



April 10, 2020

Chairwoman Gray and
Members of the Board
PO Box 54153
Los Angeles, CA 90054-0153

RE: Board Agenda Item 8-1: Proposed Biennial Budget for Fiscal Years 2020/21 and 2021/22
and Water Rates for calendar Years 2021 and 2022

Dear Chairwoman Gray and Board Members:

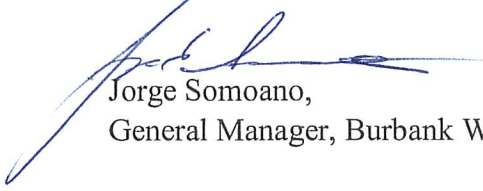
Within just the last five weeks, the COVID-19 pandemic has grown into a world-wide crisis affecting 210 countries. In this short amount of time, amidst stay-at-home orders, we have seen water sales drop and we have had to defer and cancel needed capital projects, adjust our operations and customer service activities to reduce the spread of the virus, and respond to unprecedented, but necessary, actions to protect customers from water shut-offs if they cannot pay their bills. We understand that the Metropolitan Water District (MWD) is also experiencing its own challenges in responding to the pandemic and has taken steps to lower rate increases for its member agencies. As you noted in the referenced Board Agenda Item, member agencies feel unprecedented financial stress and that the financial impact to our region and our rate payers will be significant and far reaching and none of us know what the long-term financial and social impacts will be.

Given the speed in which this pandemic has unfolded and the unprecedented economic and societal disruption that it has created, it is imperative that a full discussion and deliberation of the proposed rates and budget occur with the aim of addressing the concerns expressed by member agencies in their letters to the Board. We understand that a budget must be adopted in timely fashion, but not at the expense of the full debate that this dire situation demands.

In short, we do not believe that the proposed actions and options presented in the Board Action go far enough. Burbank Water and Power (BWP) will not increase its budget nor raise rates because of the economic hardship caused by the pandemic; we will not pass MWD's rates through to our customers. We expect MWD to do its part and bring the full measure of its resources and capital to bear as we move through this difficult time and to demonstrate to our rate payers that MWD plays a meaningful role in the solution.

We echo the call by others to take an additional month to review the proposals with the goal of maintaining current rates and appropriations.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jorge Somoano', with a long horizontal flourish extending to the right.

Jorge Somoano,
General Manager, Burbank Water and Power

cc: MWD Board Members
Katano Kasaine, MWD CFO
Justin Hess, Burbank City Manager
Richard Wilson, BWP Assistant General Manager, Water Systems