



ERIC GARCETTI
MAYOR

October 13, 2020

Gloria Gray
Chair, Board of Directors
Metropolitan Water District of Southern California
700 North Alameda Street
Los Angeles, CA 90012-2944

RE: MWD Chair Election

Dear Chairwoman Gray:

Thank you for your commitment to delivering safe and affordable water to nearly 19 million ratepayers as the Chair of the Metropolitan Water District of Southern California (MWD). I was proud to support your election two years ago when you became Chair and will continue to support you. I hope that you know how important it is to me that you work very closely and collaboratively with my appointees on the MWD Board. This collaboration is essential to protect our region's ratepayers while we work to recover from recent crises and prepare for climate change—a once future crisis that has all too quickly become reality.

MWD must make some critical decisions very soon and I am counting on a common understanding between us about the gravity of the outcomes. Most importantly, you will lead the hiring of the next General Manager, thus setting the tone for the next era of water management and water equity in California. The next General Manager of MWD must have demonstrated a commitment to regional resilience through the development and support of local water projects. This will be a departure from the status quo—and is necessary to bolster reliability in the face of unpredictable climate patterns. This very well may be the single most important task of your tenure, and it must be executed with diligence, thoughtfulness, and transparency to secure a water future that reflects a changing paradigm and new normal. I expect my Directors and staff to work with you directly throughout the process.

Secondly, Los Angeles is on track to recycle 100% of its wastewater by 2035, and MWD is a natural partner to strategically build and connect local infrastructure to provide affordable drinking water to Southern California. I will rely on your leadership to ensure that MWD continues to invest in regional and local water projects, such as regional water recycling projects and stormwater infiltration in the San Fernando Basin, as well as conservation incentives focused on customers hit hardest by the COVID-19 pandemic and the economic downturn. We all have a responsibility to restore equity and use whatever tools we have available to lift up and protect our most impacted neighbors.

Lastly, the region's water future must be based on science and accurate economic modeling. As MWD decides on investments in the Delta and at home, it is more important than ever that agencies and their ratepayers do not pay more than their fair share. This will mean no new fixed charges and not subsidizing other agencies on planning and projects in the Delta to ensure local agencies can maintain their ability to invest in regional resilience. This also means MWD must accurately and urgently account for climate change impacts in its planning and financial commitments. While water is MWD's business, safe and affordable water is a fundamental right and a necessity for our survival and recovery.

A list of my priorities is also attached. I look forward to working with you to achieve progress on these objectives, and to secure a sustainable and equitable water future for the region.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Garcetti".

ERIC GARCETTI
Mayor

City of Los Angeles Priorities for Metropolitan Water District October 2020

The City of L.A. has three primary priorities for the Metropolitan Water District: (1) invest in local water supply projects to protect the region from climate change impacts; (2) protect ratepayers, particularly low income ratepayers; and (3) empower leaders at MWD that embrace the vision of regional water resilience and transparent governance.

Local Water Investment

The Delta and Colorado River ecosystems are increasingly stressed by drought and unpredictable rainfall patterns. While imported water will remain an important component of Southern California's water supply, MWD and its member agencies must look for opportunities to build drought-proof, local projects for an uncertain future. Los Angeles is on track to recycle 100% of its wastewater and capture 150,000 acre feet of stormwater by 2035, and MWD is a natural partner to strategically build and connect local infrastructure to provide affordable drinking water to Southern California. MWD must continue to invest in regional and local water projects. Specially, MWD should:

- Continue the volumetric Water Stewardship Rate to support the Local Resource Program
- Invest in local and regional water recycling projects, including MWD's proposal
- Invest in stormwater infiltration water supply projects
- Invest in conservation incentives focused on customers hit hardest by the COVID-19 pandemic and the economic downturn
- Incorporate climate modeling and GHG impacts in water supply planning and investments

Protect Ratepayers

As MWD decides on investments in the Delta and in Southern California, and the world looks to recover from the COVID-19 pandemic, it is more important than ever that agencies and their ratepayers do not pay more than their fair share, including:

- MWD should consider delaying investments in the Delta until the IRP is complete, a new GM is on board and economic recovery is underway
- MWD should not pay a greater proportion of the Delta conveyance project than its water allocation
- MWD should not pay more now with the hope that other agencies will decide to pay them back later
- MWD should not introduce additional fixed charges because pricing water volumetrically provides an incentive for agencies and ratepayers to conserve and invest in local water
- MWD should adopt Equity Metrics to track its investments and ensure that investments are equitably distributed, with a focus on investments in disadvantaged communities and rate assistance for low income customers

MWD General Manager Hiring and Board Governance

The General Manager will set the tone for the next era of water management and water equity in California. The next General Manager of MWD must continue to safeguard Southern California's water supply while investing in regional resilience to bolster reliability in the face of unpredictable climate patterns. The MWD Board must:

- Hire a General Manager that embraces the vision of local water resilience and that has worked on local water initiatives
- Work with its Ethics Officer to re-train the Board on Brown Act issues and exhibit no tolerance for operating without transparency
- Shift to Robert's Rules of Order