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September 9, 2020

Gloria Gray, Chairwoman
P.O. Box 54153
Los Angeles, CA 90054-0153

RE: Minimize rate increases in the wake of the COVID-19 pandemic

Dear Chairwoman Gray,

On behalf of Olivenhain Municipal Water District (OMWD), I urge you to consider reducing any planned water rate increases in 2021 and 2022. OMWD provides over 86,000 customers in northern San Diego County with water, wastewater, recycled water, hydroelectric, and recreational services.

The ongoing COVID-19 pandemic has caused hundreds of thousands of deaths with millions of cases in the United States. The Southern California region has not been immune to the ongoing tragedy, as confirmed cases of COVID-19 continue to rise. The economic ramifications of COVID-19 have also devastated our regional economy. Many customers are finding it difficult or impossible to pay their water bills due to the economic slowdown, thus directly impacting Metropolitan Water District's member agencies.

During this difficult time, OMWD has been working to alleviate financial burdens upon its customer base when possible. OMWD took drastic measures itself in June of this year to limit its FY 2021 non-payroll operating budget increase to zero, while also freezing the hiring process for several recent employee vacancies. OMWD's sewer customers were also originally expected to see a three percent increase in their sewer bills effective July 1, 2020. However, OMWD halted the previously planned sewer rate increase out of concern about the COVID-19 financial impacts to customers. Last month, OMWD decided not to raise water capacity fees, a decision made in part out of concern of the financial implications of COVID-19. Furthermore, to ease the burden on customers affected by the COVID-19 pandemic, OMWD has not charged late fees to those having difficulty paying their bill and has offered extended payment plans. In addition to these actions, OMWD has honored Governor Newsom's ban on residential water shutoffs due to non-payment during the COVID-19 pandemic.

OMWD's Board and management have made noteworthy efforts to reduce any rate impacts on our customers and will use reserves to cover revenue shortfalls for fiscal years 2021 and 2022 due to any decline in commercial and agricultural water sales coupled with increased customer delinquencies in paying their water bills during the COVID-19 pandemic.

The COVID-19 pandemic and its economic consequences will persist for years to come. Thus, similar to OMWD's response, we urge MWD to consider the economic adversity our region is facing when making



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decisions, and reduce the planned water rate increases for 2021 and 2022. Many customers are finding it difficult to pay their water bills and MWD has the opportunity to take a leadership role in helping those who are facing hardship. We are all in this together.

If you or your staff should need any additional details pertaining to our comments, please do not hesitate to contact me at 760-753-6466 or kthorner@olivenhain.com.

Regards,



Kimberly A. Thorner
General Manager

CC: Metropolitan Water District Board of Directors (dl-boardsupportteam@mwdh2o.com)
San Diego County Water Authority (MNelson@sdcwa.org)
Olivenhain Municipal Water District Board of Directors