

STATE CAPITOL ROOM 2080
SACRAMENTO, CA 95814
(916) 443-1353

10961 W. PICO BLVD., #202
LOS ANGELES, CA 90064
(310) 441-9084

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California Legislature

TOM HAYDEN

SENATOR
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October 12, 1998

Board of Directors
Metropolitan Water District of Southern California
350 South Grand Avenue
Los Angeles, CA 90071

Dear Members of the Board,

I write with shock and dismay over reported cost overruns of \$310 million on the Eastside reservoir, including over \$100 for "increased costs for managing the project", as reported in the Los Angeles Times (Oct. 10, 1998).

It is my understanding that the MWD staff has known of this massive overrun for several months without informing the agency's own board of directors.

It hardly seems accidental that the Legislature was not informed during the same period.

The resignation of John Wodraska makes it difficult to know whom to hold accountable.

The ratepayers are the big losers in the cover-up of this overrun. While \$90 million in contingency funds will be applied to this cost crisis, that leaves the project \$220 million over budget.

The handling of this affair seems to confirm the critics' argument that the MWD is an arrogant, secretive, unaccountable bureaucracy that needs a total overhaul. I look forward to meeting with you to discuss such legislation in the coming year.

Sincerely,

Tom Hayden
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