



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the Board of Directors

April 3, 2020

Mr. John Bosler, General Manager/CEO
Cucamonga Valley Water District
10440 Ashford Street
Rancho Cucamonga, CA 91730-2799

Dear Mr. Bosler:

Thank you for your letter from Cucamonga Valley Water District (CVWD) dated March 24, 2020, regarding Metropolitan's proposed budget action. We appreciate CVWD's input on Metropolitan's proposed budget and rates.

We all face uncertainty at this time due to the unprecedented nature of the COVID-19 pandemic. We share your concern about the impact this pandemic will have on our agencies, our industry, and all of our region. None of us can say today what the ultimate impacts will be after this is over, nor do we know the extent of the aid, if any, we may receive from our state and federal governments.

At the same time, Metropolitan needs to adopt a budget before June 2020. Like CVWD, Metropolitan has taken numerous actions to cut costs, freeze staffing, and use financing where possible to keep proposed rates within the projected range of 3-5 percent despite having higher costs and lower revenues. Due to the lowest regional water sales in nearly 40 years, Metropolitan's revenues this past year were more than \$200 million less than budgeted. We understand that we are not unique in this regard as our entire industry is facing these challenges together.

Our Board will carefully consider the impacts of any rate increase, weighing both the need to ensure water service reliability into the future and the challenges faced by the retail agencies within our service area that have been greatly exacerbated by the ongoing pandemic. Thank you again for your comments and input.

Sincerely,

A handwritten signature in cursive script that reads "Gloria Gray".

Gloria D. Gray
Chairwoman of the Board

Mr. John Bosler
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cc: Mr. Shivaji Deshmukh
General Manager
Inland Empire Utilities Agency
6075 Kimball Ave
Chino, CA 91708

Inland Empire Utilities Agency, Board of Directors

Metropolitan Water District Board of Directors
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