

Comparison of MWD and Water Authority Settlement Offer Key Terms

	MWD (998-11/19)	Water Authority (12/19/19)
Scope	<ul style="list-style-type: none"> • All pending and potential future rate litigation based on cost of service legal requirements would be dismissed by Water Authority and forever barred • In exchange for this, MWD wants to amend its contract with the Water Authority, setting a fixed price for transportation and allowing more flexible deliveries • No protection against financial impacts of changes in MWD rate structure, including imposition of fixed costs • No cap on added Delta costs 	<ul style="list-style-type: none"> • The offer would finally conclude all pending and potential litigation for a 12-year period from 2010-2022, addressing all issues in the litigation • The offer provides protections for possible changes in MWD rate structure. Note: amending the exchange agreement is not an issue in the litigation.
Agency and ratepayer protection	<ul style="list-style-type: none"> • Requires complete general releases of and 1542 waivers of all known and unknown claims 	<ul style="list-style-type: none"> • Offers MWD full protection for a 12-year period and immediately ends all litigation • Provides an opportunity to work together to avoid future litigation
Money	<ul style="list-style-type: none"> • \$72.1M for Water Stewardship Rate (WSR) payments on Exchange Agreement (2011-2017) only 	<ul style="list-style-type: none"> • \$140M to cover all claims in all rate cases from 2011 through 2022 (2010, 2012, 2014, 2016, 2018 and 2020)
Entry of judgment	<ul style="list-style-type: none"> • Stipulated judgment in 2010-12 cases 	<ul style="list-style-type: none"> • Judgment to be entered in 2010-12 cases consistent with court decisions • No party may appeal
Dismissals	<ul style="list-style-type: none"> • Requires dismissals <i>with prejudice</i> in all cases including all issues that were adjudicated or could have been adjudicated • Water Authority must forfeit any monetary recovery relating to its Rate Structure Integrity claim and Carlsbad desalination project 	<ul style="list-style-type: none"> • Dismiss remaining rate cases for 2015 through 2022 (2014, 2016, 2018 and 2020) <i>without prejudice</i> • Provide covenant not to sue through 2022 to protect MWD. All court disputes completely over.
Attorneys	<ul style="list-style-type: none"> • Parties pay own litigation costs 	<ul style="list-style-type: none"> • Parties pay own litigation costs
Rate model	<ul style="list-style-type: none"> • No access to rate model 	<ul style="list-style-type: none"> • Parties agree to protocol for board member and member agency review of functional rate model