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EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

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April 1, 2020

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

Dear Chairwoman Gray and Members of the Board:

The Elsinore Valley MWD appreciates the service and leadership Metropolitan Water District of Southern California (MWD) provides our region, the State, and Nation on water. Elsinore Valley Municipal Water District (EVMWD/District) is located in Lake Elsinore California and provides water and wastewater service to a diverse customer base throughout the Elsinore Valley, including domestic, industrial, institutional, and agricultural customers. We serve a population of approximately 157,000 and meets the District's supply needs with a mix of local ground water, treated surface water (reservoir), and primarily imported water purchased through Western Municipal Water District (WMWD) and Eastern Municipal Water District (EMWD), both members of MWD.

We purchase both treated water and untreated water, with total MWD purchases of 16,990 acre-feet (AF) in 2019 and totaling payments of over \$20.6 million to MWD. While EVMWD has a diverse supply portfolio and has been investing heavily to develop local supplies, EVMWD anticipates its imported water purchases to increase for the next two years by approximately 3,000 AFY due to the occurrence of PFAS in its local surface water supplies. In addition, the presence of PFAS at some of EVMWD's groundwater wells will result in EVMWD incurring additional costs for the design and construction of treatment facilities for both surface and groundwater treatment.

Furthermore, COVID-19 has placed the United States and California into an unprecedented crisis, as entire sections of the economy are shut down, schools and colleges are operating through web training, and the general population has been ordered to "Shelter-in-Place" through at least April 30th. The impacts of this pandemic change daily. EVMWD is working to ensure our water supply remains safe and reliable, and wastewater is treated efficiently, given that water and sanitation/hygiene are important in the fight against the Coronavirus. We

are also ensuring our employees are safeguarded so they can continue to provide this vital service, while adjusting our ways of doing business to assist our community and customers weather this unprecedented event.

At EVMWD, several of the measures we are implementing to reduce the burden on our ratepayers include:

- Suspending all service shut offs thru at least June 1<sup>st</sup>, to be re-evaluated thereafter;
- Suspending all late fees during this crisis;
- Evaluating deferring a much-needed July 1, 2020 water rate increase until at least early 2021;
- Reviewing the fiscal year 2020-2021 Budget to explore opportunities to further reduce operating costs and in turn reduce impacts to District customers;
- Evaluating cancelling much needed Capital Improvement Projects (CIP) to reduce rate impacts on customers;
- Utilizing existing reserves to buffer revenue shortfalls; and
- Implementing alternate work schedules that ensure employees are still providing services remotely or through split crew operations, which added additional costs to operations.

In addition to the COVID-19 crisis and the localized PFAS issues, MWD's proposed rate increase of 5% poses a serious challenge to EVMWD. We can appreciate MWD's rate structure and what the impact of declining demands means in normal times. However, these are abnormal times that requires everyone to tighten their belts. It will be extremely difficult to mitigate the proposed MWD rate increase given the District is already planning to utilize reserves and other cost cutting measures until this crisis is over. Many of our local businesses are closed or closing, customers have lost their jobs, and financial resources are being stretched thin, especially given a portion of the District is disadvantaged. There are estimates of unemployment rates climbing as high as 30 percent and overall economic impacts that will be as or more severe than the great recession. Now is a time when we all need to do our part to mitigate these hardships for all.

EVMWD respectfully requests that MWD defer any planned rate increases until at least July of 2021. We ask that MWD review/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 its lower tier retail agencies and their hard-hit customers.

Please give this request your most serious consideration. If you have any questions, please contact the District General Manager at 951-674-3146, extension 8243.

Sincerely,



Andy Morris  
Board President

cc: Mr. Jeffrey Kightlinger, MWD General Manager  
Mr. Deven Upadhyay, MWD AGM/Chief Operating Officer  
Mr. Shane Chapman, MWD AGM/Chief Administrative Officer  
Western Municipal Water District Board of Directors  
Eastern Municipal Water District Board of Directors  
Mr. Paul D. Jones, EMWD General Manager  
Mr. Craig Miller, WMWD General Manager