



SAN DIEGUITO WATER DISTRICT

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September 9, 2020

Dear MWD Board:

Given the financial challenges created by the recession and the COVID-19 pandemic across MWD's service area, I'm asking you to do your part to reduce the costs of water supply and transportation services for 2021. This fall, you have an opportunity to help water agencies and ratepayers across Southern California with the massive hardships created by the Covid pandemic.

We like many other water agencies across the region are facing financial pressure due to unpaid bills by residents and our efforts to assist them. We have put a pause on some capital expenses for projects and equipment replacements.

One approach that would benefit all MWD member agencies would be to reduce MWD's transportation rates (System Access and System Power) by \$15 per acre-foot. This would require a 1.3% reduction in MWD's almost \$2 billion budget, or about \$24 million. It would reduce the planned untreated water rate increase and benefit all MWD member agencies.

I would also support other ways that MWD can trim costs without materially impacting services while offering rate relief to all Southern California ratepayers.

Thank you for your consideration of this and other steps that can be taken to support residents and businesses during these challenging times.

Sincerely,

Carl L. Quiram
General Manager