



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS

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THOMAS J. ...
CLERK OF THE BOARD
OF SUPERVISORS

DATE: February 28, 2012

TO: Board of Supervisors

SUBJECT: Support for San Diego County Water Authority v. Metropolitan Water District of Southern California (Districts: All)

SUMMARY:

Southern California's largest purveyor of potable water is overcharging the San Diego County Water Authority, exposing local ratepayers to tens of millions of dollars annually in disproportionate costs.

The Metropolitan Water District of Southern California, with its rate structure, is discriminating against the Water Authority and by extension local water districts and the 3.1 million customers they serve.

In a lawsuit, the Water Authority alleges that overcharges contained in Metropolitan's rates would total \$40 million this year and could climb to \$2.1 billion by 2047.

Today's action would place the County of San Diego on record as supporting the Water Authority by Resolution in its fight against this unfair rate structure. The county would join the cities of Escondido, San Diego and Oceanside and at least nine local water districts that have adopted resolutions backing the Water Authority in its court battle. The San Diego County Taxpayers Association has voted to support the Water Authority. The Imperial Irrigation District and a ratepayer advocacy group, the Utility Consumers' Action Network, are litigants in the case supporting the Water Authority.

RECOMMENDATION:

SUPERVISOR SLATER-PRICE AND SUPERVISOR HORN

Adopt Resolution entitled: **A RESOLUTION OF THE COUNTY OF SAN DIEGO SUPPORTING THE SAN DIEGO COUNTY WATER AUTHORITY'S LAWSUIT AGAINST THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA.**

FISCAL IMPACT:

There is no fiscal impact associated with this action.

BACKGROUND:

Southern California's largest purveyor of potable water is overcharging the San Diego County Water Authority, exposing local ratepayers to tens of millions of dollars in disproportionate costs.

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The sprawling Metropolitan Water District of Southern California serves 26 "member agencies" in Los Angeles, Orange, Riverside and San Diego counties.

Among those agencies, only the Water Authority has developed an independent imported water supply that must be transported to San Diego through Metropolitan's infrastructure. That supply is furnished by the Colorado River, and the Water Authority gains access to it by agreement with the Imperial Irrigation District and the federal government. Today, water from these agreements comprises 25 percent of San Diego County's total water supply portfolio.

Moving thousands of acre-feet of water from Imperial Valley to San Diego County, however, requires the use of Metropolitan's pipelines and pumps. Metropolitan charges the Water Authority for these "transportation costs." In an alleged violation of law, Metropolitan adds unrelated costs to the transportation cost, including the vast majority of its own supply costs.

The end result is local consumers pay Metropolitan for water that the Water Authority purchases independently. As a result, San Diegans pay an inflated transportation cost, which in turn subsidizes the costs paid by Metropolitan's 25 remaining member agencies.

The San Diego County Water Authority furnishes local districts with water and provides nearly 75 percent of all water used within San Diego County.

To date, the retail water districts that have adopted resolutions of support for the Water Authority's lawsuit include: Carlsbad Municipal Water

District, Helix Water District, Otay Water District, Padre Dam Municipal Water District, Sweetwater Authority, Valley Center Municipal Water District, Helix Water District, Vallecitos Water District, Santa Fe Irrigation District and San Dieguito Water District.

To ensure fair pricing to all residents served by the San Diego County Water Authority, we urge you to adopt the attached resolution.

Respectfully submitted,



PAM SLATER-PRICE
Supervisor, District 3



BILL HORN
Supervisor, District 5

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1
REQUIRED**

 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION
NUMBER(S):**

N/A

ORIGINATING DEPARTMENT: Districts 3 and 5, Board of Supervisors

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

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