



San Diego County Water Authority

A Public Agency

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VINCENT F. BIONDO, JR.
General Counsel

January 12, 1998

JAMES J. TAYLOR
Deputy General Counsel

John V. Foley, Chairman
Board of Directors
Metropolitan Water District
of Southern California
350 South Grand Avenue
Los Angeles, CA 90071

Re: Proposed MWD Wheeling Rates to take effect January 1, 1999

Dear Chairman Foley:

This letter is provided on behalf of the San Diego County Water Authority (Authority) regarding the proposed wheeling rates to be considered by the Metropolitan Board of Directors to take effect January 1, 1999. The Authority has received the MWD staff report entitled "Recommended Water Rates for Fiscal Year 1998-1999 and Resolution Giving Notice of Intention to Impose Charges" dated December 16, 1997, containing wheeling rates the General Manager recommends for Board adoption at the regular March Board meeting. The Authority, as with the current Metropolitan wheeling rates, objects to the proposed rates.

Although the proposed 1999 wheeling rates are slightly different from the current rates, the methodology for determining the rates are unchanged, and the Authority's prior objections apply to the proposed rates as they do to the current Metropolitan wheeling rates. The Authority's prior objections, which are hereby adopted and renewed regarding the proposed 1999 wheeling rates, include correspondence to you dated December 6, 1996, and January 10, 1997, from the Authority General Counsel, and statements made by the Authority General Counsel and Deputy General Counsel before the Water Planning and Resources Committee on January 13 and February 10, 1997. The Authority also adopts as objections to the proposed 1999 wheeling rates documents filed with the court and statements made at trial by the Authority and its

MEMBER AGENCIES

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- Oceanside • Poway • San Diego

COUNTY
• San Diego
(ex officio)

IRRIGATION DISTRICTS

- Santa Fe • South Bay
- Vista

PUBLIC UTILITY DISTRICT
• Fallbrook

WATER DISTRICTS

- Helix • Otay
- San Dieguito
- Vallecitos

FEDERAL AGENCY
• Pandleton Military Reservation

MUNICIPAL WATER DISTRICTS

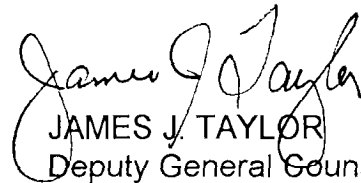
- Carlsbad
- Olivenhain
- Padre Dam
- Rainbow
- Ramona
- Rincon del Diablo
- Valley Center
- Yuima

John V. Foley, Chairman
Board of Directors
Metropolitan Water District
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counsel as defendant in Metropolitan Water District of Southern California v. All Persons Interested, Los Angeles Superior Court Case No. BC 164076.

We believe strongly that Metropolitan's current and proposed wheeling rates are contrary to the law, bad public policy, and an obstacle to critically needed water transfers to the Southern California coastal plain. Thank you for your consideration of our objections.

Very truly yours,


JAMES J. TAYLOR
Deputy General Counsel

JJT:ps

cc: SDCWA Board of Directors
Maureen A. Stapleton
Vincent F. Biondo, Jr.
John Wodraska
N. Gregory Taylor