselves.

We are also in receipt of MWD Chairwoman Gray's letter of April 19 to our MWD board member Mike Hogan, which she copied to LAFCO (and therefore this letter is copied to LAFCO). In her letter Chairwoman Gray claims that the Water Authority misrepresented two facts regarding MWD to LAFCO. First, that, "[T]here is no financial gain or loss to Metropolitan associated with this [detachment] proposal." Based on this factually incorrect statement she goes on to accuse the Water Authority of making a false claim: "[T]he statement that there are clear and immediate financial benefits to Metropolitan here is simply false." However, Chairwoman Gray completely omits from her letter any reference to the specific facts we presented in our letter about the financial impacts from the delivery to Fallbrook and Rainbow of QSA water versus MWD supplies. We specifically described how when MWD supplies are purchased (versus QSA water from the Water Authority)¹, MWD receives a \$243 Tier 1 supply charge, a readiness-to-serve charge, and a peaking Capacity Charge (which differs between QSA and MWD supplies, as the peaking alters). Claims by MWD that the Water Authority's statements are "simply false" without reference to the actual facts have no merit and should be ignored by LAFCO.

¹ Attached is an update on MWD and QSA supply use, adding March data, to an earlier printout we provided to MWD and LAFCO. It shows that so far in 2021 the Water Authority has delivered 3,647 acre-feet to Fallbrook and Rainbow, yet only bought 673 acre-feet from MWD. Thus, 2,974 acre-feet of the water supply delivered to Fallbrook and Rainbow came from Water Authority supplies just this year alone.

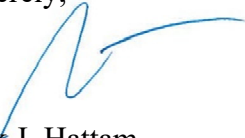
Ms. Marcia Scully

April 29, 2021

Page 2 of 2

Similarly, Chairwoman Gray says that our assertion about MWD needing to spend billions of dollars on new infrastructure projects is error. She then cites past MWD projects. However, that is off point, as we were addressing the major *upcoming* costs MWD must incur. MWD's own extensive records show its plans for development of major supply projects, the costs of which must of course be passed on in some manner to MWD ratepayers. The Water Authority did not intend by its statements to impugn in any way the particular projects MWD is planning in order to secure long-term water supply reliability, but rather only to make the point that MWD does plan to make these investments.

Sincerely,



Mark J. Hattam
General Counsel

Attachment

cc via email:

MWD Board of Directors
Water Authority Board of Directors
Sandra L. Kerl, SDCWA General Manager
Jeffrey Kightlinger, MWD General Manager
Keene Simonds, LAFCO Executive Officer
Adam Wilson, LAFCO Moderator

Estimated Monthly MWD Supplies ¹ (AF)

MWD Supply

Water Authority Sales to Fallbrook PUD and Rainbow MWD ¹

Date	Total MWD Meter Deliveries			Deliveries Through SCWD ²	QSA Deliveries			SLR Deliveries	Fallbrook Wheeled Deliveries	Mexico Emergency Deliveries
	Treated	Untreated	Total	Treated	Treated	Untreated	Total	Untreated	Treated	Treated
7/31/2017	9,648	30,423	40,071	9		14,808	14,808	2,917	-	-
8/31/2017	10,182	33,752	43,934	8		14,808	14,808	2,059	-	-
9/30/2017	8,983	30,022	39,004	8		14,808	14,808	501	-	-
10/31/2017	6,676	28,299	34,975	8		14,808	14,808	915	-	-
11/30/2017	4,761	26,447	31,208	9		14,808	14,808	-	-	-
12/31/2017	4,130	24,127	28,257	8		16,435	16,435	-	-	-
1/31/2018	3,293	19,996	23,289	8		17,308	17,308	2,339	-	-
2/28/2018	3,136	20,499	23,635	8		17,308	17,308	2,443	-	-
3/31/2018	2,897	19,325	22,222	8		17,308	17,308	1,970	-	-
4/30/2018	3,745	28,190	31,935	9		17,308	17,308	3,110	-	-
5/31/2018	3,566	30,343	33,909	10		17,308	17,308	3,294	-	-
6/30/2018	4,682	32,927	37,609	11		17,308	17,308	2,480	-	-
7/31/2018	5,155	38,662	43,817	13		17,308	17,308	364	-	-
8/31/2018	7,712	40,149	47,861	13		17,308	17,308	-	-	-
9/30/2018	6,288	35,808	42,097	12		17,308	17,308	-	-	206
10/31/2018	3,417	31,949	35,366	11		17,308	17,308	-	-	87
11/30/2018	9,823	16,364	26,187	10	944	16,364	17,308	-	-	-
12/31/2018	4,238	17,374	21,612	7		17,355	17,355	-	-	-
1/31/2019	4,742	16,155	20,896	8	217	14,570	14,787	1,584	-	-
2/28/2019	2,246	13,730	15,976	7	524	12,776	13,300	955	-	-
3/31/2019	2,926	17,283	20,209	8		14,487	14,487	1,078	207	-
4/30/2019	4,909	22,117	27,025	11	1,124	20,557	21,680	1,560	-	-
5/31/2019	3,003	22,481	25,484	12	431	21,249	21,680	1,232	-	-
6/30/2019	4,173	24,141	28,314	12		21,680	21,680	1,863	-	-
7/31/2019	4,929	29,903	34,832	14		21,681	21,681	2,293	-	217
8/31/2019	5,924	34,882	40,807	12		21,681	21,681	2,460	-	217
9/30/2019	5,922	31,079	37,000	10		21,681	21,681	1,461	-	220
10/31/2019	6,005	30,535	36,540	9		21,681	21,681	1,514	-	-
11/30/2019	4,465	21,509	25,974	8	172	21,509	21,681	-	-	-
12/31/2019	2,120	19,971	22,091	5	1,711	19,971	21,681	-	-	-
1/31/2020	3,743	20,426	24,170	5	3,593	18,923	22,517	1,503	-	-
2/29/2020	4,058	21,037	25,094	8	3,532	18,985	22,517	2,052	-	-
3/31/2020	2,868	21,708	24,576	9	2,624	19,892	22,517	1,815	-	-
4/30/2020	5,072	13,700	18,772	11	4,341	12,805	17,146	895	-	-
5/31/2020	7,851	18,326	26,177	11	6,491	16,026	22,517	2,300	-	-
6/30/2020	4,455	20,340	24,795	12	4,241	18,276	22,517	2,064	-	-
7/31/2020	5,997	25,360	31,357	11	5,675	22,213	27,888	3,147	-	-
8/31/2020	5,390	28,532	33,922	14		22,517	22,517	2,023	-	434
9/30/2020	5,660	27,863	33,523	11		22,517	22,517	20	-	637
10/31/2020	4,475	24,078	28,553	9		22,517	22,517	30	-	217
11/30/2020	3,882	23,091	26,973	8		22,517	22,517	50	-	105
12/31/2020	3,513	24,300	27,813	7		22,517	22,517	100	-	-
1/31/2021	2,848	23,303	26,151	7	2,558	21,000	23,558	2,303	-	-
2/28/2021	2,727	23,213	25,940	7	2,366	21,192	23,558	2,021	-	-
3/31/2021 ³	4,692	20,451	25,143	7	4,691	18,867	23,558	1,584	-	-

MWD Supply		
Treated	Untreated	Total
9,657	12,698	22,355
10,190	16,885	27,075
8,991	14,712	23,703
6,684	12,576	19,260
4,770	11,639	16,409
4,138	7,693	11,831
3,300	349	3,649
3,144	747	3,892
2,905	47	2,952
3,754	7,772	11,526
3,576	9,740	13,316
4,694	13,139	17,832
5,167	20,989	26,157
7,725	22,840	30,565
6,095	18,500	24,594
3,341	14,641	17,982
8,888	-	8,888
4,244	20	4,264
4,533	-	4,533
1,728	-	1,728
2,726	1,718	4,445
3,796	-	3,796
2,584	0	2,584
4,185	598	4,782
4,725	5,929	10,655
5,719	10,741	16,460
5,712	7,937	13,648
6,014	7,341	13,355
4,301	-	4,301
415	-	415
156	-	156
535	-	535
253	-	253
742	-	742
1,372	-	1,372
226	-	226
334	-	334
4,970	3,992	8,962
5,033	5,326	10,360
4,268	1,531	5,799
3,785	524	4,309
3,520	1,683	5,203
297	-	297
368	-	368
8	-	8

Sales to Fallbrook PUD	Sales to Rainbow MWD
1,264	1,841
873	2,298
1,042	1,774
824	2,285
859	1,250
847	1,857
600	887
638	1,161
419	732
987	1,438
632	1,722
1,283	1,984
1,220	2,168
892	2,531
859	1,725
725	1,732
762	1,129
383	702
341	362
223	244
391	424
669	1,337
302	1,074
834	1,227
962	2,189
820	1,986
1,063	1,538
786	1,956
920	852
158	531
414	536
491	779
365	416
483	723
587	1,479
774	1,494
1,246	2,090
779	1,731
1,074	2,441
778	1,405
614	1,158
620	1,123
488	701
439	764
468	787

1. Source: DAIS database
 2. Deliveries to Water Authority customers transported through South Coast Water District's system
 3. Variance of 0.1 AF between Water Authority MWD meter reads and MWD invoice deliveries for March 2021