

John Bosler
Secretary/General Manager/CEO

March 24, 2020

Metropolitan Water District of Southern California Board of Directors
P.O. Box 54153
Los Angeles, CA 90054-0153

SUBJECT: CALL FOR ACTION

Chairwoman and Members of the Board:

Cucamonga Valley Water District (CVWD/District) is located in Rancho Cucamonga, California and provides water and wastewater services to a diverse customer base including domestic, industrial, and institutional customers. We serve a population of approximately 200,000. CVWD meets its supply needs with a mix of local ground water and imported water purchased through Inland Empire Utilities Agency (IEUA), a member of Metropolitan Water District of Southern California (MWD). We purchase untreated water, with anticipated total MWD purchases of approximately 28,000 acre-feet next year, totaling payments of over \$21.5 million to MWD.

The District appreciates the service and leadership MWD has provided to our region, the State, and Nation on water. The Nation has entered an unprecedented period due to COVID-19. The impacts of this pandemic are changing daily. CVWD is facing the same challenges as all other water providers do during this time. Ensuring our supply is safe and reliable, safeguarding our employees and their ability to provide their vital services, and adjusting our ways of doing business to assist our community and customers weather this unprecedented event.

At CVWD, we are implementing measures to reduce the burden on our community including:


- Suspending all service shut-offs during this crisis;
- Suspending all late fees during this crisis;
- Deferring a needed July 1, 2020 rate increase until 2021;
- Implementing telework strategies that ensure all our employees are performing needed duties remotely;
- Utilizing existing reserves to buffer between increased costs and anticipated revenue shortfalls.

The single greatest rate pressure CVWD has is the proposed MWD rate increase. Currently, we have no way to totally mitigate the proposed MWD rate increase and can only utilize reserves until this crisis is over and our customer rates can be adjusted. In this time of crisis many of our local businesses are closing, customers are losing their jobs, and financial resources are being stretched. There are estimates of unemployment rates climbing as high as 30 percent and overall economic impacts that will be more severe than the great recession. Now is a time when we all need to do our part to mitigate these hardships and help.

CVWD respectfully requests that MWD defer any planned rate increases until at least July of 2021. We ask that MWD evaluate its budget, operating methods, and utilize its reserves to help manage through this crisis. MWD ultimately has the underlying ability to avoid putting this financial burden on a Southern Californian population that cannot absorb it at this time.

Please give this request serious consideration.

Sincerely,


John Bosler
General Manager/CEO

cc: Jeffrey Kightlinger, MWD General Manager
Deven Upadhyay, MWD AGM/Chief Operating Officer
Shane Chapman, MWD AGM/Chief Administrative Officer
Inland Empire Utilities Agency, Board of Directors
Shivaji Deshmukh, IEUA General Manager